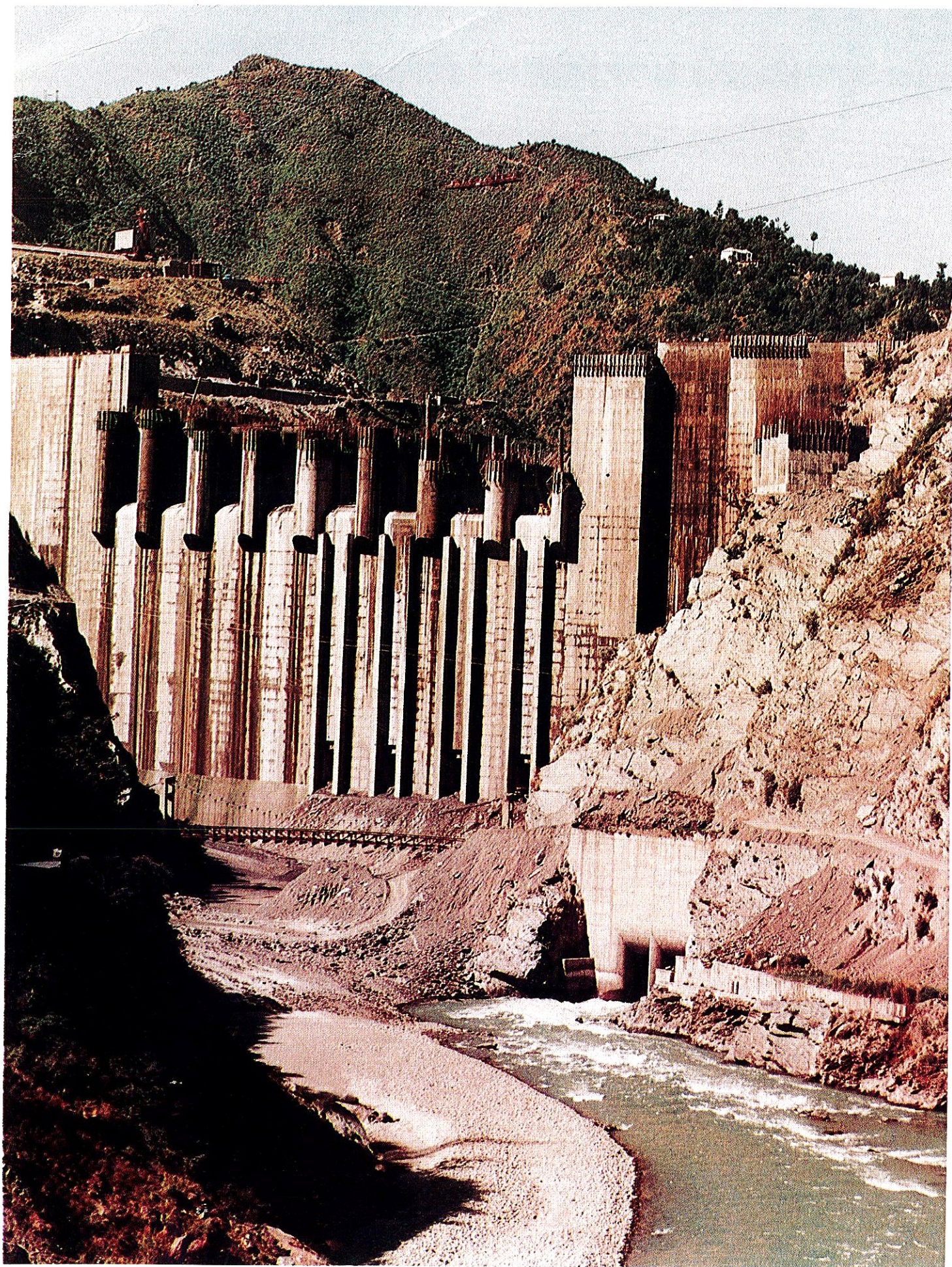


ANNUAL REPORT 1990-1991

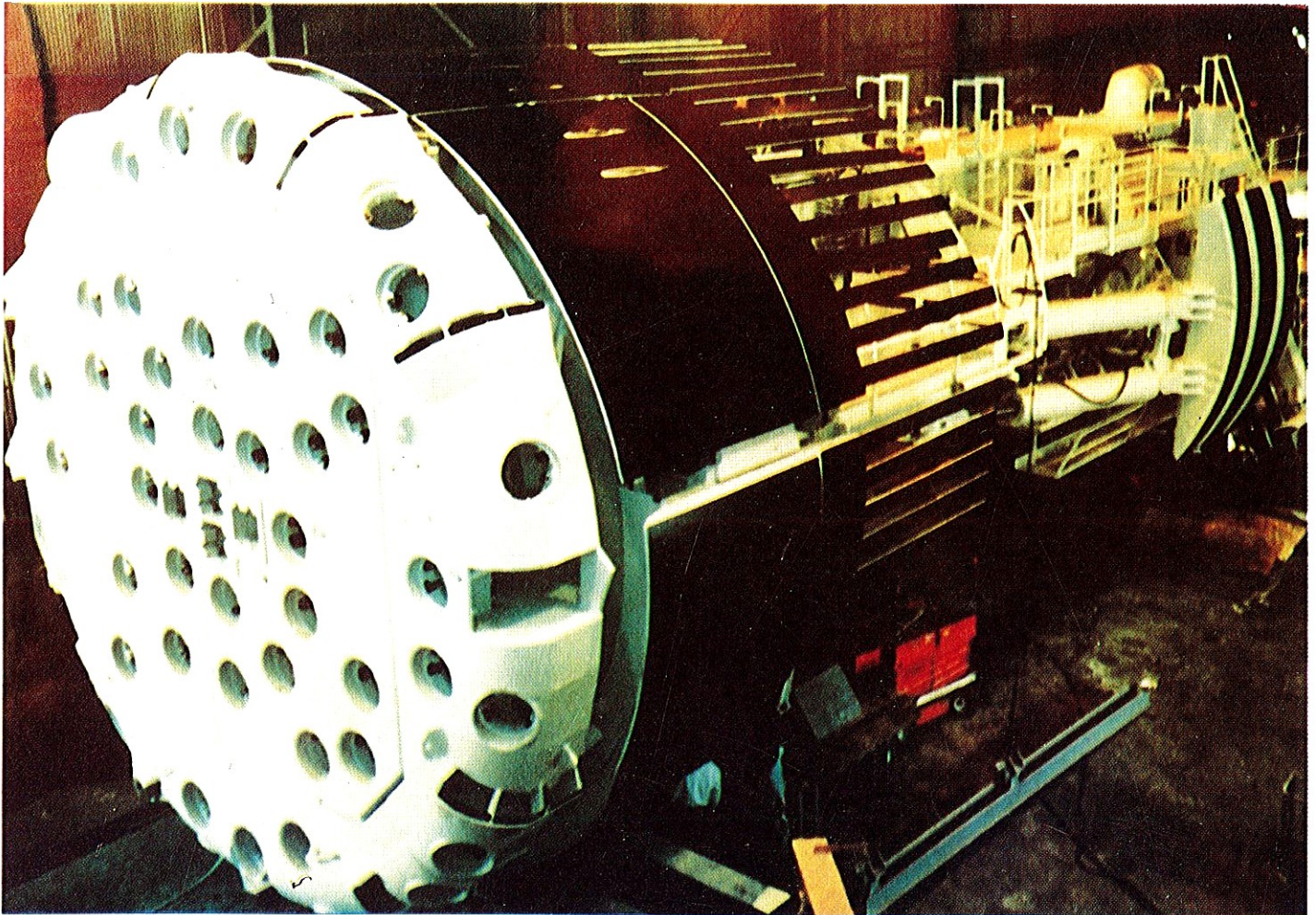
National Hydroelectric Power Corporation Ltd.



A view of the Dam - Chamera Project

CONTENTS

| | |
|---|----|
| Board of Directors. | 2 |
| Chairman's Statement | 3 |
| Directors' Report | 6 |
| Accounts | 24 |
| Auditors' Report | 39 |
| Comments of the Comptroller & Auditor General of India | 42 |



Tunnel Boring Machine - Dul Hasti Project

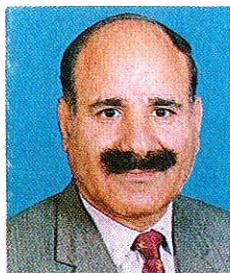
BOARD OF DIRECTORS



Shri M.A. Hai



Shri Ghansham Das



Brig. R.K. Verma



Shri S.C. Sen



Shri G.P. Singh



Shri V.K. Khanna



Dr. C.D. Thatte



Dr. H.R. Sharma



Shri T. Sethumadhavan

Company Secretary & G.M. (Law)

Shri N.V. Raman

AUDITORS

Statutory Auditors :

M/s Bubber Jindal & Co.

Chartered Accountants
3072 Pratap Street,
Gola Market, Darya Ganj,
NEW DELHI-110002

Joint Branch Auditors :

M/s Jain Goel & Swamy,
Chartered Accountants,
3993-A/10 Raghu Ganj,
Chawri Bazar,
DELHI-110006

M/s Bahl Gupta & Associates,

Chartered Accountants,
A-9/34, Vasant Vihar,
NEW DELHI-110057

Branch Auditors :

M/s N. Sarkar & Co.

Chartered Accountants,
21 Prøfulla Sarkar Street,
Calcutta-700072

BANKERS

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

REGISTERED OFFICE :

'Hemkunt Tower'
98 Nehru Place,
NEW DELHI-110019.

CHAIRMAN'S STATEMENT



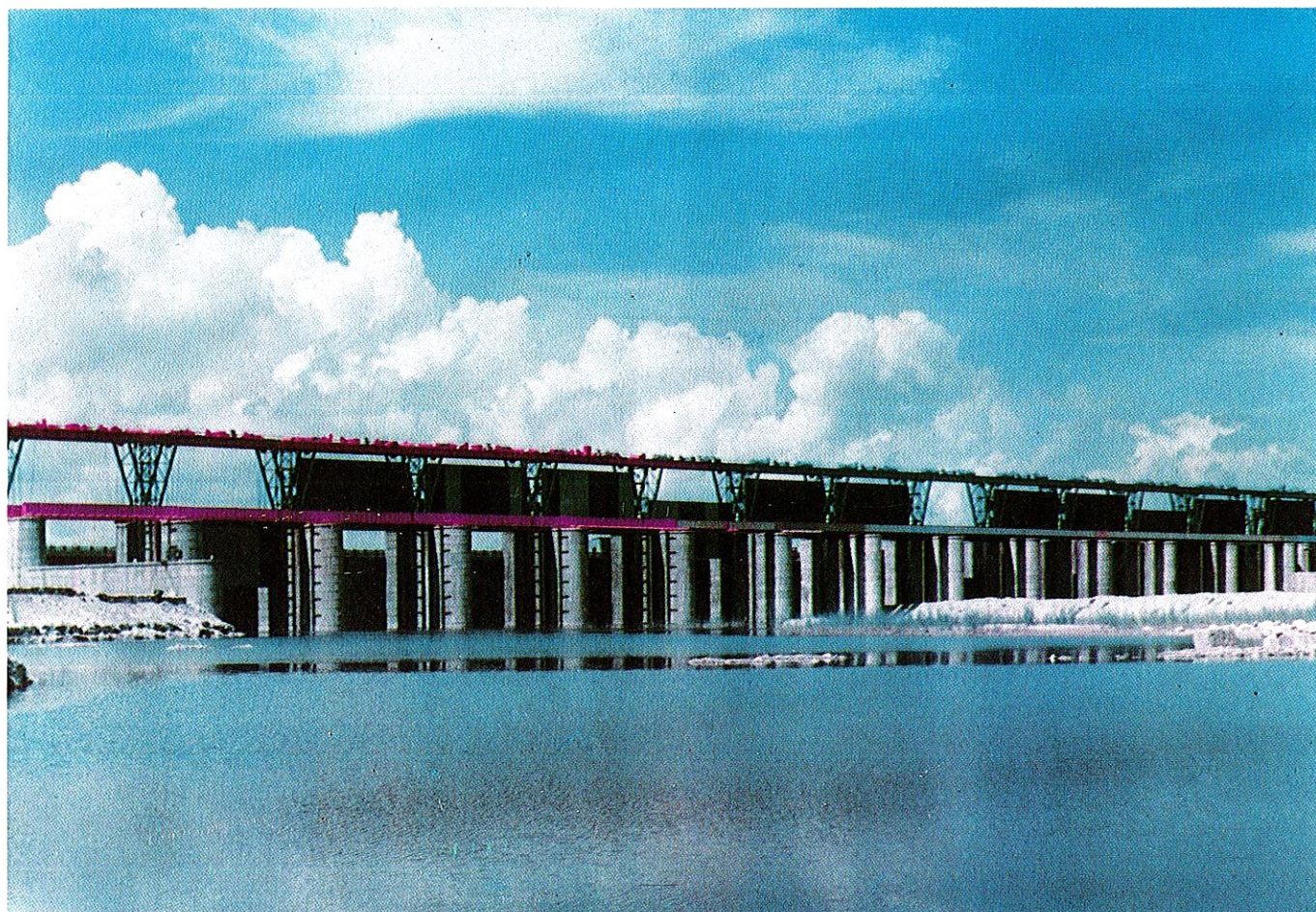
Dear friends,

It gives me great pleasure to welcome you to the 15th Annual General Meeting of the Corporation. The Audited Accounts for the year 1990-91, the Directors' Report alongwith Auditors' Report and the comments of the Comptroller and Auditor General of India are before you for consideration and adoption.

The Corporation has earned a net profit of Rs. 52.76 crores. The turnover of the Company during the year was Rs. 223.95 crores as against Rs. 210

crores during the previous year. The operating units of the Corporation registered an achievement of 113% of the target which is 6% more than the last year's generation. The overall capacity utilisation rose from 106% in the previous year to 112% during the year. The Corporation registered budget utilisation of Rs. 841 crores against revised allocation of Rs. 815 crores, representing an investment efficiency of 103%.

I am glad to inform you that the Government have sanctioned two more projects to the Corporation.



A view of Barrage - Tanakpur Project

These are the 60 MW Rangit Project in Sikkim and the 280 MW Dhauliganga Stage-I Project in Uttar Pradesh. The Public Investment Board have also cleared the 710 MW Koel Karo Project in Bihar.

Uri and Dul Hasti Projects of the Corporation have been declared as projects of national importance by the Government.

The Corporation raised Rs. 215 crores through bonds during the year 1990-91. Efforts were made to reduce the outstanding dues from State Electricity Boards. Towards the end of March this year, the total outstandings from beneficiaries were Rs. 147.80 crores as against Rs. 208.34 crores during the last year.

Vigorous efforts were made to step up the construction activities at the on-

going projects of the Corporation. During the year 1990-91, more than 5.5 lac cum. of concrete was poured in the Dam of the Chamera Stage-I Project. With the current pace of progress, daylighting of 6.4 km. long power tunnel is expected to be achieved shortly. The Corporation plans to complete the Chamera Stage-I Project by December '92. Work on the 120 MW Tanakpur Project is now in the advanced stage and the Corporation plans to commission the Project during the current financial year.

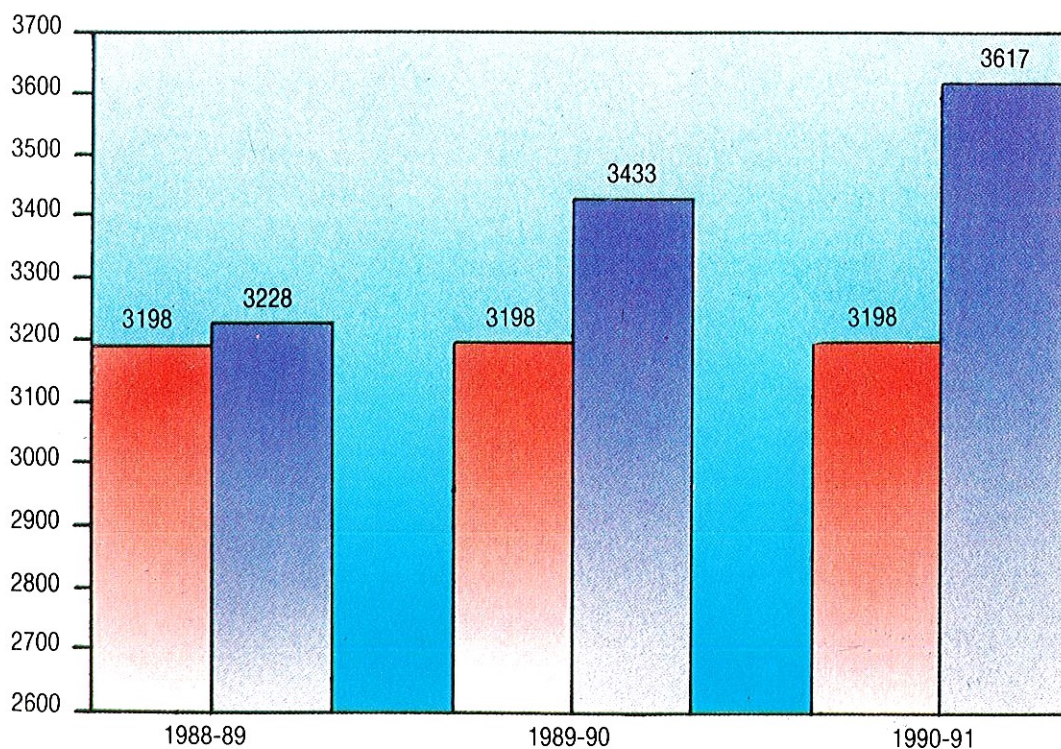
The progress of works at the Salal Stage-II Project which is to be commissioned by September '93 is being constantly monitored. At the Rangit Project, construction activities have picked up momentum. Work on all the components of the Project has been started.

