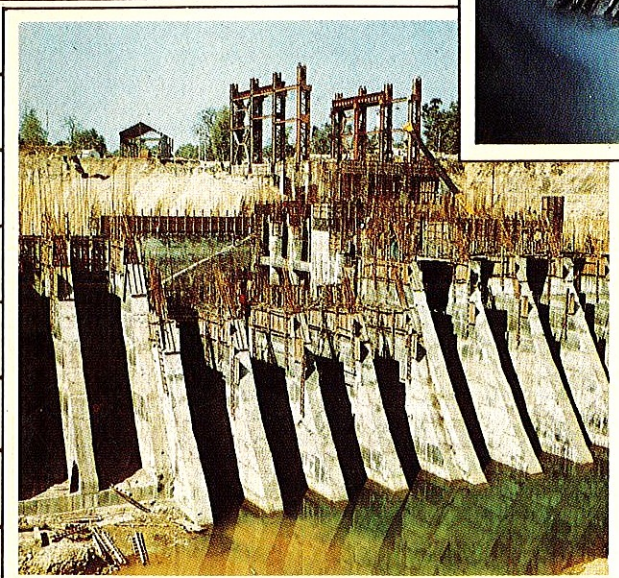
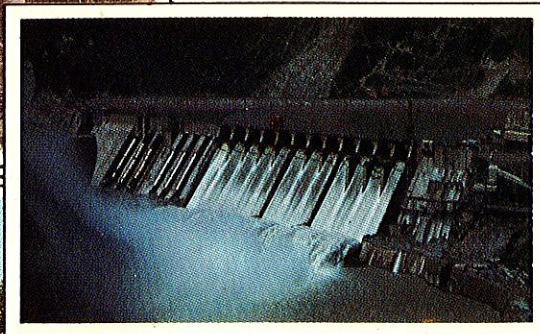
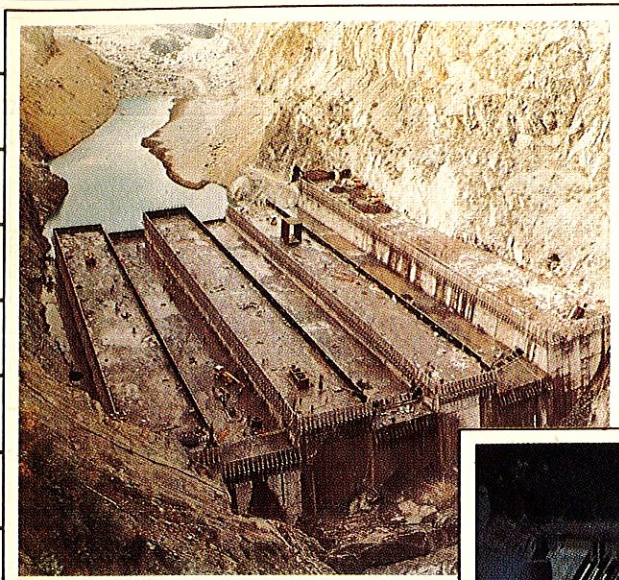


# ANNUAL REPORT 1988-89



National Hydroelectric Power Corporation Ltd.





*Chamera Project (Stage I)—A view of Concrete Dam*



CONTENTS

Board of Directors..... 2

Chairman’s Statèment..... 3

Directors’ Report ..... 6

Accounts ..... 18

Auditors’ Report ..... 32

Comments of the  
Comptroller & Auditor  
General of India..... 35





## BOARD OF DIRECTORS

### Chairman & Managing Director

Shri M.A. Hai,  
(from 10.3.89)

Shri K.K. Kashyap,  
(upto 10.3.89)

### Directors

Shri Ghansham Das,  
Director (Finance)

Shri K.K. Kashyap,  
Director (Tech.)  
(upto 7.11.89)

Brig. R.K. Verma, AVSM,  
Director (Personnel)  
(from 15.5.89)

Shri V.K. Khanna,

Shri U.V. Bhat,

Shri J.C. Gupta,

Dr. C.D. Thatte,  
(from 20.4.89)

### Company Secretary & Chief (Law)

Shri N.V. Raman

### AUDITORS

#### Statutory Auditors

M/s Bubber Jindal & Co.  
Chartered Accountants,  
3072, Pratap Street,  
Gola Market, Darya Ganj,  
New Delhi-110 002.

### Joint Branch Auditors

M/s Bahl, Gupta & Associates  
Chartered Accountants,  
A-9/34, Vasant Vihar,  
New Delhi-110 057.

M/s Jain Goel & Swamy,  
Chartered Accountants,  
3993-A/10, Raghu Ganj,  
Chawri Bazar,  
Delhi-110 006.

M/s Guha Nandi & Co.  
Chartered Accountants,  
Commerce House,  
5th Floor, Room No. 8-D & 8-E,  
2, Ganesh Chandra Avenue,  
Calcutta-700 013.

### BANKERS

State Bank of India,  
Punjab National Bank,  
Syndicate Bank,  
Central Bank of India.

### REGISTERED OFFICE

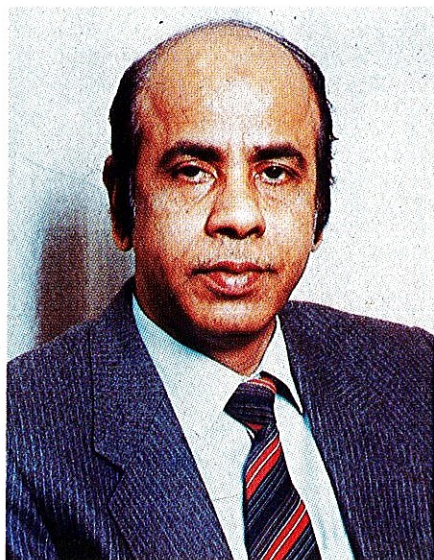
'Hemkunt Tower'  
98, Nehru Place,  
New Delhi-110 019.



Shri M.A. Hai, CMD NHPC signing agreement for Uri Project with Swedish Consortium.



## CHAIRMAN'S STATEMENT



The Corporation has shown a net profit of Rs. 51.89 crores during the year under review which is 113.89% more than the profit shown during the preceding year. The operating units of the Corporation as well as Chukha Transmission System generated/transmitted 4527.81 million units of power as against 2189.53 million units during 1987-88. The generation was 100.9% of the target. Similarly, the capacity utilisation of the operating units went up from 92.21% in 1987-88 to 94.97% during 1988-89.

I am glad to inform that with the approval of the Government of India, the authorised share capital of the Corporation has been raised from Rs. 800 crores to Rs. 1300 crores. In view of the anticipated increase in the work load, it may be necessary to further increase the authorised share capital in the near future.

The Corporation has been making concerted efforts to reduce the outstanding arrears of revenue from beneficiaries. The arrears at the end of the year under review amounted to Rs. 160.53 crores.

The Government of India have approved, in principle, the transfer of Salal Stage-I Project to the Corporation on ownership basis with effect from November, 1987. Legal formalities in this regard are being completed. The Government of India have also decided to entrust to the Corporation the execution of the 900 MW Kachchh Tidal Power Project in Gujarat.

The progress of construction activities suffered during the year both at the Chamera and Tanakpur Projects due to circumstances beyond the control of the Corporation. Heavy floods hampered the progress of works at the Chamera Project and had an impact on the completion

schedule of the Project. However, in the recent past a number of steps have been taken to augment the pace of construction activities at this Project. These measures have already started showing results and the rate of mass concreting has substantially gone up in the last few months. The progress of construction will further pick up momentum as major outstanding issues between the Corporation and the various construction agencies working at the Project have been resolved through initiative taken by the Board of Directors.

In the case of the Tanakpur Project, the problem of acquisition of land which had held up construction activities was mostly resolved with the active cooperation of the State Government. Bulk of the land required for the project was acquired during the year.

Revised networks have been prepared for Tanakpur and Chamera-I Projects after detailed exercise by the Corporation. First Unit of Tanakpur HE Project is likely to be commissioned in Dec. '91 and the Project fully commissioned by March, 1992. Chamera-I is likely to be commissioned by December, 1992.

The Union Cabinet have accorded approval for the turnkey execution of the 390 MW Dul Hasti and 480 MW Uri Projects by the French and Swedish Consortia respectively. Commercial Contracts with the French Contractors for the Dul Hasti Project were signed on 8-9-1989. The financial protocol between the Govt. of India and the Govt. of France was signed on 12-9-1989 and the credit agreement for financing the Project was signed by the Corporation on 20-9-1989. The Order to Commence the work has been given to the contractors on 11th October, 1989 and the Project is to be completed in 57 months from this date. As regards the Uri Project, the Commercial Contracts were signed on 27th October, 1989 and the financial agreements were signed on 31st October, 1989 and 2nd November, 1989. The Order to Commence the work has been given to the contractors on 16th November, 1989 and the Project is to be completed in 72 months from this date.

The Union Cabinet have also approved the 345 MW Salal Stage-II Project for execution through indigenous resources.

The 60 MW Rangit Project (Sikkim) was cleared by the Public Investment Board in September, 1989. The Corporation is now finalising proposals for the 450 MW Baglihar, 600 MW Sawalkot and 280 MW Dhauliganga Projects for investment decision by the Government of India. Environment and Forest clearances for all these projects have been obtained by the Corporation.







In the case of the Koel Karo Project, the Supreme Court finally disposed of the Writ Petition filed on behalf of the local people in February, 1989. The Corporation is awaiting decision of the Government of India to lift the present ceiling on investment for commencement of Project Works.

The Corporation continued investigation work in the Sharda Valley in U.P. and the Kishanganga Project in Jammu & Kashmir. NHPC is taking up additional investigations at the Teesta Project (Stage-III) in Sikkim for preparing the Detailed Project Report.

NHPC have posed the Northern Region Transmission System for World Bank financing. Work on all the on-going transmission lines being constructed by the Corporation progressed as per schedule during the year. The 132 KV Leimatak-Jiribam Transmission Line was commissioned during the year.

The Corporation is embarking upon the most ambitious and challenging programme of construction activities during the 8th Plan period. Five projects are scheduled for commissioning during this Plan while work on a number of new projects which are to be completed during the 9th Plan period will also be started. NHPC will add 1455 MW to the national power grid during the 8th Plan and number of important transmission lines are now being finalised for erection during the next few years. An estimated investment of about Rs. 9200 crores expected to be made by the Corporation during the 8th Plan is by far the biggest initiative taken during any Plan period.

Immediately after the PIB clearance to the Salal-II Project, the Corporation took advance action for the implementation of the Project. Accordingly, order for purchase of generating units, accessories and spares were placed on BHEL. Tenders for the construction of the Tail Race Tunnel were also floated. The investment decision has been accorded by the Govt. of India in Sept. '89.

### **Organisational Changes**

In order to meet the increased workload, the Board of Directors had approved certain organisational changes. Under the new organisational structure, 4 Regional Offices are proposed to be set up with adequate delegated authority to control, guide and manage the project operations.

At the Corporate Office level a Management Committee comprising all the heads of Projects and heads of Department in the Corporate Office has been constituted. This Committee would meet periodically to discuss the various problems of the Project and to take necessary

remedial measures. An Executive Committee has also been constituted in the Corporate Office comprising all the Directors and Executive Directors to consider all important matters for ensuring broad based day-to-day management of the Corporation. Further, with a view to identifying the difficulties faced by the Projects in construction and to suggest speedy remedial steps multi-discipline teams of Officers have been constituted in the Corporate Office which would visit the Projects under active construction every month to look into the difficulties, if any, and to take necessary remedial measures. With a view to having effective control on the cost and ensuring adequate care in preparation of cost estimates, a Cost Engineering Division has been set up in the Corporate Office.

The Corporation continued the afforestation programme at the various Project Sites. Issues relating to Catchment Area Development have been taken up with the Government to determine the extent of responsibility of the Corporation.

### **Training and Human Resources Development**

The Corporation lays emphasis on training and human resources development of its employees. During the year 1988-89, a large number of in-house programmes were organised and employees were also deputed to attend seminars, conferences and workshops organised by other organisations. 288 employees attended in-house programmes and another 155 attended programmes organised by other organisations.

### **Welfare Measures**

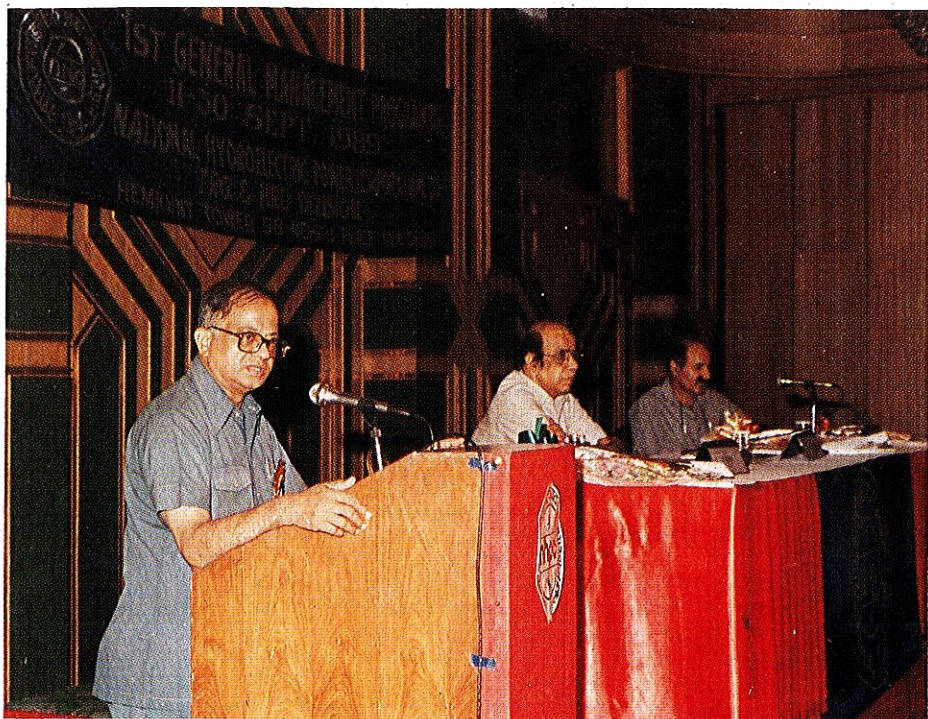
The Corporation has always been paying special attention to the welfare measures to all sections of its employees. During the year, the Board of Directors had approved setting up of Kendriya Vidyalayas at Chamera-I and Tanakpur Projects.

### **Industrial Relations**

During the year, the industrial relations were cordial. The Corporation had signed a wage settlement with the representatives of workmen, covering 80% of the total work force.

I take this opportunity to express my gratitude for the guidance given by the Hon'ble Union Minister of Energy, Hon'ble State Minister for Power and Secretary (Power). I am also grateful for the assistance extended by the Department of Power and other Departments of the Government of India, particularly the Ministry of Finance, Ministry of External Affairs and other agencies, such as, CEA, CWC, CS&MRS, Geological Survey of India etc. the Comptroller & Auditor





*Shri S. Rajgopal, Secretary (Power), Govt. of India inaugurating the First General Management Programme.*

General of India, the Auditors, the various State Governments and the State Electricity Boards who have been cooperating with us in our efforts in their respective States. I am thankful to my colleagues on the Board of Directors for their active

participation and guidance in the activities of the Corporation. I would like to make a special mention about the dedication and hard work put in by the employees at all levels which has been responsible for the growth registered by the Corporation.

*M. A. Hai*

December 1, 1989

(M.A. HAI)  
Chairman & Managing Director



## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the 13th Annual Report on the operations of your Company, along with the Audited Statement of Accounts for the year ended 31st March, 1989.

#### 1.A. Power Stations Under Operation

During the year the actual generation in the Operating Stations of Baira Siul, Loktak and Salal (Stage-I) exceeded the targets. The overall capacity utilisation during the year was 94.97% as against the corresponding previous year's figure of 92.21%.

##### 1. Baira Siul Power Station (3×60 MW) (H.P.):

During the last week of September, 1988, the Power Station experienced unprecedented rains. Towards the end of September, 1988, leakage from Unit-II top cover was observed to be very heavy and, therefore, it became necessary to inspect underwater parts of the turbine for locating the leakage point. During the inspection of scroll case, guide vanes etc., pieces of rock and concrete were found accumulated in the narrow portion of the scroll case. Inspection of Unit-III also revealed presence of pieces of concrete and rock.

After the recovery of boulders and concrete from scroll casing of Unit-II and

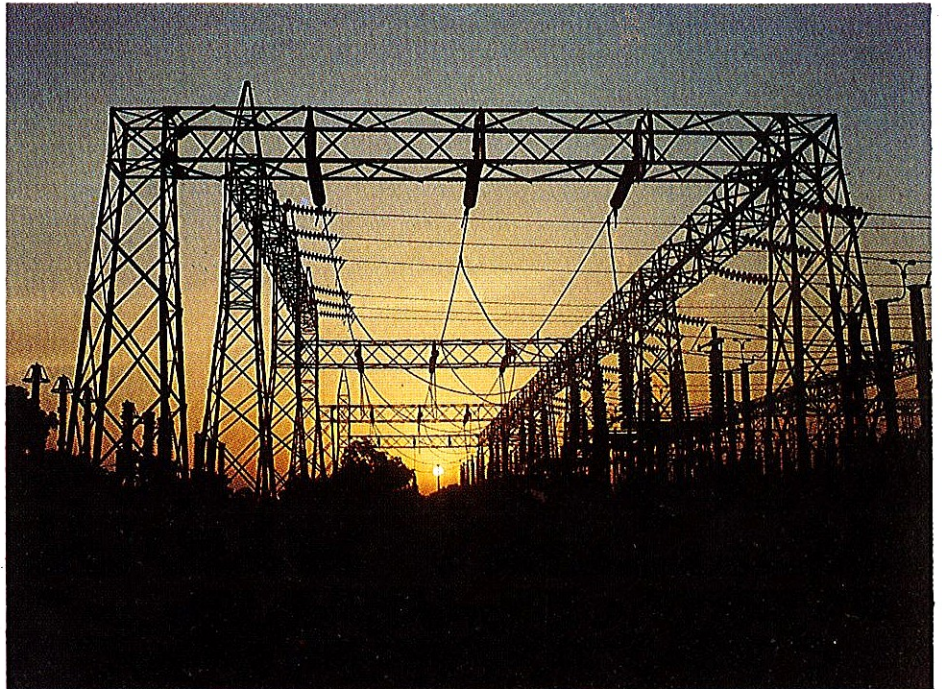
III, officers from Design Division of the Corporate Office visited the Project between 26-28th October, 1988. It was noticed that some damage had occurred in the tunnel and the boulders/concrete pieces had come out from the damaged portion of the tunnel. It was, therefore, decided to carry out physical inspection of the damaged tunnel.

The water conductor system was, accordingly, closed on 13-12-1988 for inspection. Dewatering of the water conductor system commenced on 13-12-1988 and was completed on 28-12-1988. Your Board of Directors decided that a Committee be appointed to look into this and accordingly a Committee was constituted. Immediately after dewatering, the Committee inspected the tunnel. After inspection the Committee recommended detailed remedial steps to be taken. Accordingly, the remedial measures were completed at a cost of about Rs. 7.50 lakhs and the Project recommenced generation w.e.f. 14-02-1989.

The above damages to the tunnel and the time taken for completing remedial measures affected the generation of the power station. As a result, during the year 1988-89, Baira Siul Power Station generated 704.07 MUs of electricity against the target of 750 MUs.

##### 2. Loktak Power Station (3×35 MW) (Manipur):

As you are aware, Loktak Power Station has been beset with certain problems in



Chukha Transmission System—Dalkhola Sub-station



achieving the optimum generation of the power station.

The generation of the power station has been affected on account of two factors:

- i) Transmission constraints; and
- ii) low demand in the North-Eastern Region.

#### **Transmission constraints:**

(1) Frequent tripping of 132 KV Loktak-Jiribam transmission line owned and maintained by Govt. of Manipur.

(2) Limited power carrying capability of 132 KV Imphal-Dimapur-Mariani Transmission Line due to its length of 275 KMs.

#### **Steps taken to remove the above constraints:**

(1) Your Company had constructed another 132 KV Single Circuit Transmission Line from Loktak to Jiribam. This line has been commissioned in July, 1989. This line would improve evacuation of Loktak Power towards Jiribam side.

(2) During the year NEEPCO had commissioned 132 KV Jiribam-Aizwal-Kumerghat transmission line. Loktak Power Station was synchronised by NEEPCO

on trial basis with Kopili and Khandong power stations in October, 1988. As a result of this when these stations run in synchronism on continuous basis, Loktak Power is also being supplied to Mizoram and Tripura thereby improving the power utilisation from Loktak.

