







BOARD OF DIRECTORS

(As on 01-01-93)



Shri G.P. Singh



Shri K.K. Vohra



Shri T. Sethumadhavan

AUDITORS

Statutory Auditors: M/s Sumer Bansal & Company Chartered Accountants, 36, Netaji Subhash Marg, Daryaganj, New Delhi-110002



M/s Gyan Agarwal & Associates, Chartered Accountants, D-288-289, Gali No. 10 Chamber, II-Floor, Lakshmi Nagar, Delhi-110092

Branch Auditors: M/s N. Sarkar & Company, Chartered Accountants, 21, Prafulla 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



Shri S.R. Narasimhan



Shri V.K. Dewan



Shri A.B. Joshi



Shri N.V. Raman Company Secretary & G.M. (Law)



CHAIRMAN'S STATEMENT



Dear Friends,

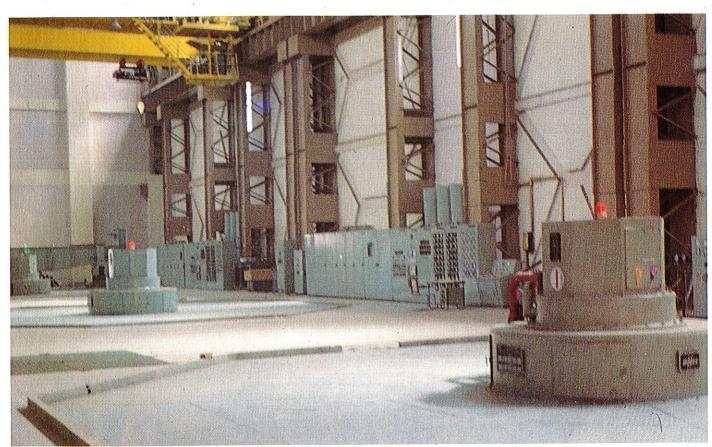
It gives me great pleasure to welcome you to the 16th Annual General Meeting of the Corporation. The audited accounts for the year 1991-92, the Directors' Report alongwith the Auditors' Report and the comments of the Comptroller and Auditor General of India are before you for consideration and adoption.

The Corporation has made a net profit of Rs. 49.30 crores during the year under review. The total turnover was Rs. 243.94 crores during the year as against Rs. 223.95 crores in the previous year. The operating units of the Corporation generated 3567.110 million units against the target of 3198 MUs registering an achievement of 111.54% of the target.

I am glad to inform you that work on the 120 MW Tanakpur Project in Uttar Pradesh was completed during the year. All the three units of the project are now operational. Power from this project is now being supplied to the beneficiary states.

The Corporation was able to achieve almost all the targets fixed by the Government in the first Memorandum of Understanding signed for the year 1991-92.

However, construction activities at the on-going projects were badly affected due to financial resource crunch facing your Corporation. Due to fluctuations in the capital market, NHPC has been able to raise only Rs. 197 crores through issue of bonds against the target of Rs. 615 crores during the



An inside view of Power House - Tanakpur Project



year under review. Though your Corporation has been making sustained efforts to realise dues from the beneficiary states, the outstanding dues as on 31.03.92 were Rs. 197.39 crores.

The paid-up capital at the end of the financial year 1991-92 was Rs. 1922,41,40,000 and it has further increased to Rs. 2080,13,40,000 by the end of August, 1992.

The progress of construction activities at the Chamera Stage-I Project has been badly affected due to two cavities which erupted in the Power Tunnel in May and June, 1992. Both the cavities have now been treated and tunnel benching and lining is progressing satisfactorily. The Corporation plans to commission this Project by June, 1993.

Your Corporation has advanced the commissioning schedule of Unit-IV of the Salal Stage-II Project from

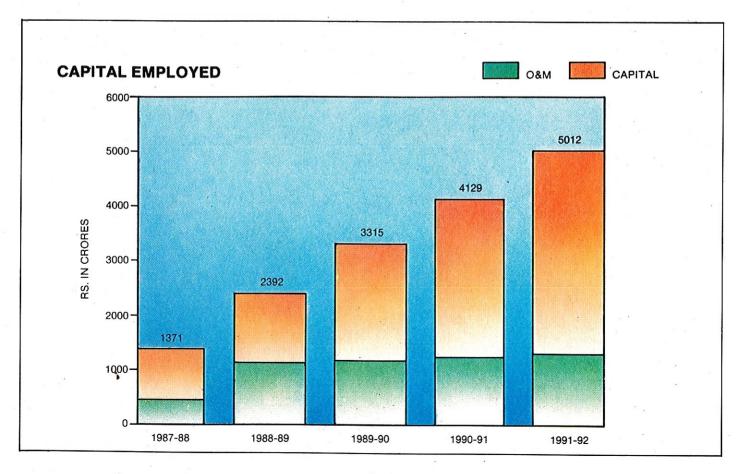
September, '93 to March, '93. Work on the Dul Hasti Project was abandoned the French Consortium August, '92. Efforts are on to resolve the issues raised by the French Consortium and get the work restarted on the Project at the earliest. On the Uri Project, since December, '91, the Swedish Consortium have been carrying on infrastructural activities and open excavation work on the major components. At the Rangit Project, work on the tunnel is being expedited.

Work on the Koel Karo and Dhauliganga Stage-I Projects which have been sanctioned by the Government will be taken up as soon as the Corporation is able to mobilize financial resources. In the case of Chamera-II, global tenders are to be floated shortly as per the directions of the Govt. of India. In the case of Teesta Stage-III Project in Sikkim, your Corporation have re-

ceived proposals from five private parties for joint participation. These proposals are under examination.

I am glad to inform that the Corporation have completed the detailed preconstruction investigation work on the Kalpong project in the Andaman & Nicobar Islands during the year. This project is to be executed by NHPC as a deposit work. The various transmission networks of the Corporation have been entrusted to the newly set up Power Grid Corporation of India, as per the Government directive. De jure transfer of these lines is expected to be completed shortly.

Voluntary and compensatory afforestation programme undertaken by the Corporation at the various project sites is progressing as per schedule. Efforts have also been continued to maintain cordial industrial relations in the Corporation. Recently, wage agreement has been signed with the workers'





Unions. The Corporation have also proposed to the Government a Voluntary Retirement Scheme, in order to reduce the surplus manpower.

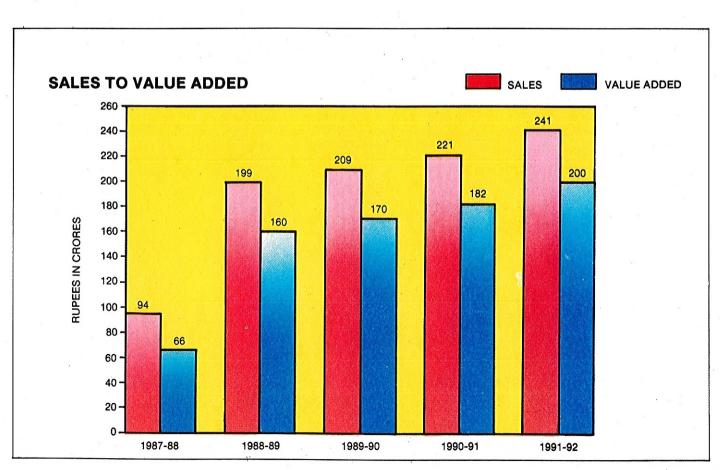
We are indeed grateful to the Hon'ble Union Minister of State for Power (I/C), Mr. Kalp Nath Rai for the interest he has shown in the activities of the Corporation. He has been a source of inspiration to our employees during his visits to projects like Uri, Dul Hasti, Chamera, Loktak and Salal. We are also grateful to the Secretary (Power) and other officers in the Government who have been very considerate to the NHPC.

I take this opportunity to thank all the technical and scientific institutions, foreign consortia, financial institutions and in particular the various Government Departments of the Centre and the States for their active co-operation. I also thank all the employees of the Corporation whose hard work and total

commitment is the backbone of the strength of the Corporation. Finally, I would like to thank the Members of the Board of Directors for their support and guidance.

(G.P. SINGH) CHAIRMAN & MANAGING DIRECTOR

28th December, 1992





Directors' Report for 1991-92

Your Directors have great pleasure in presenting the 16th Annual Report on the operations of your Company along with audited statement of accounts for the year ended 31st March, 1992.