Construction activities at Dul Hasti Project are going on as per schedule. River Chenab was diverted. A 8.3 Mtr. dia Tunnel Boring Machine (TBM) has been launched for tunnelling for the first time in the country. The French Consortium has mobilised resources for taking up work on all the components at the Project. The activities at the 480 MW Uri Project in Kashmir Valley have come to a standstill after two Swedish engineers were kidnapped by the militants. Efforts are being made to restart the work at the Project.

The Corporation has taken up infrastructure development work at the 280 MW Dhauliganga Stage-I Project. Chamera Stage-II, Baglihar and Sawalkot Projects are now awaiting investment decision by the Government of India. It is hoped that the Govern-

GENERATION — TARGET/ACTUAL

TARGETS ACTUAL



ment sanction for the 710 MW Koel Karo Project will be issued shortly. The techno-economic appraisal of the detailed project reports submitted by the Corporation relating to four new hydroelectric projects is now in progress by the Central Electricity Authority.

Work on all the transmission system lines progressed during the year as per schedule. Power through the 400 KV Jeypore Talcher System in Orissa started flowing. The Corporation signed an agreement with the World Bank for loan for the Northern Region Transmission System and funds disbursement commenced during the year. The Corporation is still awaiting Government's decision of the Russian offer for turn-key execution of the 400 KV transmission line passing through the snow bound areas of Kashmir Valley. The construction of this line has become critical for the evacuation of power from Dul Hasti Project.

NHPC continued to do pioneering work in the promotion of environment consciousness in the country. So far the Corporation has planted more than 65 lakhs plants out of which 4 lakhs were planted during the year 1990-91.

Cordial employer-employee relations were generally maintained during the year. The Corporation continues to make efforts to provide adequate welfare measures such as schools, hospitals, dispensaries, ambulance services, cultural and recreation facilities etc. for the employees.

During the recent past, the Hon'ble Minister of State (I/C) for Power and Non-conventional Energy Sources, Shri Kalp Nath Rai reviewed the progress of activities of NHPC Projects. We are indeed grateful to the Hon'ble Minister for the keen interest shown by him in the growth of the Corporation. We are also grateful to

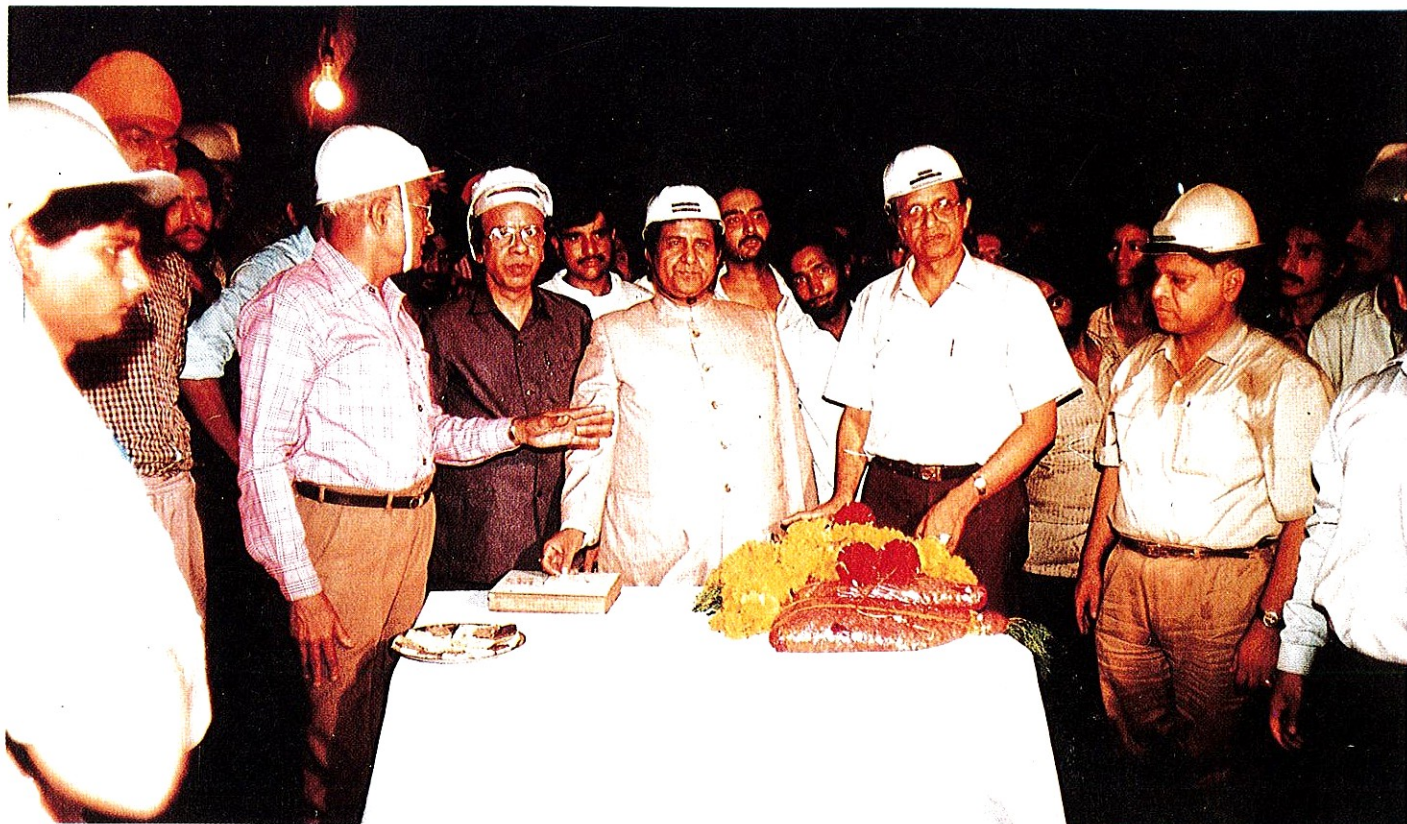
the Secretary (Power) and other senior Officers of the Deptt. of Power who have been very considerate in dealing with matters pertaining to our Corporation. I would like to thank the various Departments of the Union Government and the State Governments, Electricity Boards, Technical Organisations, Foreign consortia and Financial Institutions for extending cooperation in our activities. I would like to specially thank employees of all the cadres of the Corporation for the hard work and dedication shown by them in achieving the various milestones. Finally, I would like to thank the members of the Board of Directors for their untiring efforts.

M. A. Hai

(M.A. HAI)

Chairman & Managing Director

23rd Sept., 1991



Shri Kalp Nath Rai, Union Minister of State for Power and Non-Conventional Energy Sources (I/C), pressing the button for final blast for daylighting of the Power Tunnel - Chamera Project.

Directors' Report for 1990-91

Your Directors have great pleasure in presenting the 15th Annual Report on the Operations of your Company along with audited statement of accounts for the year ended 31st March, 1991.

PERFORMANCE HIGHLIGHTS:

1. Power Stations Under Operation

During the year under report, the actual generation in the operating stations of Baira Siul, Loktak, and Salal (Stage-I) exceeded the targets. The generation of power was 3617 MUs against a target of 3198 MUs. Thus the actual achievement in terms of generation was 113.12% of the target as against 107.35% in the previous year. The overall capacity utilisation during the year was 111.79% as against 106.11% in the previous year.

(a) Baira Siul Power-Station in H.P.

During the year, the Baira Siul Power Station generated 756.086 MUs of energy against the target of 750 MUs, thus registering an achievement of 100.81% against the target as well as capacity utilisation.

During the year 1991-92, upto May, 1991, the generation of electricity from this power station was 254.728 MUs against a target of 200 MUs. A major technological break-through has also been achieved in the project when the generating capacity of the power station was increased from 180 MW to 198 MW through uprating of the generating units.

(b) Loktak Power Station in Manipur

The Loktak Power Station generated 473.26 MUs against a target of 410 MUs, thus registering an achievement of 115.43% against target. The capacity utilisation based on the annual generation capacity of 448 MUs was 105.64%.

During the year 1991-92, upto May,

1991, energy generated at the power station was 75.629 MUs against a target of 67 MUs.

(c) Salal (Stage-I) Power Station in J&K

During the year 1990-91, the Salal Power Station generated 2388.11 MUs of energy against a target of 2038 MUs. The achievement against target as well as capacity utilisation was 117.18%.

During the year 1991-92, upto May, 1991, the generation was 485.628 MUs against a target of 457 MUs.

(d) Chukha Transmission System

The total power imported and transmitted through the Chukha Transmission System during the year 1990-91 was 1389.29 MUs against a target of 1374 MUs. During the year 1991-92 upto May 1991, 185.147 MUs of energy was imported through the Chukha Transmission System against a target

of 237 MUs. The shortfall was due to less receipt of power from the Chukha Power Station.

(e) Jeypore-Talcher Transmission System

The Transmission System was commissioned on 11th November, 1990. The cumulative energy transmitted since the synchronisation of the system was 304.52 MUs upto March, 1991. During 1991-92 upto May, 1991, the power transmitted was 106.21 MUs.

2. ON-GOING PROJECTS

(1) Chamera H.E. Project (Stage-I) (3x180 MW) H.P.

The progress of work on the various components of the project are as follows:

Dam:

During the year under report, 5.63 lakhs cum. of concrete placement was achieved against the target of 5.31



Inside view of Power House - Baira Siul Project

lakhs cum. bringing the cumulative progress of concreting to 11.31 lakhs cum. against the target of 11.68 lakhs cum. The cumulative progress of concrete placement increased further to 11.88 lakhs cum. by end of May, 1991 against the total quantity of 13.5 lakhs cum. Erection of sluice gates is in progress.

Power Tunnel :

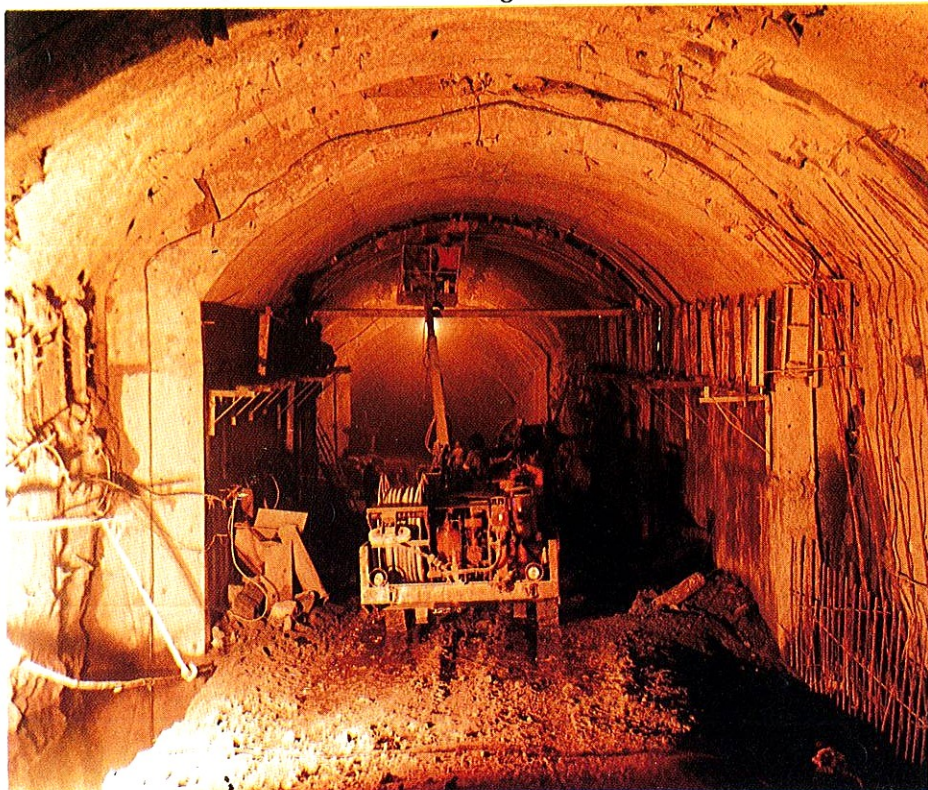
In the Power Tunnel by the end of the year under report, 6000 M heading in Power Tunnel against the total length of 6443 M has been completed. By the end of May, 1991, 187 M more heading was completed and the balance of 256 M heading is expected to be completed by July, 1991. After completion of Heading from Face-3 A, 485 M benching has been completed. By May, 1991, a cumulative progress of 1442 M of overtlining was also completed. About 400 M length of Tunnel from Face-3 is to be remined due to squeezing rock conditions in the Tun-

nel and this work has been taken up departmentally.

Tail Race Tunnel :

In the Tail Race Tunnel, 2236 M (92.63%) benching has been completed upto May, 1991 against the total length of 2414 M. The balance work of 178 M benching is expected to be taken up after monsoon. Overtlining was also in progress and 1155 M of the work has been completed. As at the end of May, 1991, the hydraulic testing of spiral casing of Unit-III has been completed. The erection and embedment of draft tube liner for all the three units have been completed. Switchyard works were in progress as per schedule at the end of May, 1991.

On the Chamera-Moga Transmission Line associated with the Project 640 Nos. of Towers have been erected by the end of May, 1991 as against the total of 647 Nos. Towers. 222 KMs of stringing of the line was also completed against the total length of 230 KMs.



Draft tube under construction - Chamera Project.

(2)Dul Hasti H.E. Project (3 X 130 MW) J&K

During the year under report the French consortium had completed construction of base camp at Kishtwar and labour camp at Dul and Hasti.

The entire diversion channel excavation including rock anchoring and partial concreting of lock wall was completed during the year and the river was diverted on 17th March, 1991. Construction of the upstream and downstream coffer dam was in progress at the end of the year and the down stream coffer dam was completed by end of April, 1991.

The Access tunnel to Power House was excavated upto a length of 546 Km. out of a total length of 585 Km. The excavation of upper access to Power House was completed and Power House excavation was taken up.

As at the end of May 1991, the adit to gate shaft has been completed. The silt flushing tunnel has been excavated upto 91 M including cut and cover portion. The construction of upstream coffer dam has been in progress. Excavation of dam foundation has been started.

The adit to HRT at downstream has been excavated upto 435 M against the total length of 592 M. The work on excavation of pilot tunnel through the intake is in progress.

The Tunnel Boring Machine is on trial run and about 23 M tunnel has been excavated.

(3)Tanakpur H.E. Project (3 X 40 MW) U.P.

During the year under report, work on the barrage was in progress. Concreting of all the 22 piers upto top level was completed during the year. Work of left afflux bund was also in progress. Gates have been erected in 19 bays of barrage upto March 1991. Installation of one more gate was completed till



A view of Power Channel - Tanakpur Project

May 1991. Work on the remaining two gates was in progress as at the end of May 1991.

As at the end of May, 1991, in the Power House, concreting had been done in 154.54 TM^3 out of a total quantity of 174.14 TM^3 . Erection of all the penstocks has also been completed. In the Power channel, upto March 1991, 2734 TM^3 of earth work out of a total quantity of 2876 TM^3 had been done. Upto May '91, the progress on this work increased to 2789 TM^3 . Out of total quantity of concreting of 47.23 TM^3 , concreting done upto March '91 was 26.70 TM^3 and upto May '91, it was 32.63 TM^3 . Work on the Tail race channel, was in progress during the year. Out of total of 4830 TM^3 , of earth work, 4620 TM^3 was done and out of 2229.7 TM^3 of concreting, 1535 TM^3 was done. By end of May '91, the major earth work upto 4733.4 TM^3 and concreting in 1845.97 TM^3 had been completed.

In the silt ejector during the year under report, 673 TM^3 of earth work out of a total quantity of 838.03 TM^3 had been done and 101 TM^3 concreting out of 123.18 TM^3 was achieved. Upto May

1991, the earth work increased to 716.12 TM^3 and concreting in 108.51 TM^3 was completed.

Upto May 1991, on the 106 Km. long D/C Transmission Line, against a total 315 Nos. locations stub-setting had been done in 308 locations and 280 Nos. towers, have been erected. Stringing has been done in 55.36 Kms. out of a total length of 106 Kms. The 1st Unit of the Project is scheduled for commissioning by Jan. 1992 and the II and III Units in Feb. and March, 1992. Unit No. I had been boxed up and installation of other two Units were in progress as at the end of May '91.