(3) In case Loktak Power is formally allocated amongst various beneficiaries in the North-Eastern Region, Tripura and Mizoram would be able to consume Loktak Power allocated to them. The matter has been taken up with the Department of Power.

(4) NHPC has constructed 220 KV Birpara-Bongaigaon double circuit transmission line interlinking Eastern and North-Eastern regions. This line was test charged on 27-02-1987.

However, this line could not be made operational due to non-finalisation of operational guidelines between Eastern and North-Eastern Electricity Board. The Operational issues had since been sorted out. Currently the commercial issues for use of the line are under finalisation.

On account of the transmission and demand constraints the generation during the year at the Loktak Power Station was less than the target i.e. 374.563 MU against a target of 410 MU. However, during the year, two/three machines were available for 359 days. Loktak Project,

being an annual storage scheme, there was no spillage of water during the year, except during the monsoon period.

However, with the removal of the transmission constraints, the load will increase, leading to increase in generation during the current year.

#### **3. Salal Power Station (Stage-I) (3×115 MW) (J&K):**

The Salal Power Station generated 2148.30 MU of energy against a target of 2038 MU during 1988-89. Capacity utilisation was 105.41%.

During the year, the Government of India communicated its decision in principle to transfer the Salal H.E. Project (Stage-I) to NHPC on ownership basis w.e.f. 1-11-1987. The Corporation has initiated necessary action for finalisation of the requisite agreements to give effect to this decision.

#### **4. Chukha Transmission System:**

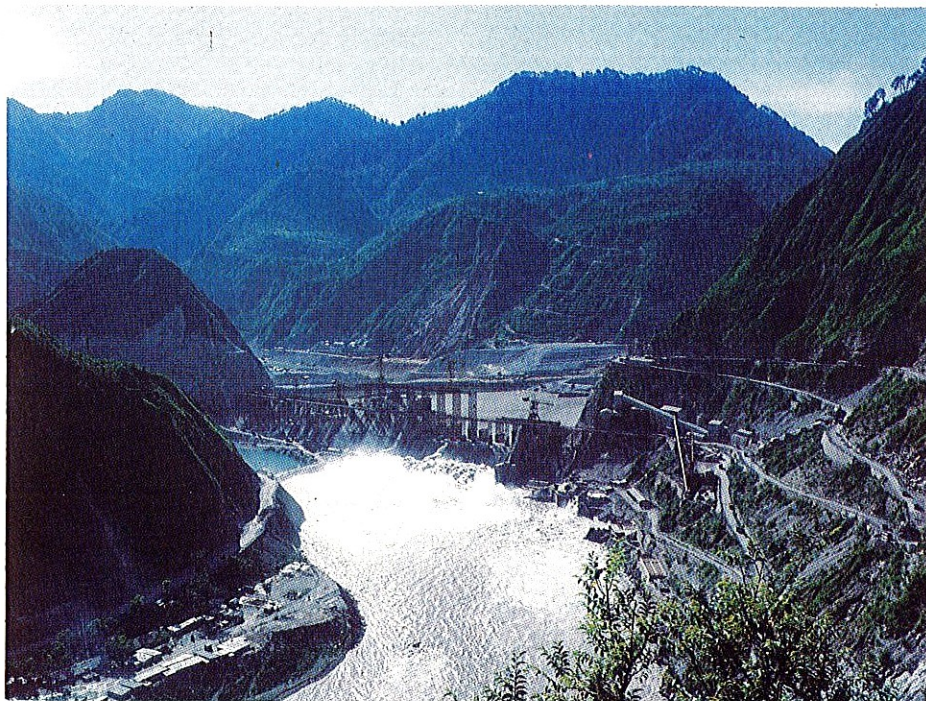
Total power imported and transmitted through Chukha Transmission System during the year 1988-89 was 1300.872 MU against a target of 1374.00 MU. The shortfall was due to lesser generation at Chukha Hydel Project.

#### **OUTSTANDING DUES FROM BENEFICIARIES**

The dues outstanding against the various beneficiaries for power supplied by your Company stood at Rs. 160.53 crores as on 31.3.1989. This constituted about 80.62% of the Company's turnover on sale of energy during the year. The large outstandings had strained the operational liquidity of your Company. In view of the seriousness of the matter, your Company has taken various steps to improve the realisation of the dues. Some of the steps taken are as under:-

- (i) Periodical meetings were held with the beneficiaries;
- (ii) The assistance of Ministry of Energy, Planning Commission, Central Electricity Authority was also sought for realisation of dues;
- (iii) The beneficiaries were persuaded for opening revolving Letter of Credit.

Efforts are continuing at various levels to resolve the problem satisfactorily so as to ensure increase in collection of dues.



Salal Project (Stage I)—A general view



## B. PROJECTS UNDER CONSTRUCTION:

### 1. Koel Karo H.E. Project (4x172.5MW + 1x20MW) (Bihar)

During the year under review there was a significant development in regard to Koel Karo Hydroelectric Project. The Revised Project Estimates were techno-economically cleared by C.E.A. for Rs. 870.79 crores (Net) plus Interest During Construction (IDC) of Rs. 167.18 crores. Techno-economic clearance for the associated transmission lines was also received during the year for Rs. 32.22 crores. The Writ Petition filed in the Supreme Court on behalf of the local people was finally disposed of by the Supreme Court on 06th February, 1989. Agreements, in principle, with the beneficiaries have since been concluded for purchase of power to be generated from the Project. The forest clearance for the Project is under active consideration of the Ministry of Environment and Forests. A detailed proposal for forest clearance for the transmission lines is under preparation.

A meeting was taken by the Chief Secretary, Government of Bihar on 1.4.89 wherein, he confirmed that the State of Bihar was willing to implement the Supreme Court judgement.

The State of Bihar has indicated that the award for acquiring 540 Ha. of land would be made shortly, provided your Company is ready to pay about Rs. 2.17 crores for the same. As the present investment sanction has been limited to Rs. 8 crores, the matter has been taken up with the Department of Power for releasing the necessary money for acquiring the land and also for starting construction works at the Project.

### 2. Tanakpur H.E. Project (3x40MW) (U.P.)

The non-availability of requisite land for construction work was a severe bottleneck in the construction activities of the Project. However, during the year, substantial progress was made in acquiring the balance land required for the Project work. Possession of about 100 Ha. of land was taken during the year. With this, almost all the land required for the construction of the Project had been acquired except 27.31 Ha. of Banbassa Canal Forest Land which is required for construction of Tail Race Channel & Bypass Channel. Presently the proposal for transfer of this land is before the U.P. Government and it is expected that the necessary clearance will be accorded by them shortly.



*Tanakpur Project—Power House under construction*

Erection of draft tubes for Units I, II & III of Power House, and erection of scroll casing for Unit I was completed. 222.5TM<sup>3</sup> of excavation and 177.9TM<sup>3</sup> of filling was completed in Power Channel against a target of 170 TM<sup>3</sup> of excavation and 166 TM<sup>3</sup> of filling.

The work of stub setting on 220 KV Transmission Line was started during 1988-89 and a total of 75 Nos. of stubs were completed.

The Contracts for Power Channel and Tail Race Channel have been awarded.

The work on 15 bays of barrage was completed during the year upto the final level and the work on balance bays is in progress. The erection of gates and construction of prestressed concrete bridge has also been started and work is progressing satisfactorily. M/s HSCL could do 97.16 TM<sup>3</sup> of concreting in the barrage during the year against a target of 169.65 TM<sup>3</sup>. Series of meetings have been held with them at the highest level to persuade them to accelerate the progress. As a result of these actions taken, improvement in progress has taken place to some extent.

The work on silt ejector was started during May, 1988 and the work of excavation was completed in March, 1989. The concreting work has also been started.

The Board of Directors constituted a Committee in January, 1989 to work out a realistic schedule of completion for Tanakpur and Chamera Projects. The Committee submitted its report on 16th June, 1989. The report was considered by the Board of Directors in their meeting held on 06th July, 1989. The Board approved the

conclusion reached by the Committee in regard to the commissioning of the generating units as per the following schedule:

Unit—I	: January, 1992.
Unit—II	: February, 1992.
Unit—III	: March, 1992.

### Estimates and Expenditure

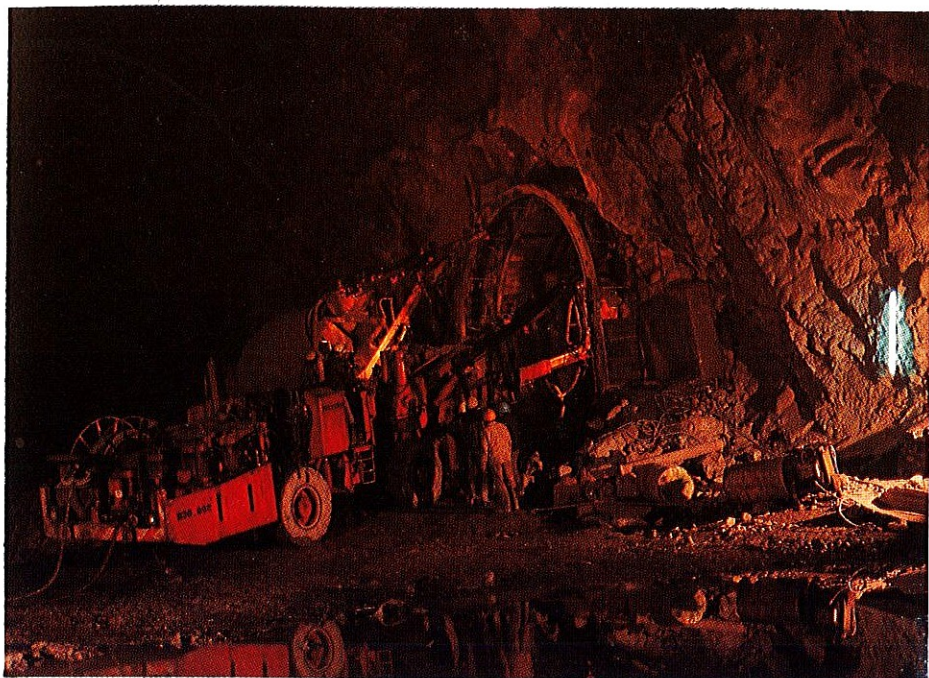
The Project estimates have been revised and the revised cost estimates of Rs. 304.37 crores (Net) at May 1989 prices (excluding IDC) as against the approved cost of Rs. 168.65 crores (Net) (excluding IDC) are under examination by the Central Electricity Authority. The increase in the estimates is mainly on account of escalation, inadequate provision, change in design/construction planning and new items.

A total sum of Rs. 170.69 crores had been incurred on the Project upto March, 1989.

### 3. Chamera H.E. Project (Stage-I) (3x180MW) (H.P.)

There were three unprecedented floods in the Project during the year 1988-89 which disrupted the progress of work. On account of these, approach roads to various work sites were damaged, both the Coffor Dams were damaged and the dam pit was filled with silt and Coffor Dam materials. The bailey bridge which was the only access to Power House Complex was completely washed away/damaged. The communication system was totally snapped. The three floods affected the progress of work but all efforts were made to





*Chamera Project (Stage I)—Tunnelling work in progress*

restore the Project activities within the minimum time. The restoration works were carried out as per the recommendations of the Expert Committees/Teams constituted for the purpose. It has been estimated that the three floods adversely affected the completion schedule of the Project by six to eight months.

#### **Main Dam:**

Dental concreting was completed in June, 1988 and mass concreting was taken up. Due to consecutive floods of July, 1988 and September, 1988, mass concreting in main dam could be resumed only in January, 1989 and about 61 TM<sup>3</sup> concreting against target of 127 TM<sup>3</sup> was poured in various blocks of main dam upto March, 1989. However, the rate of concreting has increased substantially during 1989-90 and by the end of July, 1989, 149 TM<sup>3</sup> of concreting has been done.

Concreting facilities namely, 700 T/hr. Aggregate Processing Plant, 350 M<sup>3</sup>/hr. Batch Plant, 2x28 T capacity Cableway and 450 T/hr. capacity Ropeway System were commissioned and operating successfully during the year.

#### **Power Tunnel:**

Heading of Power Tunnel from Adit-I upstream portion (1050M) and Adit-II downstream portion (802M) was completed and benching was taken up. 200 M benching against target of 250 M and 124 M of benching against target of 200 M had been completed from Adit-I towards upstream and Adit-II towards downstream

respectively. Heading of Power Tunnel 146 M from Adit-I towards downstream against target of 235 M and 214 M Adit-II upstream portion against target of 439 M has been completed during the year. To expedite the tunnelling progress, a decision was taken in April, 1988 to construct an additional adit of 580 M length. Construction of additional adit has been taken up and 300 M boring of adit has been completed against target of 450 M. Total 41% heading and 5% benching of Power Tunnel was completed during the year.

#### **Power House:**

Heading excavation and first stage benching of Power House cavern was completed. With the completion of Transformer Gallery, 82% excavation in bus shafts had been completed. Excavation of Penstocks was completed and boring of draft tubes to the extent of 95% was done. Pilot sinking in Draft Tube Surge Shaft upto extent of 88 M was completed out of 144 M. Work of Switchyard building is progressing satisfactorily. Erection contract for Turbine/Generator units has been awarded.

#### **Tail Race Tunnel:**

Heading of Tail Race Tunnel to the extent of 64% was achieved against the target of 72% during the year.

#### **Current Year:**

During the current year 1989-90 the progress of work is expected to improve substantially. The major outstanding

issues with the Contractors, namely adjustment in levy of hire charges, the rescheduling of recovery of advances and the problem of handling and transportation of bulk cement have been successfully resolved by appropriate decisions taken by the Board of Directors.

#### **Schedule of Completion:**

The Committee appointed by the Board of Directors to work out the realistic schedule of completion for the Project will be submitting its report during the current year. However, on the basis of detailed exercise undertaken by the Company, the Project is expected to be commissioned in December, 1992, taking into account the delays in signing the Contract with the Canadians, delay in land acquisition, delay caused by floods and other constraints which had confronted so far the progress of work. However, your Board of Directors are taking all possible steps to ensure that the Project is commissioned by December, 1992.

#### **Estimates and Expenditure:**

The Project estimates have been revised and the revised estimates of Rs. 1133.58 crores (Net) (excluding IDC) at March '89 price level as against the approved cost of Rs. 719.40 crores (Net) (excluding IDC) are under examination by the Central Electricity Authority. The increase in the estimates is mainly on account of escalation, change in scope, inadequate provisions and new items.

A total sum of Rs. 742.94 crores had been incurred on the Project upto March, '89.

#### **4. Dul Hasti H.E. Project (3x130MW) (J&K):**

During the year, Steering & Negotiating Committee appointed by the Government of India submitted its report to the Govt. on the turnkey execution of the Project through external bilateral assistance.

The Project has made rapid progress with the development of infrastructural works. 4 D.G. Sets of 312.5 KVA were commissioned and another 4 Sets of 1000KVA each were under erection.

The Pilot Tunnel was excavated from RD 965m to RD 1138m. The access tunnel was excavated 24 m and progress was made on the Adit to HRT and Adit to Gate Shaft and Adit to Surge Shaft.

During the current year 33/11KV substation at Dam Site has been completed.

The Government of India had approved the turnkey execution of the Project by the French Consortium. The commercial contracts were signed on 8th September, 1989 with the approval of the President of India. The financial agreement was also



signed on 20th September, 1989, with the approval of the President of India. The Project would be completed within a stipulated schedule of 57 months from the issue of order to commence the work to the foreign consortium, which was given on 11th October, 1989.

#### **5. Uri H.E. Project (4x120MW) (J&K):**

During the year infrastructural work such as construction of certain residential houses construction of roads were taken up. The Steering & Negotiating Committee appointed by the Government of India submitted its report to the Government on the turnkey execution of the Project through external bilateral assistance.

In June, 1989, Government of India conveyed its approval for the execution of the Project through a Swedish Consortium of Companies on turnkey basis. The commercial contracts were signed on 27th October, 1989 with the approval of the President of India.

The financial agreements were also signed on 31st Oct., 1989 and 2nd Nov., 1989 with the approval of the President of India. The foreign consortium would be completing the Project within the stipulated schedule of 72 months from the issue of order to commence the work to the foreign consortium.

#### **C. NEW PROJECTS:**

##### **1. Chamera H.E. Project (Stage-II) (3x100 MW) (H.P.):**

During the year, Steering & Negotiating

Committee appointed by the Government of India continued their discussions with the Canadian Parties for conclusion of commercial contracts for purchase of Canadian goods and services for the Project. The Committee would be submitting its report to the Government during the current year. In the meantime your Company, as part of advance action, has acquired about 278 bighas of land for setting up the infrastructure.

##### **2. Salal H.E. Project (Stage-II) (3x115MW) (J&K):**

PIB Meeting was held in March, 1989 and the investment decision of the Govt. has been received in September, 1989. During the year 1989-90, the construction work on major Project components is being planned. In the meanwhile your Company had taken up the construction of Adit to Tail Race Tunnel departmentally and 78 Mtr. of heading was completed during the year.

##### **3. Baglihar H.E. Project (3x150MW) (J&K):**

During the current year environment and forest clearances have been received. The Board of Directors considered and approved the updated cost estimates of Baglihar Hydroelectric Project for Rs. 887.23 crores plus Interest During Construction (IDC) of Rs. 110.27 crores at February, 1989 price level which are under examination in Central Electricity Authority for accord of techno-economic clearance. The Project was cleared from Indus-Water

Treaty angle and certain infrastructure works were in progress during the current year.

The pre-PIB Meeting was held on 2.6.1989 and it is likely to be considered by the PIB shortly.

##### **4. Sawalkot H.E. Project (3x200 MW) (J&K):**

The Project was cleared from the Indus-Water Treaty angle in February, 1989. During the year the proposals for forest and environment clearance were submitted to the Government.

During the current year forest and environment clearances have been received. The Project proposals were considered in a pre-PIB Meeting held on 2nd June, 1989.

##### **5. Dhauliganga H.E. Project (Stage-I) (4x70 MW) (U.P.):**

Forest and environment clearance were received during the year and the clearance from the defence angle is awaited. The proposals for consideration in a pre-PIB Meeting have been circulated on 8.9.1989 and the pre-PIB Meeting is likely to be held by the end of November 1989.

##### **6. Rangit H.E. Project (3x20 MW) (Sikkim):**

The Project proposals were considered in a pre-PIB Meeting held on 16th March, 1989 and PIB Memo was submitted on 31.3.1989. The proposals have since been cleared by PIB on 14.09.1989.

##### **7. Teesta H.E. Project (Stage-III) (6x200 MW) (Sikkim):**

Construction of the above Project was handed over to the Corporation by the Government of India. The Corporation is preparing an estimate for carrying out additional investigation necessary for the preparation of the Detailed Project Report.

##### **8. Kachchh Tidal Project (900 MW) (Gujarat):**

During the year your Corporation was entrusted with the execution of 900 MW Kachchh Tidal Project in Gujarat. This has opened new vistas to your Corporation. Since this will be the first project of its kind to be undertaken in the country, your Corporation proposes to appoint suitable consultants for the implementation of this Project.

#### **D. INVESTIGATION PROJECTS:**

During the year 1988-89 approvals for



Uri Project—Infrastructure work in progress



the following investigation Projects were received:

Project	Investigation estimates (Rs. lakhs)
Goriganga (Stage-II) (120 MW)	161.0
Goriganga (Stage-III) (75 MW)	142.88
Kishenganga (390 MW)	372.14

The work on these investigation projects as also on the Goriganga (Stage-I) was going on satisfactorily.

In addition, the investigation estimates for Dhauliganga Intermediate (Stage-I) (200 MW) for Rs. 221 lacs have been sanctioned by the Government in May, 1989.

## E. TRANSMISSION SYSTEMS:

### On-going Systems:

#### 1. 400 KV D/C Chamera Transmission System:

613 Nos. of stub setting and 469 Nos. tower erection out of total 646 Nos. have been completed till 3/89. Land for Moga sub-station has been acquired and construction of building/control room is in progress. Orders have been placed for most of the equipments and erection contract for 400/220 KV Moga sub-station has been awarded.

#### 2. 400 KV Jeypore-Talcher Transmission System:

Erection of sub-station structures and equipments is progressing satisfactorily. Almost entire equipments required for these sub-stations have reached the site. Stub setting work on 400 KV Jeypore-Talcher line has been completed. 1125 towers out of 1126 towers have been erected and 338.77 ckt. kms. of stringing out of a total of 427 ckt. kms. has been completed upto 31st March, 1989.

#### 3. 400 KV D/C Dulhasti Transmission System:

The proposal for turnkey execution of above transmission lines by M/s Techno-promexport of USSR was approved by the Government.

Designs of all towers have been approved.

#### 4. 220 KV D/C Tanakpur Transmission System:

74 Nos. of stub setting against the total

of 290 Nos. have been completed. Tower designs for A,B, C and D type have been approved. Testing of A,B, & C type towers has been completed successfully.