PERFORMANCE HIGHLIGHTS:

01. POWER STATIONS UNDER OPERATION

During the year under report, the actual generation in the Operating Stations of the Corporation—Baira Siul, Loktak and Salal (Stage-I) was 3567.110 MUs against a target of 3198 MUs. Thus the actual achievement in terms of generation was 111.54% of the target. The over-all capacity utilisation was 110.23%.

(a) Baira Siul Power Station in H.P. During the year, the Baira Siul Power

Station generated 826.92 MUs against a target of 750 MUs thus registering an achievement of 110% and a capacity utilisation of 110.26%.

During the year 1992-93, upto August '92, the generation of electricity from this power station was 607.23 MUs, against a target of 500 MUs.

(b) Loktak Power Station in Manipur

The Loktak Power Station generated 544.210 MUs against a target of 410 MUs thus registering an achievement of 132.7% against the target. The capacity utilisation based on actual generation capacity of 448 MUs was 121.48%.

During the year 1992-93 upto August '92, energy generated at the Power Station was 144.41 MUs against a

target of 166 MUs. The generation of power suffered due to less availability of water in the Loktak Lake.

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

During the year 1991-92, the Salal Power Station generated 2195.980 MUs against a target of 2038 MUs. The achievement against target during the year was 107.75%.

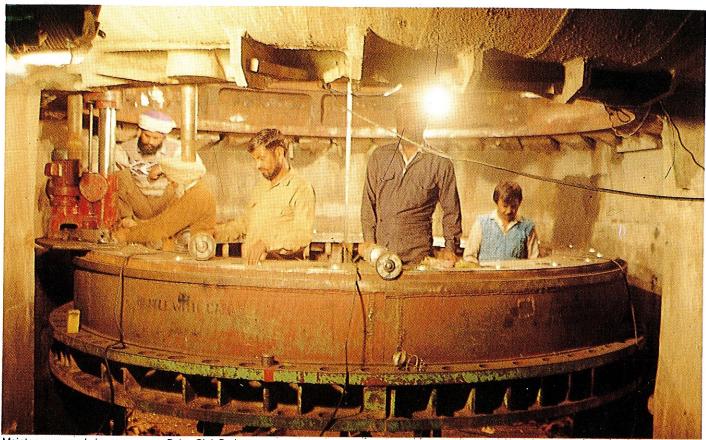
During the year 1992-93, upto August '92, the Salal Power Station generated 1176.47 MUs of electricity against a target of 1146 MUs. The Revised Cost Estimates of the Project for Rs. 651.49 crores including IDC of Rs. 67.92 crores were techno-economically cleared by CEA in August, 1991.

(d) Chukha Transmission System During the year 1991-92, the total



A view of Intake - Loktak Project





Maintenance work in progress - Baira Siul Project

power imported and transmitted through the Chukha Transmission System to the beneficiaries was 1396.02 MUs. An agreement was signed between NHPC and the Royal Government of Bhutan for supply of Chukha Power upto 31st March, 1992. Another agreement has been signed between the National Power Transmission Corporation (NPTC) and the Royal Government of Bhutan for supply of Chukha Power w.e.f. 01.04.1992.

02. ON-GOING PROJECTS

1. Chamera H.E. Project (Stage-I) (3×180 MW) (H.P.)

The progress of works on the various components of the Project is as follows:

All the blocks in the concrete dam have been raised to the top and the deck bridge has been completed during the year. The installation of low level sluice gates, block head gates, spillway gates, erection and the third stage concreting were in progress at the end of the year under report.

In the squeezed portion of the tunnel 307 nos. old ribs out of the total 380 nos. have been replaced and the work was in progress at the end of the year under report.

By end of August 1992, all civil works of concrete dam were completed and all spillway gates and sluice gates have been erected and two spillway gates were tested. Tail Race Tunnel of 2414 M length has been completed except for some 200 M of invert lining. Power House concreting completed and erection of Unit-III has been completed. Work of erection of Unit-I and II was in satisfactory progress.

In the Power Tunnel, treatment of the cavity at Face-4 which occurred in May 1992 had been completed and the second cavity which occurred in June was taken-up and treatment work was

in progress as per schedule.

Benching work on Face-3B had commenced and 73 M of overt lining was done. Due to unprecedented rains and consequent land slides the progress of work was adversely affected. Steps were being taken to improve the supporting systems in vulnerable reaches to avoid further collapses.

The revised estimates of the Project which were updated to Rs. 2094.09 crores at March 1992 price level have been cleared by the PIB at its Meeting held on 27.08.1992.

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

As at the end of the year, the final design of almost all the major structures of the Project had been firmed up and detailed drawings were being issued.

10847 cum. concreting in the intake tower was completed and the silt



flushing tunnel was excavated upto 1073 m. On the Head Race Tunnel, excavation by tunnel boring machine upto 1180 m from upstream side was made and from downstream side 581 m was done by conventional methods. Excavation of tail race tunnel was also nearing completion.

By end of March '92 excavation was completed upto 9143 cum. in transformer cavern and 20626 cum. in Power House Cavern. The drainage gallery to Head Race Tunnel was excavated upto 113 m and Dam Concreting was completed upto 6859 cum.

The Head Race Tunnel had been

excavated upto 1200 m from upstream and upto 889 m from downstream. However, excavation of HRT from upstream had been suspended from 25th May, '92 due to sudden ingress of water into the Tunnel. De-watering was taken up. Cleaning up operations were taken up and ways and means of tackling the problem are being explored.

By end of July, '92, works on structure of HRT, excavation of Power House Cavern and transformer cavern progressed satisfactorily and the work on drainage tunnel was completed.

However, since the middle of August,

'92, the law and order situation at the Project area had deteriorated badly and the contractors had suspended the work at site due to lack of security and militant activity in the region.

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

Your Directors are glad to inform you that all the 3 Units of the Project have been spun and the Unit-I was synchronised on 31.03.1992 while synchronisation of the remaining two Units was completed in the first week of April, 1992. However, due to minor seepage in the Power Channel, repair work had to be undertaken in accordance with the advice of the Expert Committee.

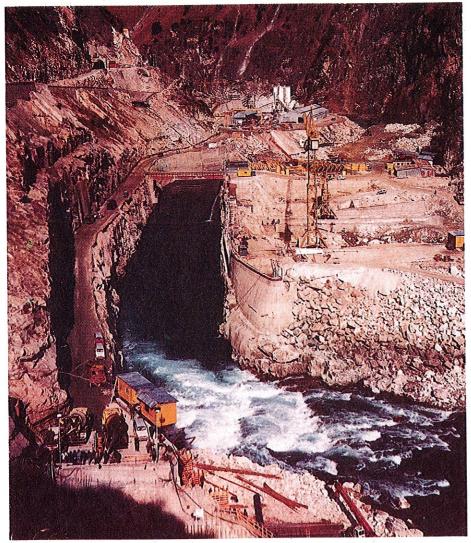
After completion of the repair works, filling of water conductor system was started at the end of June 1992 and the machines were synchronised after filling of the channel. 12.84 lakh units were generated during August, '92.

The revised Project estimates were considered and cleared by the Public Investment Board in its meeting held on 04.07.1991. Approval of the Cabinet Committee on Economic Affairs to the revised cost of the Project is awaited.

(4) Uri H.E. Project (4×120 MW) (J & K)

All activities at Uri Project had been stopped by the Contractors since the incidence of abduction of two Swedish expatriates in April, '91. However, the contractors had taken up in December, 1991, some infrastructural activities and open excavation work on some major components. The matter regarding security for transportation and storage of explosives having been sorted out, some headway was made in excavation of underground work on the Main Access Tunnel to the Power Tunnel.

Design, fabrication and supply of hydro-mechanical and generating equipment were in progress. Most of the land required for starting the Pro-



A view of Dam under construction - Dul Hasti Project



ject work have been handed over to the Contractors. Planning, designing of the various structures were in progress. Investigation works and hydraulic Model Studies had been completed. Civil Works relating to infrastructure development as well as of permanent structures were also in progress as at the end of July, '92. Shipping of hydro-mechanical equipment had started.