(4) Uri H.E. Project (4 X 120 MW)

J&K

The Project has been entrusted to a Swedish-British Consortium for execution. During the year under report, the contractors continued with the work of additional investigations, model studies, design and infrastructure. The consortium had been handed over about 80 Ha. of land out of the total requirement of 160 Ha. Various construction equipments have begun reaching the site. Work on construc-

tion power for the Project from the Lower Jhelum Project is in progress. Upgradation of Highway NH.IA. to 70T is in progress by the Border Roads Organisation.

However, the work at the site has suffered to a great extent due to the prevalent law and order situation in the area.

All the works at Project have been stopped, since 2nd April 1991 due to the abduction of 2 Swedish Engineers from the Project. However, hydro-mechanical and electrical design work at Sweden continued as at the end of May 1991.

(5) Salal H.E. Project (Stage-II) (3 X 115 MW) J&K

During the year, the excavation of 272 M long adit to Tail Race Tunnel and construction of junction of adit with main tunnel was completed and heading excavation of tunnel was in progress. From the outlet of Tail Race Tunnel Adit-II, 261 M heading excavation out of a total length of 985 Mtrs. was also completed. By May 1991, the heading excavation increased to 396 M.

On the Power House, 10309 CuM. of concrete (12425 CuM upto May 1991) was placed in the Power House pit against the total quantity of 40536 CuM.

As at the end of May 1991, contracts for the Salal-Kishenpur- Sarna Transmission Line have been awarded and orders for Transmission Line material have also been placed. The Project is scheduled for commissioning by Sept., 1993.

(6) Rangit H.E. Project (3 X 20 MW) Sikkim

During the year under report, private land required for the Project was acquired and work of construction of permanent and temporary residential Units was started and 40% of the temporary residential units completed. Work of diversion tunnel has been started and construction of outlet portal and adit has been completed. Contracts for Head Race Tunnel including intake structure, intake tunnels desilting chambers, surge shaft and pressure shaft have been awarded and work started.

As at the end of May 1991, construc-



Diversion Tunnel Outlet - Rangit Project

tion of diversion tunnel from outlet end and through construction of adit had started. Adit excavation has been completed and 8 M. tunnel boring was done through this adit and 46 M. tunnel boring was done from outlet site. Excavation of adit to Head Race Tunnel D/S and Surge Shaft excavation have also started.

3. NEW PROJECTS

(1) Chamera H.E. Project (Stage-II) (3 X 100 MW) H.P.

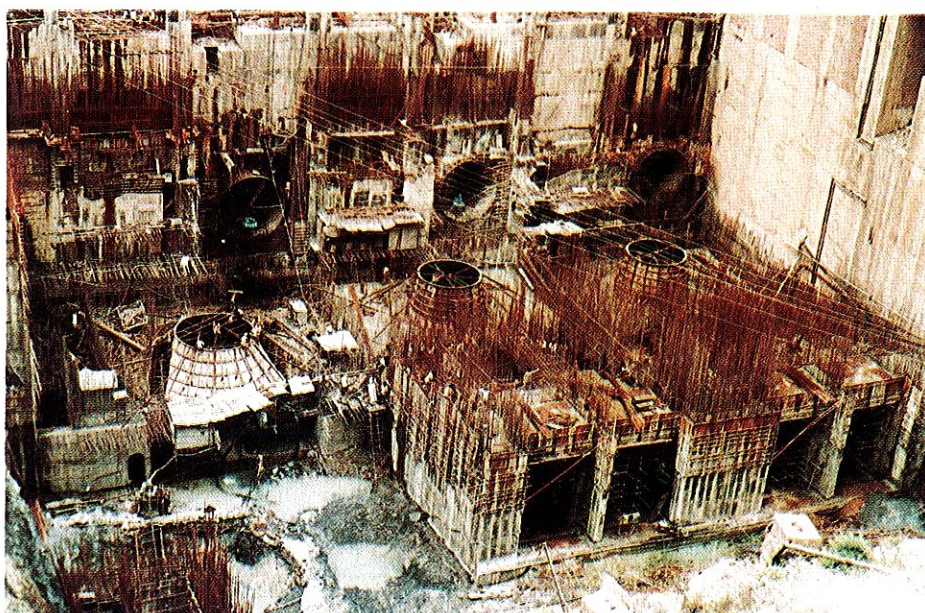
The report of the Steering and Negotiating Committee on the offer of the Chamera Constructors for the construction of the Chamera Project (Stage-II) has been submitted to the Govt. in Jan. 1991 and is under consideration of the Government.

By end of May'91, most of the approach roads to the various components of the Project have been completed. Temporary office complex, explosive magazine building and workshop sheds were completed. 11 KV Transmission Line for temporary construction power is almost completed.

Due to non-availability of funds during 1990-91, no new works were taken up.

(2) Koel Karo H.E. Project (4 X 172.5 MW + 1 X 20 MW) Bihar

About 100 Ha. of land has been acquired. Formalities for acquisition of 540 Ha. of private land have been completed and the land would be ac-



Work in progress on Power House - Salal Project (Stage - II)

quired when funds are made available for this purpose. The draft memorandum to the Public Investment Board was submitted to the Government in March, 1991.

(3) Dhauliganga H.E. Project (Stage-I) (4 X 70 MW) U.P.

In April 1991, approval of the Cabinet Committee on Economic Affairs was received for the execution of the Project at a cost of Rs. 601.98 crores (Net) including Rs. 84.53 crores as IDC for the Generation portion of the Project. The land required for the Project is being identified with the help of the State Government.

As at the end of May, 1991, Survey of 400 KV 660 ckt. kms. Transmission Line of the Project has been completed and the forest clearance proposal submitted to the Ministry of Environment and Forests, which is under their consideration.

As at the end of May, 1991, infrastructural activity of land acquisition and preparation of contract packages were taken up.

(4) Baglihar H.E. Project (3 X 150 MW) J&K

The techno-economic clearance for the revised estimates of Rs. 927.77 crores + IDC of Rs.171.10 crores at Sept., 1990 price level was accorded by CEA on 8th April, 1991. The memorandum for the PIB was submitted to the Govt. on 24.05.1991 incorporating cost estimates at March, 1991 price level for Rs. 1138.15 crores including interest during construction of Rs. 171.11 crores and cost of Transmission Line of Rs. 47.75 crores.

Infrastructural activities like land acquisition, construction of roads, construction of temporary residential and non-residential buildings which were in progress during the year continued

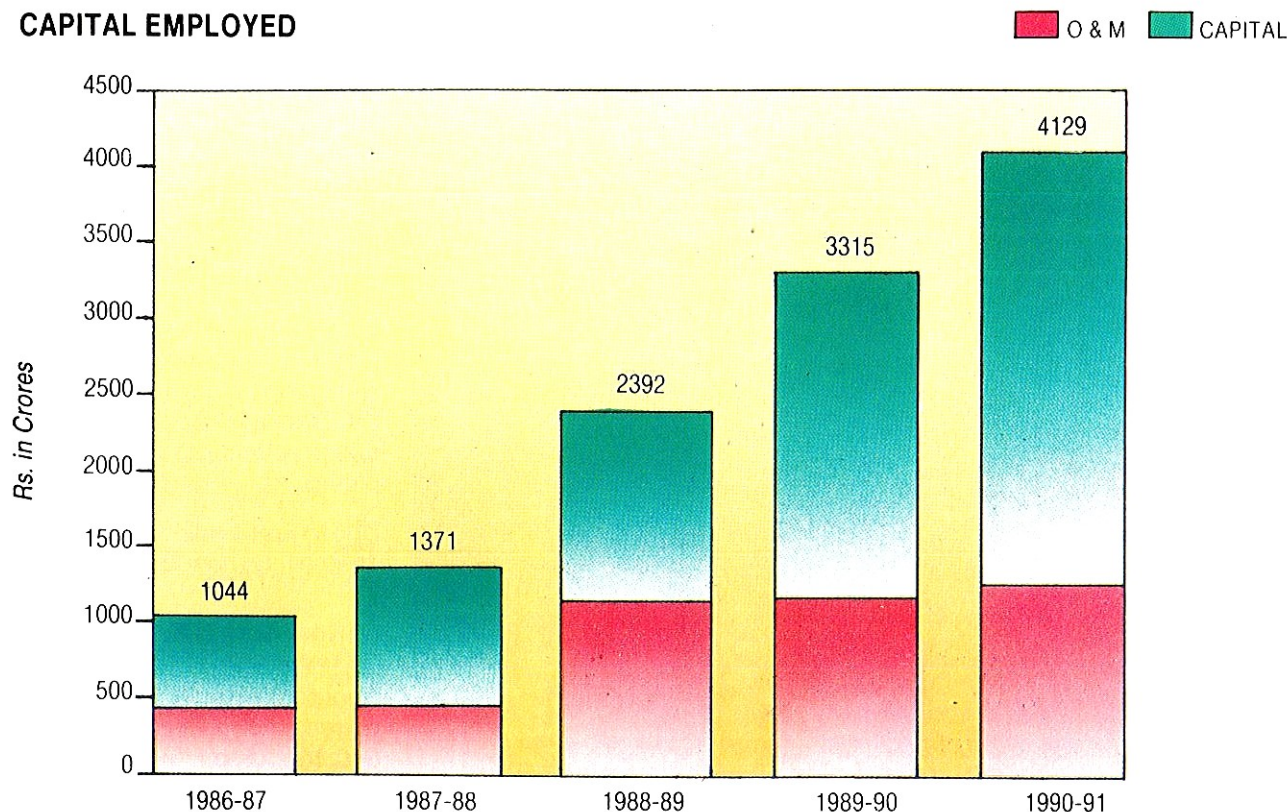
as at the end of May 1991. 400 KV (140 ckt. KMs.) Transmission System of the Project was accorded techno-economic clearance in June 1989 for Rs. 35.43 crores. The system comprises of a 400 KV D/C Transmission Line from Baglihar to Kishenpur.

The forest clearance was given by the Ministry of Environment and Forests in Sept., 1990.

(5) Sawalkot H.E. Project (3 X 200 MW) J&K

During the year under report, confirmatory investigations and development of some infrastructural facilities were in progress. The Project has been cleared from Indus Water Treaty Angle. The Memorandum for the Public Investment Board was submitted to the Government in April 1991, for execution of the Project at an estimated cost of Rs. 1591.28 crores at Dec. 1990 price level.

CAPITAL EMPLOYED



Infrastructural activities like land acquisition, construction of temporary residential and non-residential units continued, as at the end of May, 1991. 400 KV (140 ckt. kms.) Transmission System was accorded techno-economic clearance by CEA in June, 1989 for an estimated cost of Rs. 35.48 crores.

The forest clearance for the Transmission Line was received in September, 1990. The cost estimates of the Transmission Lines have been updated to Rs. 44.50 crores at November, 1990 price level.

4. INVESTIGATION PROJECTS

(1) Dhauliganga H.E. Project (Intermediate Stage) (200 MW) U.P.

The investigation works were completed and the detailed Project Report was submitted to the Govt. in August,

1990. CEA has suggested that NHPC could take up more exploitation of the balance potential left over after other stages of the Dhauliganga Project are dropped. These comments/suggestions have been studied by the Corporation and replies forwarded to CEA accordingly in April, 1991.

(2) Goriganga H.E. Project (Stage-I), U.P.

Goriganga H.E. Project (Stage-II), U.P.

Kishenganga H.E. Project, J&K

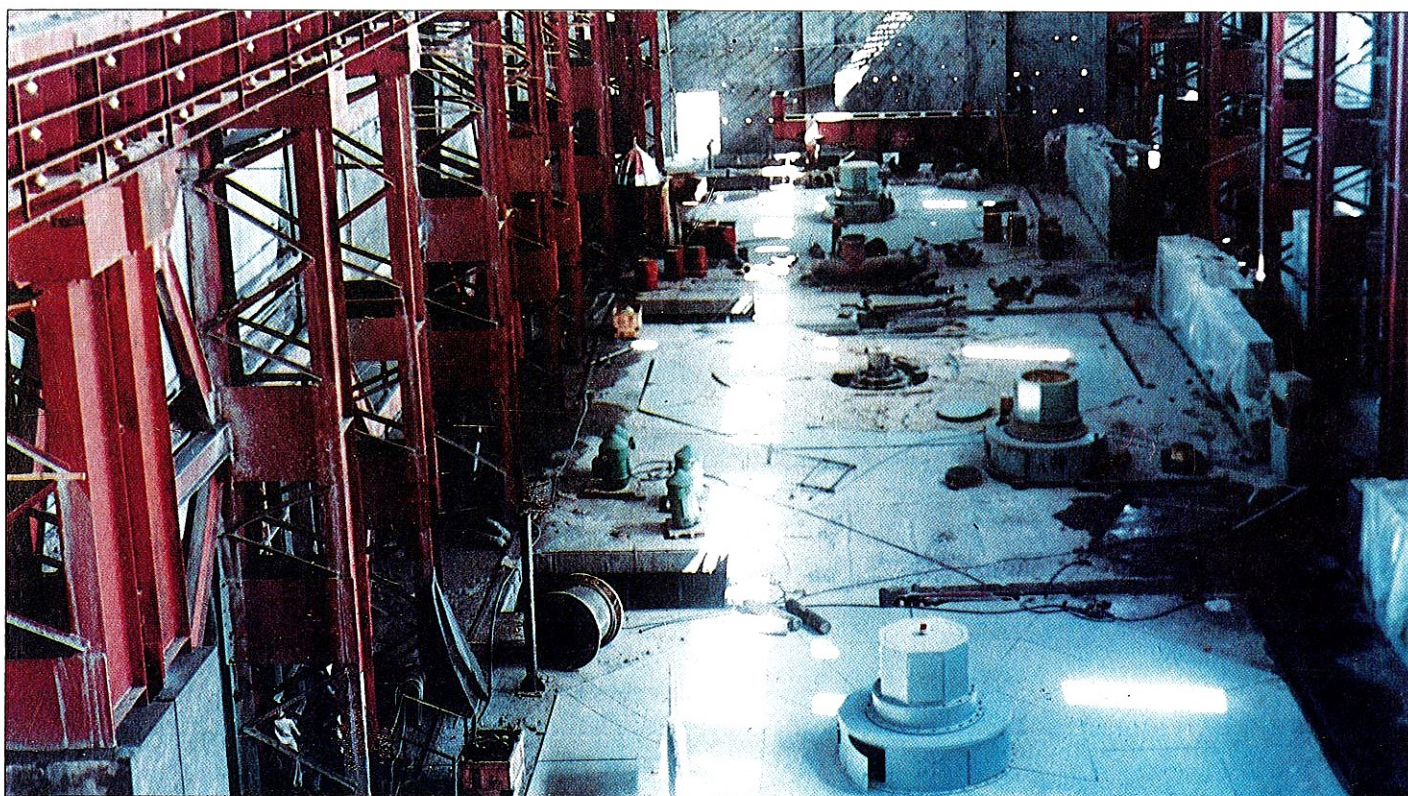
After completion of the investigations, the detailed Project reports in respect of Goriganga H.E. Project (Stage-I) (60 MW) and Goriganga H.E. Project (Stage-II) (120 MW) in U.P. were submitted to CEA in October, 1990, while in the case of the Kishenganga H.E. Project (390 MW) J&K, the detailed Project report was sent to CEA in May, 1991.

(3) Goriganga H.E. Project (Stage-III)

In respect of Goriganga H.E. Project (Stage-III) investigation estimates amounting to Rs. 177.74 lakhs (Gross) and Rs. 142.88 lakhs (Net) was sanctioned by Ministry, Geotechnical Investigations were in progress as at end of May, 1991.

(4) Teesta H.E. Project (Stage-III) (6 X 200 MW) Sikkim

During the year under report, the Project proposal was found in order by the CEA in their meeting held on 04.12.1990, subject to the obtaining of Environmental and Forest Clearances. The proposal for forest clearance is being formulated in consultation with the State Govt. The environmental impact assessment study has been entrusted to the National Environmental Engineering Research Institute, Nagpur. Clearance of the Project from the defence angle has already been



Inside view of Power House - Tanakpur Project

received. The memorandum for the preliminary meeting of Public Investment Board was also submitted in May, 1991.

5. TRANSMISSION SYSTEMS

As stated earlier in this Report, the 400 KV Jeypore-Talcher Transmission System consisting of (427 ckt. kms.) Transmission Line, sub-station at Jeypore, and a Switching station at Indrawati, was commissioned in March, 90. Commercial operation of the system commenced in Nov.'90 and the system is being utilised by Orissa State Electricity Board.