#### 5. 132 KV D/C Leimatak-Jiribam Transmission Line (2nd Line)

Construction of this line was completed.

#### 6. 132 KV S/C Bongaigaon-Gaylephug Transmission System

The above line is under construction by your Company as an agent of the Ministry of External Affairs, Government of India. Orders have been placed for supply of line material and sub-station equipments. Action has been initiated for departmental execution of the line.

#### 7. 400 KV Malda Sub-station:

Design of 400 KV Sub-station has been completed. Orders for most of the equipments have been placed. Foundation of 315 MVA transformer has been cast. Erection of structure and equipment is in progress.

## NEW TRANSMISSION SYSTEMS:

#### 1. Uri Transmission System:

Techno-economic clearance to the system for Rs. 74.47 crores was received in Feb.'89 and Government approval was received in June, 1989.

## 2. Northern Region Transmission System:

The system consists of the following:

- 400 KV D/C Nathpa Jhakri Transmission System.
- 400 KV D/C Moga-Bhiwani Transmission System.
- 800 KV 2×S/C Kishenpur-Moga Transmission System.

#### (a) NATHPA JHAKRI TRANSMISSION SYSTEM

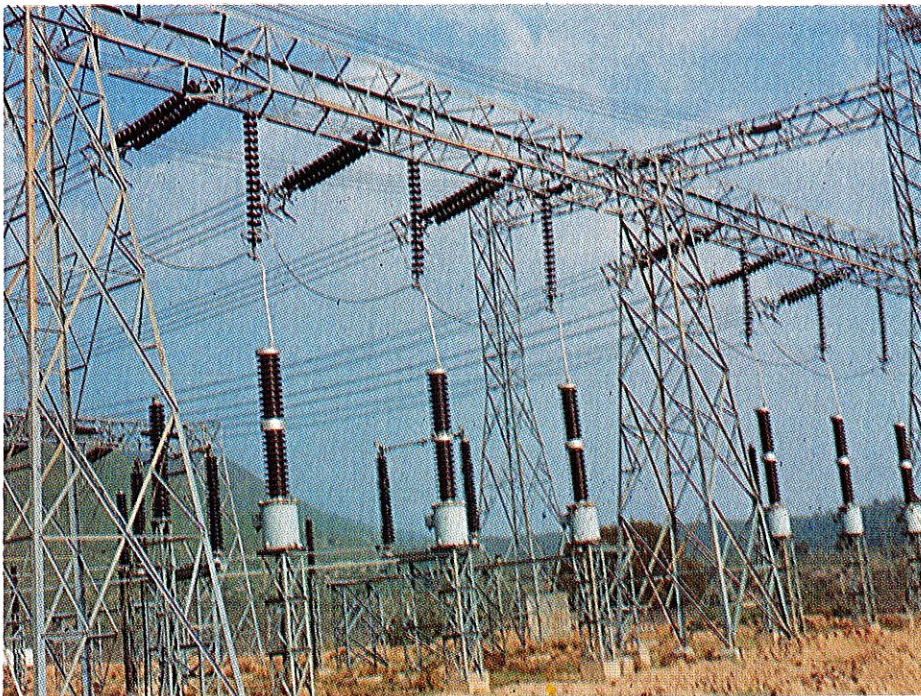
Government sanction for the execution of the above transmission system at an estimated cost of Rs. 794.36 crores plus IDC of Rs. 95.59 crores has been received in April, 1989. Walk Over survey on the route of Nathpa Jhakri Transmission System was completed and sites for 400/220 KV Sub-stations at Yamuna Nagar and Hissar were identified and land acquisition proceedings commenced.

#### (b) MOGA-BHIWANI TRANSMISSION SYSTEM

Government sanction for execution of the above transmission system at an estimated cost of Rs. 87.68 crores plus IDC of Rs. 7.48 crores was received in September, 1988. Orders for supply and erection of towers for the Moga-Bhiwani line have been placed.

#### (c) KISHENPUR-MOGA TRANSMISSION SYSTEM

The above system was techno-economically cleared by CEA in March,



Dul Hasti Transmission System—Kishenpur Sub-station





*Chamera Transmission System—Moga Sub-station under construction.*

1989 at an estimated cost of Rs. 263.04 crores plus IDC of Rs. 33.12 crores.

The Northern Region Transmission System has been posed for World Bank assistance. The World Bank has given an indication that the extent of the loan from them for the execution of the system would be of the order of US \$ 360 million. The detailed negotiations for this loan would be held sometime later this year.

## **BUDGET ESTIMATES AND EXPENDITURE**

The capital Budget estimates for the Corporation for the year 1988-89 were Rs. 465 crores which were subsequently revised to Rs. 646.95 crores. Against the above estimates, the actual expenditure during the year was of the order of Rs. 321.02 crores. The shortfall in expenditure was mainly due to non-finalisation of bilateral agreements with the foreign consortia for the execution of Dulhasti and Uri Hydroelectric Projects.

As regards revenue expenditure, the Budget estimates for the year 1988-89 were Rs. 61.67 crores which were subsequently revised to Rs. 64.76 crores. Against these, the actual expenditure during the year was of the order of Rs. 64.17 crores.

## **2. FINANCIAL PERFORMANCE**

Your Company made a net profit of Rs. 51.89 crores as against Rs. 24.26 crores in the previous year, registering an increase of 113.89%. The above figures include Rs. 34.71 crores on account of

operation of Salal (Stage-I) Power Station, transfer of which on ownership basis has been agreed to by the Government of India in principle w.e.f. November, 1987. The turnover of the Company during the year was Rs. 199.11 crores as against Rs. 93.44 crores in the previous year, registering an increase of 113.09%.

## **3. VIGILANCE ACTIVITIES:**

Your Company continued to give importance to vigilance work during the year under report. 37 inspections were carried out and cases were instituted in 4 cases. Out of 38 complaints received, 18 complaints were taken up for investigation. As a result of investigations, disciplinary proceedings were initiated in 2 cases for award of major penalties and in 5 cases for award of minor penalties. The Company also organised a workshop for vigilance officers during January '89.

## **4. OFFICIAL LANGUAGE POLICY:**

In accordance with the Official Language Policy of Govt of India, all efforts were made during the year for progressive use of Hindi in the Company.

## **5. PERSONNEL POLICIES AND INDUSTRIAL RELATIONS:**

Industrial relations were cordial and there was no strike/lock out during the year under report. Your Company had signed a wage settlement with workmen which covered 80% of its total workforce.

The Company endeavours to provide adequate welfare measures such as

schooling, hospitals, dispensaries, ambulance services, protective clothing, cultural and recreation clubs, transport facilities at the projects.

## **6. AUDITORS:**

For the audit of the accounts of the Company for the year 1988-89 M/s Bubber Jindal & Company, Chartered Accountants, New Delhi, were appointed Statutory Auditors. M/s Bahl Gupta & Associates, Chartered Accountants, New Delhi, M/s Jain Goel & Swamy, Chartered Accountants, New Delhi and M/s Guha Nandi & Co., Chartered Accountants, Calcutta, were appointed as Joint Branch Auditors of the Corporation.

### **(a) Comments on the Qualifications of the Auditors contained in their report:**

The comments of the Directors on the qualifications made by the Auditors in their Report are given in Annexure-I to this Report.

### **(b) Comments on the Qualifications of the Comptroller and Auditor General of India under Sec. 619 (4) of the Companies Act, 1956 on the Accounts:**

The comments of the Directors on the qualifications contained in the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956, on the Accounts of the Corporation for the year ending 31st March, 1989 are given in Annexure-II to this Report.

The Review by the Comptroller & Auditor General of India of the Accounts of the Corporation for the year ending 31st March, 1989 is given in Annexure-III to this Report.

## **7. PARTICULARS OF EMPLOYEES:**

Information as per Sec. 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure-IV to this Report.

## **8. DIRECTORS:**

Shri M.A. Hai, assumed office as Chairman & Managing Director, NHPC w.e.f. 10.03.1989. Shri K.K. Kashyap, Director (Technical) who was holding current charge of the post of Chairman & Managing Director w.e.f. 18.04.1988 relinquished charge of the post of Chairman & Managing Director w.e.f. 10.03.1989. The Board of Directors place on record their appreciation of the services rendered by Shri K.K. Kashyap as Chairman & Managing Director of the Corporation. Dr. C.D.



Thatte, Member (D&R), CWC was appointed as Director on the Board of the Corporation w.e.f. 20.04.1989. Brig. R.K. Verma, took over charge as Director (Personnel) w.e.f. 15.05.1989.

#### Acknowledgements:

The Board acknowledge with thanks the guidance and help extended by the various Departments of the Government of India, particularly the Ministry of Energy (Department of Power), Ministry of Finance, Ministry of External Affairs, the Ministry of Industry and Company Affairs (Department of Company Affairs), the Central Electricity Authority, the Central Water Commission, CSMRS, the Survey of India, and the Geological Survey of India. Thanks are also due to CIDA, EDC and SNC/ACRES of Canada, the Royal Government of Bhutan, the State Governments of West Bengal, Manipur, Mizoram, Assam, Nagaland, Jammu & Kashmir, Punjab, Haryana, HP, UP, Bihar, Sikkim, Orissa and the State Electricity Boards who have been cooperating with us in our work in their States. But for the help, assistance and cooperation given 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 & Auditor General of India, the Auditors and the Bankers for their valued cooperation.



*Shri M.A. Hai, CMD NHPC signing agreement for Dul Hasti Project with French Consortium.*

The Board also take this opportunity to place on record their recognition and appreciation of the sincere and hard work done by the employees of the Corporation

at all levels and for their continued enthusiasm which has been the main contribution towards the success of the Corporation.

For and on behalf of the  
Board of Directors,

(M.A. Hai)  
Chairman & Managing Director

New Delhi: 24th November, 1989.



**COMMENTS ON THE QUALIFICATIONS IN THE AUDITORS' REPORT 1988-89**

**Para in  
Auditors'  
Report.  
2(e)**

**Comments**

- (i) The letter No. 4/1/78-DO (NHPC) dated 9.2.89 from the Ministry of Energy, Government of India, conveyed the clear decision to transfer Salal Hydroelectric Project to the Corporation on ownership basis with effect from 1st November, 1987. The execution of formal, transfer deed is in process. The accounts of that Project were, therefore, incorporated in the accounts of the Corpn. considering the same terms and conditions of transfer as were followed by the Government in case of transfer of other projects to the Corpn. As such, the profit for the year 1988-89 and Assets and Liabilities as at 31st March, 1989 are not overstated in this regard.
- (ii) Outstanding items relating to wrong debits/credits in the Bank Reconciliation Statements are being regularly followed up for getting rectified by Banks in their accounts. The Corporation does not anticipate any adjustment in its books.
- (iii) Inter-unit transfer of moveable assets have been reflected in the accounts by showing as additions in one project and deductions in other project. Effect of such presentation is neutralised in the consolidated accounts of the Corporation and the value of gross block of these assets at the year end remains unaffected and reveals the true and fair view.
- (iv) Adjustments of loans and advances recoverable in cash or in kind or for value to be received are carried out on recovery/receipt of goods and services and on acceptance of those. Reconciliation of accounts in this regard is a continuous process.
- (v) Power supplied from Baira Siul Project to Chamara Project (under construction) had to be charged as per normal tariff as applicable to other beneficiary states of Baira Siul Power Station. Value of such inter-unit supply of power is only 2.79% of the total power sold from that unit and hence financial implication is not much.
- (vi) Difference in depreciation arising out of amendments in Companies Act is not significant and adjustment of the same relating to operation activities has been properly carried out through prior period expenses in Profit & Loss Account for the year.
- (vii) For agency works of the Corporation, the unspent balance of the Principal's fund or the amount recoverable from the principal as at the year end has correctly been reflected in the current liabilities and current assets of the Corporation as the case may be. So far account of the Corporation are concerned, there is no deviation from accrual system of accounting in this regard.
- (viii) No provision is considered necessary as the case is at initial stage of arbitration.
- (ix) Short and defective materials under erection are replaceable free of cost by the supply-cum-erection contractors and hence no adjustment is required.
- (x) The Corporation does not anticipate any liability. The disputed claims have been shown under contingent liability.
- (xi) Reconciliation of General Ledger with priced stores ledger is under process in some project where it could not be done. Inventories, in the case of Corporation, consists of materials meant for carrying out construction activities and a small quantity of maintenance spare part and consumables in generating stations. Such inventories are valued at actual procurement cost plus estimated overheads relating to transportation, handling and storage charges. As inventories are not meant for disposal or marketing, but for consumption in capital construction works of the Corporation, the basis of valuation is reasonable and is being followed consistently.
- (xii) Value of short supply/non-supply/supply of damaged materials is recoverable from the other parties and no adjustment is considered necessary.



**Para in  
Annexure to  
Auditors'  
Report.**

1. Physical verification of assets will be done in a phased manner wherever it has not been done. The situational details will also be recorded in balance cases if any.
3. Physical verification of stores and spare parts will be carried out in projects/units wherever it has not been carried out.
4. The basis of valuation of inventories at procurement cost plus reasonable percentage of overhead is justified in view of the special nature of inventories Corporation hold for utilising in its own capital construction works and is being followed consistently.
12. Internal Audit has been strengthened suitably during the year and three regional offices have been set up to make the Internal Audit more effective.

**ANNEXURE-II**

**COMMENTS ON THE QUALIFICATIONS CONTAINED IN C&AG'S COMMENTS**

**Para in  
C&AG's  
comments**

**Replies**

**Para I**

- (i) (a) The amount represents the value of fabricated Tower and Tower parts for Rs. 391.15 lakhs in Jeypore-Talcher Transmission System and Rs. 15.02 lakhs in Chamera Project which were physically in the stores at the year end. Necessary adjustments in capital work-in-progress will be carried out during 1989-90 on issue of those to works.
- (b) The comment has been noted for future compliance.
- (c) Adjustments in the value of capital work-in-progress arising out of price variation and release of balance payment is being carried out in 1989-90 accounts.
- (ii) (a) Pending the receipt of accounts, amount deposited with various public authorities for creating service facilities for Chamera Project and Jeypore-Talcher Transmission System could not be adjusted to the proper expenditure head. Adjustments are being carried out in 1989-90.
- (b) The classification of expenditure is being rectified in 1989-90.
- (c) The adverse balances amounting to Rs. 95.15 lakhs in the schedule of advances are due to wrong posting in the subsidiary records which have since been corrected. Such corrections have, however, not affected the amount of advances shown in the Balance Sheet.
- (d) The amount of Rs. 109.93 lakhs was deposited by Dulhasti Transmission System to the concerned department of the State Government which is to disburse the amount among the owners of the land affected by the acquisition. The adjustment to final head of account is being done on completion of acquisition process and on receipt of accounts from the concerned department.
2. (a) Payments to foreign suppliers in connection with Chamera Project are being made by the Canadian financiers. Corporation's liability arises only at the point of disbursement to be made by the financiers out of the committed loan fund with them. In the absence of any such disbursement by the financiers for concerned consignments, no liability was provided. However, the matter is being examined and needful will be done in 1989-90 accounts.
- (b) In absence of any bill from HPSEB, claiming the excess of actual expenditure incurred by them over the amount deposited with them, no liability could be provided.
3. As the appropriate accounting adjustments have been carried out, no further disclosure was considered necessary.
4. The transactions relating to transfer of Salal Project to NHPC on ownership basis with retrospective effect from 1st November, 1987 were carried out on the basis of the decision of Government of India. Pending finalisation of detailed transfer deed, the consideration had been arrived at under the same standard terms and conditions of transfer as were followed by the Government in case of transfer of other projects to the Corporation. This was also intimated to the Government.



**Review of Accounts of National Hydroelectric Power Corporation Limited for the year ended 31st March, 1989 by the Comptroller and Auditor General of India.**

**1. FINANCIAL POSITION**

The Table below summarises the financial position of the Company under broad headings for the last three years.

(Rs. in lakhs)

	1986-87	1987-88	1988-89
<b>Liabilities</b>			
a) i) Paid-up Capital (including shares application money pending allotment)	54,098.12	70,253.93	79,779.40
ii) Central Govt. Fund adjustable to Equity	3,629.48	1,802.58	33,561.61
	57,727.60	72,056.51	1,13,341.01
b) Reserves & Surplus	6,067.08	8,493.21	13,682.52
c) Borrowings			
i) From Govt. of India	18,456.66	17,364.61	52,174.19
ii) From other Sources (Foreign Loans)	7,819.52	11,789.91	17,771.52
iii) 14% Secured Bonds	14,364.29	14,348.77	14,326.04
iv) 13% Secured Bonds	—	5,081.00	5,081.00
v) 9% Secured Bonds	—	7,919.00	7,919.00
vi) 9% Unsecured Bonds	—	—	15,000.00
d) Trade dues and other current liabilities (including provision)	6,629.08	7,020.94	18,074.88
	1,11,064.23	1,44,073.95	2,57,370.16
<b>Assets</b>			
e) Gross block	48,736.08	52,999.09	1,23,162.47
f) Less depreciation	5,173.77	7,200.19	14,024.30
g) Net fixed assets	43,562.31	45,798.90	1,09,138.17
h) Capital work-in-progress	34,783.51	59,166.86	85,106.23
i) Current Assets, Loans & Adv.	32,698.40	39,092.18	63,032.60
j) Investments	—	—	—
k) Misc. expenses & Losses	20.01	16.01	93.16
	1,11,064.23	1,44,073.95	2,57,370.16
l) Capital employed	1,04,415.14	1,37,037.00	2,39,202.12
m) Net worth	63,774.67	80,533.71	1,26,930.37

**NOTES:**

- Capital employed represents net fixed assets including work-in-progress plus working capital.
- Net worth represents paid-up capital plus reserves and surplus less intangible assets.
- Only Baira Siul Project at Surangani (HP), Loktak Project at Manipur and Chukha Transmission System (WB), Salal Project (J&K) started commercial production w.e.f. 1.4.1982, June, 1983, November 1986 and December, 1987 respectively and remaining Projects are still under construction stage.

**2. DEBT-EQUITY RATIO**

Debit-equity ratio for the Company was 0.70:1 in 1986-87, 0.78:1 in 1987-88 and 0.99:1 in 1988-89.

**3. RESERVES & SURPLUS**

Reserve and surplus of Rs. 6067.08 lakhs in 1986-87, Rs. 8493.21 lakhs in 1987-88 and Rs. 13682.52 lakhs in 1988-89 amounted to 5.46%, 5.89% and 5.32% of total liabilities respectively and 10.51%, 11.79% and 12.07% of Equity Capital respectively.

**4. LIQUIDITY AND SOLVENCY**

- The percentage of Current Assets to total net assets decreased from 29.44 in 1986-87 to 27.13 in 1987-88 and to 24.49 in 1988-89.
- The percentage of Current Assets to Current Liabilities (including provisions) varied from 493.26 in 1986-87 to 556.79 in 1987-88 and to 348.73 in 1988-89.
- The percentage of quick assets (Sundry Debtors, Loans & Advances, Cash & Bank Balance) to current liabilities (excluding provisions) varied from 407.33 in 1986-87 to 418.43 in 1987-88 and to 293.84 in 1988-89.

**5. WORKING CAPITAL**

The working capital (current assets, loans and advances less trade dues and current liabilities excluding provisions for gratuity) of the Company at the close of each of the three years ending 31st March, 1989 amounted to Rs. 26069.32 lakhs, Rs. 32071.24 lakhs & Rs. 44957.72 lakhs respectively. The working capital as on 31.3.1989 was financed through loans from Government of India, 14% 13%, 9% secured and 9% unsecured bonds from other sources.



## 6. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 12013.42 lakhs from internal sources (Reserves, Depreciation and Provisions) and Rs. 108106.90 lakhs from other sources were utilised during the year 1988-89 as shown below:—

	(Rs. in lakhs)
Gross Block	70,163.38
Capital work-in-progress	25,939.37
Current Assets, Loans & Advances, Investment & Misc.	
Expenditure to the extent not written off	24,017.57
	<u>1,20,120.32</u>

## 7. WORKING RESULTS

The Profit earned by the Company during the last 3 years were as follows:—

	Profit for the year (Rs. in lakhs)	Percentage of Profit to paid-up capital
1986-87	1924.92	3.33
1987-88	2426.13	3.37
1988-89	5189.31	4.57

## 8. COST TRENDS

The Table below indicates the percentages of cost of sales to sales during the last three years:—

	1986-87	1987-88	(Rs. in lakhs) 1988-89
1. Sales excluding excise duty & sales tax	5925.01	9343.91	19911.12
2. Less Profit during the year	1924.92	2426.13	5189.31
3. Cost of Sales	4000.09	6917.78	14721.81
4. Percentage of cost of sales to sales	67.51	74.04	73.94

## 9. PRODUCTION PERFORMANCE

The value of production for the last three years is worked out below:—

	1986-87	1987-88	(Rs. in lakhs) 1988-89 (Exclusive of Excise & Sales Tax)
1. Sales (inclusive of excise & sales tax)	6012.03	9432.18	19911.12
2. Closing stock of finished goods and work-in-progress	—	—	—
3. Opening stock of finished goods and work-in-progress	—	—	—
4. Value of production (1-2-3)	6012.03	9432.18	19911.12

The percentage of value of production to net worth increased from 9.43 in 1986-87 to 11.71 in 1987-88 and to 15.68 in 1988-89. The percentage of value of production to total net assets of the Company varied from 5.41 in 1986-87 to 6.55 in 1987-88 and to 7.73 in 1988-89.