After a brief stoppage of work by Contractors, work was resumed at the end of August, 1992. Excavation was

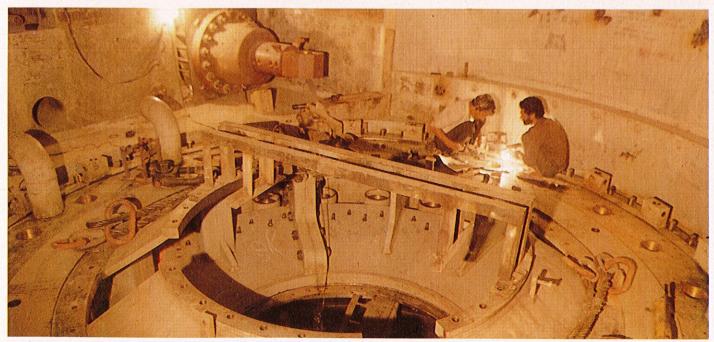
taken up at barrage, cut and cover culvert, desilting basin, surplus escape and Head Race Tunnel areas.

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

During the year under report, the



A view of Head Race Tunnel under construction - Rangit Project



A view of Turbine under erection - Chamera Stal Project



balance work of junction of adit with tail race tunnel-II was completed and excavation of heading was started on the inlet side. 202.5 M heading towards upstream and 165.5 M towards downstream was completed. From the outlet end of TRT-II, 606 M heading was completed. As at the end of August, '92, in the power House, 43674 cum. concrete was placed. Speed ring of Unit-V has also been lowered and spiral casing installation was in progress. From the inlet end of TRT-II, 315 M heading towards upstream and 262 m towards downstream was completed by Aug., '92. From the outlet end of TRT-II, heading excavation had been completed upto a total length of 736 M.

During the month of Sept., 92 the floods caused loss to plunge pool in Salal Project and water entered the Power House. The extent of loss is being determined.

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

During the year under report, some infrastructure work like construction of temporary residential units and temporary buildings have been completed. Work of 120 units of permanent residential housing was in progress. The work of 358.8 M long diversion tunnel has been completed. 53 M excavation of adit to HRT from upstream side has also been completed. Surge shaft pilot excavation has been completed. Excavation of portals for intake tunnel and Silt Flushing Tunnel was also completed. 15 M of boring of Head Race Tunnel from downstream was also completed. The road upto dam site which was washed away during the monsoon season was restored and a fresh road upto intake and adit-I is under construction. Stripping of left and right abutments of Dam to the extent of 19000 M³ were completed. River diversion is likely to be done in November '92 for taking up works in dam foundation. Excavation of Power House to the extent of 17000 M³ has been completed upto end of July, '92.

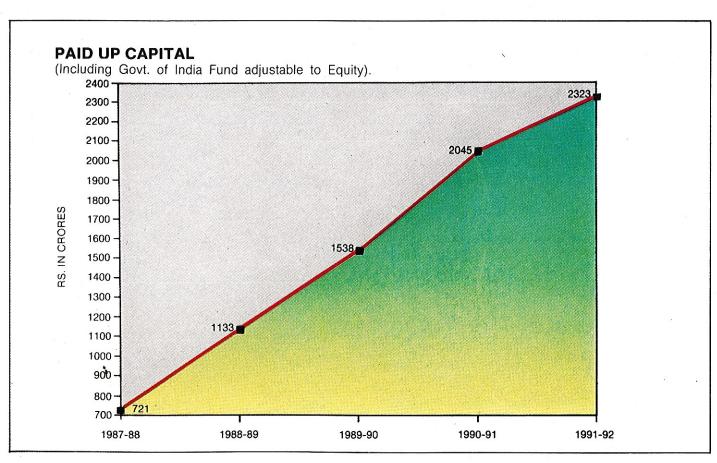
The Cabinet Committee on Economic Affairs had approved the Project, subject to the submission of the environmental plans to the Ministry of Environment and Forests. These plans have been submitted to them in March, '91.

03. NEW SCHEMES

(1) Koel Karo H.E. Project (710 MW) (Bihar)

The Cabinet Committee on Economic Affairs had approved the execution of Koel Karo H.E. Project on 14.11.91 for an amount of Rs. 1338.80 crores including IDC of Rs. 202.37 crores at March, '91 price level.

Due to resistance from local people and non-availability of funds, no work





could be started. The matter of allocation of funds for the Project has been taken up by the Corporation with the Planning Commission and the Deptt. of Power and for release of funds to the extent of Rs. 13.75 crores during 1992-93.

(2) Chamera H.E. Project (Stage-II) (3×100 MW) (HP)

The Chamera H.E. Project (Stage-II) in H.P. was cleared by the Public Investment Board in April, '92 for an estimated amount of Rs. 1393.19 crores including IDC of Rs. 178.65 crores, subject to the techno-economic clearance by the CEA to the revised cost which was received from them in May, '92. The Project proposal is now awaiting the approval of the Cabinet Committee on Economic Affairs.

(3) Dhauliganga H.E. Project (4×70 MW) (Stage-I) (UP)

The Project has been approved by the

Cabinet Committee on Economic Affairs and approval for generation portion at a cost of Rs. 517.46 crores plus IDC of Rs. 84.53 crores was received in April, '91. However, due to non-availability of funds no land acquisition and other works could be taken up.

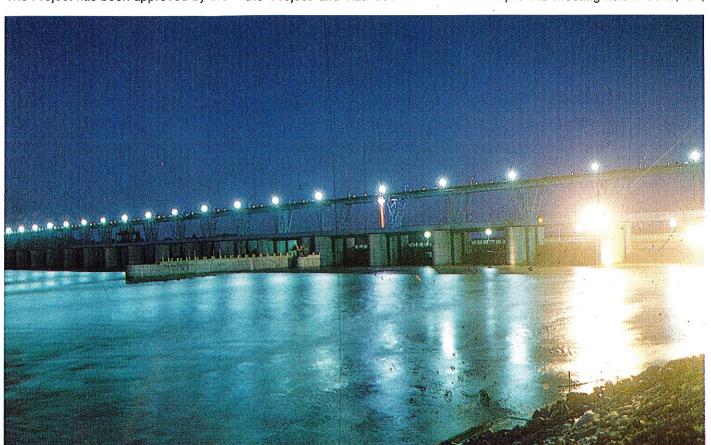
(4) Baglihar H.E. Project (3×150 MW) (J&K)

The environmental and forest clearances for the Project were accorded by the Ministry of Environment and Forests in April and May, '89, respectively. The techno-economic clearance revised estimates for the accorded in April, '91. The Memorandum for the Public Investment Board has been submitted to Department of Power in May, '92. The proposal has been circulated to the various scrutinizing agencies. The World Bank has expressed interest in financing part of the Project and has desired that an

International Consultancy Firm be appointed for appraisal and engineering design of the Project. A pre-bid conference of various firms was held in May, '92 for award of work of consultancy as per the World Bank requirements. The technical bids, opened in the 3rd week of July, '92 were under evaluation. At the meeting held on 27/08/92, the Public Investment Board decided that if adequate funds were available during 8th Plan, with the concurrence of Planning Commission & Ministry of Finance, approval of Cabinet Committee on Economic Affairs may be sought without any further reference to PIB.

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

Environmental and forest clearances for the Project were received in May, '89. The Project has also been cleared from Indus Water Treaty angle and at the pre-PIB Meeting held in June, '91,



A view of Barrage - Tanakpur Project



it was decided to up-date the estimates. The up-dated estimates were sent to CEA in January, '92.

04. INVESTIGATION PROJECTS

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

The Investigation works were completed and a DPR was submitted to CEA in August, '90. The technoeconomic appraisal of the Project is being done by CEA who had suggested to the Corporation to take up more exploitation of the balance potential left-over after dropping other stages of Dhauliganga, such as Stages-IV and V. CEA had also desired that a consolidated report along with the comments of the Ministry of Environment and Forests and proposals seeking pre-environmental clearance of all stages may be sent by NHPC. These have since been sent to CEA.

(2) Goriganga H.E. Project (Stage-I & II) (UP)

The investigation works were completed and Detailed Project Report submitted in October, '90. It has been suggested by CEA that the planning process of the Project may be deferred till the Detailed Project Report of Pancheswar Multipurpose Project is completed by October, '92.

(3) Goriganga H.E. Project (Stages-IIIA and IIIB) (UP)

The Detailed Project Reports of these Projects have been submitted to CEA on 25.03.92 for techno-economic appraisal and clearance.

(4) Kishenganga H.E. Project (J&K) The investigation works were completed and the Detailed Project Report was submitted to CEA in May, '91 which is under their consideration. The clearance from the defence angle has also been received, subject to observance of certain instructions. While the Project proposal was being processed

for techno-economic clearance in June, 1992, the Government of India conceded to the request of the Govt. of J&K for handing over the Project back to them for execution in the State Sector.