(1) 400 KV Dul Hasti Transmission System

Detailed Survey on the route of Dulhasti-Kishenpur-Srinagar Transmission Line (610 ckt. kms.) has been

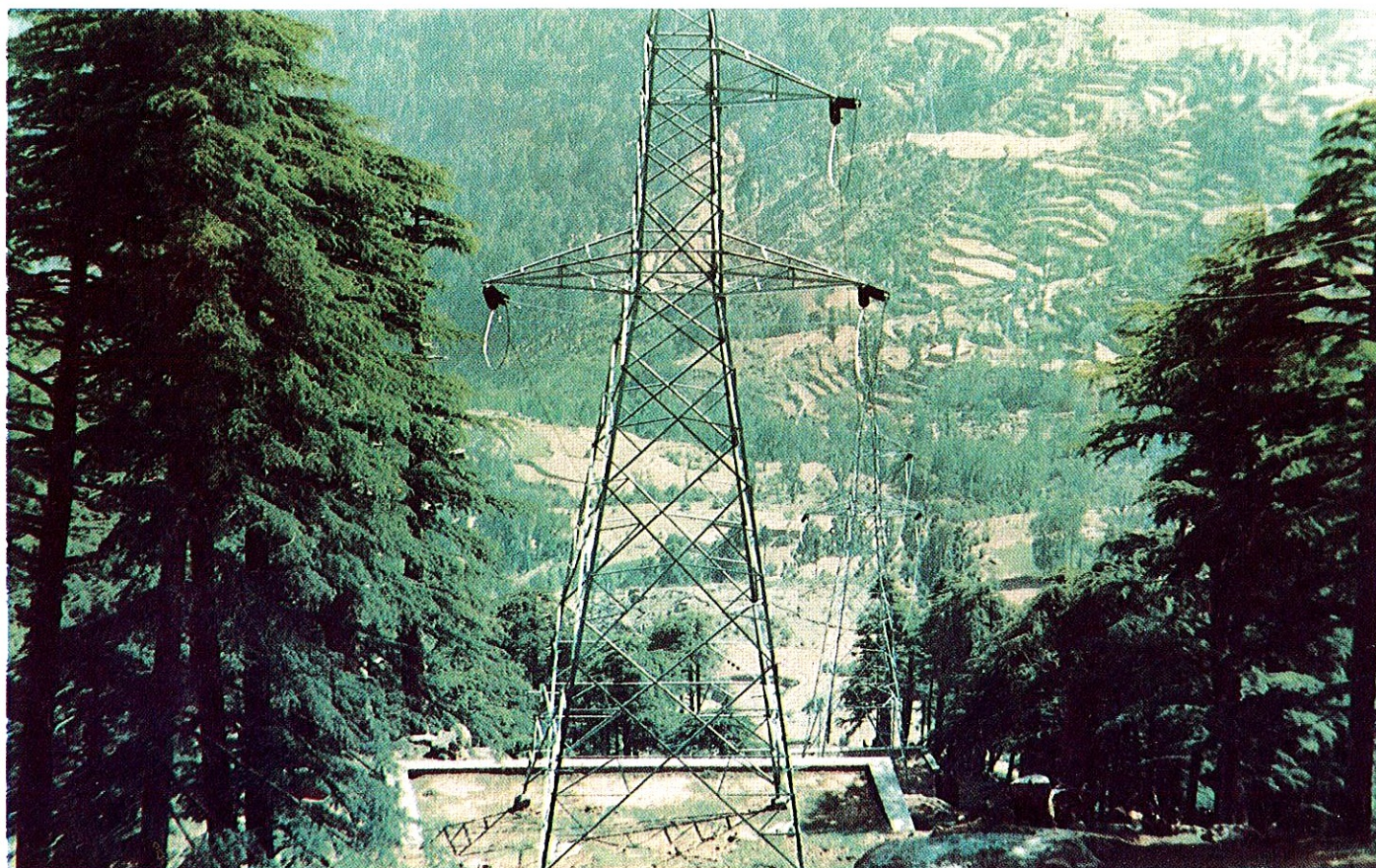
completed. Land acquisition for the various tower locations is in progress. Design of all types of Towers and foundations have been finalised. Testing of all Proto-type except for D-Prototype has been completed. The transmission system is proposed to be executed with Soviet assistance, as route for the transmission lines traverses through difficult mountaineous & snow bound terrain and also keeping in view the tight commissioning scheme of July, 1994. CEA has accorded techno-economic clearance for an estimated cost of Rs. 725.70 crores (including IDC) in November, 1990. Memorandum for the Public Investment Board has been submitted for Rs. 772.83 crores including IDC of Rs. 87.03 crores at January, 1991 price level. Approval of Government for the signing of the agreement by NHPC is awaited.

Land for Kishenpur and Srinagar sub-stations has been acquired and orders for sub-station equipment have been placed. The sub-stations are expected to be completed by July, 1994. Work on the execution of the line is, however, held up due to delay in PIB clearance and signing of the agreement with USSR. However, on receipt of necessary clearance, efforts shall be made to complete the transmission line before commissioning of the Project.

(2) 400 KV D/C Chamera - Moga

Transmission Line

Construction of the line is expected to be completed by Dec., 1991. Out of 647 locations, 644 foundations have been cast, 636 towers erected and 402 ckt. kms. of stringing has also been completed.



A view of Chamera Transmission System

On 11th June, 1991, 10 Nos. Transmission Towers along with transmission line materials pertaining to 400 KV Chamera-Moga Transmission Line valued at Rs. 1.2 crores had collapsed and badly damaged and the cause of failure of towers/line materials are under investigation.

(3) 400 KV/220 KV - 2 X 250 MVA Moga Sub-station

75 acres of land has been acquired and all the Civil Works for the Switchyard, residential and non-residential buildings and Control Room have been completed. Most of the sub-station equipment have been received and the sub-station is likely to be completed by March, 1992.

(4) 400 KV Moga - Hissar Transmission Line (418 Ckt. Kms.)

Construction of this line is expected to be completed by January, 1992. Out of total 558 locations, 553 Nos. foundations have been completed and 533 Nos. towers erected. The stringing is expected to commence from Oct., 1991.

(5) 2 X S/C 400 KV Transmission Line From Hissar To Bhiwani (70 Ckt. Kms.)

Construction of the line was in progress during the year. Of the total 188 Nos. locations, foundations in 156 locations have been completed and towers erected in 127 locations. The stringing activity is expected to begin from Oct., 1991 and all the work on the line is expected to be completed by Oct., 1992.

(6) 220 KV Tanakpur - Bareilly Transmission Line (212 Ckt. Kms.)

Construction of the Transmission Line is expected to be completed by Dec., 1991. Out of the total of 315 locations, foundations have been cast in 292 locations and 196 towers erected and

stringing in 79 ckt. kms. has also been completed.

(7) 132 KV Bongaigaon -Gaylephug Transmission Line (50 Ckt. Kms.)

The system is being executed on behalf of the Ministry of External Affairs and comprises of 50 kms. 132 KV S/C Transmission Line from Bongaigaon to Gaylephug, a 2X25 MVA 132/166/11 KV sub-station at Gaylephug and 1x50 MVA 220/132 KV sub-station at Bongaigaon. The estimated cost of the line is Rs. 13.76 crores. Of the total of 156 locations, foundations have been cast in 100 locations and towers erected in 54 locations. The construction of sub-station at Gaylephug has also been nearly completed and 80% of the work on Bongaigaon sub-station end is also completed. Progress of work on the construction of the line is however, hampered due to shortage of funds and agitation in the area. Ef-

orts are being made to complete the line in 1991-92.

6. NEW TRANSMISSION LINES

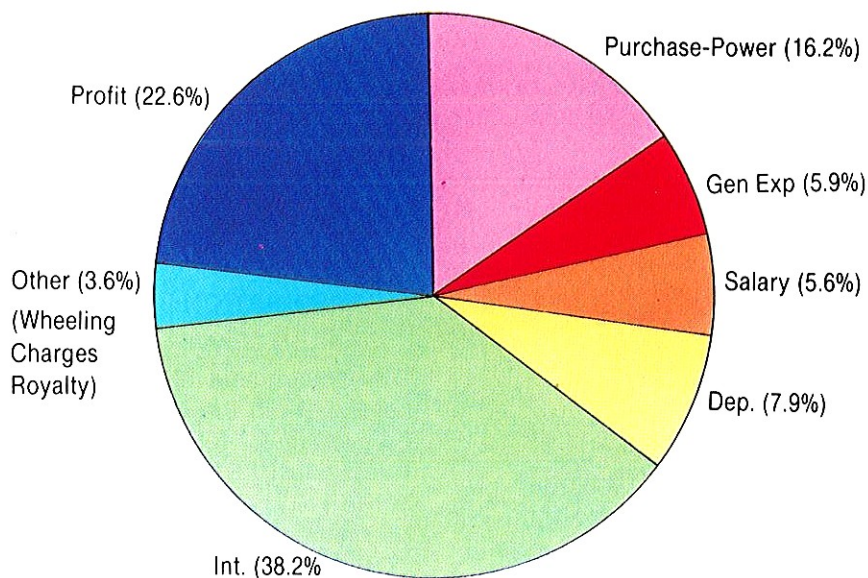
(1) Nathpa Jhakri Transmission System (1980 Ckt. Kms.)

The Agreement with the World Bank has been signed on 3.10.1990. The survey of the route of the Transmission Line has been completed. Land for the sub-stations at Hissar and Yamuna Nagar has been acquired and civil works are expected to commence shortly. Forest clearance for all the Transmission Lines of the system has been obtained except Nathpa Jhakri-Kol Dam, Kol Dam - Hissar and Nathpa Jhakri- Kala Amb Transmission Line, which is awaited from Ministry of Environment and Forests.

(2) Uri Transmission System (200 Ckt. Kms.)

Tenders received for the Tower packages are under finalisation. The trans-

DISTRIBUTION OF REVENUE



mission system is likely to be completed by March, 1995.

(3) 220 KV Salal (Stage - II) Transmission System

Contracts for the Salal-Kishenpur-Sarna Transmission Line has been awarded in March, 1991. The drawings/designs for the four types of Towers are under examinations. Detailed survey and tower spotting are also in progress. Orders for line materials are being placed.

(4) 400 KV Chamera (Stage - II) Transmission System

In view of the urgency for construction of the transmission system, it has been decided to delink the execution of the transmission line from the Chamera Hydroelectric (Stage-II) Project. The cost estimates have been updated at March, 1991 price level to Rs. 79.21 crores (including IDC of Rs. 8.39 crores) and sent to the Govt. for clearance.

(5) 800 KV (580 Ckt. Kms.) 2xS/S Kishenpur - Moga Transmission Line

Draft PIB Memo was submitted to Govt. in Aug., 1989. However, clearance of the Transmission Line Project by PIB is held-up due to non-availability of forest clearance while forest clearance for the H.P. portion and J&K portion have been accorded, in case of the portion in Punjab, some clarifications have been sought by the Ministry of Environment and Forests. The cost estimates have been updated at Jan., 1991 price level to Rs.372.90 crores (including IDC of Rs.28.15 crores) and the PIB Memo has been submitted to Ministry. Contract for the Survey Work has been awarded. Proposal for consultancy for 800 KV and 400 KV Transmission Lines has been submitted to Govt. and approval is awaited.

(6) Jullundhar - Ludhiana - Dasuya Transmission System

The system envisages strengthening

of the transmission system in Northern Region for evacuation of power from Hydel Projects in J&K and H.P. The cost estimates of Rs. 67.34 crores + IDC of Rs. 5.94 crores are being updated and the Memorandum for the Public Investment Board is under preparation. Forest clearance proposal is being formulated by the State of Punjab.

7. TRANSFER OF WORKS TO NPTC

As the Shareholders are aware, Govt. have decided that with the setting up of NPTC all transmission systems and associated systems presently owned and operated and also those lines which are under construction and those planned for execution in future by NHPC and other organisations functioning as Central/Central-State Joint Venture Organisations, would be taken over by NPTC. Under the first phase of such transfer, it has been decided that the following four transmission lines and the staff/employees posted in the associated transmission lines of the following Projects of NHPC, are proposed to be transferred to the NPTC :-

1. Uri Transmission System
2. Salal-II Transmission System
3. Rangit Transmission System
4. Dul Hasti Transmission System

8. DEPRECIATION IN THE VALUE OF RUPEE

The Government of India has made adjustment in the value of the rupee vis-a-vis major foreign currencies on 1.7.91 and 3.7.91. Due to depreciation in the value of rupee, the additional liability on this account after considering the impact of additional Taxes and Duties, Financing charges, Interest etc., will be about Rs. 701.20 crores as on 3.7.91 (which includes Rs. 90.47 crores for loan already drawn upto

31.3.91) in the case of Uri, Dulhasti and Chamera-I Projects.

9. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATIONS

The turnkey execution of the 390 MW Dulhasti Hydroelectric Project and the 480 MW Uri Hydroelectric Project in J&K has been entrusted to the French and Swedish/U.K. Consortia. The technology transfer involved in the execution of the Project over the periods of construction include :-

- Deployment of modern construction equipment such as tunnel boring machine, multiple boom jumbos, rock bolting and robotic shotcreting equipments for improving the rate of execution of underground works.
- Design/Engineering and Optimisation of construction sequences and support systems for tunnels and underground power house cavern taking into account geological/geotechnical factors.

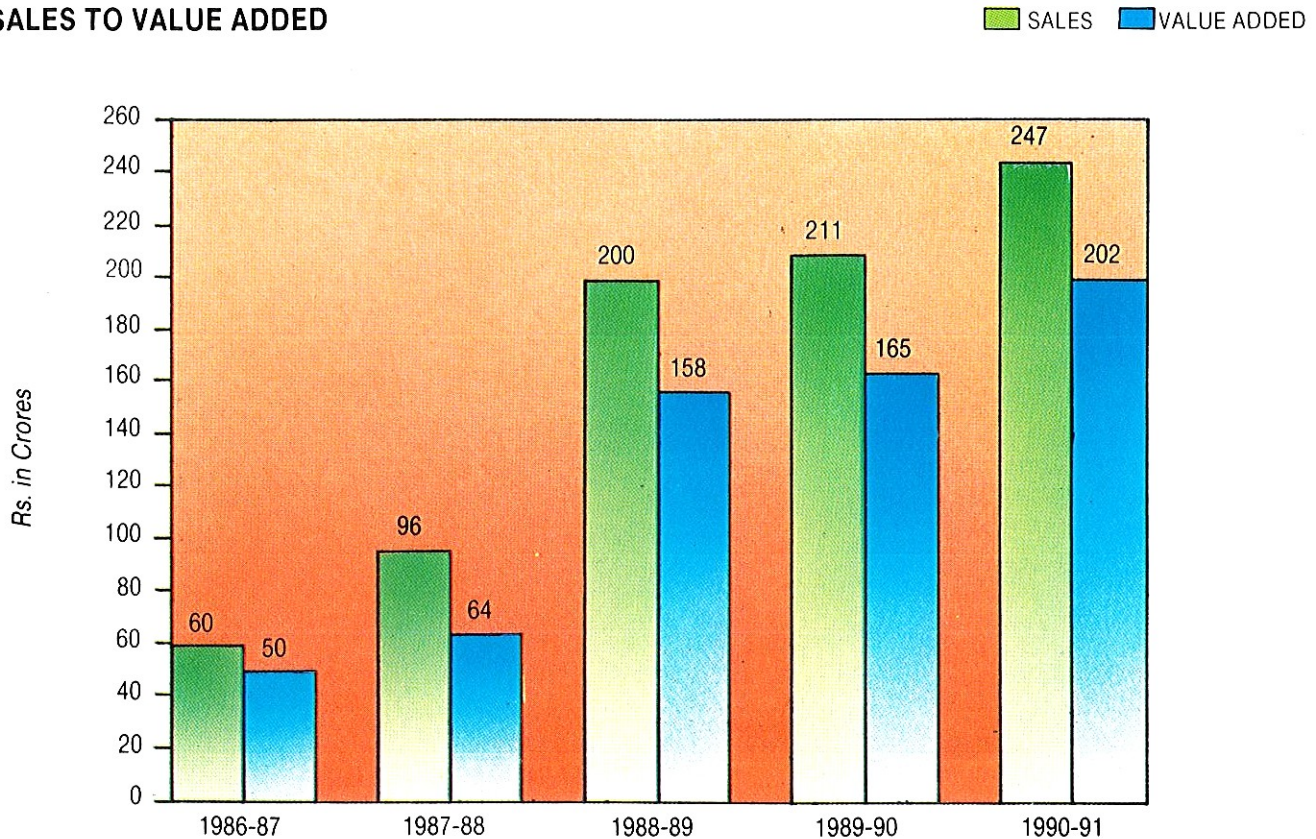
The above process is a continuing one spread over the periods of construction of the Projects.

The Geology Division of the Corporation entered the new field of optimisation studies for blasting by utilising 3D Seismograph model DS 377. This method was gainfully utilised to evolve safe blasting methodology in tunnels and power house of Chamera as well as in the tail race tunnel of Salal Stage-II Projects. Further, the foreign consortia will be deploying latest construction techniques/methods and equipment in the construction of the Project. As a part of this process, the tunnel boring machine has started working in the tunnel for the Dulhasti Project from 4th April, 1991.

10. FOREIGN EXCHANGE USED AND EARNED

Free Foreign Exchange aggregating to Rs. 4081 lakhs was used during the year.