## 10. INVENTORY & PRODUCTION

The following Table indicates the position of inventory and its distribution at the close of the last three years:

	1986-87	1987-88	(Rs. in lakhs) 1988-89
Store & Spare parts	5696.36	9714.50	9648.51

## 11. SUNDRY DEBTORS

The following Table indicates the volume of book-debts and sales for the last three years:—

As on	Total book-debts considered good	Sales	(Rs. in lakhs) Percentage of debtors to sales
31st March, 87	5384.50	6012.03	89.56
31st March, 88	7247.29	9432.18	76.84
31st March, 89	15446.12	19911.12	77.58

The Sundry debtors represented 9.31 months sales in 1988-89 as against 9.22 months sales in 1987-88 and 10.74 months sales in 1986-87. Debts of Rs. 26.91 crores were outstanding for more than one year as on 31.3.1989.

NEW DELHI

DATED: 10TH NOVEMBER, 1989

(S. LAKSHMINARAYANAN)  
Member, Audit Board and Ex-Officio  
Director of Commercial Audit III, New Delhi.



## BALANCE SHEET AS AT 31ST MARCH, 1989

(Rs. in thousands)

	Schedule No.	31.3.1989	31.3.1988
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
(a) Capital	1	7,97,79,40	7,02,53,93
(b) Reserves and Surplus	2	1,36,82,52	84,93,21
		9,34,61,92	7,87,47,14
<b>2. Central Govt. Funds Adjustable to Equity</b>		3,35,61,61	18,02,58
<b>3. Loan Funds</b>	3		
(a) Secured Loans		2,73,26,04	2,73,48,77
(b) Unsecured Loans		8,49,45,71	2,91,54,52
		11,22,71,75	5,65,03,29
Total:		23,92,95,28	13,70,53,01
<b>APPLICATIONS OF FUNDS</b>			
<b>1. Fixed Capital Expenditure</b>			
(a) Fixed Assets	4		
Gross Block		12,31,62,47	5,29,99,09
Less: Depreciation		1,40,24,30	72,00,19
Net Block		10,91,38,17	4,57,98,90
(b) Capital work-in-progress	5	8,51,06,23	5,91,66,86
		19,42,44,40	10,49,65,76
<b>2. Current Assets, Loans &amp; Advances</b>	6		
(a) Inventories		96,48,51	97,14,50
(b) Cash & bank balance		1,95,04,51	74,19,26
(c) Sundry debtors		1,54,46,12	72,47,29
(d) Other Current assets		2,73,59	1,94,18
(e) Loans & advances		1,81,59,87	1,45,16,95
		6,30,32,60	3,90,92,18
Less: Current Liabilities and Provisions: Liabilities	7		
		1,80,74,88	70,20,94
<b>3. Net Current Assets</b>		4,49,57,72	3,20,71,24
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	93,16	16,01
Total:		23,92,95,28	13,70,53,01
<b>Notes to the Accounts &amp; Contingent Liabilities</b>	13		
Additional Information under part-II of Schedule-VI	14		
Schedules 1 to 14 and Accounting Policy form an integral part of the Accounts.			

**N.V. RAMAN**  
Secretary

**GHANSHIAM DAS**  
Director (Finance)

**M.A. HAI**  
Chairman & Managing Director

As per our report of even date attached  
For BUBBER JINDAL & CO.  
Chartered Accountants  
A.C. BUBBER  
Partner

NEW DELHI  
SEPT. 11, 1989



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1989.

(Rs. in thousands)

	Schedule No.	31.3.1989	31.3.1988
<b>INCOME</b>			
1. Revenue from the sale of Electric Power		1,99,11,12	93,43,91
2. Fee for Construction Management		18,31	1,10,00
3. Miscellaneous Income	9	59,95	76,87
TOTAL INCOME		<u>1,99,89,38</u>	<u>95,30,78</u>
<b>EXPENDITURE</b>			
1. Purchase of Electric Power		35,53,67	28,13,95
2. Generation, Transmission & Administration expenses	10	11,74,85	7,13,25
3. Employees' remuneration and benefits	11	12,05,34	4,84,65
4. Royalty charges		4,83,16	1,72,45
5. Depreciation		18,39,61	6,37,52
6. Interest on Loans		62,90,51	22,05,96
7. Provision for Doubtful debt		6,06,87	—
8. Preliminary expenses written off		4,00	4,00
TOTAL EXPENDITURE		<u>1,51,58,01</u>	<u>70,31,78</u>
9. Profit for the year		48,31,37	24,99,00
10. Add/(Less) prior period adjustments (net)	12	<u>3,73,79</u>	<u>(72,87)</u>
11. Profit before Income-tax & statutory appropriations		52,05,16	24,26,13
12. Income Tax of earlier years		15,85	—
13. Profit after tax and Statutory Appropriations		51,89,31	24,26,13
14. Add/(Less) profit/(Loss) brought forward from previous year		<u>61,48,47</u>	<u>37,22,34</u>
15. Profit carried over to Reserves & Surplus		<u>1,13,37,78</u>	<u>61,48,47</u>

**N.V. RAMAN**  
Secretary

**GHANSHIAM DAS**  
Director (Finance)

**M.A. HAI**  
Chairman & Managing Director

As per our report of even date attached  
For BUBBER JINDAL & CO.  
Chartered Accountants  
A.C. BUBBER  
Partner

NEW DELHI  
SEPT. 11, 1989



**SHARE CAPITAL****SCHEDULE-1**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
<b>AUTHORISED CAPITAL</b>		
80,00,000 Equity Shares of Rs. 1,000/- each	8,00,00,00	8,00,00,00
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
79,77,940 (PREVIOUS YEAR 70,25,393) Equity Shares of Rs. 1,000/- each fully paid (out of this 6,29,529 shares have been allotted for consideration other than cash pursuant to contracts and one share has been allotted for part consideration other than cash).	7,97,79,40	70,25,393
	7,97,79,40	7,02,53,93

**RESERVES AND SURPLUS****SCHEDULE-2**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
1. Investment Allowance Reserve	23,44,74	23,44,74
2. Surplus as per Profit & Loss Account	113,37,78	61,48,47
	136,82,52	84,93,21

**LOAN FUNDS****SCHEDULE-3**

(Rs in thousands)

Particulars	31.3.1989	31.3.1988
<b>SECURED LOANS</b>		
<b>Bonds A Series</b> (Secured through equitable mortgage against fixed assets of Loktak and Baira Siul Hydroelectric Projects).		
14% 7 years redeemable non-convertible bonds of Rs. 1,000/- each redeemable at par. (Earliest date of redemption is 8th July, 1993)	143,26,04	143,48,77
<b>Bonds B Series</b> (Secured through equitable mortgage against assets of Chukha Transmission System & Leimtak-Jiribam).		
13% 7 years redeemable non-convertible bonds of Rs. 1,000/- each redeemable at par. (Earliest date of redemption is 11th December, 1994)	50,81,00	50,81,00
9% 10 years redeemable non-convertible bonds of Rs. 1,000/- each redeemable at par (Earliest date of redemption is 11th December, 1997)	79,19,00	79,19,00
	273,26,04	273,48,77
<b>UNSECURED LOANS</b>		
<b>Bonds C Series</b> (To be secured through equitable mortgage of Assets)		
9% 10 years redeemable non-convertible bonds of Rs. 1,000/- each redeemable at par (Earliest date of redemption is May, 1998)	150,00,00	—
Loans from Govt. of India	521,74,19	173,64,61
Loans from other sources	177,71,52	117,89,91
	849,45,71	291,54,52
	11,22,71,75	565,03,29



**FIXED ASSETS****SCHEDULE-4**

(Rs. in thousands)

Particulars	Gross Block as at 1.4.88	Additions/ Adjust- ments	Deduc- tions/ Sales/ Transfers	Gross Block as at 31.3.89	Total Depre- ciation as at 31.3.89	Net Block as at 31.3.89	Net Block as at 31.3.88
1	2	3	4	5	6	7	8
1. Land (Freehold)	6,75,86	3,24,66	51,99	9,48,53	—	9,48,53	6,81,69
2. Land (Leasehold)	3,24,89	80,93	—	4,05,82	14,85	3,90,97	3,08,03
3. Land (Unclassified)	—	7,33,58	—	7,33,58	—	7,33,58	—
4. Buildings	64,96,35	67,89,54	2,05	1,32,83,84	17,36,28	1,15,47,56	46,98,30
5. Roads & Bridges	13,12,24	13,73,44	48,01	26,37,67	4,69,53	21,68,14	11,16,95
6. Plant & Machinery (Constn.)	1,06,11,57	49,44,01	4,64,66	1,50,90,92	77,97,97	72,92,95	73,11,42
7. Plant & Machinery (Generating)	38,43,45	53,64,64	—	92,08,09	7,22,96	84,85,13	33,78,09
8. Substation equipments	41,07,99	1,10,89	74,07	41,44,81	2,77,52	38,67,29	37,27,55
9. Hydraulic works including Dams, Tunnels, Channels & Penstocks	1,73,63,89	4,59,63,97	71,75	6,32,56,11	14,60,51	6,17,95,60	1,71,71,13
10. Vehicles & other Transport	8,21,79	4,33,01	54,14	12,00,66	6,16,36	5,84,30	4,92,47
11. Office furniture & Fixture, office equipts. & other appliances	6,80,49	1,52,38	14,40	8,18,47	1,63,59	6,54,88	5,26,78
12. Transmission lines	59,87,33	47,76,05	—	1,07,63,38	5,23,33	1,02,40,05	57,33,20
13. Misc. equipments/ other Assets	7,73,24	1,09,01	2,11,66	6,70,59	2,41,40	4,29,19	6,53,29
	5,29,99,09	7,11,56,11	9,92,73	12,31,62,47	1,40,24,30	10,91,38,17	4,57,98,90
Previous year	4,87,36,08	49,13,21	6,50,20	5,29,99,09	72,00,19	4,57,98,90	

**CAPITAL WORK-IN-PROGRESS****SCHEDULE-5**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
1. Survey, Investigation, Consultancy and other preliminary expenses	5,31,67	3,58,67
2. Buildings & Civil Engineering Works and communications	59,06,97	51,02,84
3. Roads and Bridges	51,91,53	38,36,33
4. Hydraulic works including Barrages, Dams, Tunnels & Power channels	1,22,49,83	76,85,87
5. Penstock	67,10	12,94,23
6. Plant & Machinery in Generating Station	1,00,19,28	82,27,67
7. Electrical installations & Substation equipments	38,65,16	19,84,49
8. Miscellaneous Assets	12,02,02	6,72,92
9. Trunk Transmission lines	108,95,97	71,24,47
10. Incidental expenditure during construction		1,48,64,02
Balance brought forward from last year	2,28,79,37	
Add: Additions for the year (As per Annexure)	1,99,85,19	84,23,07
	4,28,64,56	2,32,87,09
Less: Capitalised during the year	76,77,02	4,07,72
Charged to P & L A/c	10,84	—
	3,51,76,70	2,28,79,37
	8,51,06,23	5,91,66,86



## ANNEXURE TO SCHEDULE-5

STATEMENT OF INCIDENTAL EXPENDITURE DURING  
CONSTRUCTION FOR THE PERIOD ENDING 31.3.1989

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
1. Employees' Remuneration and Benefits:		
Salaries, wages, allowances & benefits	35,81,05	11,91,87
Foreign service contribution	11,35	8,21
Contribution to Provident Fund (including Admn. Fees)	2,39,30	82,18
Contribution to Gratuity Fund	30,14	32,30
Staff Welfare	1,64,80	1,48,76
	40,26,64	14,63,32
2. Repairs & Maintenance:		
Buildings	1,10,08	61,09
Machinery & Construction Equipment	2,72,70	1,98,46
Others	3,73,25	2,05,15
	7,56,03	4,64,70
3. Travelling and conveyance	94,18	85,07
4. Expenses on staff cars & inspection vehicles	2,45,19	1,90,98
5. Land acquisition & rehabilitation expenses	18,00	31,60
6. Rent	1,39,84	1,19,88
7. Rent for Residential accommodation	35,50	29,49
8. Rates and taxes	4,77	2,89
9. Insurance	1,85,11	2,58,83
10. Electricity charges	1,55,19	1,51,96
11. Telephone, Telex & Postage	69,94	74,70
12. Advertisement & publicity	37,42	29,87
13. Design and consultation	1,77,36	1,39,99
14. Entertainment	1,41	2,68
15. Printing & stationery	53,54	37,30
16. Payment to Auditors		
a) Audit Fee	1,30	1,30
b) For other matters	70	80
c) Audit expenses	1,17	1,31
	3,17	3,41
17. Interest on loans	83,94,02	9,23,25
18. Interest on Bonds	45,71,86	25,45,70
19. Bonds Issue Expenses (Note-2)	44,64	2,43,93
20. Bank charges	3,93	5,11
21. Transfer of technology	2,89,10	32,84
22. Loss on materials/Assets written off	54	9,86
23. Foreign consultancy charges	6,86,77	16,25,31
24. Commitment fee	1,85,89	1,71,69
25. Depreciation	16,90,65	15,81,02
26. Other expenses	5,70,24	2,48,09
27. Exchange Rate variation	26,47,68	2,62,44
28. Donation to P.M.'s National Relief Fund	—	35,00
29. Prior period expenditure	2,85,48	99
	2,53,74,09	1,07,71,90



(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
<b>Less: Receipts and Recoveries:</b>		
1. Sale of scrap material	5,58	19
2. Electricity charges	5,96,69	1,02,53
3. Rent	7,34	2,49
4. Interest:		
Term Deposits & Saving Bank	1,05,37	1,21,04
Loans and Advances	2,63,93	1,40,81
Other Investments	16,62,94	2,71,33
5. Miscellaneous Receipts & Recoveries	2,27,78	1,97,09
6. Profit on Sale of Assets	2,63	66
7. Receipt on Transmission of Power during construction	—	6,80
	<u>28,72,26</u>	<u>8,42,94</u>
Net Expenditure	<u>2,25,01,83</u>	<u>99,28,96</u>
<b>Less:</b>		
1. Design charges allocated to capital work-in-progress	1,08,47	93,42
2. Hire charges/Out turn allocated/ allocable directly to work-in-progress	22,36,98	12,58,79
3. I.E.D.C. allocated to investigation Deposit, Agency works and operating project	<u>1,71,19</u>	<u>25,16,64</u>
Amount transferred to capital work-in-progress	<u>1,99,85,19</u>	<u>1,53,68</u>
		<u>15,05,89</u>
		<u>84,23,07</u>
<b>Note:</b>		
1. a) The above expenditure includes the following amounts paid to Directors:	<u>1988-89</u>	<u>1987-88</u>
	Rs.	Rs.
i) Salaries and allowances	2,10,045	4,13,322
ii) Leave encashment	35,506	—
iii) Contribution to Provident Fund	16,466	31,168
iv) Rent for residential accommodation	71,729	29,906
v) Medical reimbursement	20,207	29,525
vi) Travelling Expenses	39,271	1,48,334
vii) Leave Travel Concession	9,850	3,040
viii) Interest on Bonds	42	764
b) Whole time Directors were also allowed the use of Company's car for official journeys and for private journeys upto 1000 Kms. on payment of Rs. 250/- p.m. for non-AC car and Rs. 400/- p.m. for AC car in terms of Government Sanction. Perquisite value of staff car, if available for unrestricted use would have worked out to Rs. 3,530/- for 1988-89 (Previous year Rs. 8,800/-).		
2. Break-up of Bond issue expenses is as below:-		
i) Brokerage	37,53,600	
ii) Printing & Stationery	2,08,989	
iii) Other expenses	<u>5,01,800</u>	
	<u>44,64,389</u>	



**CURRENT ASSETS, LOANS AND ADVANCES****SCHEDULE-6**  
(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
<b>1. Inventories</b>		
Stores & spare parts including inventory in transit (at estimated cost)	96,48,51	97,14,50
<b>2. Cash &amp; Bank Balances</b>		
i) Cash, Imprest, Postal Orders & Postal stamps	8,92	14,70
ii) Balances with Scheduled Banks Savings Bank Accounts	1,94,95,59	74,00,03
iii) Balances with non-scheduled Banks		
Maximum balance during the year		
<b>Current Account</b>	<u>1988-89</u>	<u>1987-88</u>
Nepal Rashtra Bank, Kathmandu	453	27,57
Nepal Bank Ltd.	—	2,98
	—	—
<b>3. Sundry Debtors</b>		
i) Debts outstanding for a period exceeding six months (considered good)	93,61,55	41,21,05
ii) Other debts (considered good)	66,91,44	31,26,24
	1,60,52,99	72,47,29
Less Provision for doubtful or bad	6,06,87	—
	1,54,46,12	72,47,29
<b>4. Other Current Assets</b>		
i) Interest accrued on Deposits	18,70	1,94,18
ii) Others	2,54,89	—
<b>5. Loans &amp; Advances</b>		
Advances recoverable in cash or kind or for value to be received		
Secured (considered good)	3,44,28	1,58,20
Unsecured (considered good)	1,66,91,83	1,33,85,96
Unsecured (Doubtful)	1,20	—
Less Provisions		
	1,70,37,31	1,35,44,16
	1,20	—
	1,70,36,11	1,35,44,16
Loan to Employees (Secured)	2,74,69	2,40,63
Balance with Customs and Port Trust Authority	8,49,07	7,32,16
	6,30,32,60	3,90,92,18

**Notes:**

- Advances due from Directors Rs. 27,205/- (Previous year Rs. 74,224/-). Maximum amount due at any time during the year amounts to Rs. 80,624/- (Previous year Rs. 79,134/-).
- Advances due by Companies in which any Director of the Corporation is a Director or member amounts to Rs. 174.53 lakhs (Previous year Rs. 109.16 lakhs).



**CURRENT LIABILITIES AND PROVISIONS****SCHEDULE-7**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
<b>Liabilities</b>		
1. Sundry Creditors	25,55,38	11,11,22
2. Unspent amount of Deposit/Agency works (As per Annex.)	2,77,90	1,89,07
3. Deposits, Retention Money from contractors and others	8,58,24	7,15,26
4. Other liabilities	27,54,58	22,76,74
5. Interest accrued but not due on loans	72,46,59	10,70,87
6. Liability for cheques issued	43,82,19	16,57,78
	<u>1,80,74,88</u>	<u>70,20,94</u>

**Note:** Interest accrued but not due on loans includes Rs. 450.47 lakhs (Previous year Rs. 218.82 lakhs) on Cumulative Bonds which is payable on maturity of Bonds.

**ANNEXURE TO SCHEDULE-7****DETAILS OF DEPOSIT WORKS AND PROJECTS ON AGENCY BASIS**

(Rs. in thousands)

Particulars	Amount of Deposit upto 31.3.89	Expenditure upto 31.3.88	Expenditure 1.4.88 to 31.3.1989	Share of Corporate Office Expenditure	Total Exp. upto 31.3.1989	Unspent Amount
<b>A. DEPOSIT WORKS</b>						
<b>Transmission Construction Units</b>						
1. Gangtok to Melli-Kalimpong }	4,24,13	4,19,63	—	—	4,19,63	4,50
2. Gangtok to Dikchu }						
3. Leimatak-Jiribam }	4,72,18	4,53,76	—	—	4,53,76	18,42
4. Ramnagar-Gandak }	1,77,30	1,58,08	—	—	1,58,08	19,22
5. Neepco }	10,07	10,07	—	—	10,07	NIL
6. Salakati }	1,00,00	—	2,64,97	5,30	2,70,27	(-) 1,70,27*
<b>B. PROJECTS ON AGENCY BASIS</b>						
1. Devighat Project	40,69,42	40,35,27	1,16	—	40,36,43	32,99
2. Trisuli Power Resources Inv. Works	5,00	3,84	2,01	—	5,85	(-) 85*

**Note:** Expenditure on Transmission Construction Units and Projects on Agency basis represents cash expenditure only and does not include accrued expenditure. Expenditure, however, includes advance to suppliers, contractors, deposits and unconsumed stocks.

\* Shown in Current Assets, Loan & Advances.