(5) Teesta H.E. Project (Stage-III) (6×200 MW) (Sikkim)

The pre-PIB inter-ministerial group meeting was held in August, '91 which recommended that the Project be posed for clearance by Public Investment Board after the environmental and forest clearances were obtained. The notification under Sec. 29 of the Electricity (Supply) Act has already been published in the newspapers and in the State Govt. Gazette. The proposal for forest clearance has been forwarded to the Ministry of Environment and Forests by the State Govt. of Sikkim in Sept., '91 and the queries raised by that Ministry have been replied to by the State Govt. The environmental impact assessment study is being conducted by the NEERI, Nagpur. A draft PIB Memo up-dating the cost estimates of the Project at Dec., '91 price level was being submitted to the Ministry as at the end of July, '92. As per the directions of the Govt. of India the Corporation had invited bids to select a suitable Pvt. Co. to participate in the execution of the Project. The bids received are under evaluation.

05. TRANSMISSION SYSTEMS

As reported in last year's report the transmission lines of the Corporation are to be transferred to NPTC as per the decision of the Government of India. Pending de-jure transfer, these transmission lines were entrusted to NPTC on management basis w.e.f. 19.11.1991. The formalities for de-jure transfer of these lines are yet to be completed. In the meantime as directed by the Government of India, a Memorandum of Understanding is proposed to be signed with NPTC for giving effect to the de-jure transfer w.e.f. 01.04.1992.

In the meantime the progress in respect of these transmission lines which are being managed by National Power Transmission Corporation (NPTC) on behalf of your Corporation is indicated below:

(1) 400 KV D/C Chamera-Moga Transmission Line (472 CKM)

Construction of the line was completed in December, '91 except stringing 500 Mtrs. The balance work was completed in March, '92. Out of 236 Kms., 200 Kms. line has been backcharged at 220 KV voltage level from Moga end.

(2) 400 KV Dulhasti Transmission System - 400 KV Dulhasti-Kishenpur-Srinagar Transmission System

As mentioned in the last year's report, approval of the Government for signing of the agreement with the Soviets for execution of the Transmission System was awaited. A contingency plan has been worked out for evacuation of Dulhasti Power from Dulhasti Project when the Project is completed by constructing a 400/220 KV sub-station at Kishtwar and 220 KV D/C Line from Kishtwar to Kishenpur. Various preaward activities have been started.

(3) 400 KV/220 KV Moga Sub Station-2×250 MVA

Major civil works of the sub-station have been completed and transformer and equipment erection was in progress. The sub-station is likely to be ready to coincide with the commissioning of the Chamera Project.

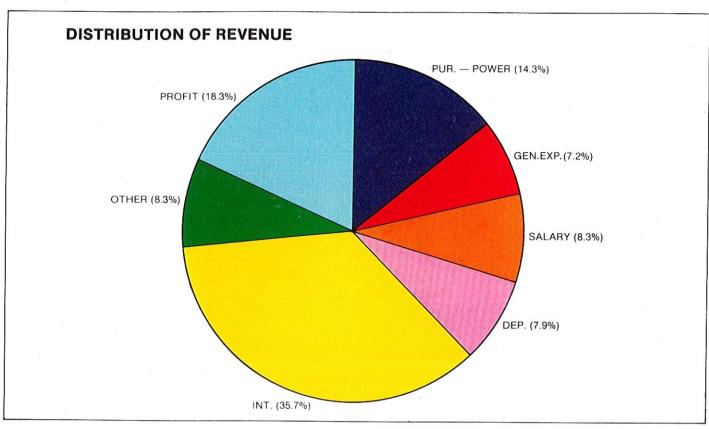
(4) 400 KV Moga-Hissar Transmission Line (418 CKM)

All foundations and tower erection have been completed. Stringing of line had started and completed in 250 Ckt. Kms., out of a total 418 Ckt. Kms.

(5) 2XS/C 400 KV Transmission Line from Hissar to Bhiwani (70 Ckt. Kms.)

Out of a total 185 locations, all foundations have been completed and towers





erected in 175 nos. Stringing activity is in progress and is expected to be completed by December, '92.

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

The Transmission line has been completed and both the circuits have been charged from Bareilly end.

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

All the works on the transmission line have been completed. The System was executed on behalf of the Ministry of External Affairs.

06. NEW TRANSMISSION LINES

(1) Nathpa Jhakri Transmission System (2068 Ckt. Kms.)

Tenders for tower package for certain portion of the line have been floated.

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

Survey work has been completed. The transmission system is likely to be completed by September, 1996.

(3) 220 KV Salal (Stage-II) Transmission System (350 Ckm.)

Detailed survey is in progress. Out of 533 locations, 72 nos. foundations completed. Transmission Line is likely to be ready by end of September, '93 for evacuation of Salal Stage-II power.

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

The 400 KV S/C Chamera-I—Kishenpur Transmission Line forms part of transmission system associated with Chamera (Stage-II). The completion of the line is being preponed to match with the completion of Dulhasti H.E. Project.

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

The line was cleared by PIB in May,

'92. Consultancy work for basic engineering for the system has also been awarded. The line is expected to be completed by September, '98.

(6) Jullundhar-Ludhiana-Dasuya Transmission System

The system envisages strengthening of transmission system in the Northern Region for evacuation of power from Projects in J&K and H.P. The updated cost estimates and the PIB Note were submitted to Department of Power in February, 1992.

07. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

Under the Technology transfer schemes provided in the Turnkey Agreements for Dulhasti and Uri Projects, the Corporation's employees underwent training in the fields of inspection of theoretical hydraulic and hydraulic model studies, design and engineering, fabrication and inspection of hydro-mechanical and power plant



equipments. Active inter-action and liaison with the Bureau of Indian Standards was maintained through participation in and deliberations of various technological committees involved with the formation and revision of guidelines for various structures/elements of hydro-power projects.

08. CONSERVATION OF ENERGY

The Energy Conservation Committee set up in the Corporation met a number of times during the year and reviewed the efforts taken by the Corporation for Energy Conservation.

09. VIGILANCE ACTIVITIES

The Corporation attached importance to vigilance work during the year under report as in the previous years. Out of 40 complaints received, 13 of them were taken up for investigation and disciplinary cases were finalised against 15 officers, and appropriate penalties imposed.

A surprise inspection in the explosives

magazine of one of the Projects of the Corporation was carried out by the Vigilance Officials and the defects and discrepancies observed in the storage procedure were brought to the notice of the authorities for appropriate remedial action.

Instructions, emphasising the importance of proper writing of the measurement books, were also issued for observance by all concerned.

10. TRAINING AND HUMAN RESOURCES DEVELOPMENT

The Corporation continued to give importance to Human Resources Development Programmes with special emphasis on training SC/ST personnel during the year under report as in previous years. A number of in-house programmes and sponsored programmes and participation in foreign programmes were arranged for the benefit employees. Among them were the (i) General Management Programme (ii) Planning for retirement (iii) P C Awareness Programme etc. There was a total of 4433 man-days of training.

11. FINANCIAL PERFORMANCE

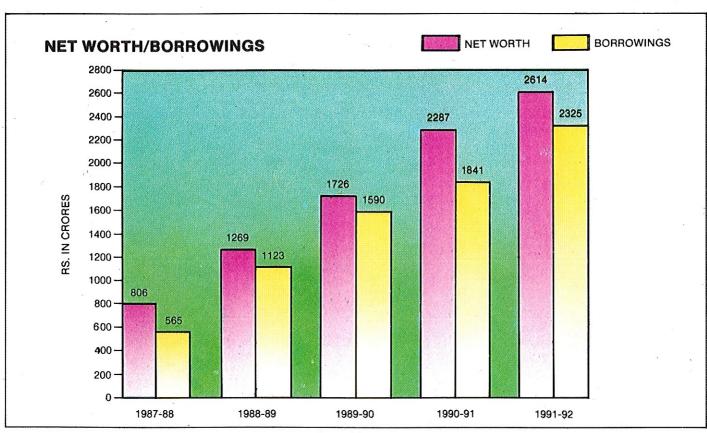
Your Company made a net profit of Rs. 49.30 crores as against Rs. 52.76 crores in the previous year. The turnover of the Company during the year was Rs. 243.94 crores against Rs. 223.95 crores in the previous year.