SALES TO VALUE ADDED



Besides the above, expenditure in foreign exchange was also incurred during the year against foreign loans and grants as follows :-

| | Expenditure (Rs. in Lakhs) |
|---|-------------------------------|
| (1) Against foreign loan taken by NHPC | 5554 |
| (2) Against foreign loan taken by Govt. of India | 26357 |
| (3) Against foreign grants received by Govt. of India | 1398 |

11. ENERGY CONSERVATION EFFORTS

The high level Energy Conservation Committee constituted by NHPC met during the year and elaborated the guidelines issued by Government of India for implementation at Project sites and Corporate Office. Detailed instructions regarding (i) Procurement

of energy efficient appliances (ii) Reduction of energy consumption in generating station auxiliaries (iii) Reducing distribution losses in Project colonies (iv) Reducing consumption of Petroleum products at project sites & Corporate Office (v) Generating a sense of awareness for energy conservation and (vi) Energy auditing, were issued to Projects for implementation. Energy auditing is also being taken up at Corporate Office.

12. FINANCIAL PERFORMANCE

Your Company made a net profit of Rs.52.76 crores (before tax) as against Rs.52.50 crores in the previous year. The turn-over of the Company during the year was Rs. 223.95 crores against Rs. 209.87 crores in the previous year.

13. OUTSTANDING DUES FROM BENEFICIARIES

The dues outstanding against the

various beneficiaries for power supplied by your Company stood at Rs.147.80 crores as at the end of the financial year against Rs. 208.34 crores outstanding at the end of 1989-90. As in the last year, during this year also the Corporation continued to take various measures such as opening of letters of credit by the beneficiaries etc. to improve the realisation of the arrears from them.

14. BONDS

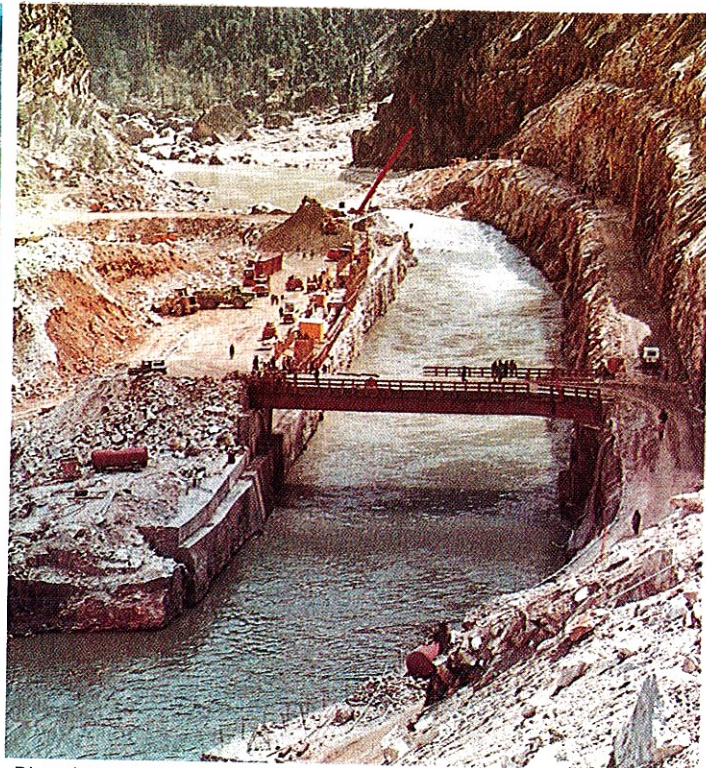
The Company had raised a total sum of Rs. 1008 crores till 1990-91 through issue of Secured, Non-Convertible, Redeemable Bonds. The Company has been authorised to issue such Secured Non-Convertible, Redeemable Bonds for a further sum of Rs. 615 crores during 1991-92, for which necessary action is in hand.

15. AUTHORISED CAPITAL

The Authorised Capital of the Corpora-



Construction work in progress - Dul Hasti Project



Diversion of River - Dul Hasti Project

tion stood at Rs. 2500 crores. The paid-up capital increased to Rs.1619.3040 crores as on 31.03.1991 and it further increased to Rs.1711.9340 crores as at the end of May, '91.

16. PERSONNEL POLICIES AND INDUSTRIAL RELATIONS

Employee-employer relations were generally cordial during the year under report except for a strike in the Loktak project for 4 1/2 days in September, 1990. There was, however, no loss in generation.

Efforts continued to be made by the Corporation to provide adequate welfare measures such as schools, hospitals, dispensaries, ambulance services, cultural & recreation facilities etc. for the employees.

17. USE OF HINDI

As in the previous years, your Corporation made all efforts for the progressive use of Hindi in the Corporation during the year under report also.

18. VIGILANCE ACTIVITIES

As in the previous years, the Corporation attached importance to Vigilance Work during the year under report also. Out of 31 complaints received, 9 were taken up for investigation during the financial year. Appropriate action was taken in 7 cases involving about 8 Officers on the basis of CBI Reports. In 5 cases, minor penalty was imposed and suitable administrative action was taken in one case.

As part of preventive vigilance, courses were organised on the need for vigilance and on vigilance procedures in the Corporate Office, as well as at the Chamera H.E. Project and at the Chukha Transmission System at Malda. The Corporation has also decided to organise such courses on vigilance management on a regional basis in the Projects. The Corporation also issued instructions from vigilance angle on issue of tenders, supply of materials etc. Instructions were also issued prescribing a period of 3-4

months within which an enquiry Officer has to dispose of an enquiry and periodical returns were also instituted in this regard.

19. TRAINING AND HUMAN RESOURCES DEVELOPMENT

Recognising the importance of development of the human resources in achieving the organisational goals, the Corporation has undertaken various steps in this direction, such as:-

(a) One-day meets serving as introductory sessions of various departments;

(b) Presentation by employees who attend a programme in order that other employees may share the experience and knowledge gained by him at such programmes;

(c) Directing focus on the Corporate needs, evolving clarity of roles and policies;

(d)Restructuring of training curriculum and to have need-based Training Programmes.

During the year, as in previous years, a number of in-house training programmes and sponsored programmes were conducted. There were 4822 Mandays of Training utilised as against 2124 Mandays in the previous year.

The Corporation is making efforts to formulate long term Training & HRD objectives in addition to short term operational plans in consonance with the Company's overall objectives and goals.

20. DIRECTORS

Shri U.V. Bhat, ceased to be a Director on the Board of Directors w.e.f 27th March, 1991. The Board place on record their appreciation of the valuable services rendered by Shri U.V. Bhat, as a Director of the Corporation. Shri G.P. Singh, formerly Executive Director in the Corporation, was appointed as Director (Projects) of the Corporation w.e.f. 09th April, 1991. Shri T. Sethumadhavan, Joint Secretary & Financial Adviser, Department of Power was appointed as part-time Director on the Board of Directors w.e.f. 19th June, 1991.

21. AUDITORS

For the Audit of the Accounts of the Corporation for the year 1990-91, M/s Bubber Jindal & Company, New Delhi were re-appointed as Statutory Auditors of the Company. M/s N. Sarkar and Company, Calcutta were appointed as Branch Auditors while M/s Bahl, Gupta & Associates, New Delhi and M/s Jain, Goel & Swamy, New Delhi were re-appointed as Joint Branch Auditors of the Company.

(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 Section 619 (a) of the Companies Act, 1956 of 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, 1991 are given in Annexure-II to this Report.

The Review by the Comptroller & Auditor General of India on the Accounts of the Corporation for the year ending 31st March, 1991 is given in Annexure-III to this Report.

22. PARTICULARS OF EMPLOYEES

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

23. ACKNOWLEDGEMENTS

The Board acknowledge with thanks 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, Ministry of Industry and Company Affairs (Department of Company Affairs), Central Electricity Authority, Central Water Commission, CSMRS, Survey of India and the Geological Survey of India. Thanks are also due to the Governments of Canada, France, Sweden, United Kingdom, the Royal Government of Bhutan, the state Governments of West Bengal, Manipur, Mizoram, Assam, Nagaland, Jammu & Kashmir, Punjab, Haryana, Gujarat, H.P., U.P., Bihar, Sikkim, Orissa and the State Electricity Boards

who have been co-operating with us in our work in their States. But for the help, assistance and co-operation 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 co-operation.

For and on behalf of Board of Directors



(M.A. HAI)

Chairman & Managing Director

New Delhi,

Dated, 19th Sept., 1991



ANNEXURE - I

COMMENTS ON THE QUALIFICATIONS IN THE AUDITORS' REPORT 1990-91

| Para in Auditors' Report | Comments |
|--|---|
| | 2(a) ii) Outstanding items in the bank reconciliation statement relating to wrong debits/credits by bank are being regularly followed up for necessary rectification by bank in their books. The Corporation expects that adjustments for the balance wrong debits/credits still appearing in the banks books will be carried out by the Bank at the earliest. |
| | iii) Adjustment 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 their acceptance by the Corporation. Reconciliation of accounts in this regard is a continuous process. |
| | iv) Power being supplied from Baira Siul Power Station to Chamera- I (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 0.65% of the total power sold. Financial implication is negligible and this policy is being followed consistently. This also ensures the obligation of 10% return on equity invested in Baira Siul. |
| | v) For agency works of the Corporation, the accounts are not included in the accounts of the Corporation and only the unspent balance of the Principal's fund or the amount recoverable from the Principal as at the year end is being reflected in the current liabilities and current assets of the Corporation, as the case may be. So far accounts of the Corporation are concerned, there is no deviation from accrual system of accounting in this regard. |
| and Para 5 of Annexure to Audit Report | vi) Reconciliation of value of priced stores ledger with balance in general ledger is in progress in Dulhasti, Uri and for Canadian Stores in Chamera. The physical verification of stores has been carried out and there has been no major discrepancy. Hence the impact of items pending reconciliation is likely to be negligible. |
| | vii) Corporation is following the policy consistently for accounting of expenditure incurred on assets not belonging to the Corporation. The guidelines of Institute of Chartered Accountants of India are not applicable in our circumstances keeping in view the peculiar circumstances of the business of the Corporation. The matter has already been taken up with the Expert Committee of Institute of Chartered Accountants of India for clarification in this regard. |
| | viii & ix) Necessary analysis and adjustment of items still pending shall be made next year. |
| Para in Annexure to Auditors' Report | |
| | 1. Situational details are generally shown to the extent required. |
| | 10. Unserviceable and damaged stores are identified periodically for necessary disposal/adjustment. There is no raw material. |
| | 13. The Internal Audit organisation was strengthened in 1989 by creating regionwise set up and also resident units. To make up for staff shortages, the Corporation has also been engaging outside professional agencies for Internal Audit Work. The Corporation is of the view that the Internal Audit system is adequate. |

**COMMENTS OF THE DIRECTORS ON THE QUALIFICATIONS CONTAINED IN THE
COMMENTS OF C&AG OF INDIA**

**Para in C&AG's
Comments**
Replies

- | | | |
|---|---|--|
| A | 1 | The credit of interest for Rs. 21.29 crores has been taken for the interest earned on the money earmarked for repayment of loan and interest for Salal Project Stage-I (under operation) which have not been paid pending settlement of detailed terms and conditions. Pending settlement of detailed terms and conditions, the amount has been kept in Public Deposit Account of Govt. of India. The additional liability of interest for non payment of loan and interest amounting to Rs. 23.08 crores has also been debited to Profit & Loss Account. This liability as well as the interest earned on Salal account have been provided for the first time and therefore it is not contrary to the practice earlier followed by the Company. In view of this, there is no over statement of profit and as such correct accounting treatment has been followed by the Company. The position has been clarified in Note No. 4(b) of schedule 14 of the Accounts. |
| B | 1 | <p>i) The policy for accounting treatment of assets of the Company on the land not belonging to the Corporation has been referred to the Expert Advisory Committee of the Institute of Chartered Accountants for its opinion. Change in the classification if any will be done after the receipt of the opinion.</p> <p>ii) The spares were purchased keeping in view the construction requirement also and therefore has been shown under construction work in Progress. The position will be reviewed and the operation and maintenance spares if any will be transferred to the current assets, loans and advances.</p> <p>iii) The required adjustment, if any, will be carried out during the current financial year 1991-92.</p> <p>iv) The accounts could not be adjusted pending determination of total actual losses to the Corporation. The amount will be finally adjusted to Capital Work-in-Progress and hence there will not be any overstatement.</p> <p>v) The amount to be recovered/adjusted from the Contractor is under discussion and settlement with the Contractor. The Corporation does not anticipate any loss and hence no provision has been made.</p> <p>2 These losses are on account of floods, heavy rains and landslide etc. in the projects under construction. These losses are normal losses during construction of hydroelectric projects. The normal losses are to be added to the cost of the project and accordingly the same has been shown correctly under incidental expenditure during construction.</p> <p>3 Pending receipt of verified bills, accounts, documents etc. the amount has been shown in Advances instead of Construction Stores in transit.</p> <p>4 The amount has been claimed for the investigation work done by the HPSEB before handing over the project to NHPC. The amount has to be claimed as grant from Govt. of India and hence no liability has been provided by NHPC.</p> |
| C | | Pending receipt of any claim including the amount, terms and conditions etc., the admissibility of the claim could not be ascertained. |

**ANNEXURE - III**

Review of Accounts of National Hydroelectric Power Corporation Limited for the year ended 31st March, 1991 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) | | |
|--------------------|--|----------------|---------|---------|
| | | 1988-89 | 1989-90 | 1990-91 |
| Liabilities | | | | |
| a) | i) Paid-up Capital | 79779 | 84876 | 161930 |
| | ii) Central Government Fund adjustable to Equity | 33562 | 68892 | 42603 |
| | | 113341 | 153768 | 204533 |
| b) | Reserve & Surplus | 13682 | 18925 | 24192 |
| c) | Borrowings | | | |
| | i) From Government of India | 52174 | 57759 | 55922 |
| | ii) From other Sources (Foreign Loans) | 17772 | 21913 | 27467 |
| | iii) 14% Secured Bonds | 14326 | 14297 | 14266 |
| | iv) 13% Secured Bonds | 5081 | 5081 | 5081 |
| | v) 9% Secured Bonds | 22919 | 22919 | 59902 |
| | vi) 9% Un-Secured Bonds | — | 37000 | 21500 |
| d) | Trade dues & other current liabilities(including provisions) | 18075 | 29794 | 39514 |
| | | 257370 | 361456 | 452377 |
| Assets | | | | |
| e) | Gross Block | 123162 | 128605 | 144232 |
| f) | Less Depreciation | 14024 | 17508 | 20792 |
| g) | Net Fixed Assets | 109138 | 111097 | 123440 |
| h) | Capital Work-in-progress | 85106 | 125654 | 184833 |
| i) | Construction Stores & Advances | 20216 | 55754 | 73103 |
| j) | Current Assets, Loans & Advances | 42817 | 68809 | 70997 |
| k) | Investment | — | — | — |
| l) | Misc. Expenses & Losses | 93 | 142 | 4 |
| | | 257370 | 361456 | 452377 |
| m) | Capital Employed | 239202 | 331520 | 412859 |
| n) | Net Worth | 126930 | 172551 | 228721 |

Notes:

- i) Capital employed represents net fixed assets including work-in- progress plus working capital.
- ii) Net worth represents paid-in capital plus reserves & surplus less intangible assets.
- iii) Only Bairasiul Project at Surangani (HP), Loktak Project at Manipur, Chukha Transmission System (WB), Salal Project (J&K) and Jeypore Talchar Transmission Lines (Orissa) started commercial production w.e.f. 1.4.82, June 1983, November 1986, December, 1987 and November, 1990 respectively and remaining Projects are still under construction stage.

2. DEBT-EQUITY RATIO

Debt-equity ratio for the Company was 0.88:1 in 1988-89, 0.92:1 in 1989-90 and 0.81:1 in 1990-91.

3. RESERVE & SURPLUS

Reserve & Surplus of Rs. 13682 lakhs in 1988-89, 18925 lakhs in 1989-90 and 24192 lakhs in 1990-91 amounted to 5.32%, 5.24% and 5.35% of total liabilities respectively and 12.07%, 12.31% and 11.83% of Equity Capital respectively.

4. LIQUIDITY AND SOLVENCY

a) The percentage of Current Assets to total net assets increased from 16.63 in 1988-89 to 19.04 in 1989-90 and decreased to 15.69% in 1990-91.

b) The percentage of Current Assets to Current Liabilities (including provisions) varied from 236.88 in 1988-89, 230.95 in 1989-90 and 179.68 in 1990-91.

c) The percentage of Quick Assets (Sundry Debtors, Loans & Advances, Cash & Bank Balance) to Current Liabilities (excluding provisions) decreased from 231.01 in 1988-89, to 225.53 in 1989-90 and to 175.14 in 1990-91.

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, 1991 amounted to Rs. 24742 lakhs, Rs. 39015 lakhs and Rs.31483 lakhs respectively. The working capital as on 31.3.91 was financed through loans from Government of India and 14%, 13% and 9% unsecured bonds from other sources.

6. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 8551 lakhs from internal sources (Reserves, Depreciation and Provisions) and Rs. 75934 lakhs from other sources were utilised during the year 1990-91 as shown below:-

| | (Rs. in Lakhs) |
|----------------------------------|----------------|
| Gross Block | 15627 |
| Capital work-in-progress | 59179 |
| Construction Stores and Advances | 17349 |
| Net Current Assets | (7670) |
| | <u>84485</u> |

7. WORKING RESULTS

The profit earned by the Company during the last 3 years was as follows :-

| | Profit for the year (Rs. in lakhs) | Percentage of Profit to paid up capital |
|---------|---------------------------------------|--|
| 1988-89 | 5189 | 4.57 |
| 1989-90 | 5242 | 3.41 |
| 1990-91 | 5267 | 2.58 |

The unit-wise working results for the year 1990-91 are given in the Annexure.