**GRANTS-IN-AID****ANNEXURE TO SCHEDULE-7**

(Rs. in thousands)

Particulars	31.3.1989		31.3.1988	
<b>GRANTS-IN-AID FOR INVESTIGATION OF HYDROELECTRIC PROJECTS</b>				
1. Chamera	3,36,00		3,36,00	
2. Dhaleshwari	1,66,84		1,66,84	
3. Dhauliganga	3,71,31		3,71,31	
4. Gauriganga Stage I	2,38,09		2,38,09	
5. Gauriganga Stage II	40,00		—	
6. Gauriganga Stage III	80,00		—	
7. Kishanganga	1,40,00	13,72,24	—	11,12,24
<b>LESS EXPENDITURE</b>				
1. Chamera (Investigation)	2,59,43		2,59,47	
2. Dhaleshwari	1,71,18		1,64,34	
3. Dhauliganga Stage I	3,72,26		3,40,61	
4. Gauriganga Stage I	3,26,32		2,73,77	
5. Gauriganga Stage III	14,31		—	
6. Barah Pump Storage Scheme, Alwar	30,06		30,06	
7. Dhauliganga Stage-II	1,75,97		1,26,10	
8. Kishanganga	1,19,49		39,50	
9. Baglihar	—		1,61,01	
	14,69,02		13,94,86	
Less excess of expenditure on investigation over receipts, shown in current assets under 'Loan and Advances'.	2,99,55	11,69,47	3,61,65	10,33,21
Unspent amount of Grants-in-Aid		2,02,77		79,03

**MISCELLANEOUS EXPENDITURE****SCHEDULE-8**

(Rs. in thousands)

Particulars	31.3.1989		31.3.1988	
<b>Miscellaneous expenditure to the extent not written off or adjusted</b>				
1. Preliminary expenses	12,00		16,01	
2. Losses awaiting written off sanction	81,16		—	
	93,16		16,01	

**MISCELLANEOUS INCOME****SCHEDULE-9**

(Rs. in thousands)

Particulars	31.3.1989		31.3.1988	
1. Other Miscellaneous receipts and recoveries	55,79		41,31	
2. Profit on Sale of Fixed Assets	4,16		35,56	
	59,95		76,87	



**GENERATION, TRANSMISSION AND ADMINISTRATION EXPENSES****SCHEDULE-10**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
<b>GENERATION &amp; TRANSMISSION EXPENSES</b>		
1. Consumption of Stores and Spares	1,09,16	18,09
2. Repairs and Maintenance		
a) Buildings	59,17	26,93
b) Machinery	82,01	1,28,03
c) Others	3,08,02	1,37,63
3. Wheeling charges	48,28	54,54
4. Other operational expenses	1,47,03	1,61
<b>ADMINISTRATION EXPENSES</b>		
5. Rent	2,09	2,45
6. Rates & Taxes	4,56	3,26
7. Insurance	13,28	10,36
8. Electricity Charges	49,75	40,37
9. Travelling & Conveyance	42,29	32,69
10. Telephone, telex & postage	13,97	6,04
11. Consultancy charges	12,52	2,52
12. Advertisement & publicity	7,59	3,78
13. Entertainment expenses	27	10
14. Printing & Stationery	10,31	7,66
15. Corporate Office Management expenses	1,70,58	66,97
16. Other Miscellaneous expenses	93,87	95,87
17. Loss on Sale of Assets	10	47
18. Expenses on Construction Management	—	73,88
	<u>11,74,85</u>	<u>7,13,25</u>

**SCHEDULE-11****EMPLOYEES' REMUNERATION AND BENEFITS**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
1. Salaries, wages and allowances	10,19,01	4,07,22
2. Company's contribution to Provident & Gratuity Funds (including Administration Fees)	89,45	31,07
3. Staff welfare expenses	96,88	46,36
	<u>12,05,34</u>	<u>4,84,65</u>

**SCHEDULE-12****PRIOR PERIOD ADJUSTMENT**

(Rs. in thousands)

Particulars	31.3.1989	31.3.1988
1. Sale of Electricity	(7,66,65)	—
2. Profit earlier years	3,53,97	—
3. Interest	7,66,01	—
4. Depreciation	2,04,32	(80)
5. Royalty	(67,94)	—
6. Cost of damaged portion of tunnel	(69,17)	—
7. Salaries & wages	(25,94)	(64,87)
8. Repair & Maintenance	(4,92)	(3,83)
9. Other Miscellaneous	(15,89)	(3,37)
	<u>3,73,79</u>	<u>(72,87)</u>



## EXPLANATORY NOTES

1. Contingent Liabilities exist in respect of the following:—
  - a) Claims against the Company not acknowledged as debts amount to Rs. 3693.90 lakhs (previous year Rs. 607.27 lakhs).
  - b) Letter of Credit Rs. 105.88 lakhs (previous year Rs. 37.18 lakhs).
  - c) Bank Guarantee Rs. 15.00 lakhs (previous year Rs. 15 lakhs).
  - d) i) Income-tax demand Rs. 12.42 lakhs (previous year Rs. 41.58 lakhs).
  - ii) Sales-tax demand Rs. 1.62 lakhs (previous year Nil) for earlier years in respect of Baira Siul Project.

The contingent liabilities, if any, in respect of the projects executed on agency basis, deposit works and against grants-in-aid have not been included as the Corporation does not anticipate any liability.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for, is Rs. 26489.43 lakhs (previous year Rs. 28917.19 lakhs.)
3. Government of India has approved the proposal for increasing the authorised share capital of the Corporation from the present level of Rs. 800 crores to Rs. 1300 crores (Rupees One thousand three hundred crores only). Accordingly, the further needful to give effect of increase in authorised share capital is in process.
4. "Central Government Fund—Adjustable to Equity" includes:—
  - a) Rs. 225 lakhs received from the Government of India towards share capital—pending completion of certain formalities for increase of Authorised Share Capital from Rs. 800 crores to Rs. 1300 crores.
  - b) An amount of Rs. 180 lakhs loan drawn from the Government for construction of Chukha Transmission System, conversion of which to equity has been agreed to by Government in principle—is awaiting completion of certain formalities.
  - c) Rs. 33156.61 lakhs being part of the Government fund in Salal Project and part of interest accrued during construction period, of that project, as explained in Note No. 5
5. a) Salal H.E. Project (Stage-I) which was being executed by the Corporation on agency basis on behalf of the Government of India, has come on defacto transfer to the Corporation on ownership basis with retrospective effect from 1st November, 1987. Pending finalisation of the terms of transfer and of the legal documentation in this regard, the accounts of that project have been incorporated in the accounts of the Corporation considering the same terms and conditions as were allowed earlier in case of transfer of other projects by the Government of India to the Corporation as under:—
 

Out of the total fund-in-flow from the Government for construction of projects, an amount of Rs. 29764.01 lakhs, being the first 50% of the estimated revised project cost, has been treated as investment from the Government of India and adjustable by issue of Equity Share Capital. The balance amount drawn on different dates has been treated as interest bearing loan at the rate prevailing as per Government Policy, on the date of drawal. The interest accrued on such loan portion of the investment during construction period has also been capitalised and 50% of that treated as adjustable towards issue of equity capital and balance as loan. The amount adjustable by issue of equity capital and amount of loan arrived at on above line came to Rs. 33156.61 lakhs and Rs. 30149.79 lakhs respectively and included in "Government Fund Adjustable to Equity" and 'unsecured' loan respectively.

  - b) Accounts of the Salal H.E. Project were being maintained on Government system of accounting. The commercialisation of accounts and capitalisation of completed project components had been done on the basis of cost incurred on such components and taking the physical inventory of stores, furniture and fixtures etc. as on 31st March, 1989 at estimated cost subject to further reconciliation/adjustment in capital account. Similarly, Rs. 206.19 lakhs recoverable from the Government towards settlement of balances under various debts, deposit & remittance heads of accounts as per project books has been provided subject to reconciliation with the concerned offices of the Ministry of Energy.
  - c) Salal Project started commercial generation with effect from 1st December, 1987 and as such, net profit earned by the Project upto 31st March, 1988 amounting to Rs. 479.55 lakhs has been shown as prior period adjustment in Profit & Loss Account of the Corporation for the year 1988-89.
6. a) The agreements for the supply of power with the beneficiaries are not yet finalised. Pending finalisation of the agreements, sale of electricity from Chukha Transmission System, Loktak, Baira Siul Projects and Salal Project has been accounted for on a provisional basic rate of 45 paise, 53.10 paise, 37.50 paise and 46.20 paise per KWh respectively. However, based on the discussion relating to tariff negotiation with the beneficiaries, Rs. 367.42 lakhs and Rs. 239.45 lakhs have been provided and charged to Profit & Loss Account towards tariff adjustments in Baira Siul and Loktak Project respectively. Considering the above facts and in view of uncertainty of the ultimate collection, no interest on overdue payments from beneficiaries has been accounted for.
- b) Similarly, pending finalisation of agreement with Chukha Hydel Project (Bhutan), the purchase of power has been accounted for at the rate of 27 paise per KWh.
7. The cost of land in some cases represent provisional/initial payments towards compensation and other incidental expenses. The title of land in certain cases has not been passed to the Corporation pending completion of legal formalities.



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Considerations paid for transfer of land by the concerned public authorities/state Governments for which legal status and ownership of the land has not been made clear as yet, has been shown as unclassified.

8. Rs. 1783.87 lakhs included under 'Building, Civil Engg. Works and Communication' in capital work-in-progress relates to expenditure incurred on roads, bridges, culverts and temporary sheds on land not belonging to the Corporation and will be allocated in terms of accounting Policy No. 10.
9. The priced stores ledgers are not complete in certain projects where capital construction works are continuing. Pending such completion and detailed reconciliation, the balance of inventories Rs. 9648.51 lakhs has been taken as per books of accounts. However, as almost the entire inventories will be used in construction activities, the Management does not anticipate any diminution in the value of such inventories.
10. Pending receipt of verified bills and other related documents no provision has been made in respect of some capital works done and capital stores received and consumed within the year.
11. a) Accounting policies as were being followed by the Corporation upto previous year as regard to (i) charging value of unconsumed operational stores lying at generating stations to expenses, (ii) accounting interest on loans and advances to employees, contractors, suppliers etc. on receipt basis and (iii) accounting the reimbursement of deficits, if any, in the income of Employees Provident Fund Trust on payment basis, have been abandoned this year in view of the amendments made in Section 209 of the Companies Act, by the Companies (Amendment) Act, 1988 and followed the accrued system of accounting. Such changes in policy have resulted in excess profit of Rs. 69.59 lakhs only.  
b) Outstanding interest bearing advances paid to the employees posted in Investigation and in Projects on agency basis have been adjusted in project cost and considered in the accounts of the Corporation before arriving at net capital expenditure for the purpose of allocating share of Corporate Office expenses in terms of Policy No. 13(d).
12. a) In absence of any commitment for providing grants for carrying out investigation and preconstruction activities in Baglihar Project the total expenditure incurred thereon upto the end of previous year Rs. 161.01 lakhs and during 1988-89 Rs. 212.94 lakhs have been taken into account of the Corporation and necessary adjustments carried out in the accounts of grants-in-aid.  
b) Total expenditure of Rs. 10.84 lakhs incurred in connection with feasibility study of Mini-Micro Hydel Power Scheme on Guntur Canal in Andhra Pradesh upto the year ending 31st March, 1989 has been charged to current year's Profit & Loss Accounts as the Scheme did not materialise and the project establishment wound up.
13. Wage structure of workmen has been revised with effect from August, 1983. As the wage settlement with the employees reached and the liability in this regard crystallised in the current period, the amount due arising out of such wage settlement has been accounted for in current year's expenses.
14. Corporation completed the construction of Nuwakot Rural Electrification Project in Nepal as an agency work on behalf of the Ministry of External Affairs, Government of India. Management fees earned (Rs. 18.31 lakhs) and expenditure incurred (Rs. 7.48 lakhs) in this connection have been taken into profit and loss account of the current year.
15. i) Depreciation on fixed assets has been charged in terms of the Accounting Policy Nos. 8 and 9 (b).  
ii) Value of surplus construction equipments, awaiting disposal/transfer in operation projects, on which no depreciation has been charged in terms of Accounting Policy No. 9(b) is Rs. 138.80 lakhs (net block).  
iii) Depreciation on construction plant and machinery, equipments, transport vehicles, furniture & fixture, office equipments, buildings etc. in Salal Project has been regulated for the past periods at the rates prescribed in Schedule-XIV of the Companies (Amendment) Act 1988 and taken into account of the Corporation accordingly.
16. No provision on account of liability of Income Tax has been made as the Management do not consider any liability to accrue in this regard.
17. Previous year's figures have been suitably re-arranged wherever practicable to correspond to the current year's figures.



**ADDITIONAL INFORMATION REQUIRED UNDER PART-II  
OF SCHEDULE-IV OF THE COMPANIES ACT, 1956**

Particulars	1988-89	1987-88
<b>1. EXPENDITURE ON EMPLOYEES</b>		
Expenditure on employees who are in receipt of remuneration not less than Rs. 72000/- per annum (previous year Rs. 36,000 per annum) if employed throughout the year or Rs. 6000/- per month (previous year Rs. 3000/- per month) if employed for part of the year.		
<b>a) Employed throughout the year</b>		
i) Number of employees	141	626
ii) Salary & Wages (Rs. in thousands)	10,452	3,14,37
iii) Value of perquisites (Rs. in thousands)	2071	9,59
<b>b) Employed for part of the year</b>		
i) Number of employees	6	48
ii) Salary & Wages (Rs. in thousands)	434	13,42
iii) Value of perquisites (Rs. in thousands)	37	95
(This does not include employees at Projects which are being executed on agency basis and the remuneration of such employees is debited to deposits from the Govt. of India and are not debited to the Corporation's Incidental Expenditure during construction).		
However, information for employees employed at project executed on agency is as under:—		
<b>a) Employed throughout the year</b>		
i) Number of employees	1	104
ii) Salary & Wages (Rs. in thousands)	87	5187
iii) Value of perquisites (Rs. in thousands)	—	202
<b>b) Employed for part of the year</b>		
i) Number of employees	1	4
ii) Salary & Wages (Rs. in thousands)	85	87
iii) Value of perquisites (Rs. in thousands)	15	3

**NOTE:** (1) 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 the Life Insurance Corporation.

(2) Emoluments of Nuwakot REP employees includes foreign allowances.

**2. EXPENDITURE INCURRED IN FOREIGN CURRENCY**

i) Know-how	—	—
ii) Other Miscellaneous Matters	1120665	866559

**3. VALUE OF SPARE PARTS & COMPONENTS CONSUMED (O&M PROJECTS)**

i) Imported	—	—
ii) Indigenous	10916	1809

**4. VALUE OF IMPORTED PLANT & MACHINERY AND SPARES**

440543	490254
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**5. LICENSED/INSTALLED CAPACITY & ACTUAL PRODUCTIONS**

	Baira Siul		Loktak		Chukha TCU		Salal
	1988-89	1987-88	1988-89	1987-88	1988-89	1987-88	1988-89
1. Licensed capacity	180MW	180MW	105MW	105MW			690MW
2. Installed capacity	180MW	180MW	105MW	105MW			345MW
3. Actual Production (in Million Units)	704.07	751.378	374.56	404.95			2148.3MU
4. Value (Rs. in thousands)	251287	260097	197091	221888			958454
	(656.25MU)	(701.05MU)	(371.17MU)	(401.25MU)			(2093MU)
5. Purchase of power (in Million Units)	—	—	—	—	1300.88	1042.20	—
6. Transmission & sale of power (in Million Units)	—	—	—	—	1298.40	1024.96	—



## ACCOUNTING POLICIES

1. Liability accruing from year to year on account of service gratuity is discharged by paying requisite premium on LIC Policy and accounted for in the year of payment.
2. Liability for foreign exchange loans during construction is determined with reference to the rate of exchange ruling at the end of the year and difference, if any, is transferred to incidental expenditure during construction forming part of the capital work-in-progress pending capitalisation.
3. The Corporation receives grants-in-aid for investigation of various projects. The balance of grants-in-aid is being reflected in accounts after deducting expenditure incurred on the investigation works. The ownership of the assets procured/constructed from grants-in-aid does not vest with the Corporation and hence assets are not included in the assets of the Corporation.
4. Liabilities, if any, for capital works executed but not measured are not provided as such works require to be finally inspected and accepted by the Corporation. Similarly, liabilities for material in transit are not provided till the time of receipt, inspection and acceptance of the same by the Corporation.
5. Completed assets are capitalised on the basis of cost incurred on construction of such assets. However, where the actual expenditure cannot be directly determined, the same is ascertained on the basis of fair estimates.
6. The amounts contributed by other agencies including the State Governments towards part cost of certain assets belonging to Corporation are reduced from the cost of such assets and the net costs are shown in the accounts. In case of assets jointly owned with other agencies, the contributions by other agencies are reduced from the cost of such assets and the net cost is shown in Corporation's accounts.
7. In the projects under construction, the grants/share of costs/expenditures incurred on the Assets on land not belonging to the Corporation are accounted for under construction work-in-progress pending final allocation.
8. Depreciation on assets, plant & machinery, equipment etc. used for generation/transmission, operation and maintenance of generating stations is being charged with reference to the rates ascertained under notification issued under sub-section-1 of section-68 of Electricity (Supply) Act, 1948, from the year following the year in which the assets are put to use. Depreciation on construction plant and machinery, equipment transport vehicles, office equipments, buildings is provided as per provisions contained in Schedule-XIV of the Companies (Amendment) Act, 1988. However, in case of assets procured/constructed prior to 2nd April, 1987, the rates of depreciation arrived at under the earlier provisions of Companies Act are continued in terms of clarification given by Company Law Board.
9. (a) Inter project/unit transfers of plant and machinery and stores are being done on book value. However, power supplied from operating projects to the construction projects of the Corporation is being charged as per normal tariff as applicable to other beneficiary states of the operating projects.  
(b) Surplus stores and equipment lying at the projects are identified on periodical intervals. The surplus items so identified are being transferred to other projects/units of the Corporation where those are required. Surplus equipment/stores are also given to other Projects/Undertakings/Departments of the Central/State Governments depending upon their requirements for such items. Depreciation is not provided on construction equipment declared surplus to the requirement of projects/units. The losses, if any, on disposal are accounted after the disposal of such items.
10. The total amount of incidental expenditure during construction and intangible expenditure incurred on the projects which are put to commercial operation during the year are allocated on the tangible fixed immovable assets excluding land on the basis of cost appearing/adjusted as on 1st day of the start of commercial production.
11. Value of stock of capital stores lying at various work sites at the close of the year are charged to construction work-in-progress.
12. The petty items and tools, the individual value of which is less than Rs. 100/- are being charged to consumption account. The value of loose tools costing Rs. 100/- and more in each case are capitalised and shown under loose tools. The value of loose tools so capitalised is written off in 5 equal annual instalments by debit to consumption of loose tools.
13. The Corporate Office expenses excluding advances and assets but including remuneration to surplus employees are allocated as under:-
  - (a) On existing Transmission Lines being executed by the Corporation as deposit works at a flat rate of 2% of direct capital expenditure incurred.
  - (b) Estimated design expenses incurred in respect of projects/units on the basis of quantum of services rendered to the respective projects/units.
  - (c) On operational projects and Transmission System @ 1% of sale of energy and wheeling charges excluding taxes, duties and wheeling and power charges payable to third parties.
  - (d) The balance expenditure is allocated to projects/units under construction, investigation, projects on agency basis and capital expenditure on operation projects on pro-rata basis in the ratio of their net capital expenditure incurred during the year.
14. Expenses or income related to earlier years incurred or realised during the current year are shown under the heading "Prior Period Adjustments" only if the amount involved is more than Rs. 5000/- in each case.
15. In operational projects, where the construction activity is still continuing, the common service expenses are primarily allocated on the basis of estimated services rendered to/benefit derived by each activity, i.e., construction/operation.
16. The Bonds are issued for part financing of some of the projects under construction. The Debenture Redemption Reserves are created after moratorium period, i.e., start of commercial operations in the concerned projects.
17. Expenditure on raising finances for construction project by issuing Debenture/Bonds and interest charges thereon during the construction period is treated as capital expenditure and charged to "Incidental Expenditure during Construction".