12. OUTSTANDING DUES FROM BENEFICIARIES

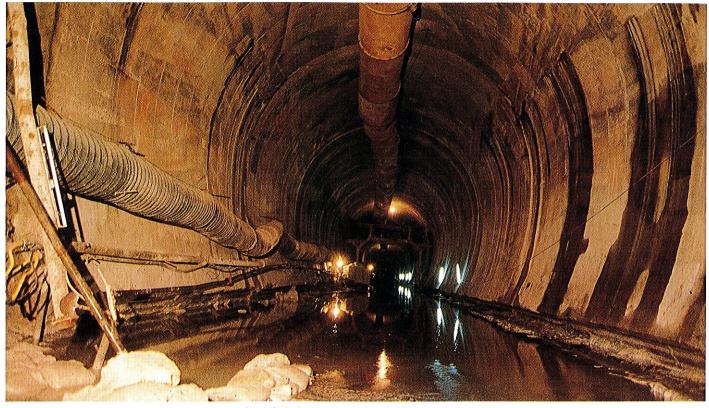
The outstanding dues against the various beneficiaries for power supply by your Company stood at Rs. 197.39 crores as on 31.03.1992.

13. BONDS

As stated in the last year's report, the Corporation was permitted by Controller of Capital Issues, Government of India to raise a sum of Rs. 615 crores in the year 1991-92 through issue of a







A view of Tailrace Tunnel under construction - Salal St-II Project

fresh series of Bonds, comprising Rs. 250 crores as 10-year tax free bonds and Rs. 365 crores 7-year taxable bonds on private placement basis with the financial institutions, nationalised banks etc., with the condition that at least 20% of the issue will be offered to public over-the-counter or through prospectus. However, due to the financial crunch in the capital market, the Corporation has been able to raise funds only to the extent of Rs. 197 crores during the year under report. For the year 1992-93, the Corporation has been asked to raise Rs. 500 crores through issue of bonds.

14. AUTHORISED CAPITAL

The Authorised Capital of the Corporation stood at Rs. 2500 crores. The paid-up capital increased to Rs. 1922,41,40,000 as on 31.03.92 and it further increased to Rs. 2080,13,40,000 as at the end of August, 1992.

15. PERSONNEL POLICIES AND INDUSTRIAL RELATIONS

Employee-employer relations were generally cordial during the year under report except for a Dharna and Strike for one day in the month of May, 1991. There was, however, no loss in generation as well as in transmission of power. Efforts continued to be made by the Corporation to provide adequate welfare measures, such as schooling facilities at Projects, medical facilities, recreation facilities, canteen facility, lunch/tea subsidy, etc., in the Office/Projects.

16. OFFICIAL LANGUAGE

The Corporation continued to make, as in the previous years, all efforts for the progressive use of Hindi during the year under report. Quarterly meetings of the Official Language Implementation Committee were, held in the Corporate Office as well as in the

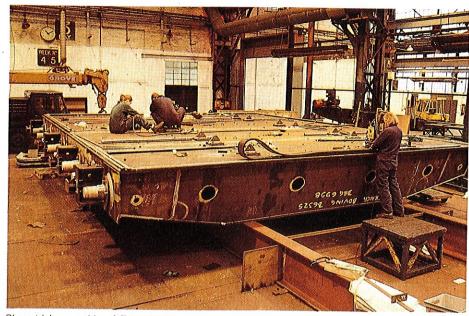
Projects to oversee the implementation of the policy. Workshops/competitions were also organised in the Corporate Office and Projects to create an awareness among the employees for increased use of Hindi in day-to-day work.

17. DIRECTORS

Shri M.A. Hai, Chairman & Managing Director, Shri Ghanshiam Das, Director (Finance) and Dr. H.R. Sharma, Member (H.E.) and Shri S.C. Sen, Director (Technical) ceased to be Directors on the Board of NHPC w.e.f. 31.10.1992, 29.02.1992, 30.04.1992 and 30.09.1992 respectively on their retirement on attaining the age of super-annuation.

Shri V.K. Khanna ceased to be a Director on the Board of NHPC w.e.f. 31.07.1992 on his relinquishment of the charge of the post of Joint Secretary in the Department of Power. The





Shop trial assembly of Tunnel Intake Gate - URI H.E. Project

Board place on record their appreciation of the valuable services rendered by Shri M.A. Hai, as Chairman & Managing Director and Shri Ghanshiam Das, Dr. H.R. Sharma, Shri S.C. Sen and Shri V.K. Khanna as Directors.

Shri S.R. Narasimhan, Member (H.E.), CEA and Shri Arun Bhatnagar, Joint Secretary, Department of Power were appointed as Directors on the Board w.e.f. 19.06.1992 and 03.08.1992 respectively. Shri G.P. Singh assumed current charge of the post of Chairman & Managing Director in addition to his own duties as Director (Projects), NHPC w.e.f. 1.11.92.

18. AUDITORS

For the Audit of the Accounts of the Corporation for the year 1991-92, M/s Sumer Bansal & Company, New Delhi, were appointed as Statutory Auditors



A view of Dam Site - Koel Karo Project



of the Company. M/s N. Sarkar & Company, Calcutta were re-appointed as Branch Auditors and M/s Hingorani M. & Company and M/s Gyan Agarwal & Associates, Delhi, were 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 (4) of the Companies Act, 1956 on the accounts:

The comments of the Directors on the qualifications contained in the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956, on the Accounts of the Corporation for the year ending 31st March, 1992 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, 1992 is given in Annexure-III to this Report.

19. 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.

20. ACKNOWLEDGEMENTS

The Board acknowledge with thanks the guidance and help extended by the various Departments of the Govt. of India, particularly the Ministries of Power, Finance, External Affairs, Law and Company Affairs (Department of Company Affairs), the Central Electricity Authority, the Central Water Commission, the CSMRS, the 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.

(G.P. SINGH)

Chairman & Managing Director

New Delhi, Dated: 24.12.92

Clean Power for Every Home

Energy Saved is Energy Produced



ANNEXURE-I

Comments

COMMENTS ON THE QUALIFICATIONS IN THE AUDITORS' REPORT 1991-92

Para in Auditors' Report

- 2 (ii) Corporation is consistently following the policy for accounting of expenditure incurred on assets not belonging to it. The matter was taken up with Expert Committee of the Institute of Chartered Accountants of India for clarification. The opinion has since been received which is under examination.
- (xiii) In our opinion, the amounts are good.
- (xiv) The case is under examination and adjustments, if any, will be passed at the time of taking final decision in the matter.
- (xv) The account will be reviewed during current financial year and necessary adjustments will be passed.

Annexure to Auditors' Report

- 1. Situational details are generally shown to the extent required.
- 4. Necessary adjustments will be carried out on completion of such reconciliation/verification.
- 5. The reconciliation of Priced Stores Ledger with General Ledger is still in progress in Dulhasti, Uri and for Canadian Stores in Chamera Project. No major discrepancies were noted during physical verification.
- The Corporation does not have raw material. Unserviceable/damaged stores are identified periodically for disposal/adjustment.
- 13. The Internal Audit has been similarly re-organised and it is being further strengthened.

ANNEXURE-II

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

Para in C&AG

Replies

Comments
Para 1.

The modified runners are part of the Generating plant and equipment and the Corporation is not adjusting the balance cost of the old parts/sub-items taken out of Plant & Machinery from the value of the Asset. The accounting treatment is considered to be correct and is being followed consistently.

Para 2.

The pilot tunnel was an exploratory tunnel in nature, and based on the geological conditions' it now does not fit in the approved design and has to be re-routed due to geological constraints. The expenditure incurred on this is a part of Capital expenditure of the project and does not require any separate disclosure in the accounts.

Para 3 & 4 The required adjustments will be passed during 1992-93.

COMMENTS ON REVIEW OF ACCOUNTS BY THE C&AG OF INDIA FOR THE YEAR 1991-92.

In calculating the capital employed, the net fixed assets employed in construction projects have been included. We feel that capital work in progress and construction stores and advances also be considered.

Similarly for calculating the ratio of working capital to total turnover and profit to equity capital, only working capital and equity employed in operating projects be considered.