8. COST TRENDS

The table indicates the percentages of cost of sales to sales during the three years :

| | 1988-89 | 1989-90 | (Rs. in Lakhs) 1990-91 |
|--|---------|---------|---------------------------|
| 1. Sales including Excise Duty & Sales Tax | 19911 | 20943 | 22111 |
| 2. Less Profit during the year | 5189 | 5242 | 5267 |
| 3. Cost of Sales | 14722 | 15701 | 16844 |
| 4. Percentage of cost of sales to sales | 73.94 | 74.97 | 76.18 |

Note: Unit-wise percentage of cost of sales to sales during 1990- 91 are given in the Annexure.



9. PRODUCTION PERFORMANCE

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

| | 1988-89 | 1989-90 | (Rs. in Lakhs) 1990-91 |
|---|---------|---------|---------------------------|
| 1. Sales | 19911 | 20943 | 22111 |
| 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) | 19911 | 20943 | 22111 |

The percentage of value of production to net worth decreased from 15.68 in 1988-89, to 12.14 in 1989-90 and to 9.67 in 1990-91. The percentage of value of production to total net assets of the Company decreased from 7.73 in 1988-89 to 5.79 in 1989-90 and 4.89 in 1990-91.

10. INVENTORY & PRODUCTION

The following Table indicates the position of inventory (including Construction Stores) and its distribution at the close of the three years.

| | 1988-89 | 1989-90 | (Rs. in Lakhs) 1990-91 |
|----------------------|---------|---------|---------------------------|
| Stores & Spare parts | 9649 | 12420 | 12079 |

11. SUNDRY DEBTORS

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

| | Total book debts considered good | Sales | (Rs. in Lakhs) Percentage of debtors to Sales |
|------------------|-------------------------------------|-------|---|
| 31st March, 1989 | 15446 | 19911 | 77.58 |
| 31st March, 1990 | 20834 | 20943 | 99.48 |
| 31st March, 1991 | 14780 | 22111 | 66.84 |

The Sundry debtors represented 8.02 months sales in 1990-91, 11.94 months sales in 1989-90 and 9.31 months sales in 1988-89. Debts of Rs. 50.04 crores were outstanding for more than one year as on 31.3.91.

Note: Previous year's figures have been re-grouped wherever found necessary.

(KANWAL NATH)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI.

Dated: 18th September, 1991.

WORKING RESULTS

The working results of its various individual Units for 1990-91 are tabulated below:

| (Rs. in Lakhs) | | | | | |
|----------------|-------------|---|-------------------------|--|---|
| Unit | Profit/Loss | write back of provisions made in the earlier years no longer required | Prior Period adjustment | Write back of Development Rebate Reserve/ Provision for Income-tax | Profit/Loss after prior period adjustment |
| Bairasiul | | | | | |
| 1989-90 | 763 | - | (22) | - | 785 |
| 1990-91 | 999 | - | 1 | - | 1000 |
| Loktak | | | | | |
| 1989-90 | 905 | - | 22 | - | 883 |
| 1990-91 | 709 | - | (9) | - | 700 |
| Salal-I | | | | | |
| 1989-90 | 2862 | - | (62) | - | 2924 |
| 1990-91 | 3013 | - | 7 | - | 3020 |
| Chukha | | | | | |
| 1989-90 | 725 | - | (42) | - | 767 |
| 1990-91 | 878 | - | 4 | - | 882 |
| JTTS | | | | | |
| 1989-90 | - | - | - | - | - |
| 1990-91 | (321) | - | - | - | (321) |
| Others | | | | | |
| 1989-90 | (4) | - | - | - | (4) |
| 1990-91 | (4) | - | - | - | (4) |

Cost of sales to net Sales realisation of Individual Units for 1990-91 is given below:

| (Rs. in Lakhs) | | | | | | | | | |
|----------------|-------------|-------------|---------------------------------|--------------------|------------------|--------------------|--------------------------|---------------|--|
| Unit | Gross Sales | Excise Duty | Freight outward & Ocean Freight | Other Selling Exp. | Total Deductions | Net Sales realised | Add / Deduct Loss/Profit | Cost of Sales | %of Cost of sales to Net sales realisation |
| Bairasiul | | | | | | | | | |
| 1989-90 | 2441 | - | - | - | - | 2441 | 763 | 1678 | 68.76 |
| 1990-91 | 2710 | - | - | - | - | 2710 | 999 | 1711 | 63.14 |
| Loktak | | | | | | | | | |
| 1989-90 | 2372 | - | - | - | - | 2372 | 905 | 1467 | 61.83 |
| 1990-91 | 2537 | - | - | - | - | 2537 | 731 | 1806 | 71.18 |
| Salal-I | | | | | | | | | |
| 1989-90 | 9800 | - | - | - | - | 9800 | 2862 | 6938 | 70.80 |
| 1990-91 | 9926 | - | - | - | - | 9926 | 3013 | 6913 | 69.65 |
| Chukha | | | | | | | | | |
| 1989-90 | 6375 | - | - | - | - | 6375 | 725 | 5650 | 88.63 |
| 1990-91 | 6738 | - | - | - | - | 6738 | 878 | 5860 | 86.97 |



BALANCE SHEET AS AT 31st MARCH, 1991

(Rs. in Lakhs)

| PARTICULARS | Schedule No. | 31.3.91 | 31.3.90 |
|---|--------------|---------|---------|
| SOURCE OF FUNDS | | | |
| 1. SHAREHOLDERS FUNDS | | | |
| a) Capital | 1 | 161930 | 84876 |
| b) Reserves and Surplus | 2 | 24192 | 18925 |
| 2. GOVT OF INDIA FUND | | 186122 | 103801 |
| ADJUSTABLE TO EQUITY | | | |
| 3. LOAN FUNDS | 3 | 42603 | 68892 |
| a) Secured Loans | | 79249 | 42297 |
| b) Unsecured Loans | | 104889 | 116672 |
| | | 412863 | 331662 |
| APPLICATION OF FUNDS | | | |
| 1. FIXED CAPITAL EXPENDITURE | | | |
| a) Fixed Assets | 4 | | |
| Gross Block | | 144232 | 128605 |
| Less : Depreciation | | 20792 | 17508 |
| Net Block | | 123440 | 111097 |
| b) Capital Work-in-Progress | 5 | 184833 | 125654 |
| c) Constructions Stores & Advances | 6 | 73103 | 55754 |
| 2. CURRENT ASSETS, LOANS & ADVANCES | 7 | 381376 | 292505 |
| a) Inventories | | 1792 | 1616 |
| b) Sundry Debtors | | 14780 | 20834 |
| c) Cash & Bank Balance | | 19679 | 32796 |
| d) Other Current Assets | | 1382 | 1225 |
| e) Loans & Advances | | 33364 | 12338 |
| | | 70997 | 68809 |
| Less: Current Liabilities & Provisions | | | |
| Liabilities | 8 | 39514 | 29794 |
| NET CURRENT ASSETS | | 31483 | 39015 |
| 3. MISCELLANEOUS EXPENDITURE | 9 | 4 | 142 |
| (To the extent not written off or adjusted) | | | |
| | | 412863 | 331662 |

NOTES TO THE ACCOUNTS & CONTINGENT LIABILITY

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 reports of even date attached
For BUBBER JINDAL & CO.
Chartered Accountants

Place : New Delhi
Dated : 13 August, 1991

A.C. BUBBER
Partner

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1991

(Rs. in Lakhs)

| PARTICULARS | Schedule No. | 31.3.91 | 31.3.90 |
|--|--------------|--------------|--------------|
| INCOME | | | |
| 1. Sale of Energy | | 21911 | 20943 |
| 2. Wheeling Charges of | | | |
| (a) Own Lines | | 200 | - |
| (b) Others Lines | | 284 | 44 |
| 3. Miscellaneous Income | 10 | 2354 | 132 |
| TOTAL INCOME | | <u>24749</u> | <u>21119</u> |
| EXPENDITURE | | | |
| 1. Purchase of Electric Power | | 3773 | 3847 |
| 2. Generation, Transmission & Administration Expenses | 11 | 1380 | 1293 |
| 3. Employees' Remuneration & Benefits | 12 | 1297 | 1261 |
| 4. Wheeling Charges | | 287 | 44 |
| 5. Royalty | | 541 | 514 |
| 6. Depreciation | | 1837 | 1831 |
| 7. Interest | | 8885 | 6216 |
| 8. Provision for Doubtful Debts | | 1472 | 755 |
| 9. Preliminary Expenses Written off | | 4 | 4 |
| TOTAL EXPENDITURE | | <u>19476</u> | <u>15765</u> |
| 10. Profit for the year | | 5273 | 5354 |
| 11. Add(Less) Prior adjustment (Net) | 13 | 3 | (104) |
| 12. Profit Before Income Tax & Statutory Appropriations | | 5276 | 5250 |
| 13. Income Tax of earlier years | | 9 | 8 |
| 14. Profit after Tax | | 5267 | 5242 |
| 15. Add Profit brought forward from previous year | | 16490 | 11338 |
| 16. Less Statutory Appropriation (Bond) Redemption Reserve | | 745 | 90 |
| 17. Profit carried over to Reserves & Surplus | | <u>21012</u> | <u>16490</u> |

N.V. RAMAN
Secretary

GHANSHIAM DAS
Director(Finance)

M.A. HAI
Chairman & Managing Director

As per our reports of even date attached
For BUBBER JINDAL & CO.
Chartered Accountants

A.C. BUBBER
Partner

Place: New Delhi
Dated: 13 August, 1991

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

(Rs. in Lakhs)

| PARTICULARS | 31.03.91 | 31.03.90 |
|--|----------|----------|
| AUTHORISED CAPITAL | | |
| 250,00,000 (Previous year 13000000) Equity Shares of Rs. 1000/- each | 250000 | 130000 |
| ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 16193040 Equity Shares (Previous year 8487640) of Rs. 1000/- 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) | 161930 | 84876 |
| | 161930 | 84876 |

SCHEDULE 2**RESERVES AND SURPLUS**

(Rs. in Lakhs)

| PARTICULARS | 31.03.91 | 31.03.90 |
|---|----------|----------|
| Investment Allowance Reserve | — | 2345 |
| Investment Allowance (Utilised) Reserve | 2345 | — |
| Bond Redemption Reserve | 835 | 90 |
| Profit & Loss Account | 21012 | 16490 |
| | 24192 | 18925 |

SCHEDULE 3**LOAN FUNDS**

(Rs. in Lakhs)

| PARTICULARS | 31.03.91 | 31.03.90 |
|---|----------|----------|
| SECURED LOANS | | |
| Bonds – A Series | | |
| (Secured through equitable mortgage against assets of Loktak and Baira Siul H.E. Projects) | | |
| 14% 7 years redeemable non-convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemptions is 8th July, 1993) | 14266 | 14297 |

SCHEDULE-3(contd.)

(Rs. in Lakhs)

| PARTICULARS | 31.03.91 | 31.03.90 |
|---|----------|----------|
| Bonds – B Series | | |
| (Secured through equitable mortgage against assets of Chukha Trans System) | | |
| 13% 7 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 11th Dec.1994) | 5081 | 5081 |
| 9% 10 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 11th Dec.1997) | 7902 | 7919 |
| Bonds – C Series | | |
| (Secured through equitable mortgage against assets of Chamera H.E. Project) | | |
| 9% 10 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 20th May, 1998) | 15000 | 15000 |
| Bonds – D Series | | |
| (Secured through equitable mortgage against assets of Chamera H.E. Project) | | |
| 9% 10 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 27th Sep., 1999) | 22000 | — |
| Bonds – E Series | | |
| (Secured through equitable mortgage against assets of Chamera H.E. Project) | | |
| 9% 10 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 9th Feb., 2000) | 15000 | 79249 |
| | | — |
| | | 42297 |
| UNSECURED LOANS | | |
| Bonds – D Series | | |
| (To be secured through equitable mortgage) | | |
| 9% 10 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 27th Sep., 1999) | — | 22000 |
| Bonds – E Series | | |
| (To be secured through equitable mortgage) | | |
| 9% 10 years redeemable non - convertible bonds | | |



SCHEDULE-3(contd.)

(Rs. in Lakhs)

| PARTICULARS | 31.03.91 | 31.03.90 |
|--|---------------|---------------|
| of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 9th Feb., 2000) | — | 15000 |
| Bonds – F Series | | |
| (To be secured through equitable mortgage) | | |
| 13% 7 years redeemable non - convertible bonds of Rs. 1000/- each redeemable at par. (Earliest date of redemption is 13th Sept., 1997) | 21500 | — |
| FROM GOVERNMENT OF INDIA | 55922 | 57759 |
| FROM OTHERS (GUARANTEED BY GOVERNMENT OF INDIA) | | |
| 1. Export Development Corporation (Canada) | 27319 | 21913 |
| 2. Consortium led by Chartered West L B Ltd. | 148 | — |
| | 104889 | 116672 |
| | <u>184138</u> | <u>158969</u> |

SCHEDULE 4

FIXED ASSETS

(Rs. in Lakhs)

| PARTICULARS | Gross Block as at 1.4.90 | Additions/ Adjust-ments | Deductions/ Sales/ Transfer | Gross Block as at 31.3.91 | Total Depre-ciation as at 31.3.91 | Net Block as at 31.3.91 | Net Block as at 31.3.90 |
|--|--------------------------|-------------------------|-----------------------------|---------------------------|-----------------------------------|-------------------------|-------------------------|
| Land Freehold | 1759 | 376 | 1 | 2134 | — | 2134 | 1759 |
| Land Lease Hold | 844 | 332 | — | 1176 | 36 | 1140 | 823 |
| Buildings | 14134 | 1209 | 9 | 15334 | 2469 | 12865 | 11992 |
| Roads & Bridges | 3095 | 2296 | 14 | 5377 | 597 | 4780 | 2570 |
| Construction | | | | | | | |
| Plant & Machinery | 16447 | 399 | 394 | 16452 | 10444 | 6008 | 7209 |
| Generating | | | | | | | |
| Plant & Machinery | 9602 | 310 | — | 9912 | 1274 | 8638 | 8608 |
| Sub-station Equipments | 4299 | 4487 | 1 | 8785 | 502 | 8283 | 3925 |
| Hydraulic Works Including Dams, Tunnels, Channels & Penstocks | 63709 | 472 | — | 64181 | 2880 | 61301 | 61551 |
| Vehicles & Other Transport | 1287 | 69 | 30 | 1326 | 796 | 530 | 570 |
| Office Furniture & Fixture, Office Equipments & Other Appliances | 1028 | 125 | 1 | 1152 | 343 | 809 | 772 |
| Transmission Lines | 11537 | 5821 | 49 | 17309 | 1105 | 16204 | 10737 |
| Misc. Equipments/other Assets | 864 | 241 | 11 | 1094 | 346 | 748 | 581 |
| Total | 128605 | 16137 | 510 | 144232 | 20792 | 123440 | 111097 |
| Previous Year | 123162 | 7277 | 1834 | 128605 | 17508 | 111097 | |

SCHEDULE 5

CAPITAL WORK-IN-PROGRESS

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|--|---------------|---------------|
| 1. Survey, Investigation, Consultancy and other expenses | 802 | 685 |
| 2. Buildings & Civil Engineering Works and communication | 10068 | 7929 |
| 3. Roads & Bridges | 1064 | 3874 |
| 4. Hydraulic works, Barrages, Dams, Tunnels & Power Channel | 54671 | 23993 |
| 5. Penstock | 495 | 445 |
| 6. Plant & Machinery in Generating Station | 15672 | 11462 |
| 7. Electrical Installation & Sub-station Equipment | 5378 | 6239 |
| 8. Miscellaneous Assets | 389 | 321 |
| 9. Trunk Transmission Lines | 12534 | 14189 |
| 10. Expenditure on Assets created on Land not belonging to Corporation | 3671 | 2696 |
| 11. Incidental Expenditure During Construction | | |
| Balance brought forward from last year | 53821 | 35310 |
| Add: Additions for the year (As per Annexure) | 29582 | 19082 |
| | <u>83403</u> | <u>54392</u> |
| Less Capitalised during the year | <u>3314</u> | <u>571</u> |
| | 80089 | 53821 |
| | <u>184833</u> | <u>125654</u> |

Annexure to Schedule 5

STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR 1990-91

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---|-------------|-------------|
| 1. EMPLOYEES' REMUNERATION & BENEFITS | | |
| Salary, wages, allowances & benefits | 3543 | 3278 |
| Contribution to Provident Fund (including Admn. Fees) | 257 | 223 |
| Contribution to Gratuity Fund | 49 | 41 |
| Staff Welfare | 255 | 271 |
| Foreign Service Contribution | 7 | 56 |
| | <u>4111</u> | <u>3869</u> |
| 2. REPAIRS & MAINTENANCE | | |
| Buildings | 153 | 95 |
| Machinery & Construction Equipments | 1208 | 747 |
| Others | 348 | 379 |
| | <u>1709</u> | <u>1221</u> |
| 3. Travelling & Conveyance | 132 | 125 |
| 4. Expenses on staff cars & inspection vehicles | 236 | 260 |
| 5. Land acquisition & rehabilitation expenses | 0 | 18 |
| 6. Rent | 133 | 134 |