## AUDITORS' REPORT

### To the Members of National Hydroelectric Power Corporation Limited

We have audited the attached Balance Sheet of National Hydroelectric Power Corporation Limited as at 31st March, 1989 and the Profit & Loss Account for the year ended on that date annexed thereto in which are incorporated the accounts of the Projects/Units audited by the Branch Auditors and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - (a) 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 account as required by law have been kept by the Company so far as appears from our examination of such books and proper returns adequate for the purpose of our audit which have been received from the projects/units not visited by us.
  - (c) The reports of the branch auditors, in respect of Projects/Units not audited by us, have been received and the same have been considered and relied upon while preparing our report.
  - (d) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account and returns.
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the Accounting Policies and Explanatory Notes forming part thereof, and subject to:
    - i) In case of Salal H.E. Project, the accounts are incorporated in the accounts of the Corporation for the year but as per information and explanation given to us, we are of the opinion that the Corporation is not the owner of the Project though Ministry of Energy vide their letter No. 4/1/78-DO (NHPC) dated 9.2.1989 has conveyed that Government has taken a decision to transfer the Project to the Corporation. In consequence, the followings are over-stated in the accounts for the year:-

	(Rs. in lakhs)
a) Profit for the year	3693.85
<b>LIABILITIES</b>	
b) Reserves and Surplus	3693.85
c) Unsecured loans	30149.79
d) Govt. Fund adjustable to Equity	33156.61
e) Current Liabilities and Provision	950.70
<b>ASSETS</b>	
f) Fixed Assets	59808.37
g) Capital Work-in-progress	9.26
h) Inventories	1752.07
i) Cash and Bank Balances	0.19
j) Sundry Debtors	6624.09
k) Loans & Advances	(-)243.03

In view of the above a separate report is given by us on the accounts of Salal Project considering the same on agency basis with the Corporation.

- ii) Bank reconciliation at the Corporate Office has revealed the long outstanding of debits and credits by the bank/Corporation amounting to Rs. 296.93 lakhs and Rs. 1496.00 lakhs respectively for which adjustments are pending in the books. Besides long adjustments/rectifications of excess/short debits/credits by bank/Corporate Office/Units regarding issue of cheques which remained outstanding at the close of the year.
- iii) In case of fixed assets, additions and deductions include inter-unit transfers due to which additions and deductions in fixed assets are over-stated and effect of the same is not quantified.
- iv) Loans and Advances given to contractors, fabricators, suppliers staff/departments including Government Department are subject to the reconciliation adjustments and confirmations after verification of supplies/work done, services rendered/verification of accounts and various bills. The effect of the same is not ascertainable.
- v) Revenue from sale of electricity power includes a sum of Rs. 71.23 lakhs being market price of power charged to inter-unit resulting in notional profit to the extent of excess of market price over cost.
- vi) The depreciation on assets other than plant and machinery equipment etc. used for generation/transmission, operation and maintenance of generating stations is being charged in accordance with Schedule XIV (as introduced by the Companies Amendment Act, 1988) of the Companies Act, 1956 and depreciation on the



assets acquired on or after 2.4.1987 is reworked and the amount adjusted in the accounts this year on such re-working is not quantified.

- vii) In certain cases, i.e., in respect of Projects executed on agency basis, deposit works and works executed against grants-in-aid and Project handled on behalf of Government of India the accounts prepared are on cash basis which is not in compliance with the provisions of the Companies Act. Regarding accrual system of accounting, the effect of the same is not quantified.
- viii) Claims recoverable include a sum of Rs. 17.33 lakhs disputed and lying in arbitration against which the Corporation has no security and has not made any provision in the event of non-recoverability of the claim.
- ix) No adjustment has been made for Rs. 10.83 lakhs worth of material short received/damaged at Jeypore-Talcher Transmission Project which is included in the capital work-in-progress and is replaceable by the contractor.
- x) No provision has been made on account of liability that may arise on account of agreements entered with OSEB or any subsequent claims lodged by OSEB for which only provisional amount has been paid/adjusted. The Corporation has not taken possession of all the records/documents/title deeds etc.
- xi) The value of inventory is taken as per general ledger which have not been reconciled with price stores ledgers. In our opinion, the valuation is not fair and proper in accordance with normally accepted accounting principles. The effect of the same on the accounts has not been ascertained.
- xii) No adjustment has been made for the loss due to short supply/non-supply/supply of damaged materials valuing approx. Rs. 8.22 lakhs at Dulhasti Project.

**NOTES:**

- No. 6 (a&b) Regarding revenue from sale of electric power accounted for on the basis of provisional rates/meter reading for sale of power to different State Governments, State Electricity Boards and other agencies as the sale agreements with the beneficiaries have so far not been finalised. The effect of this account on profit cannot be ascertained till the agreements are finalised.
7. Regarding accounting for the cost of land on the basis of provisional/initial payments and non-completion of legal formalities for transfer of title of land to the Corporation. The period of lease of land in case of Dulhasti H.E. Project, T.C.U. Udhampur Project has been assumed as 99 years. The exact liability in this regard has not been determined and quantified.
8. Rs. 1783.87 lakhs were spent on roads, bridges culverts and temporary sheds on land not belonging to the Corporation.
- 11 (a) Regarding change in accounting policies for the following:  
a) Charging value of unconsumed operational stores lying at generating stations to expenses.  
b) accounting interest on interest bearing loans and advances to employees, contractors, suppliers etc. on receipt basis and  
c) accounting the reimbursement of deficits, if any, in the income of Employees Provident Fund Trust on payment basis.  
Which are now accounted for on the accrual basis of accounting and accordingly profit for the year has increased by Rs. 69.59 lakhs only.
- (b) Regarding adjustment in Project cost outstanding interest bearing advances paid to the employees posted in Investigation and Projects on agency basis.
- 12 (b) Regarding charging to current year's Profit & Loss Account of Rs. 10.84 lakhs for expenditure incurred in connection with feasibility study of mini-hydro power scheme at Guntur Canal in Andhra Pradesh.
- 15 (ii) Regarding non-provision of depreciation on surplus construction equipments awaiting disposal/transfer in operational projects amounting to Rs. 138.80 lakhs (net block).

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) in so far as it relates to the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 1989 and
- ii) in so far as it relates to the Profit and Loss Account of the profit of the Corporation for the year ended on that date.

FOR BUBBER JINDAL & CO.  
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI  
DATED: 11TH SEPTEMBER, 1989.

(A.C. BUBBER)  
PARTNER



## ANNEXURE TO THE AUDITORS' REPORT

Referred to in our Report of even date

1. The Corporation has maintained records for a major portion of fixed assets but the records maintained do not show situations in some cases. The Management has not conducted physical verifications of assets at most of the Projects and as such we are unable to comment about the discrepancies, if any.
2. None of the fixed assets have been revalued during the period.
3. The physical verification of stores, spare parts, raw materials has not been conducted by the Management at most of the Projects. As such, we are unable to comment about the discrepancies, if any.
4. On the basis of our examination, we found that value of these stores is not fair and proper in accordance with normally accepted accounting principles. The value of inventory is taken as per general ledger which have not been reconciled with price store ledgers. The inventories are taken on the same basis as in previous year.
5. The Corporation has not taken any loan, secured or unsecured or even any loans from Companies/firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956 or covered by the definition of Companies Act under the same management U/s 370 (1B) of the Companies Act, 1956.
6. The Corporation has not granted any loans to Companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956 where terms and conditions were prima facie prejudicial to the interest of the Company. We are informed that there are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
7. The Corporation has given advances in the nature of loans to the employees of the Corporation and contractors who are generally repaying the principal amount as stipulated and are also generally regular in making payment of interest where applicable.
8. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of stores, raw materials (including components), plant and machinery equipment and other assets and for the sale of goods.
9. As explained to us the Corporation does not have a regular procedure in the determination of unserviceable or damaged stores/raw materials. So the provision for loss, if any, is made in the books of accounts, whenever these items are determined.
10. The Corporation has not accepted any deposits from the public to which the provisions U/s 58 A of the Companies Act, 1956 and the rules made thereunder would apply.
11. According to the information and explanation given to us, the Corporation is maintaining reasonable records for the sale and disposal of the realisable scrap.
12. The Corporation has an internal audit system in operation but the same is not commensurate with the size of the Corporation and the nature of its business.
13. Maintenance of the cost records has not been prescribed by the Central Government U/s 209 (1) (d) of the Companies Act, 1956.
14. The Corporation has been regular in the depositing of provident fund dues on ad-hoc basis with NHPC Employees Trust and is subject to adjustment/reconciliation and audit of Provident Fund Trust Account.
15. There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty as on 31st March, 1989 are outstanding for a period of more than six months from the date they became payable.
16. In our opinion and according to the information and explanation given to us, personal expenses have not been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Corporation is not a sick industrial Corporation within the meaning of clause (i) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.
18. In respect of agency works/deposit work:-
  - i) The Corporation has a reasonable system of recording receipts, issues and consumption of stores and material which also provides for a reasonable allocation of the materials and man hours consumed to relevant projects.
  - ii) There exists a reasonable system of authorisation at proper levels with necessary control on the issue of stores and allocation of stores and labour to jobs. Internal control system needs strengthening considering the size of the Company and nature of its business.

FOR BUBBER JINDAL & CO.  
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI  
DATED: 11TH SEPTEMBER, 1989

(A.C. BUBBER)  
PARTNER



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## Comments of the Comptroller and Auditor-General of India Under Section 619 (4) of the Companies Act, 1956 on the Accounts of National Hydroelectric Power Corporation Limited for the year 1988-89.

### BALANCE SHEET

#### 1. Current assets Loan and Advances

##### i) Inventories Rs. 96,48,51,000.00

- This includes items of capital nature valuing Rs. 406.17 lakhs, which should have been shown as such under fixed capital expenditure. This has resulted in over statement of inventories and understatement of fixed capital expenditure, works-in-progress to this extent.
- This includes loose tools amounting to Rs. 6.33 lakhs which should have been disclosed separately as required in Schedule VI of the Companies Act.
- This includes Rs. 189 lakhs being the price variation (Rs. 142 lakhs) and balance payment (Rs. 47 lakhs) in respect of equipments which have already been capitalised as capital work-in-progress. This has resulted in overstatement of inventories and understatement of capital work-in-progress.

##### ii) Loans and Advances Rs. 1,81,59,87,000.00

- This includes Rs. 711.38 lakhs being the payments made to various State Government Departments for creating various facilities for the projects which will not constitute assets of the Company. As such assets have been created and are in use by the projects this should have been disclosed as 'capital expenditure not represented by Assets'
- This includes Rs. 79.15 lakhs on account of ocean freight and insurance paid for the equipment already capitalised. This has resulted in the overstatement of advances and understatement of capital work-in-progress/fixed assets to this extent.
- This has been arrived at after adjusting credit balance of Rs. 95.15 lakhs, which should have been shown as 'Sundry Creditors'.
- This includes cost of land amounting to Rs. 109.93 lakhs possession of which has already been taken during the year. This has resulted in overstatement of 'Loans & Advances' and understatement of 'Fixed Assets' to this extent.

#### 2. Current Liabilities and Provisions

##### Liabilities Rs. 1,80,74,88,000.00

##### Sundry Creditors Rs. 25,55,38,000.00

- This does not include liability to the extent of Rs. 129 lakhs in respect of consignments delivered at Port Montreal under FAS contracts. This has resulted in understatement of 'Sundry Creditors' and stores-in-transit to this extent.
- This does not include liability of Rs. 23.82 lakhs in respect of HPSEB against the works executed by them.

### GENERAL

- The fact that plant and machinery, roads, buildings structures, etc. worth Rs. 570.43 lakhs (estimated gross block) have been damaged/lost in heavy rains and floods and against which insurance claims worth Rs. 336.53 lakhs have been lodged and provision for balance major identifiable items worth Rs. 72.58 lakhs have been made and classified under 'Miscellaneous Expenses' (to the extent not written off) has not been disclosed.
- The transactions relating to the Salal Project and the impact there of on the accounts prepared by the Company have to be viewed in the light of Item No. 2 (e) (i) of the Auditors' Report. This has to be read with the Auditors' separate report on the accounts of Salal Project along with a copy of the accounts as enclosed. This transfer has the following significant features:-
  - The transfer is deemed to have been effected with retrospective effect from 1st November 1987.
  - No orders have been passed by the Government of India in regard to the 'Consideration' for which the transfer of ownership has been made and on the terms and conditions of the payment adjustment of the amount of consideration.
  - Pending determination of the value of consideration and the terms and conditions relating thereto, the Company has assumed Rs. 33156.61 lakhs as 'Central Government funds adjustable to equity' and Rs. 30149.79 lakhs as interest bearing 'Unsecured loan' in their accounts.
  - The legal formalities for the transfer are also to be completed.

PLACE: NEW DELHI  
DATED: 10TH NOVEMBER, 1989.

(S.LAKSHMINARAYANAN)  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT-III.



## AUDITORS' REPORT

### (Enclosure to Comments of C&AG)

We have audited the attached Balance Sheet of Salal H.E. Project, Jyotipuram, J&K as at 31st March, 1989 and the statement of incidental expenditure during construction of the Project along with Profit and Loss Account for the year ended on that date annexed thereto and report that:-

1. As required by the Manufacturing & other Companies (Auditors' Report) Order, 1988 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 paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above:
  - a) 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 the Law have been kept by the Project so far as appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, and to the best of information and according to explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the Accounting Policies and Explanatory Notes, forming part thereof and subject to:
    - i) The Project is of Government of India, Ministry of Energy (Department of Power), but the accounts have been prepared considering the Project in ownership of the National Hydroelectric Power Corporation Limited on the basis of letter No. 4/1/78-DO (NHPC) dated 9.2.1989 from Ministry of Energy conveying that Government has taken the decision to transfer the Project to the Corporation but in our opinion, Corporation is not the owner of the Project. Accordingly, profit is understated by Rs. 4052.77 lakhs on account of provision of interest on Government funds and fixed assets are overstated by Rs. 6785.20 lakhs due to capitalisation of interest of Government Funds till commissioning of the Project, and also funds from Government of India are shown as funds from Corporate Office of the NHPC Ltd. Government of India funds stands understated by Rs. 56521.20 lakhs and Corporate Office funds stand overstated by Rs. 4185.36 lakhs in liabilities side and funds to Corporate Office stand understated by Rs. 3173.81 lakhs under the head Current Assets.
    - ii) Loans and advances (Secured) includes Rs. 30.22 lakhs under the head claims recoverable on account of MPW advances, Rs. 21.79 lakhs under the head recovery from other departments and Rs. 15.17 lakhs under the head claims recoverable on account of claims with Railways which are long outstanding and seems to be doubtful of recovery for which no provision is made in the books of accounts.
    - iii) Inventories in Project lying with third parties are subject to the confirmation from the parties.
    - iv) Rs. 360.71 lakhs paid to surplus (Balance) work force and Rs. 107.51 lakhs out of amount paid to workers in support services is charged to capital expenditure which in our opinion should have been charged to revenue expenditure (Refer Note No.3). Accordingly, profit is overstated by Rs. 468.22 lakhs and fixed assets are overstated by Rs. 468.22 lakhs.

### NOTES:

- 2 (a to f) Regarding conversion of Government System of accounting to commercial system of accounting and procedures followed thereof.
4. Regarding non-insurance of assets at the Project.
5. Regarding non-execution of the agreements for the supply of power with beneficiaries and accounting for of the sale of electricity on provisional basis.
6. Regarding non-provision of depreciation on fifty percent of the cost of six penstocks amounting to Rs. 4450.76 lakhs.
7. Regarding allocation of incidental expenditure during construction and intangible expenditure incurred on the project on the basis of cost appearing/adjusted as on 31.3.1989.
8. Regarding nature of ownership of the land of Government of India.
9. Regarding parties account, which are subject to confirmation from the parties.

FOR BUBBER JINDAL & CO.  
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI  
DATED: 28TH AUGUST, 1989

(A.C. BUBBER)  
PARTNER



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## ANNEXURE TO THE AUDITORS' REPORT

### Referred to in our Report of even date

1. The Project has not maintained proper records for a major portion of fixed assets. The Management has not conducted physical verification of assets and as such we are unable to comment about the discrepancy, if any.
2. None of the fixed assets have been revalued during the year.
3. The physical verification of stores, spare parts, raw materials has been conducted on the basis of perpetual system which, in our opinion, is reasonable but the same is not reconciled with the books of accounts and as such we are unable to comment about the discrepancies, if any.
4. On the basis of our examination we found that value of these stores is not fair and proper in accordance with normally accepted accounting principles. The inventories are taken on the same basis as in previous year.
5. The Project has given advances in the nature of loans to the employees and contractors who are generally repaying the principal amount as stipulated and are also generally regular in making payment of interest where applicable.
6. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size and nature of the project with regard to purchase of stores, raw materials (including components), plant and machinery equipment and other assets and for the sale of goods.
7. As explained to us the project does not have a regular procedure in the determination of unserviceable or damaged stores/raw materials. So the provision for loss, if any, is made in the books of accounts, whenever these items are determined.
8. According to the information and explanation given to us, the project is maintaining reasonable records for the sale and disposal of the realisable scrap.
9. The Project has an internal audit system in operation but the same is not commensurate with the size of the Project and its nature.
10. The Project has been regular in the depositing of provident fund dues on ad-hoc basis with NHPC Employees Trust and is subject to adjustment/reconciliation and audit of Provident Fund Trust Account.
11. There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty as on 31st March, 1989 are outstanding for a period of more than six months from the date they became payable.
12. In our opinion and according to the information and explanation given to us, personal expenses have not been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.

FOR BUBBER JINDAL & CO.  
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI  
DATED: 28TH AUGUST, 1989

(A.C. BUBBER)  
PARTNER



# National Hydroelectric Power Corporation Ltd. Salal HE Project

( Enclosure to Comments of C&AG )

## ANNEXURE-II

### BALANCE SHEET AS AT 31.3.89

(Figures in Rupees)

	Schedule	As at 31.3.89	As at 31.3.88
<b>SOURCES OF FUND</b>		641,85,36,030	
1. Funds from Corporate Office			
2. Profit transferred from Profit & Loss Account	1	36,93,84,614	
Total:		<u>678,79,20,644</u>	
 <b>APPLICATION OF FUNDS</b>			
1. Fixed capital expenditure			
a) Fixed Assets		645,45,84,739	
Gross Block			
Less depreciation		<u>47,37,47,802</u>	
Net Block			
b) Capital work-in-progress	3	9,25,509	
2. Current Assets, Loans & Advances	4	17,52,07,097	
3. Inventories		18,969	
4. Cash & bank balances		66,24,08,948	
5. Sundry debtors			
Other current assets		6,35,92,718	
Loans & Advances			
Current Liabilities & provisions	5	(- )9,50,69,534	
Liabilities			
Net Current Assets		<u>80,61,58,198</u>	
Total		<u>678,79,20,644</u>	

As per our report of even date  
For BUBBER JINDAL & CO.  
CHARTERED ACCOUNTANTS

Manager (Finance) Salal HE Project

Chief Engineer (Salal) Salal H.E. Project



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1989

(Figures in Rupees)

	Schedule No.	For the year ended 31.3.89	For the year ended 31.3.88
<b>INCOME</b>			
1. Revenue from the sale of Electric Power (including Sales Tax of Rs.                      thousand)		95,84,54,606	
2. Miscellaneous Income	7	15,13,944	
Total Income:		<u>95,99,63,550</u>	
<b>EXPENDITURE</b>			
3. Purchase of Power		—	
4. Employees Remuneration & Benefits	8	4,00,28,704	
5. Generation, Transmission & Administration Expenses	9	5,03,29,772	
6. Sales Tax on generation		—	
7. Royalty charges		3,22,24,500	
8. Depreciation		11,21,43,818	
9. Interest on Govt. loans		40,52,76,774	
Total Expenditure:		<u>64,00,03,568</u>	
10. Profit/loss for the year		31,99,64,982	
11. Add/(Less) prior period Adjustments (Net)		1,25,68,480	
12. Add/Profit for the year 1987-88 (Net)	10	3,68,51,152	
13. Profit/Loss carried over to Balance Sheet		<u>36,93,84,614</u>	

As per our report of even date  
For BUBBER JINDAL & CO.  
CHARTERED ACCOUNTANTS

Manager (Finance) Salal HE Project

Chief Engineer (Salal) Salal H.E. Project

## FUNDS FROM CORPORATE OFFICE

### SCHEDULE-1

(Figures in Rupees)

Head of Account	Particulars	Balance relating to Transaction during 1988-89	
		Dr.	Cr.
07-01-01	Transfer account with Corp. Office		78,70,16,215
07-02-01	Transfer account with Loktak		—
07-03-01	Transfer account with Baira Siul		—
07-04-01	Transfer account with Koel Karo		—
07-05-01	Transfer account with Dulhasti		—
07-06-01	Transfer account with Chukha		—
07-07-01	Transfer account with Salal		—
07-08-01	Transfer account with Devi Ghat		—
	Govt. of India Fund		5,63,15,19,815
	Cheque issued during the year		—
	Amount deposited in collection account during the year		—
	Total:		<u>6,41,85,36,030</u>
	Net Dr/Cr for the year.		<u>6,41,85,36,030</u>
	Add total funds from Corporate Office upto previous year		—
	Total:		<u>6,41,85,36,030</u>