ANNEXURE-III

Review of Accounts of National Hydroelectric Power Corporation Limited New Delhi for the year ended 31st March, 1992 by the Comptroller and Auditor General of India

1. FINANCIAL POSITION

The table below summarises the financial position of the Company in the last three years:

(Rs in Lakhs)

	180		(110 III Laitile)
	1989-90	1990-91	1991-92
Liabilities			12
ı. i) Paid-up Capital ii) Central Government Funds Adjustable	84876	161930	192241
to Equity Capital	68892	42603	40012
	153768	204533	232253
o. Reserves & Surplus			
i) Free Reserves & Surplus	16490	23357	23357
ii) Committed reserves . Borrowings from:	2435	835	5765
i) Government of India	57759	55922	56655
ii) Others : Foreign loans	21913	27467	55520
Bonds, d. Current liabilities and	79297	100749	120346
Provisions	29794	39514	41638
Total	361456	452377	535534
Assets			
e. Gross Block	128605	144232	148323
. Less cumulative depreciation	17508	20792	25174
g. Net Block	111097	123440	123149
n. Capital Work-in-progress	125654	184833	269929
. Construction stores & Advances	55754	73103	92703
Current Assets, Loans & Advances Capitalised Expenditure	68809	70997	49753
(Not written off)	142	4	
Total	361456	452377	535534
Capital Employed (g+j-d)	150112	154923	131264
Net Worth $(a+b(i)-k)$	170116	227886	255610
Net worth per rupee of paid-up capital	1.11	1.11	1.10

2. CAPITAL STRUCTURE

The debt-equity ratio was 0.93:1 in 1989-90 and 0.81:1 in 1990-91 due to increase in equity by Government of India. The ratio again increased to 0.91:1 in 1991-92 due to increase in foreign loans, exchange rate fluctuation, devaluation of rupee and raising of money by issue of bonds.



ANNEXURE-III (Contd.)

3. LIQUIDITY AND SOLVENCY

- (a) The percentage of current assets to total net assets decreased from 19.04 in 1989-90 to 15.69 in 1990-91 and further decreased to 9.29 in 1991-92.
- (b) The percentage of current assets to current liabilities (including provisions) decreased from 230.95 in 1989-90 to 179.68 in 1990-91 and to 119.49 in 1991-92.
- (c) The percentage of quick assets (i.e. Sundry Debtors, Advances, Cash & Bank Balances) to Current Liabilities (excluding provisions) decreased from 225.53 in 1989-90 to 175.14 in 1990-91 and to 114.94 in 1991-92.

4. WORKING CAPITAL

The working capital (i.e. current assets, less current liabilities) of the Company at the close of each of the three years ending 31st March, 1992 amounted to Rs. 39015 lakhs, Rs 31483 lakhs and Rs. 8115 lakhs.

The percentage of working capital to total turnover improved from 184.73 in 1989-90 to 127.21 in 1990-91 and 30.08 in 1991-92.

5. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 108787 lakhs from internal and external sources were realised and utilised during the year as given below:

(Rs in Lakhs)

(A) Sources of	runas
----------------	-------

(i)	Additions to equity capital		27720
(ii)	Additions to reserves and surplus		4930
(iii)	Additions to Borrowed funds		48383
(iv)	Additions to cumulative depreciation		4382
(v)	Reduction in current assets, loan and advances		21244
(vi)	Increase in current liabilities and provisions		2124
(vii)	Reduction in capitalised expenditure	348	4

108787

(B) Utilization of Funds

(i) Additions to gross block	4091
(ii) Additions to capital work-in-progress	85096
(iii) Additions to construction stores and advances.	19600
	108787

6. WORKING RESULTS

Year	Sales (Rs. in lakhs)	Profit (Rs. in lakhs)	Percentage of Profit to sales	Percentage of Profit to equity capital
1989-90	20987	5250	25	3
1990-91	22395	5276	24	3
1991-92	24394	4930	20	2



ANNEXURE-III (Contd.)

7. INVENTORY

		Years	
	1989-90	1990-91	1991-92
		(Rs in lakhs)	
(i) Construction stores(ii) Other inventory including	10804	10287	11591
stores and spares.	1616	1792	1894
	12420	12079	13485
e .			

8. SUNDRY DEBTS

Sundry debts and sales in the last three years are given below:-

	in lakhs)		
	Total book debts (considered good)	Sales	Percentage of debts to sales
31st March, 1990	20834	20987	99
31st March, 1991	14780	22395	66
31st March, 1992	19866	24394	81

Place: New Delhi

Dated: 23rd December, 1992

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



BALANCE SHEET AS AT 31.3.1992

(Rs. in Lakhs)

PARTICULARS	Schedule No.	As on 31.03.92		As on 31.03.91	
SOURCE OF FUNDS					
1. SHAREHOLDERS FUNDS				404000	
a) Capital	1	192241	001000	161930	100100
b) Reserves and Surplus	2	29122	221363	24192	186122
2. GOVT. OF INDIA FUND					
ADJUSTABLE TO EQUITY			40012		42603
3. LOAN FUNDS	3				
a) Secured Loans		100691		79249	
b) Unsecured Loans		139088	239779	104889	184138
			501154		412863
APPLICATION OF FUNDS		_			
1. FIXED CAPITAL EXPENDITURE					
a) Fixed Assets	4				
Gross Block	7	148323		144232	
Depreciation		25174		20792	
Net Block		123149		123440	
b) Capital Work-In-Progress	5	269929		184833	
c) Constructions Stores & Advances	6	92703	485781	73103	381376
2. CURRENT ASSETS, LOANS & ADVANCES	7	(*)		-	
a) Inventories		1894		1792	
b) Sundry Debtors		19866		14780	
c) Cash & Bank Balance		19936		19679	
d) Other Current Assets		1539		1382	
e) Loans & Advances		6518		33364	
		49753		70997	
Less: Current Liabilities & Provisions					
Liabilities	8	34380		39514	
NET CURRENT ASSETS			15373	-	31483
3. MISCELLANEOUS EXPENDITURE	9				200
(To the extent not written off or adjusted)	J				4
		-	501154		412863
NOTES TO THE ACCOUNTS :		· -			
NOTES TO THE ACCOUNTS &	4.4				
CONTINGENT LIABILITY	14	8			

Schedules 1 to 14 and Accounting Policy form an integral part of Accounts

N.V. RAMAN Secretary A.K. JAIN G.M. (F&A)

BRIG. R.K. VERMA
Director (Personnel)

G.P. SINGHChairman & Managing Director

As per our report of even date attached For SUMER BANSAL & CO.
Chartered Accountants

Place: New Delhi

Dated: 11th November, 1992

A.K. JAIN Partner



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1992

(Rs. in Lakhs)

PARTICULARS	Schedule No.	31.03.92	31.03.91
INCOME	•		*
1. Sales		23624	21911
2. Wheeling Charges	2 2	20021	21011
a) Own System		480	200
b) For Others		290	284
3. Miscellaneous Income	10	2577	2354
TOTAL INCOME		26971	24749
EXPENDITURE		_	
Purchase of Electric Power		3865	3773
2. Generation, Transmission &			
Administration Expenses	11	1952	1380
3. Employees' Remuneration & Benefits	12	2226	1297
4. Wheeling Charges		292	287
5. Royalty		531	541
6. Depreciation		2141	1837
7. Interest		9639	8885
8. Provision for Doubtful Debts		1337	1472
9. Preliminary Expenses		4	4
TOTAL EXPENDITURE			
	•	21987	19476
Profit for the year		4984	5273
Add (Less) Prior period adjustment	13	(54)	3
Profit Before Income tax			***
& Statutory Appropriations		4930	5276
Income Tax relating to Earlier Years			9
Profit after tax		4930	5267
Add Profit brought forward from previous year		21012	16490
Less Statutory Appropriation Debenture		4000	745
Redemption Reserve Transferred to General Reserve		4930	745
		21000	01010
Balance carried over to Reserves & Surplus		12	21012

N.V. RAMAN Secretary A.K. JAIN G.M. (F&A) BRIG. R.K. VERMA
Director (Personnel)

G.P. SINGH
Chairman & Managing Director

As per our report of even date attached For SUMER BANSAL & CO.
Chartered Accountants