Annexure to Schedule 5

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|--|---------|---------|
| 7. Rent for residential accommodation | 54 | 40 |
| 8. Rates and taxes | 80 | 5 |
| 9. Insurance | 388 | 125 |
| 10. Electricity charges | 410 | 207 |
| 11. Telephone, telex & postage | 81 | 82 |
| 12. Advertisement & publicity | 48 | 59 |
| 13. Design & consultancy charges | 39 | 61 |
| 14. Entertainment | 2 | 1 |
| 15. Printing & stationary | 65 | 58 |
| 16. Payment to Auditors | | |
| Audit fee | 2 | 1 |
| For other matters | 1 | 1 |
| Audit expenses | 2 | 2 |
| 17. Interest on loans | 4209 | 4848 |
| 18. Interest on bonds | 9187 | 5913 |
| 19. Bond issue expenses | 43 | 278 |
| 20. Bank Charges | 5 | 4 |
| 21. Transfer of technology | 3 | 407 |
| 22. Income tax on foreign contracts | 1390 | 1191 |
| 23. Provision for losses | 183 | - |
| 24. Loss on materials/assets written off | 2 | 2 |
| 25. Foreign consultancy charges | 340 | 547 |
| 26. Commitment fee | 572 | 455 |
| 27. Financing charges | 4520 | 513 |
| 28. Depreciation | 1679 | 1636 |
| 29. Exchange rate variation | 3070 | 1999 |
| 30. Prior period expenses | 971 | - |
| 31. Other expenses | 772 | 472 |
| 32. Donations & other contributions | 2 | - |
| | 34441 | 24534 |
| LESS: RECEIPTS AND RECOVERIES | | |
| 1. Sale of scrap | 2 | 5 |
| 2. Electricity charges | 389 | 385 |
| 3. Rent | 22 | 2 |
| 4. Interest | | |
| Term deposit & saving bank | 367 | 306 |
| Loans and advances | 105 | 292 |
| Other investments | 635 | 1733 |
| 5. Miscellaneous receipts & recoveries | 120 | 70 |
| 6. Profit on sale of assets | 69 | 1 |
| 7. Prior period adjustments | 19 | 61 |
| | 1728 | 2855 |
| NET EXPENDITURE | 32713 | 21679 |
| LESS: | | |
| 1. Hire charges/Out turn allocated/allocable directly to C.W.I.P | 2948 | 2402 |
| 2. I.E.D.C allocated to investigation | | |
| Deposits, Agency works and Operating | | |

Annexure to Schedule 5

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---|------------------|------------------|
| Projects | 183 | 2597 |
| Amount transferred to capital work-in-progress | 29582 | 19082 |
| Note: | | |
| 1.a) The above expenditure includes the following amounts paid to the Directors: | 1990-91 (Rs.) | 1989-90 (Rs.) |
| i) Salaries and Allowances | 398584 | 306444 |
| ii) Contribution to Provident Fund | 37110 | 28686 |
| iii) Rent for Residential Accommodation | 131364 | 119029 |
| iv) Travelling Expenses | 229910 | 33607 |
| v) Medical Reimbursement | 16553 | 2975 |
| vi) Leave Travel Concession | | 6066 |
| 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/- for non-AC car and Rs. 400/- for AC car in terms of Government Sanction. Perquisite value of staff car, if availed for unrestricted use would have worked out to Rs. 7800/- for 1990-91 (Previous year Rs. 6688/-) | | |
| 2. Break up of Bond issue expenses is as below: | | |
| Brokerage | | 4300000 |
| Other Expenses | | 19500 |

SCHEDULE 6

CONSTRUCTION STORES & ADVANCES

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|--|---------|---------|
| 1. Construction Stores (At Cost as certified by Management) | | |
| Construction material in transit | 458 | 457 |
| Stores | 9829 | 10347 |
| 2. Advances For Capital Expenditure | | |
| Secured (Considered Good) | 472 | 193 |
| Unsecured (Considered Good) | 62344 | 44757 |
| | 73103 | 55754 |

Advances due by Companies in which any Director of the Corporation is a Director or member amounts to Rs. 75 lakhs (Previous year Rs. 202 lakhs)



SCHEDULE 7

CURRENT ASSETS LOANS AND ADVANCES

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|--|---------------------------------|---------|
| 1. Inventories (At Cost as certified by Management) | | |
| Stores and spares | 1777 | 1604 |
| Loose tools | 15 | 12 |
| | 1792 | 1616 |
| 2. Sundry Debtors | | |
| Debts outstanding for a period exceeding six months | 10547 | 14662 |
| Other debts | 7067 | 7534 |
| Less Provisions for doubtful or bad debts | 2834 | 1362 |
| | 14780 | 20834 |
| Particulars of Sundry Debtors | | |
| Unsecured considered good | 14780 | 20834 |
| Considered doubtful and provided for | 2834 | 1362 |
| 3. Cash And Bank Balances | | |
| Cash, Imprest, Cheques, Drafts, Postal Orders & Postal Stamps | 15 | 194 |
| Balances with Scheduled Banks | | |
| Current Account | 5314 | 1009 |
| Saving Bank Account | | 12082 |
| Deposit Account | 7500 | 14000 |
| Balance with non-Scheduled Banks | | |
| Current Account | 6850 | 3452 |
| Term Deposit | — | 2059 |
| | 19679 | 32796 |
| | Maximum Balance during the year | |
| SKNDINAVISKA ENSKILDA BANKEN | 1990-91 | 1989-90 |
| Current Account | 8313 | 12184 |
| Term Deposit | 3706 | 2059 |
| 4. Other Current Assets | | |
| Interest Accrued on Deposits | 92 | 279 |
| Others | 1290 | 946 |
| | 1382 | 1225 |
| 5. Loans And Advances | | |
| Advances recoverable in cash or kind or for value to be received | | |
| Secured (Considered good) | 33 | 4 |
| Unsecured (Considered good) | 3289 | 5598 |
| Unsecured (Doubtful) | 10 | 1 |
| | 3332 | 5603 |
| Less Provisions | 10 | 1 |
| | 3322 | 5602 |
| Loans to employees (Secured) | 362 | 318 |
| Balance with Customs and Port Trust Authority | 1 | 2 |
| Public Deposit A/c with Govt. of India | 29679 | 6416 |
| | 30042 | 6736 |
| | 70997 | 68809 |

Note:

- Advances due from Directors Rs. NIL (Previous year Rs. 2,000). Maximum amount due at any time during the year amounts to Rs. 156038 (Previous year Rs. 64135).

2. Advances due by Companies in which any Director of the Corporation is a Director or member amounts to Rs. NIL (Previous year Rs. 3329 lakhs).
3. Sundry Debtors includes Rs. NIL (Previous year Rs. 420 lakhs) due by Company in which any Director of the Corporation is a Director or member.

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---|---------|---------|
| 1. Sundry Creditors | 7754 | 4731 |
| 2. Unspent amount of Deposit/Agency Works (As per Annex.) | 215 | 200 |
| 3. Deposits, Retention Money from Contractors and Others | 742 | 856 |
| 4. Other Liabilities | 4819 | 2296 |
| 5. Interest accrued but not due on loans | 23857 | 15519 |
| 6. Liability for cheques issued | 2127 | 6192 |
| | 39514 | 29794 |

Note: Interest accrued but not due on loans includes Rs. 990 lakhs (Previous year Rs. 707 lakhs) on Cumulative bonds which is payable on maturity of Bonds.

Annexure to Schedule 8

DETAILS OF DEPOSIT WORKS AND PROJECTS ON AGENCY BASIS

(Rs. in Lakhs)

| PARTICULARS | Amount Of deposit upto 31.3.91 | Expenditure upto 31.3.90 | Expenditure 1.4.90 To 31.3.91 | Total Exp. upto 31.3.91 | Unspent Amount |
|---------------------------------------|---|--------------------------------|-------------------------------------|-------------------------------|-------------------|
| A. Deposit Works | | | | | |
| TRANSMISSION CONSTRUCTION UNITS | | | | | |
| 1. Gangtok to Melli-Kalimpong | | | | | |
| 2. Gangtok to Dikchu | 424 | 421 | — | 421 | 3 |
| 3. Liemtak-Jiribam | 472 | 454 | — | 454 | 18 |
| 4. Ramnagar-Gandak | 177 | 158 | — | 158 | 19 |
| 5. Salakati | 844 | 675 | 391 | 1,066 | (222)* |
| B. PROJECTS ON AGENCY BASIS | | | | | |
| 1. Devighat Project | 4,069 | 4,037 | — | 4,037 | 32 |
| 2. Trisuli Power Resources Inv. Works | 5 | 6 | — | 6 | (1)* |

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

Annexure to Schedule 8

GRANTS IN AID

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---|---------|---------|
| Grants-in-aid For Investigation Of The Project | | |
| 1. Chamera (Investigation) | 336 | 336 |
| 2. Dhaleshwari | 167 | 167 |
| 3. Dhauliganga | 592 | 571 |
| 4. Gauriganga Stage-I | 238 | 238 |
| 5. Gauriganga Stage-II | 161 | 94 |
| 6. Gauriganga Stage-III | 80 | 80 |
| 7. Kishanganga | 202 | 190 |
| | 1,776 | 1,676 |
| Less: Expenditure | | |
| 1. Chamera (Investigation) | 300 | 300 |
| 2. Dhaleshwari | 191 | 182 |
| 3. Dhauliganga I | 310 | 310 |
| 4. Dhauliganga II | 225 | 202 |
| 5. Gauriganga Stage I | 221 | 213 |
| 6. Gauriganga Stage II | 135 | 108 |
| 7. Gauriganga Stage III | 112 | 78 |
| 8. Kishanganga | 195 | 162 |
| 9. Barah Pump Storage Scheme | 30 | 30 |
| | 1,719 | 1,585 |
| Less excess of expenditure on investigation over receipts shown in current assets Under 'Loan and Advances' | 86 | 59 |
| Unspent amount of Grants-in-Aid | 143 | 150 |

SCHEDULE 9

MISCELLANEOUS EXPENDITURE

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---|---------|---------|
| Misc Expenditure To The Extent Not Written Off Or Adjusted | | |
| 1. Preliminary Expenses | 4 | 8 |
| 2. Losses awaiting w/o sanction | 186 | |
| Less: Provided For | 186 | 134 |
| | 4 | 142 |

SCHEDULE 10

MISCELLANEOUS INCOME

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---------------------------------|-------------|------------|
| 1. Interest on P.D. Account | 2129 | - |
| 2. Other miscellaneous receipts | 142 | 109 |
| 3. Profit on sale of assets | 83 | 23 |
| | <u>2354</u> | <u>132</u> |

SCHEDULE 11

GENERATION, TRANSMISSION AND ADMINISTRATION EXPENSES

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|---|-------------|-------------|
| Generation & Transmission Expenses | | |
| 1. Consumption of Stores and Spares | 117 | 51 |
| 2. Repairs & Maintenance | | |
| a) Buildings | 84 | 73 |
| b) Machinery | 121 | 143 |
| c) Others | 271 | 329 |
| 3. Others Operational Expenses | 109 | 135 |
| Administration Expenses | | |
| 4. Rent | 4 | 2 |
| 5. Rates & Taxes | 5 | 5 |
| 6. Insurance | 29 | 15 |
| 7. Electricity Charges | 78 | 59 |
| 8. Travelling & Conveyance | 43 | 44 |
| 9. Expenses on staff car | 107 | 102 |
| 10. Telephone, Telex & Postage | 23 | 17 |
| 11. Consultancy Charges | 1 | 7 |
| 12. Advertisement & Publicity | 7 | 6 |
| 13. Printing & Stationery | 12 | 14 |
| 14. Corporate Office Management expenses | 183 | 171 |
| 15. Other Miscellaneous Expenses | 156 | 116 |
| 16. Rebate on prompt payment | 18 | 4 |
| 17. Loss on sale of Assets | 12 | - |
| | <u>1380</u> | <u>1293</u> |

**SCHEDULE 12****EMPLOYEES' REMUNERATION AND BENEFITS**

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|--|-------------|-------------|
| 1. Salaries, Wages & Allowances | 1066 | 986 |
| 2. Company's contributions to Provident & Gratuity Funds (including Administration Fees) | 96 | 104 |
| 3. Staff Welfare Expenses | 135 | 171 |
| | <u>1297</u> | <u>1261</u> |

SCHEDULE 13**PRIOR PERIOD ADJUSTMENT**

(Rs. in Lakhs)

| PARTICULARS | 31.3.91 | 31.3.90 |
|-------------------------|----------|--------------|
| 1. Sale of Electricity | 17 | (171) |
| 2. Interest | 10 | 103 |
| 3. Depreciation | 12 | 1 |
| 4. Royalty | - | (1) |
| 5. Salaries & Wages | 7 | 6 |
| 6. Repair & Maintenance | (8) | (13) |
| 7. Other Miscellaneous | (35) | (29) |
| | <u>3</u> | <u>(104)</u> |

EXPLANATORY NOTES

1. Contingent Liabilities exist in respect of the following:
 - a) Claims against the Company not acknowledged as debts amount to Rs. 26525 lakhs (previous year Rs. 1507 lakhs).
 - b) Income-tax demand Rs. 581 lakhs (previous year Rs. 85 lakhs).
 - c) Bonds for a sum of Rs. 18787 lakhs (previous year NIL) have been executed by the Company in favour of Customs Authorities for re-export of construction machineries and spares imported without duty by the Consortium of Contractors of Dulhasti and Uri projects. The contingent liabilities, if any, in respect of the projects executed on agency basis, deposit works and against grant-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. 198607 lakhs (previous year Rs. 296186 lakhs).
3. "Government of India Fund - Adjustable to Equity" includes:-
 - a) An amount of Rs. 180 lakhs (previous year Rs. 180 lakhs) drawn as loan from Govt. of India conversion of which to equity has been agreed to by Government in principle and is awaiting completion of certain formalities.
 - b) Rs. 9263 lakhs (previous year Rs. 35552 lakhs) received from Government of India for which allotment is still pending.
 - c) Rs. 33160 lakhs (previous year Rs. 33160 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.4.
4. 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 execution of 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 followed earlier in case of transfer of other projects by the Government of India to the Corporation as under:-
 - a) Out of the total fund-in-flow from the Government for construction of projects, an amount of Rs. 29764 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. 33160 lakhs and Rs. 31070 lakhs respectively and included in "Government Fund Adjustable to Equity" and "unsecured" loan respectively.
 - b) As interest and loan has not been paid from the date of transfer to 31.3.91 pending settlement of detail terms and conditions a provision for Rs.2308 lakhs has been made for additional interest liability and Rs. 2129 lakhs for interest earned on this account being kept in Public Deposit Account.
5. 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 48.50 paise, 54.13 paise, 36.28 paise and 44.15 paise per KWh respectively. However, based on the discussion relating to tariff negotiation with the beneficiaries, Rs. 339 lakhs, Rs.482 lakhs, Rs.157 lakhs and Rs. 494 lakhs have been provided and charged to Profit & Loss Account towards tariff adjustments in Baira Siul, Loktak, Salal Project and Chukha Transmission system 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) Pending finalisation of agreement with OSEB charges for Wheeling of Power through JTTS has been accounted for at the rate of Rs. 40 lakhs per month.
 - c) 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.
6. 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.
7. 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.
8. 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. 544 lakhs (Gross Block).
9. Licensed/Installed capacity and Generation:

| | 1990-91 | 1989-90 |
|------------------------------|---------|---------|
| 1. Licensed capacity (M.W.) | 630 | 630 |
| 2. Installed capacity (M.W.) | 630 | 630 |
| 3. Actual Generation (M.U.) | 3617 | 3433 |
| 4. Purchase of Power (M.U.) | 1397 | 1424 |
| 5. Actual Sales (M.U.) | 4853 | 4790 |
10. a) Value of imported Plant & Machinery and Spares on CIF basis (Rs. in lacs) 3149 4760
 - b) Expenditure in foreign currency (Rs. in Lakhs)
 - i) Know - How 1644 1302
 - ii) Other Misc. Matters 31778 29657
 - c) Earning in foreign exchange (Rs. in lakhs)
 - i) Interest 671 228
 - d) Value of spare parts & component consumed (Rs. in lacs) (O&M Projects)
 - i) Imported - -
 - ii) Indigenous 117 51
11. Unsecured loans include an amount of Rs. 7801 lacs (previous year Rs. 5322 lacs) due towards instalment of loan repayment within one year.
12. 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.
13. Previous year's figures have been suitably re-arranged wherever practicable to correspond to the current year's figures.