## FIXED ASSETS

## SCHEDULE-2

(Rs. in thousands)

S. No.	Particulars	Gross Block as at 1.4.88	Additions/adj. during 1988-89	Deductions/sales/transfer during 1988-89	Gross Block as at 31.3.89	Cumulative depreciation as at 31.3.89	Net Block as at 31.3.89	Net Block as at 31.3.88
1	2	3	4	5	6	7	8	9
1.	Land (Free-hold)		4,58,22,808			—	4,58,22,808	
2.	Land (Lease hold)		—			—	—	
3.	Buildings	61,79,96,091			3,20,14,292		58,59,81,799	
4.	Roads & Bridges	8,90,84,000			2,46,85,134		6,43,98,866	
5.	Railway siding		—			—	—	
6.	Construction Plant & machinery	40,43,32,636			32,46,70,146		7,96,62,490	
7.	Generating Plant & machinery	50,94,17,385			1,48,37,104		49,45,80,281	
8.	Sub-station equipments		—			—	—	
9.	Hydraulic works including Dams	3,32,54,14,620			2,99,24,828		3,29,54,89,792	
10.	Vehicle and other Transport	2,28,42,426			1,74,14,070		54,28,356	
11.	Tunnels, Channels & Penstocks	1,13,50,82,110			2,05,32,239		1,11,45,49,871	
12.	Office furniture & fixtures equipments and other appliances	58,85,743			18,48,701		40,37,042	
13.	Transmission Lines	29,84,70,435			76,74,958		29,07,95,477	
14.	Miscellaneous Assets/Equipments	2,36,485			1,46,330		90,155	
	<b>Total:</b>	<b>6,45,45,84,739</b>			<b>47,37,47,802</b>	<b>5,98,08,36,937</b>		

## CAPITAL WORK-IN-PROGRESS

## SCHEDULE-3

(Figures in Rupees)

S.No.	Particulars	As at 31.3.89	As at 31.3.88
1.	Survey, Investigation, Consultancy and other preliminary expenses		
2.	Buildings & Civil Engineering Works and communications		
3.	Roads & Bridges	9,25,509	
4.	Railway sidings		
5.	Hydraulic Works including Barrages, Dams, Tunnels, & Power Channels		
6.	Penstocks		
7.	Plant & Machinery in Generating station		
8.	Electrical Installations & Sub-station equipments		
9.	Misc. Assets		
10.	Trunk Transmission Lines		
11.	<b>Incidental expenditure during const.(IEDC)</b>		
	Balance brought forward from last year ANC works	27,11,10,479	
	Other works	33,41,02,131	
	Add: Additions for the year (as per annexure)	13,37,52,014	
		75,65,36,280	
	<b>Total.</b>	<b>1,49,64,26,413</b>	
	Less: Capitalised during the year		
	Net IEDC	1,49,55,00,904	
	Added to capital work-in-progress	9,25,509	



**INCIDENTAL EXPENDITURE DURING  
CONSTRUCTION FOR THE YEAR ENDING 31.3.1989**

(Figures in Rupees)

S.No.	Particulars	For the year ended 31.3.89	For the year ended 31.3.88
1.	<b>EMPLOYEES REMUNERATION AND BENEFITS</b>		
	a) Salary, Wages, Allowances & Benefits	9,03,64,305	
	b) Contribution to Provident Fund		
	c) Contribution to Gratuity Fund		
	d) Staff Welfare Expenses		
	e) Leave Salary & Pension Contribution		
2.	<b>REPAIRS AND MAINTENANCE</b>		
	Buildings		
	Machinery & construction equipments		
	Others		
3.	Travelling and conveyance		
4.	Expenses on staff cars and inspection vehicles		
5.	Land acquisition and Rehabilitation expenses		
6.	Rent-Offices		
7.	Rent for Residential Accommodation		
8.	Rates and Taxes		
9.	Insurance		
10.	Electricity Charges	11,94,285	
11.	Telephone, Telex & postages		
12.	Advertisement & Publicity	—	
13.	Design & Consultation charges	—	
14.	Entertainment	—	
15.	Printing & Stationery	—	
16.	Interest on Loans	67,85,20,418	
17.	Interest on Bonds	—	
18.	Bond issue expenses	—	
19.	Bank charges	—	
20.	Transfer of Technology	—	
21.	Adjustment for materials	1,07,49,642	
22.	Foreign consultancy charges	—	
23.	Commitment fee	—	
24.	Depreciation/Assets written off	2,69,46,956	
25.	Donations	—	
26.	Other expenses	25,36,188	
		<u>81,03,11,794</u>	
	<b>LESS: RECEIPTS AND RECOVERIES</b>		
1.	Sale of scrap materials	—	
2.	Electricity charges	3,75,81,414	
3.	Rent	6,91,114	
4.	Profit on sale of Assets	—	
5.	Interest		
	— On loan & advance	98,438	
	— On other investments (Bonds)	—	
6.	Miscellaneous Receipts & Recoveries	17,63,963	
7.	Adj. For Misc. Works	1,36,40,585	
	Net Expenditure	<u>75,65,36,280</u>	

Less: Hire charges/outturn allocated/allocable directly to work-in-progress.

\* ADD-SHARE OF CORPORATE OFFICE MANAGEMENT EXP... (PROVISIONALLY)

ADD (Less) Prior period adjustment (Net)

Amount transferred to Capital work-in-progress

Note: Figures for the year are to be taken in IEDC and net cumulative.

\*This amount should include only the provisional share of Corporate Office. Management Exp. and not design or any other charges.

**CURRENT ASSETS, LOANS AND ADVANCES****SCHEDULE-4**

(Figures in Rupees)

S.No.	Particulars	31.3.89	31.3.88
1.	<b>INVENTORIES</b>		
	i) Const. Stores and Spare Parts	16,72,77,749	
	ii) Operation Stores & Spares	79,29,348	17,52,07,097
2.	<b>CASH &amp; BANK BALANCES</b>		
	i) Cash, Imprest, Postal Orders & Postal Stamps	681	
	ii) Balance with non-schedule Bank (only NREP)	—	
	iii) CDR's in Hand	18,288	18,969
3.	<b>SUNDRY DEBTORS</b>		
	i) Debts outstanding for a period exceeding 6 months (considered good)	30,80,79,722	
	ii) Debts outstanding for a period less than 6 months (considered good)	35,43,29,226	66,24,08,948
	<b>LOANS &amp; ADVANCES</b>		
	Advance recoverable in cash or kind or for value to be received		
	i) Secured (considered good)	1,65,53,756	
	ii) Un-secured (considered good)	4,59,77,847	
	iii) To employees (Secured)	10,61,115	6,35,92,718
	<b>Total:</b>		<b>90,12,27,732</b>

**CURRENT LIABILITIES AND PROVISIONS****SCHEDULE-5**

(Figures in Rupees)

Particulars	31.3.89	31.3.88
<b>LIABILITIES</b>		
1. Sundry Creditors	3,65,91,766	
2. Deposits/retention money from contractors and others	2,16,13,288	
3. Other liabilities	3,61,62,370	
<b>Total:</b>	<b>9,43,67,424</b>	
<b>PROVISIONS</b>		
Provision for losses pending investigation	7,02,110	
<b>Total current liabilities &amp; provisions</b>	<b>9,50,69,534</b>	

**MISCELLANEOUS INCOME****SCHEDULE-7**

(Figures in Rupees)

Particulars	31.3.89	31.3.88
1. Hire Charges of Vehicles & Plant & Machinery	—	
2. Other Miscellaneous Receipts and Recoveries	15,13,944	
3. Profit on sale of assets	—	
<b>Total</b>	<b>15,13,944</b>	



**EMPLOYEES REMUNERATION AND BENEFITS****SCHEDULE-8**

(Figures in Rupees)

Particulars	31.3.89	31.3.88
a) Salaries, wages & allowances	3,58,55,120	
b) Companies contribution to Provident Fund	29,86,732	
c) Contribution to Gratuity Fund	—	
d) Staff Welfare expenses	11,86,852	
	<u>4,00,28,704</u>	

**GENERATION, TRANSMISSION AND ADMINISTRATION EXPENSES****SCHEDULE-9**

(Figures in Rupees)

Particulars	31.3.89	31.3.88
1. Consumption of Stores and Spares	99,73,007	
2. Repairs and Maintenance	—	
3. (a) Buildings	31,00,495	
(b) Machinery	17,24,273	
(c) Others	35,76,450	
4. Wheeling charges	—	
5. Other Operation expenses	1,43,69,161	

**ADMINISTRATION EXPENSES**

6. Rent	1,24,750	
7. Rates & Taxes	1,76,470	
8. Insurance	36,377	
9. Electricity Charges	1,67,746	
10. Travelling & Conveyance	10,60,472	
11. Expenses of Staff Cars	44,83,239	
12. Telephone, Telex & Postage	7,25,758	
13. Consultancy Charges	3,45,783	
14. Advertisement & Publicity	4,03,104	
15. Entertainment expenses	18,886	
16. Printing & Stationery	2,25,766	
17. Corporate Office Management expenses	95,84,546	
18. Other Misc. expenses	2,33,489	
19. Loss on sale of Assets	—	

Total:	<u>5,03,29,772</u>	
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**PRIOR PERIOD ADJUSTMENT****SCHEDULE-10**

(Figures in Rupees)

Particulars	Dr.	Cr.
1. Token tax on vehicle from 11/87 to 3/88	73,530.00	
2. Difference in rate of sale of energy (87-88)	4,54,85,729.00	
3. Difference in Royalty to Home State	79,21,500.00	
4. Sale of energy for November '87	3,21,37,607.04	
5. Adjustment of unadjusted Dr/Cr advices (Corp. Office exp.)	14,53,633.00	
6. Adjustment of excess depreciation provided	92,19,937.69	
7. Depreciation on furniture/fixture	62,035.04	
8. Depreciation of Hospital equipments	3,794.11	
9. Less depreciation provided on furniture/fixture	4,245.39	
10. Less depreciation provided on buildings	500.00	
11. Modification in Royalty to Home State		10,43,428.80
12. Amount of interest on loan excess charged		7,80,64,785.00
13. Provision of depreciation on Capital A/C		15,63,256.69
14. Provision of depreciation		2,82,59,520.47
	<u>9,63,62,511.27</u>	<u>10,89,30,990.96</u>

NET CREDIT Rs. 1,25,68,479.69

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**NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED**  
**SALAL HYDROELECTRIC PROJECT**  
**JYOTIPURAM (J&K)**

**NOTES TO ACCOUNTS:**

1. Salal Hydroelectric Project was a project of Government of India, Ministry of Energy (Department of Power). The Ministry of Energy vide letter No. 4/1/78-DO (NHPC) dt. 09.02.1989 has conveyed that Govt. of India has taken a decision to transfer the Salal Hydroelectric Project to National Hydroelectric Power Corporation Ltd; effective from 1st November, 1987 on ownership basis. In consideration of aforesaid letter, the accounts for the year 1988-89 have been prepared considering the project in ownership of National Hydroelectric Power Corpn. Ltd; though the necessary legal documents to give effect to transfer of ownership in favour of Corporation are yet to be executed.

2. The accounts of the project were maintained on the basis of Government system of accounting till 31.3.1989 which were converted as on 31.3.89 into Commercial System of Accounting as required by law. While doing such conversions the following procedures are followed:

(a) Construction Plant & Machinery, Vehicles and other transports, Office equipments, Furniture & fixtures, Misc. Assets and equipments included in the fixed assets have been taken as available on 31.3.89 as per memoranda records maintained by various Divisions. The cost of these assets has been ascertained on the estimated basis from such records. The quantity and value of these assets as provided by the various divisions has not been reconciled with the books of accounts, so any excess/shortages in quantity or value is not ascertained.

(b) The depreciation on administrative/residential buildings having gross value Rs. 9,63,45,505, roads, bridges and Construction Plant & Machinery, vehicles and other transports, Office equipments included in the Fixed Assets has been provided on the straight line basis and is re-worked since the date of acquisition of the assets by applying the rates of depreciation as provided under Schedule-XIV (as introduced by the Company's Amendment Act, 1988) of the Companies Act, 1956. The excess/deficiency in depreciation on these assets is adjusted in Capital Cost of the project.

(c) The Inventories are taken as per store records as on 31.3.89. The same are not reconciled with the books of accounts and any excess/shortage has not been ascertained. The inventories are verified physically following Perpetual System during the year.

(d) Loan and Advances under current assets, Sundry creditors under the head current liabilities, accrued income and expenses has been accounted for on the basis of memoranda records maintained with various divisions. The same are subject to reconciliation with the books of accounts.

(e) In case of fixed assets under Land, Hydraulic works including Dam, Tunnel & Penstocks, Transmission Lines and Roads & Bridges, the break up of the cost of the assets is not identified item-wise/Contract-wise/Job-wise as no fixed assets register is maintained.

(f) The various Government Accounting heads have been re-classified and re-grouped as per the accounting head classification of the Corporation.

3. The salary, wages and other benefits to the employees are apportioned between the capital expenditure and revenue expenditure as follows on the basis of technical estimates by the management.

(a) Directly identified to Operation & Maintenance	= Rs. 1,38,78,915.00
(b) Directly identified to capital works	= Rs. 59,71,994.00
(c) Support services	= Rs. 3,57,36,415.00
(d) Balance work force	= Rs. 3,60,70,846.00



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(To calculate the above amounts the average salary of an employee for one month is multiplied by number of employees identified in above categories).

- (i) In case of (a) and (b) the expenditure directly charged to revenue and capital expenditure respectively.
  - (ii) In case of (c) the expenditure is apportioned between revenue and capital expenditure in proportion to (a) & (b) above.
  - (iii) In case of (d) above, the expenditure is directly charged to capital expenditure, since the concerned work charged employees have been employed for the purpose of capital work and does not relate to operation & maintenance.
4. The properties and assets at the project are yet to be insured against loss or damage by fire, tempest, floods, riots and earthquake etc.
  5. The agreements for the supply of power with beneficiaries are not yet executed. Pending execution of the agreement, sale of electricity has been accounted for on a provisional basis @ 46.20 paise per KWh.
  6. The fixed assets include cost of six Penstocks amounting to Rs. 44,50,76,282.63, the depreciation for which is provided on 50% of the cost as only three Penstocks are put to use till 31.3.1989.
  7. The total amount of incidental expenditure during construction and intangible expenditure incurred on the project which was put to commercial operation during the previous year have been allocated on the tangible fixed immovable assets excluding land, on the basis of cost appearing/adjusted as on 31.3.1989.
  8. Fixed assets includes cost of land amounting to Rs. 4,58,22,808.00, for which revenue records shows ownership of Government of India through J&K Govt.
  9. The balance in parties account are subject to confirmation from the parties.
  10. Contingent liabilities has been ascertained for the current year as follows:
    - (a) Estimated amount of contracts remaining to be executed on capital works are not provided for works out to Rs. 7,10,03,334.00
    - (b) Claims against the Corporation not acknowledged as debts under arbitration court cases etc. Rs. 2,32,04,512.00

## ANNEXURE-IV To Directors' Report

INFORMATION REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975

Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of commencement of employment in NHPC	Age (years)	Last employment held
1	2	3	4	5	6	7
<b>(A) Particulars of employees employed throughout the financial year who were in receipt of remuneration not less than Rs. 72,000/- P.A.</b>						
S/Shri Abbey V.K. Manager	79,390	Regular	B.Sc. (Engg.) (Mech.) (18 years)	12.08.81	39	Resident Engineer Western India Erectors Ltd. Pune.
Aggarwal A.B. Dy. Manager	78,262	Regular	B.Sc. (Engg.) (Mech.) (11 years)	06.02.79	31	—
Agarwal A.K. Manager	84,655	Regular	B.A. (Hons) PG Dip. in Pers. Mgt. & Lab. Welfare (18 years)	18.12.81	39	Sr. P.A.O. CCI Ltd.
Agarwal A.R. Sr. Manager	1,12,387	Regular	B.E. (Elect.) (17 years)	18.06.77	41	AE, UPSEB
Aggarwal M.N. Sr. Manager	87,685	Regular	B. Com. (Hons) ACA (20 years)	16.04.85	44	Dy. Fin. Manager Engineering Projects (India) Ltd.
Amar Nath Chief	1,04,869	Regular	B.A. SAS (32 years)	20.09.76	57	Sec. Officer, Indian Audit & Accounts Deptt.
Bajaj V.M. Executive Director	1,12,950	Regular	B.E. (Civil) (33 years)	10.05.79	56	Director (U.T.) C.W.C.
Bal Mukand Sr. Manager	93,176	Regular	B.Sc. Engg. (Mech.) (18 years)	16.12.78	40	Asstt. Engr. EIL
Bandopadhyay M.R. Chief	1,04,142	Regular	M.Sc. (Applied Geology) (27 years)	29.12.80	52	Geologist (Sr.) GSI.
Banerjee P.K. Manager	74,761	Regular	B.Sc. Engg. (Mech.) (12 years)	09.09.77	36	Officer Trainee IOC
Bansal L.R. Dy. Manager	82,688	Regular	B.E. (Civil) (8 years)	01.05.81	31	Site Engineer, M/s. OP Baldev Kishan Engineers & Contractors.
Bhalla S.N. Manager	89,535	Regular	B.A. (25 years)	30.11.79	54	Research Officer, Central Vigilance Commission.
Bhardwaj S.R. Chief	1,02,902	Regular	M.A. (Eng.) Dip. in Journalism Dip in Marketing & Sales Management (28 years)	11.09.81	46	Public Relations Officer, National Fertilizers Ltd.
Bhargava D.P. Dy. Manager	76,481	Regular	B.E. (Elect.) (10 years)	20.02.79	32	—
Bhatnagar M.S. Dy. CMO	79,228	Regular	M.B.B.S. (22 years)	27.08.81	47	M.O. Neoli Sugar Mills, Allahabad.
Bhattacharjee J. Manager	80,734	Regular	B.Sc. AICWA SAS (34 years)	24.01.80	53	Accounts Officer, IFC, Govt. of Manipur.
Bhattacharjee M.N. Chief	1,03,548	Regular	M.A. (Eco.) P.G. Dip. in Pers. Mgt. (35 years)	30.12.81	57	Asstt. Personnel Manager Bharat Aluminium Ltd.
Bhugra R.L. Asstt. Manager	74,329	Regular	B.A., SAS (32 years)	10.06.77	57	Accountant M/o Railways
Boni O.N. Sr. Manager	72,821	Regular	B.Sc. (Engg.) (Civil) (28 years)	29.07.77	49	XEN, M/o Energy
Chadha K.C. Dy. Manager	75,734	Regular	B.Sc. (Engg.) (Elect.) (30 years)	05.08.77	37	Supervisor, CEA.
Chadha R.K. (Dr.) Chief Medical Officer	83,905	Regular	M.B.B.S. (21 years)	09.09.80	43	M/O Health. Govt. of India.
Chakraborty S. Dy. Manager	74,952	Regular	B.Sc. (Engg.) (Elect.) (16 years)	01.01.77	39	Trainee Engineer WBSEB
Chandok Vimal Manager	1,08,443	On deputation from BSF Jammu	B.A. (26 years)	19.11.87	45	Dy. Commandant BSF.
Chaudhri N.K. Manager	73,839	Regular	CE (I) MIE, LLB (19 years)	15.07.81	42	R.E., NBCC.
Chauhan, Maj. S.S. Sr. Manager	91,595	Regular	Degree in Civil Engg. (24 years)	19.03.79	45	Major in Indian Army



Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of commencement of employment in NHPC	Age (years)	Last employment held
1	2	3	4	5	6	7
S/Shri						
Chopra M.L. Chief	1,00,913	Regular	B.A. P.G. Dip. in Public Admn. (29 years)	27.11.81	57	Liaison Officer, Chukha H.E. Project Bhutan.
Dhar S.K. Sr. Manager	72,210	Regular	M.Sc. Tech. (Elect. Engg.) (Power Systems) (21 years)	15.05.78	57	Executive Engineer PWD, J&K.
Dwivedi M.G. Sr. Manager	86,923	Regular	M.E. (Elect.) (17 years)	13.03.78	43	Asstt. Engineer UPSEB
Gangopadhyaya A.K. Chief Engineer	95,959	Regular	B.E. (Civil) (23 years)	10.09.81	43	XEN, PWD Govt. of Goa, Daman & Diu, Panaji.
Garg M.P. Manager	90,285	On deputation from HPSEB	B.E. (Civil) (22 years)	24.09.85	44	Offg. SE, HPSEB
Gaur B.N. Photographic Officer	73,733	Regular	Inter (20 years)	12.04.79	39	Photographer, Beas Dam Project.
Ghansham Das Director (Finance)	91,784	Govt. Appointment	B.Com. IA &AS (30 years)	31.07.87	56	Addl. General Manager (Finance) BHEL
Goela Y.S. Dy. Manager	72,111	Regular	B.Sc., Engg. (Elect.) (22 years)	01.01.77	40	—
Gothra, Major G.S. Sr. Manager	76,838	Regular	Degree in Engg. (Civil) LLB (25 years)	12.03.79	52	Major in Indian Army.
Goyal J.M. Sr. Manager	88,700	Regular	B.A. SAS Railways (37 years)	15.04.78	57	Accounts Officer, NMDC Ltd.
Goyal T.K. Manager	81,967	Regular	B.E. (Mech.) AMIE (Civil) (21 years)	22.04.81	44	Shift Engineer, Beas Project, Talwara
Gupta A.K. Manager	77,939	Regular	B.E. (Hons) (Mech.) (12 years)	24.11.77	33	Apprentice (Ind. Engg.) Hindustan Brown Boveri Ltd. Major in Indian Army.
Gupta G.C. Dy. Chief Medical Officer	82,780	Regular	M.B.B.S. (19 years)	24.04.81	42	
Gupta J.P. Dy. Manager	80,544	Regular	M.A. Ph. D., Prabhakar (Hons. in Hindi) (36 years)	15.11.78	56	Asstt. Education Officer Central Hindi Dte.
Gupta M.L. Chief Engineer	1,22,700	Regular	B.Sc., Engg. (Mech.) (22 years)	29.04.80	44	Dy. Manager, BHEL
Gupta M.L. Asstt. Manage.	76,002	On deputation from HPSEB	Dip. in Civil Engg. (17 years)	06.02.78	41	A.E., HPSEB
Gupta P.K. Manager	77,514	Regular	B.E. (Civil) (9 years)	22.05.79	32	—
Gupta R.K. Dy. Manager	72,695	Regular	B.E. (Civil) (9 years)	22.05.79	32	—
Gupta S.P. Chief Engineer	92,163	On deputation from PDD, J&K	B.E. (Elect.) (27 years)	25.11.85	51	SE, PDD, J&K
Gupta S.P. Manager	76,738	Regular	B.E. (Civil) (14 years)	15.05.78	48	AE, Salal HE Project
Gupta V.K. Sr. Manager	94,214	Regular	BE (Hons) (Civil) (24 years)	10.05.78	46	Dy. Director CHEPC Board
Gupta V.P. Asstt. Manager	81,108	On deputation from HPSEB	B.E. (Civil) (15 years)	18.12.87	38	AEE, HPSEB
Hashia M.L. Sr. Manager	76,403	Regular	B.E. (Civil) (29 years)	23.07.81	52	Executive Engineer, PWD J&K
Jagdish Singh Manager	87,846	Regular	B.E. (Elect.) (18 years)	29.10.81	44	Asstt. Director C.E.A.
Jaggi A.L. Chief Engineer	1,41,636	Regular	B.Sc., Engg. (Elect.) (27 years)	20.01.78	49	Supdtg. Engineer BSHE Project
Jain A.K. Chief	1,32,450	Regular	B.Com, ACA (20 years)	28.11.78	43	Dy. Accounts Manager IFFCO, New Delhi.
Jain P.K. Manager	74,467	Regular	B.Sc. Engg. (Elect.) PG Dip. in Business Mgt. & Ind. Admn (15 years)	26.04.77	39	Tech. Asstt. Central Board of Irrigation & Power
Jain T.C. Addl. General Manager	1,15,688	Regular	B.Sc. Engg. (Elect.) (33 years)	15.07.77	56	Dy. Director, CEA
Jain T.C. Exe. Asstt.	83,174	Regular	B.A. (Hons) (34 years)	08.06.77	58	P.A. M O Energy

Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of commencement of employment in NHPC	Age (years)	Last employment held
1	2	3	4	5	6	7
S/Shri						
Jethwaney Miss J. Manager	72,277	Regular	M.A. PG Dip. in Advtg. & PR, PG Dip. in Journalism (13 years)	27.07.78	37	Asstt. Products Manager, Modern Bakeries.
Jose P.C. Manager	94,309	Regular	B.Sc. (Engg.) (Mech.) (17 years)	24.12.79	42	Extra Asstt. Director C.W.C.
Kanjalia V.K. Sr. Manager	1,09,134	Regular	B.Sc. Engg. (Elect.) M.Sc. Engg. (19 years)	08.05.79	43	Asstt. Executive Engr. PSEB
Kanwar B.S. Chief Engineer	87,507	Regular	B.Sc. Engg. (Elect.) (26 years)	26.06.81	47	Executive Engr. HSEB
Kapur Guljit, Asstt. Manager	78,429	Regular	B.Sc. Engg. (16 years)	20.09.86	38	AEE, PSEB
Kapoor Kamal Dy. Manager	73,557	Regular	B.Sc. Engg. (Elect.) (15 years)	06.08.77	38	Supervisor CEA
Kapur S.K. Manager	75,008	Regular	BA. LLM, PG Dip. in PM&IR (24 years)	19.02.77	49	Asstt. M/o. Railways
Kapur V.K. Sr. Manager	99,466	Regular	M.Tech. (Civil) (18 years)	07.11.78	43	AEE, Hindustan Prefabs Ltd.
Karkun Dilip Dy. Manager	72,505	Regular	B.E. (Civil) (17 years)	25.07.84	39	Executive Engineer, NPCC Ltd.
Kashyap K.K. Director (Tech.)	1,42,776	Govt. Appointment	B.E. (Mech.) B.E. (Elect.) (31 years)	30.08.84	55	Dy. General Manager, BHEL.
Khajanchi R.N. Sr. Manager	1,06,976	Regular	B.E. (Civil) (24 years)	03.09.83	47	Executive Engineer, PWD, J&K
Khan M.A. Asstt. Manager	73,110	On deputation from PDD J&K	B.Sc. Engg. (Elect.) (12 years)	01.10.84	37	AE, PDD, J&K
Khar P.N. General Manager	79,840	Regular	B.E. (Civil) M.E. MIE, MIAHR (33 years)	15.05.78	53	Supdtg. Engineer, Salal HE Project, Govt. of India.
Khungar J.N. Sr. Manager	95,125	Regular	B.Sc. (Engg.) (Civil) (28 years)	06.08.77	49	Exe. Engineer Beas Project.
Kochar J.N. Chief	79,621	Regular	B.A. (29 years)	10.08.81	53	Civilian Officer, Gr.I, Office of DG Border Roads.
Kotwal S.L. Sr. Manager	83,796	Regular	B.E. (Civil) (24 years)	15.05.78	47	Executive Engr. Salal H.E. Project, Govt. of India.
Krishnamurthy M. Sr. Manager	93,677	Regular	B.E. (Elect.) Sr. Dip. in German, Dip. in Russian (24 years)	29.06.81	48	Dy. Manager, NTPC.
Kumar Brajesh, Sr. Manager	85,747	Regular	MA (Pol. Sc) BL MA (LSW) (23 years)	12.07.78	50	Personnel Officer, Bokaro Steel Ltd.
Madan M.M. Manager	77,813	Regular	B. Tech (Civil) (12 years)	18.05.77	34	A.E., MN Das & Co. (P) Ltd. Bombay.
Madan R.K. Chief Engineer	1,03,763	Regular	B.Sc. Engg. (Elect.) (25 years)	12.12.79	47	C.E., RS Steel Works, Bareilly.
Mahajan B.K. Manager	75,783	On deputation from HPSEB	B.Sc. Engg. (Civil) (20 years)	01.06.87	43	XEN, HPSEB.
Mahajan G.K. Chief Engineer	96,669	On deputation from HPSEB	B.E. (Civil.) (26 years)	22.04.87	50	SE, HPSEB.
Malhotra V.S. Manager	91,145	On deputation from HPSEB	B.E. (Elect.) (24 years)	30.04.87	47	XEN, HPSEB.
Mandal R.P. Chief Project Manager	89,627	Regular	B.Sc. Engg. (Civil) (26 years)	16.11.79	49	XEN, Border Roads Dev. Board.
Mandappa B.M. General Manager	1,18,010	Regular	B.E. (Civil) M.I. Struct. E (London) FIE (32 years)	01.10.81	56	Supdt. (Design) SAIL (Bokaro Steel Plant).
Maniappan T.P. Manager	87,846	Regular	B.Sc., Engg. (Civil) (21 years)	22.10.81	45	AE, Govt. of Goa, Daman & Diu.
Mathur G.N. Senior Manager	86,467	Regular	AMIE (Elect.) (22 years)	07.04.78	46	AE, RSEB
Mishra R.N. Deputy Manager	80,125	Regular	B.E. (Hons) (Civil) (9 years)	21.06.79	31	—
Mishra S.B.C. Senior Manager	1,02,467	Regular	B.E. (Elect.) (16 years)	04.05.77	42	Asstt. Engr. UPSEB.
Misra U.C. Senior Manager	79,155	Regular	B.E. (Elect.) (16 years)	01.01.78	39	AE, UPSEB.



Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of commencement of employment in NHPC	Age (years)	Last employment held
1	2	3	4	5	6	7
S/Shri						
Mital S.K. Chief Engineer	78,985	Regular	B.E. (Elect.) (29 years)	25.05.78	53	XEN, UPSEB
Mukherjee K. Chief	1,04,738	Regular	FICWA (32 years)	25.01.79	53	Asstt. Finance Mgr. FCI (P&D Division) Sindri
Murari Lal Senior Manager	1,02,331	Regular	B.E. (Civil) FIE, (26 years)	22.10.81	48	Executive Engineer, IDPL.
Nagaraja K.S. Manager	75,230	Regular	B.E. (Civil) M. Tech. (Water Resources Engg.) (11 years)	16.05.77	34	—
Nagaraj H.R. Chief Engineer	1,02,957	Regular	AMIE (Civil) (32 years)	19.9.83	56	Zonal Manager NPCC Ltd.
Nagbhushan K.M. Chief Engineer	83,693	Regular	B.E. (Civil) (33 years)	31.03.80	55	Dy. Director, C.W.C.
Naidu B.S.K. Chief Engineer	1,04,200	Regular	B.E. (Hons) Mech. M Tech. (Hydel) MIAHR, FIE, (19 years)	28.02.82	43	Manager, BHEL.
Nambiar Col. NPK Chief Engineer	73,522	Regular	B.E. (Civil) MIE (36 years)	21.07.80	58	Lt. Col. in Army.
Nanda Gopal Chief Engineer	1,04,485	Regular	B.E. (Civil) M.E. (Structures) (22 years)	03.04.80	47	Dy. Mgr., TSP Ltd. Tungabhadra Dam.
Narang S.M. Sr. Manager	87,175	Regular	B.Sc., Engg. (Civil) (22 years)	14.02.79	45	Asstt. Director, C.W.C.
Narayanan Brig. PNS Executive Director	1,13,182	Regular	Degree in Civil Engg. MIE (36 years)	30.03.81	57	Chief Engineer Army Headquarters New Delhi.
Nath. D. Dy. Manager	84,173	Regular	B.Sc. (Elect. Engg.) (12 years)	04.02.83	37	A.E. UPSEB.
Neema S.K. Manager	77,142	Regular	B.E. (Elect.) Dip. in Business Mgt. (17 years)	16.07.84	44	A.M. Food Corporation of India.
Ojha R.N. Manager	76,105	Regular	B.A. (22 years)	13.07.78	45	Welfare Officer, Britannia Engg. Works, Patna.
Prabhakar R.D. Senior Manager	79,321	Regular	M.Sc., (Engg.) (Elect.) (18 years)	31.03.79	41	Asstt. Executive Engineer, PSEB.
Prasad V.B. Senior Manager	74,840	Regular	B.Sc., B. Tech (Elect.) (23 years)	11.04.81	45	Executive Engineer UPSEB
Prasada Rao P.D. Chief Engineer	1,24,253	Regular	B.E. (Hons.) (Civil) (25 years)	23.06.80	49	Dy. Director CWC.
Raj Kumar Deputy Manager	78,080	Regular	BE (Elect.) (12 years)	04.03.83	34	A.E. UPSEB.
Raina A.H. Executive Director	1,00,546	Regular	B.E. (Elect.) (28 years)	15.05.78	58	Suptg. Engineer Salal HE Project Govt. of India.
Raina Y.K. Senior Manager	78,114	Regular	B.E. (Civil) (27 years)	31.12.79	50	Executive Engineer, PWD J&K
Ramamurthi A.R. Chief	89,255	Regular	B.A. AICWA, ACS (35 years)	11.08.78	52	Senior Asstt. Manager, FCI.
Raman N.V. Company Secretary & Chief (Law)	1,21,094	Regular	B.A. LLB, GDC-S, ACS, ICWA (Inter) Dip. in Lab. Laws (32 years)	15.12.78	51	Dy. Co. Secy. Engineers India Ltd.
Ramam T.V. Manager	75,755	Regular	B.E. (Civil) (17 years)	26.03.80	40	Extra Asstt. Director CWC.
Ramesh Chandra Manager	72,403	Regular	B.Sc. Engg. (Civil) (17 years)	16.10.78	40	AE, UP Irrigation Deptt.
Rao G.L.N Deputy Manager	86,573	Regular	SAS (34 years)	26.05.80	52	Section Officer, Office of CAG of India.
Rao P.L. Chief Engineer	93,308	Regular	AMIE (29 years)	12.03.81	50	Divisional Engineer Rehabilitation Reclamation Organisation, Deptt. of Rehabilitation, Govt. of India.
Robertson J.H. Senior Manager	76,633	Regular	B.E. (Mech.) (19 years)	11.10.78	43	AEE, Tamil Nadu Electricity Board.
Sachdeva H.S. Manager	82,315	Regular	B.A. (38 years)	19.09.79	57	PS to Minister of State for Energy.

Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of commencement of employment in NHPC	Age (years)	Last employment held
1	2	3	4	5	6	7
S/Shri						
Seetharaman N. Dy. Company Secretary	76,233	Regular	B.A. LLB, ACS (30 years)	26.11.79	50	SPA, Planning Commission.
Sehgal R.L. Sr. Manager	79,539	On deputation from HSEB.	B.Sc. LCE AMIE, FIE (30 years)	11.04.88	53	SE, HSEB
Sehgal S.C. Manager	76,543	Regular	B.Sc. Engg., (Civil) (18 years)	07.11.80	41	A.E. Chukha Hydel Project.
Sen S.C. Executive Director	1,25,812	Regular	B.E. (Civil) FIE (33 years)	31.08.84	54	CE, ASEB.
Sharma B.K. Chief Engineer	92,486	Regular	B. Tech (Civil) M. Tech (Soil Mech. & Foundation Engg.)	18.07.81	48	Research Engr. Institute of Rock Mechanics, University of Karlsruhe (W.G.).
Sharma K.N. Manager	88,138	Regular	M.E. (Civil) (Hydro) (20 years)	14.04.81	43	Lecturer in Civil Engg. M.R. Engg. College, Jaipur.
Sharma Kultar Sr. Manager	74,360	Regular	B.Sc. Engg. (Hons.) (Civil) (22 years)	23.05.77	40	SDO, PWD Punjab.
Sharma O.P. Chief Engineer	1,17,644	Regular	B.Sc., (Engg.) (Civil) (27 years)	15.05.78	51	Executive Engineer Salal HE Project.
Sharma R.K. Sr. Manager	83,751	Regular	B.E. (Elect.) PG Dip. in Elect. Engg. Dip. in Mktg. Mgmt. (20 years)	31.08.78	42	A.E., Beas Project, Chandigarh.
Sharma Y.K. Manager	83,582	Regular	B. Tech. (20 years)	08.12.80	43	Asstt. Supervisor UP State Agro Ind. Corpn. Ltd.
Shashi Chawla Manager	82,711	On deputation from NTC (UP) Ltd.	BA (Dip. in Business Admn. & Mgt.) (18 years)	21.08.87	40	—
Singh B.R. Dy. Manager	76,712	Regular	B.Sc. Engg. (Elect.) (18 years)	02.08.77	44	Sectional Officer Beas Construction Board.
Singh G.P. General Manager	94,069	On deputation from UPSEB	B.Sc. Engg. (Elect.) (29 years)	26.11.87	52	Sr. Manager (Hydro) Kenya Lighting Co.
Singh Labh, Manager	85,973	On deputation from HPSEB	B.Sc. Engg. (Civil) (24 years)	17.06.86	46	EE, HPSEB.
Singh K.P. Manager	73,650	Regular	B.E. (Elect.) (17 years)	11.03.80	41	Asstt. Director, C.E.A.
Singh Nain, Dy. Manager	73,703	Regular	B.E. (Elect.) (8 years)	02.05.86	34	—
Singh Major R.D.P. Sr. Manager	92,806	Regular	B.Sc. (Engg.) (Civil) (22 years)	21.03.79	45	Major in Indian Army.
Singh Kr. Pritpal Chief Engineer	91,900	Regular	B.E. (Civil) (32 years)	01.12.77	55	S.E. PWD J&K.
Sinha B.S.P. Chief	1,18,840	Regular	B.A. MIMM (U.K.) (26 years)	03.06.81	49	Manager, BHEL.
Sirkek J.K. Manager	87,450	On deputation from HPSEB	B.Sc. Engg. (Mech.) (24 years)	04.05.87	47	XEN, HPSEB.
Subramani C.G. Chief Engineer	1,08,006	Regular	B.E. (Civil) M.I.E. (28 years)	03.10.79	51	Executive Engineer, Border Roads Deptt.
Suri B.L. Chief Engineer	96,334	Regular	B.Sc. Engg. (Elect.) PG Dip. in Business Management (29 years)	12.07.82	52	SE Electrical PDD, J&K.
Tahilyani T.C.A. Manager	81,698	Regular	M.Sc. (Engg.) (Elect.) (17 years)	04.05.78	43	A.E., UPSEB.
Taneja S.K. Manager	92,339	On deputation from Govt. of Punjab	B.E. (Civil) (27 years)	13.08.82	52	SDE Irrigation & Power Department, Punjab.
Tather G.C. Deputy Manager	72,917	Regular	B.E. (Elect.) (16 years)	29.06.84	37	A.E. RSEB
Trehan P.S. Manager	76,527	Regular	AMIE (Mech.) (21 years)	06.10.80	44	SDO Punjab Irrigation Department.



Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of commencement of employment in NHPC	Age (years)	Last employment held
1	2	3	4	5	6	7
S/Shri						
Vinod Gulati Chief	1,01,532	Regular	AMIE (Mech.) P.G. in Adv. Elect. & Mech Engg. (22 years)	01.03.80	42	Major in Indian Army.
Viswanathan N. Chief Engineer	1,19,578	Regular	M.E. (Civil) Power Engg. (25 years)	17.09.79	49	Asstt. C.E. Triveni Structurals Ltd.
Venkatesha C.R. Chief Engineer	1,15,480	Regular	B.E. (Civil) M.E. (Structures) (13 years)	29.10.81	44	Scientist, Cement Research Institute
Yogendra Prasad Chief Engineer	92,009	Regular	B.Sc. Engg. (Elect) (20 years)	10.05.78	44	A.E. UPSEB.
Yadvendra R.K. Chief Engineer	98,283	Regular	M.Sc. (Mech Engg.) MBA (23 years)	01.01.82	47	Dy. Director Office of Dev. Commissioner (SSSI)
Zutshi K.L. Chief Engineer	1,00,594	Regular	B.E. (Civil) M. Tech. (27 years)	15.05.78	51	XEN Salal Project

**B. Particulars of Employees for part of the financial year who were in receipt of remuneration not less than Rs. 6000/- P.M.**

Aggarwal C.L. Chief Project Manager	46,907	On deputation from PSEB.	B. Tech. (Hons.) M. Sc. Engg (Elect.) (22 years)	08.02.86	50	S.E. PSEB
Ghosh M.K. Chief Engineer	90,545	Regular	B.E. (Civil) (28 years)	23.02.79	50	XEN, Border Roads Organisation.
Oberoi B.R. Chairman & Managing Director	32,459	Govt. Appointment	MIE (India) P.G. (Elect. Engg.) Dip. in Business Mgt. (35 years)	28.02.85	57	C.M.D. NPCC Ltd.
Sarbhoy O.P. Director (Personnel)	61,436	Govt. Appointment	B.Sc. M.A. (Eco.) LLB. M.A. (Soc. Work with Spln. in Personnel Mgt) (34 years)	05.08.85	58	Dy. G.M. BHEL.
Hai M.A. Chairman & Managing Director	5,189	Govt. Appointment	B.E. Mech. (33 years)	10.03.89	54	Director (Tech.) NTPC.

- 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 and 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) (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 posted abroad, the remuneration includes Foreign Allowance also.  
(5) None of the above employees whether employed throughout the financial year or part thereof, was in receipt of remuneration which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two per cent, of the equity shares of the Company.





*Tanakpur Project—Barrage under construction*