Place: New Delhi

Dated: 11th November, 1992

A.K. JAIN Partner



SHARE CAPITAL				IEDULE 1 in Lakhs)
PARTICULARS		31.03.92		31.03.91
AUTHORISED CAPITAL	<u></u>			
250,00,000 (Previous year 250,00,000) Equity share of Rs. 1000/- each		250000		250000
19224140 Equity Shares (previous year 16193040) 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		192241		161930
other than cash)		192241		161930
DECEDIZED AND OUR DULLO				
RESERVES AND SURPLUS				IEDULE 2 in Lakhs)
PARTICULARS		31.03.92		31.03.91
General Reserve Profit & Loss Account Investment Allowance (Utilised) Reserve Debenture Redemption Reserve		21000 12 2345 5765	-	21012 2345 835
		29122		24192
LOAN FUNDS				HEDULE 3 in Lakhs)
PARTICULARS		31.03.92		31.03.91
SECURED LOANS Bonds-A Series	<u> </u>			2
(Secured through equitable mortgage against assets of Loktak and Baira Siul HE Projects) 14% 7 year redeemable non-convertible bonds of Rs. 1,000/- each redeemable at par.	14010		14066	
(Earliest date of redemption is 8th July, 1993) Bonds-B Series	14212		14266	
(Secured through equitable mortgage against assets of Chukha Trans. System).				
13% 7 years redeemable, non-convertible bonds of Rs. 1000/- each redeemable at par on 11th Dec. 1994	5033		5064	
9% 10 years redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 11th Dec. 1997. Bonds-C Series	7901		7919	er e
(Secured through equitable mortgage against assets of Chamera HE Project)				
9% 10 years redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 20th May, 1998	15000		15000	



SCHEDULE 3 (Contd.) (Rs. in Lakhs)

PARTICULARS		31.03.92		31.03.91
Bonds-D Series			·	
(Secured through equitable mortgage against assets of Chamera HE Project)				
9% 10 years redeemable, non-convertible bonds of Rs. 1000/- each redeemable at par on 27th Sep., 1999	22000		22000	
Bonds-E Series				
(Secured through equitable mortgage against assets of Chamera HE Project)				
9% 10 years redeemable, non-convertible bonds of Rs. 1000/- each redeemable at par on 9th Feb., 2000	15000	4	15000	
Bonds-F Series				
(Secured through equitable mortgage against assets of Chamera HE Project)				
13% 7 years redeemable, non-convertible bonds				
of Rs. 1000/- each, redeemable at par on 13th Sept., 1997	21500	100001	· ·	70040
Interest accrued and due (Unclaimed)	45	100691		79249
UNSECURED LOANS				
Bonds-F Series				
(To be secured through equitable mortgage against assets of Chamera HE Project)				
13% 7 years redeemable, non-convertible bonds of Rs. 1000/- each redeemable at par on 13th Sept., 1997			21500	
Bonds-G Series				
(To be secured through equitable mortgage)				
17.5% 7 years redeemable, non- convertible bonds of Rs. 1000/- each, redeemable at par on 2nd Dec., 1998	5000			
17% 7 years redeemable, non-convertible bonds of Rs. 1000/- each, redeemable at par on 21st Feb., 1999	1000			
18% 7 years redeemable, non-convertible bonds of Rs. 1000/- each, redeemable at par on 9th March, 1999	10000			
18% 7 years redeemable, non-convertible bonds of Rs. 1000/- each, redeemable at par on 30th March, 1999	3000			
9% 10 years redeemable, non-convertible bonds of Rs. 1000/- each, redeemable at par on 31st March, 2002	700		_	
FROM GOVERNMENT OF INDIA	56655		55922	
INTEREST ACCRUED AND DUE ON GOVERNMENT LOAN FROM OTHERS (guaranteed by Government of India)	7213			
Export Development Corporation (Canada)	46635		27319	
2. Consortium led by Chartered West L.B. Ltd.	3438	10000	148	104889
3. Credit Commercial de France	5447	139088		
TOTAL		239779		184138



FIXED ASSETS

SCHEDULE 4 (Rs. in Lakhs)

PARTICULARS		Gros	s Block		Depreciation	Ne	et Block
	As on	Additions/	Deductions/	As at	As at	As at	As a
	1.04.1991	Adjustments	Adjustments	31.03.1992	31.03.1992	31.03.1992	31.03.1991
Land (Freehold)	2134	121	1	2254		2254	2134
Land (Lease-hold)	1176	358	2	1532	58	1474	1140
Buildings	15334	1110	22	16422	3392	13030	12865
Roads & Bridges	5377	217		5594	709	4885	4780
Construction Plant & Machinery	16454	400	339	16515	11771	4744	6008
Generating Plant & Machinery	9911	59		9970	1553	8417	8638
Sub-station Equipments	8790	922		9712	796	8916	8283
Hydraulic Works (Dams,					100	0010	0200
Tunnels etc.)	64181	40	86-	64135	3582	60553	61301
Vehicles	1328	170	25	1473	894	579	530
Furniture, Fixture & Equipments	1152	124	6	1270	424	846	809
Transmission Lines	17305	977	28	18254	1583	16671	16204
Miscellaneous Assets/					1000	10071	10204
Equipments	1090	104	2	1192	412	780	748
TOTAL	144232	4602	511	148323	25174	123149	123440
Previous Year	128605	16137	510	144232	20792	123440	-

CAPITAL WORK-IN-PROGRESS

SCHEDULE 5

(Rs. in Lakhs)

		11.10	. III Lakilo)
PARTICULARS	31.03.92		31.03.91
1. Survey, Investigation, Consultancy and other expenses	1025		802
2. Buildings and Civil Engg. Works and Communication	13379		10068
3. Road & Bridges	1297		1064
4. Hydraulic Works, Barrages, Dams,		•	1001
Tunnels & Power Channel	78857		54779
5. Penstock	1323		495
6. P&M in Generating Station	19282		15672
7. Elect. Install. & Sub-Station Equipment	7592		5378
8. Misc. Assets	533		389
9. Trunk Transmission Lines	13478		12534
10. Expenditure on Assets created on Land			
not belonging to corporation	3746		3671
11. Incidental Expenditure during Construction			
Balance b/f from Last year	79981	53713	
Additions for the year	49403	29582	
TOTAL	129384	83295	
Less (Add) Adjusted during the year	(33)	3314	
Net I.E.D.C. ADDED to C.W.I.P.	129417		79981
TOTAL C.W.I.P.	260020		104000
	269929		184833



INCIDENTAL EXPENDITURE DURING CONSTRUCTION

Annexure to Schedule 5

(Rs. in Lakhs)

PARTICULARS		i.	31.03.92		31.03.91
EMPLOYEES' REMUNERATION & BENEFITS Salary, Wages, Allowances & Benefits Contribution to Provident Fund (including Admn. Contribution to Gratuity Fund Stoff walfare expenses	. Fees)	5839 303 153 533		3543 257 49 255	
Staff welfare expenses Leave salary & pension contribution		6	6834	7	4111
2. REPAIRS & MAINTENANCE		1.55		450	
Buildings Machinery & construction equipments		155 1121		153 1208	
Others		360	1636	348	1709
3. Travelling & Conveyance			145		132
4. Expenses on staff cars & inspection vehicles			340		236
5. Land acquisition & rehabilitation expenses			1		
6. Rent Office			136		. 133
7. Rent Residential accommodation			58		54
8. Rates and Taxes			459		80
9. Insurance			303		388
10. Electricity charges			489		410
11. Telephone, Telex & Postage			77		81
12. Advertisement & Publicity			50		48
 Design & Consultancy charges Entertainment 			3 2		39
15. Printing & Stationery			65		65
16. PAYMENT TO AUDITORS			00		
Audit fee		2		2	
For other matters		1		1	
Audit expenses		2	5	2	5
17. Interest on Loans			6191		4209
18. Interest on Bonds			10596		9187
19. Bond issue expenses			195		43
20. Bank charges			15		5
21. Transfer of technology			47		3
22. Income tax on foreign contracts			2360		1390
23. Loss on material/assets written off			144		185
24. Foreign consultancy charges			2942		340
25. Commitment fee			516		572 4520
26. Financing charges			946 1763		1679
27. Depreciation28. Exchange rate variation			18404		3070
29. Prior Period expenses			1269		971
30. Other expenses			483		772
31. Donations & other contributions					2
32. Management expenses NPTC		20.00	188		
TOTAL EXPENDITURE		_	56662		34441
LESS: RECEIPTS AND RECOVERIES		-			
1. Sale of scrap	1		97		2
2. Electricity charges			391		389
3. Rent			3		. 22



Annexure to Schedule 5 (Contd.)