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 expenditures 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 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 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/unit 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, 1991 and the Profit & Loss Account for the year ended on that date annexed thereto in which are incorporated in 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, enclose in the annexure a statement of 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 account as required by law have been kept by the Corporation so far as appears from our examination of such books and proper returns adequate for the purpose of our audit 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 Stage-I the accounts have been incorporated in the accounts of the Corporation on the basis of letter No. 4/1/78-DO (NHPC) dated 09.02.1989 and letter No. 4(1)/78-DO (NHPC) dated 12.7.91 from Ministry of Power and NCES and on the basis of experts' legal opinion from the Senior Advocate of Supreme Court of India regarding ownership of the Project. Legal formalities for the transfer of ownership of the project in favour of Corporation are pending.

ii)Bank Reconciliation at the Corporate Office revealed that long outstanding of debits and credits by the Bank/Corporation amounting to Rs. 5.48 (Net) crores approx. and Rs. 4.31 (Net) crores approx. respectively for which adjustments are pending in the books, besides long adjustments/ rectification of excess/ short debits/ credits by Bank/Corporate Office/Units regarding issue of cheques which remained outstanding at the close of the year.

iii)Loans & Advances given to contractors, fabricators, suppliers, staff/departments including Government Departments and balances in various parties accounts are subject to the reconciliation adjustments and confirmations after verification of Suppliers/work done /services rendered / verification of accounts and various bills. The effect of the same on accounts is not ascertainable.

iv)Revenue from sale of electricity power includes a sum of Rs. 143.45 lacs being market price of power charged to inter-unit resulting in notional profit of excess of market price over cost.

v)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 Govt. of India the accounts prepared are on cash basis. The effect of the same is not quantified.

vi)The value of inventory in case of Dulhasti H.E. Project, Uri H.E. Project and for Canadian stores in Chamera H.E. Project is not reconciled with the stores record and the value of the same is taken as per general ledger. The effect of the same, if any, on the accounts is not ascertainable.

vii)As per accounting policy no. 7, in case of projects under construction, the grants/share of costs/expenditure incurred on the assets not belonging to Corporation are accounted for under construction work in progress pending allocation. In our opinion the aforesaid accounting policy is not in accordance with the accounting standard and guidelines of the Institute of Chartered Accountants of India on the same which require such type of expenditure to be kept under separate



head and be charged to Profit/Loss Account within a maximum period of five years after commissioning of the project. As in the aforesaid case the amount has not been quantified so the effect of the same is not ascertainable.

viii) In some projects, construction stores & advances, inventories, loans and advances and current liabilities are taken net of adjustment on account of debit/credit balances outstanding in the respective heads of accounts.

ix) In case of Dulhasti H.E. Project, unreconciled amount of inter-unit transactions are taken under constructions stores and advances, inventories, loans and advances and current liabilities. The amount is not quantified and the effect of the same on the accounts is not ascertainable.

x) In case of Dulhasti H.E. Project and Transmission Construction Unit, Baghliar H.E. Project, Uri H.E. Project and Uri Transmission System, the land valued at Rs. 957 lacs (Gross Block) has been assumed as 99 years lease.

NOTES

No.5(a&b) Regarding revenue from sale of electric power and wheeling charges of JTTS accounted for on the basis of provisional rates/meter reading 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 on this account on profit cannot be ascertained till the agreements are finalised.

6. Regarding accounting for the cost of land on the basis of provisional / initial payments and non-completion of legal formalities for transfer of titles of land to the Corporation, the exact liability in this regard has not been determined and quantified.

8. Regarding non-provision of depreciation on surplus construction equipments awaiting disposal / transfer in operational projects amounting to Rs. 544 lacs (Gross 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, 1991 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

A.C. BUBBER
PARTNER

Place : New Delhi

Dated : 13th August, 1991

ANNEXURE TO 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 situation in few cases. The Management has conducted physical verification of assets in most of the projects. In some cases reports are under reconciliations & as such we are unable to comment about the discrepancies, if any, in those projects. In other projects where physical verification have been conducted, no major discrepancies have been noticed.
2. None of the fixed assets has been revalued during the year.
3. The physical verification of stores, spare parts, raw materials has been conducted by the Management at most of the projects following perpetual system of inventory. In our opinion the system adopted by the management is satisfactory according to the size and nature of business of the Corporation.
4. The discrepancies, found during the physical verifications of stores, spare parts and raw material have been adjusted in the accounts during the year.
5. The value of inventory is taken at cost and reconciled with the stores records at the year end except in Dulhasti H.E. Project, Uri H.E. Project and in respect of Canadian stores of Chamera H.E. Project where the value of inventory is taken as per General Ledger which is not according to standard accounting principles and have not been reconciled with stores records at the year end.
6. The Corporation has not taken any loan, secured or unsecured 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.
7. 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.
8. 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.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Corporation and nature of its business with regards to purchase of stores, raw materials (including components), plant and machinery equipment and other assets and for the sale of goods.
10. As explained to us the Corporation does not have a regular procedure in the determination of unserviceable or damaged stores/raw materials. So the provisions for loss, if any, is made in the books of accounts, whenever such items are determined.
11. The Corporation has not accepted any deposits from the public to which the provisions u/s 58A of the Companies Act, 1956 and the rules made thereunder would apply.
12. According to the information and explanations given to us, the Corporation is maintaining reasonable records for the sale and disposal of the realisable scrap.
13. The Corporation has an internal audit system in operation but it needs further improvement considering the size of the Corporation and the nature of its business.
14. Maintenance of the cost records has not been prescribed by the Central Government u/s 209(1) (d) of the Companies Act, 1956.
15. The Corporation has been regular in depositing of provident fund dues on adhoc basis with NHPC Employees Trust and is subject to adjustment/reconciliation and audit of Provident Fund Trust Account.
16. There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty as on 31st March, 1991 which are outstanding for a period of more than six months from the date they became payable.
17. In our opinion and according to the information and explanations 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.
18. The Corporation is not a sick industrial corporation within the meaning of clause (O) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.
19. In respect of agency works/deposit work :
 - i) The Corporation has a reasonable system of recording receipts, issue 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

A.C. BUBBER
PARTNER

Place : New Delhi
Dated : 13th August, 1991



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 ENDED 31ST MARCH, 1991.

A. PROFIT & LOSS ACCOUNT

INCOME – Rs. 24,749 lakhs

1. MISC. INCOME-Rs. 2354 lakhs

Contrary to the practice followed by the Company in earlier years, in the above is included interest of Rs. 21.29 crores earned during the year on Public Deposit Account, instead of crediting the same to Capital Work-in-Progress. This has resulted in over- statement of profit for the year and Capital Work-in-Progress respectively by Rs. 21.29 crores.

B. BALANCE SHEET

FIXED CAPITAL EXPENDITURE

1. CAPITAL WORK IN PROGRESS : Rs. 184833 lakhs

i) Misc. Assets and Trunk Transmission Lines include Rs. 68.21 lakhs and Rs. 33.50 lakhs respectively on account of payments made to various State Government Departments for creating facilities for the Projects which will not constitute assets of the Company but are in use by the Projects. As such this should have been disclosed as capital expenditure not represented by assets of the Company.

ii) This include operational and maintenance spares worth of Rs. 102.90 lakhs which should have been included in inventories and shown under Current Assets, Loans and Advances. This has resulted in over statement of capital work-in-progress and under statement of Current Assets, Loans and Advances.

iii) This includes capital equipment worth Rs. 128.48 lakhs in stock since 1985-86, which has not been suitably disclosed.

iv) This includes assets worth Rs. 127.41 lakhs including materials at site lost on account of heavy rains in September 1988, which have not been written off pending investigation. This has resulted in over-statement of Capital work in progress and under- statement of Misc. Expenditure to the extent not written off or adjusted. This was also pointed out in the comments on the accounts of the Company for the year 1989-90.

v) This includes an expenditure of Rs. 331.37 lakhs incurred by the Company on civil works prior to the award of work on turnkey basis to a French Consortium. Neither has this fact been disclosed nor has provision for loss, if any, been made in the accounts.

2. INCIDENTAL EXPENDITURE DURING CONSTRUCTION

This includes Rs. 183 lakhs on account of provision for abnormal loss which should have been written off to Profit & Loss Account over a period of three to five years. This has resulted in over statement of Incidental Expenditure during construction as well as Profit to this extent.

3. CONSTRUCTION STORES AND ADVANCES

ADVANCES FOR CAPITAL EXPENDITURE (UNSECURED)-Rs. 62344 lakhs.

This include advances of Rs. 259.21 lakhs in respect of stores in transit for more than three years. This has resulted in over-statement of advances for capital expenditure and under statement of Construction Stores in transit.

4. CURRENT LIABILITIES AND PROVISION - Rs. 39514 lakhs

This does not include liability of Rs. 75.63 lakhs payable to Himachal Pradesh State Electricity Board on account of investigation work in connection with Chamara-II Project done by them.

C. GENERAL

The land on which Chamara-I H.E. Project is being constructed includes land measuring 982.81 hectares in respect of which terms and conditions and the value has not been settled so far. This fact has not been disclosed in the accounts.

(KANWAL NATH)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND EX-OFFICIO MEMBER, AUDIT BOARD-III

Dated: 18th Sept., 1991

NEW DELHI

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 | 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) |
| (A) Particulars of employees employed throughout the financial year who were in receipt of remuneration not less than Rs. 1,44,000/- P.A. | | | | | | |
| S/Shri Gulati, Vinod Chief (EDP) | 1,53,316 | Regular | AMIE (Mech.) (24 years) | 01.03.80 | 44 | Major in Indian Army |
| Gupta M.L. Chief Engineer | 1,54,748 | Regular | B.Sc.Engg.(Mech.) (24 years) | 29.04.80 | 46 | Dy. Mgr. BHEL |
| Hai M.A. Chairman & Managing Director | 1,53,262 | Govt. Appointment | B.E. (Mech.) FIIPM (35 years) | 10.03.89 | 56 | Director (Tech.), NTPC |
| Jaggi A.L. General Manager | 1,81,610 | Regular | B.Sc. Engg. (Elect.) (29 years) | 20.01.78 | 51 | Suptg. Engineer, BSHE Project |
| Jain A.K. General Manager (F&A) | 1,67,733 | Regular | B.Com., ACA (22 years) | 28.11.78 | 45 | Dy. Accounts Mgr., IFFCO, New Delhi. |
| Jaswal J.M.S. Chief Engineer | 1,57,681 | On deputation from HPSEB | B.Sc Engg. (Civil) (28 years) | 04.06.90 | 50 | Chief Engineer (Invest.) HPSEB |
| Kanwar B.S. Chief Engineer | 1,66,446 | Regular | B.Sc.Engg. (Elect.) | 26.06.81 | 49 | Executive Engineer, HSEB. |
| Raman N.V. Co. Secy, & General Mgr. (Law) | 1,49,867 | Regular | B.A., LL.B., GDSCS, ACS, ICWA (Inter), Dip. in Lab. Laws (34 years) | 15.12.78 | 53 | Dy. Co. Secy., Engineers India Limited. |
| Rastogi V.P. Chief Engineer | 1,44,106 | Regular | AMIE, Dip. in Ind. Admn. (33 years) | 09.06.81 | 51 | Sr. Sales Manager, Triveni Structurals Limited. |
| Sen S.C. Director (Tech) | 1,63,807 | Govt. appointment | B.E. (Civil). FIE (35 years) | 31.08.84 | 56 | CE, ASEB |
| Singh G.P. Executive Director | 1,82,068 | On Deputation from UPSEB | B.Sc. Engg.(Elect.) (31 years) | 26.11.87 | 54 | Sr. Manager (Hydro), Kenya Lighting Co. |
| Sinha B.S.P. Chief | 1,50,908 | Regular | B.A. MIMM (UK) (28 years) | 03.06.81 | 51 | Manager, BHEL |
| Suri B.L. Chief Engineer | 1,46,327 | Regular | B.Sc. Engg.(Elect) PG Dip. in Business Management (31 years) | 12.07.82 | 54 | SE (Electrical) PDD, J&K |
| Verma H.K. General Manager | 1,69,100 | Regular | M.A., PG. Dip. in Personnel Management (31 years) | 30.08.88 | 58 | Dy. Secretary, Cabinet Sectt. New Delhi. |
| Verma R.K.Brig. AVSM (Retd.) Director (personnel) | 1,50,222 | Govt. Appointment | B.Sc., PG. in Def. studies, PG Dip. in Business Mgmt. Lab. Law & Exp. Mktg. Mgmt. (36 years) | 15.05.89 | 56 | Brigadier in Indian Army. |

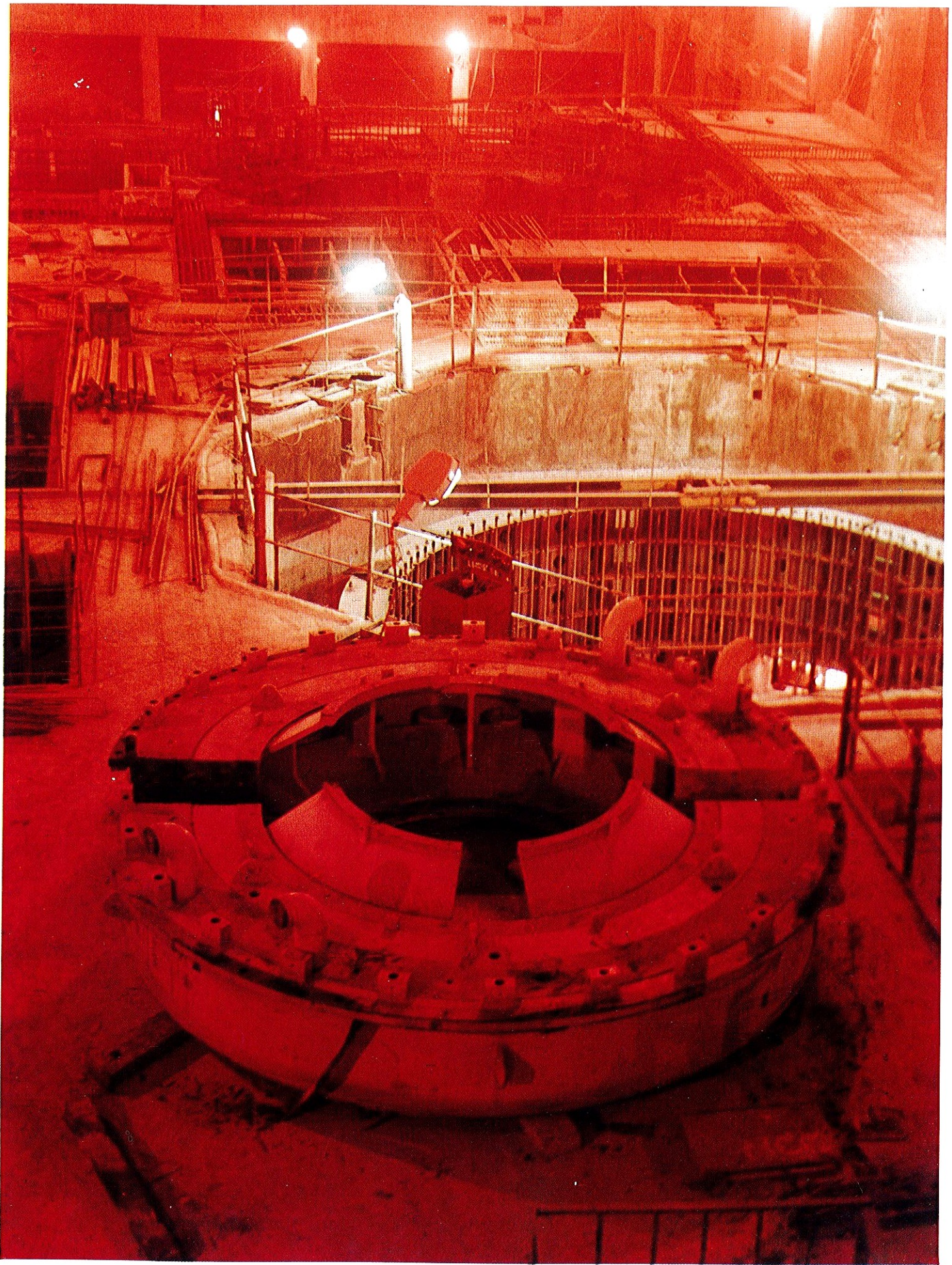


Particulars of employees for part of the financial year who were in receipt of remuneration not less than Rs. 12000/- per month.

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|----------|---------|---|----------|-----|---|
| S/Shri Bajaj V.M. Executive Director | 1,57,774 | Regular | B.E. (Civil) (35 years) | 10.05.79 | 58 | Director (U.T.) C.W.C. |
| Divatia E. (Miss) General Manager (Civil) | 1,05,560 | Regular | B.E. (Civil) M. Tech. (Struct.) (32 years) | 22.03.79 | 54 | Dy. Director, C.W.C. |
| Jain T.C. General Manager (Comm.) | 1,05,560 | Regular | B.Sc. Engg. (Elect.) (35 years) | 15.07.77 | 58 | Dy. Director, CEA |
| Mandappa B.M. Executive Director | 1,45,616 | Regular | B.E. (Civil), M.I. Struct.E. (London), FIE, (34 years) | 01.10.81 | 58 | Supdt. (Design), SAIL (Bokaro Steel Plant). |

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.



Turbines under erection - Chamera Project



Afforestation is an integral part of NHPC's Corporate philosophy