(Rs. in Lakhs)

	PARTICULARS		31.03.92		31.03.91
4	Interest				
	Term deposits & Saving bank		795		367
	Loans and advances		162		105
_	Other investments		1661		635
5.	Miscellaneous receipts & recoveries		996		120
6.	Profit on sale of assets		22		69
7.	Prior period adjustments		474		19
	TOTAL RECEIPTS		4601		1728
	NET EXPENDITURE		52061		32713
	LESS:				02110
1. 2.	Hire charges/out turn allocated/allocable directly to C.W.I.P. I.E.D.C. allocated to Investigation	2435		2948	
	Deposits, Agency works and Operating projects	223	2658	183	3131
	AMOUNT TRANSFERRED TO C.W.I.P.		49403		29582
No	to				

Note:

1. a) The above expenditure includes the following amounts paid to Directors:

		1991-92	1990-91
.,		(Rs.)	(Rs.)
) Salaries and Allowances	624726	398584
- 11)) Contribution to Provident Fund	53797	37110
iii)	Rent for Residential Accommodation	240000	131364
iv))Travelling Expenses	216695	229910
V)) Medical Reimbursement	16366	16553
	Leave Travel Concession		10000
,	, 22 22 2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2	25942	-

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. 9935/- for 1991-92 (Previous year Rs. 7800/-).

2. Break up of Bond issue expenses is as below:

Up front

Rs. 195 Lakhs

CC	ONSTRUCTION STORES & ADVANCES				HEDULE 6 . in Lakhs)
	PARTICULARS		31.03.92		31.03.91
1.	Construction Stores (At Cost as certified by Management) Construction Material in Transit Stores	772 10819	11591	458 9829	10287
2.	Advance for Capital Expenditure Secured (Considered good) Unsecured (Considered good)	58721 22391	81112 92703	472 62344	62816

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



CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE 7

(Rs. in Lakhs)

	PARTICULARS			31.03.92		31.03.91
1.	Inventories (At Cost as certified by Management) Stores and spares	i.	1885		1777	
	Loose tools		9	1894	15	1792
2.	Sundry Debtors			1004		1702
	Debts exceeding six months		15557		10547	
	Other debts		8480		7067	
	LESS Provision for Doubtful Debts		4171	19866	2834	14780
	Particulars of Sundry Debtors		10000		4.4700	
	Unsecured considered good		19866		14780	
3.	Considered doubtful and provided Cash and Bank Balances		4171		2834	
э.	Cash, Imprest, Cheques, Drafts,					
	Postal orders & Postal stamp		72		15	
	BALANCES WITH SCHEDULED BANKS				, ,	
	Current account		1972		5314	
	Deposit with scheduled banks		8466		7500	
	BALANCE WITH NON-SCHEDULED BANKS					
	Current account		9426	19936	6850	19679
	*		Dalaman		10 TO	19079
		viaximi	um Balance d 1991-92	during the yea 1990-91	ır	
	SKNDINAVISKA ENSKILDA BANKEN		1991-92	1990-91		
	Current account		10272	8313		157
	Term Deposit		8400			
4.	Other Current Assets					
	Interest accrued on deposits		125		92	
	Others		1414		1290	
_)	1539		1382
5.	Loans and Advances					
	ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED					
	Secured (Considered good)				33	
	Unsecured (Considered good)		4357		3289	
	Unsecured (Doubtful)	10		10	0200	
	LESS Provisions	10		10	140	
	Loans to employees (Secured)		482		362	
	Balance with customs		3		1	
	Public Deposit A/C G.O.I.		1676	6518	29679	33364
				49753	32	70997
				49/03		70997

Advance due from Directors Rs. NIL (Previous year Rs. NIL). Maximum amount due at any time during the year amounts to Rs. 11600/- (Previous year Rs. 156038/-).

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE 8

(Rs. in Lakhs)

		(110: III Earling)
PARTICULARS	31.03.92	31.03.91
1. Sundry creditors	4312	7754
Unspent amount of Deposit/Agency	455	215
3. Deposits/Retention money	793	742



SCHEDULE 8 (Contd.)

(Rs. in Lakhs)

PARTICULARS	31.03.92	31.03.91
4. Other liabilities5. Interest accrued but not due on Loan6. Liability for Cheques issued	11103 17699 18	4819 23857 2127
	34380	39514

Interest accrued but not due on loans includes Rs. 1289 lakhs (Previous year Rs. 990 lakhs) on Cumulative bonds which is payable on maturity of Bonds.

DETAILS OF DEPOSIT WORKS AND PROJECTS ON AGENCY BASIS

Annexure to Schedule 8

	8				(Rs	s. In Lakns)
,	PARTICULARS	Amount of Deposit Upto 31.3.92	Expenditure Upto 31.3.91	Expenditure 1.4.91 to 31.3.92	Total Exp. Upto 31.3.92	Unspent Amount
A. 1. 2. 3.	DEPOSIT WORKS TRANSMISSION CONSTRUCTION UNITS Gangtok to Dikchu Leimatak-Jiribam Ramnagar-Gandak	424 472 177	421 454 158	=	421 454 158	3 18 19
B. 1. 2. 3. 4. 5.	PROJECTS ON AGENCY BASIS Devighat Project Trisuli Power Resources Inv. Works Kalpong HE Project Indravati Bay Salakati	4069 5 50 211 1244	4038 6 — — 1066	1 	4039 6 11 16 1290	30 (1)* 39 195 (46)*

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.

GRANTS IN AID

Annexure to Schedule 8

(Rs. in Lakhs)

PARTICULARS		31.03.92		31.03.91
GRANTS-IN-AID FOR INVESTIGATION OF H.E. PROJECT				
1. Chamera (Inv.)	336		336	
2. Dhaleshwari	167	1	167	
3. Dhauliganga	592		592	
4. Gauriganga Stage-I	238		238	
5. Gauriganga Stage-II	161		161	
6. Gauriganga Stage-III	130		80	
7. Kishanganga	252	1876	202	1776
LESS: EXPENDITURE				
1. Chamera (Inv.)	300		300	
2. Dhaleshwari	197		191	10
3. Dhauliganga I	310		310	
4. Dhauliganga II	235		225	
5. Gauriganga Stage I	221		221	

^{*} Shown in Current Assets, Loan & Advances



Annexure to Schedule 8 (Contd.) (Rs. in Lakhs)

	A .				(110	. in Lakhs)
	PARTICULARS		31,03.92			31.03.91
6.	Gauriganga Stage II	160	`		135	
7.	Gauriganga Stage III	144			112	
8.	Kishanganga	202			195	
9.	Barah Pump Storage Scheme	30			30	
		1799		1	719	
	Less excess of expenditure on investigation over receipts shown in current assets				, , ,	
	under 'Loan and Advances'	74	1725		86	1633
	Unspent amount of Grants-in-Aid		151			143
MI	SCELLANEOUS EXPENDITURE					IEDULE 9 in Lakhs)
	PARTICULARS		31.03.92			31.03.91
	MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED			į.		
1.	Preliminary Expenses					4
2.	Losses awaiting w/o sanction	178			186	4
3.	Less: Provided For	178			186	-
		.,,		'	100	
						4
MI	COELL AMEQUA INCOME					
	SCELLANEOUS INCOME					hedule 10 in Lakhs)
	PARTICULARS		31.3.92	40		
			31.3.92			in Lakhs)
 1. 2.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts					31.3.91 2129
 1. 2. 3.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back		31.3.92 — 131 2406			in Lakhs)
 1. 2.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts		131			31.3.91 2129
 1. 2. 3.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back		131 2406 40			31.3.91 2129 142 — 83
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets		131 2406			31.3.91 2129 142
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back	(PENSES	131 2406 40		(Rs.	31.3.91 2129 142 — 83
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets	(PENSES	131 2406 40 2577	03.92	(Rs.	31.3.91 2129 142 — 83 — 2354 — EDULE 11
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES	(PENSES	131 2406 40 2577		(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs)
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE	(PENSES	131 2406 40 2577	03.92	(Rs.	31.3.91 2129 142 ———————————————————————————————————
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE a) Buildings	(PENSES	131 2406 40 2577		(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs)
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE a) Buildings b) Machinery	(PENSES	131 2406 40 2577	254 102 129	(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs) 31.03.91
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE a) Buildings b) Machinery c) Others	(PENSES	131 2406 40 2577	254 102 129 476	(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs) 31.03.91 117 84 121 271
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE a) Buildings b) Machinery c) Others Other operational expenses	(PENSES	131 2406 40 2577	254 102 129	(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs) 31.03.91
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE a) Buildings b) Machinery c) Others Other operational expenses ADMINISTRATION EXPENSES	(PENSES	131 2406 40 2577	254 102 129 476 55	(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs) 31.03.91 117 84 121 271 109
1. 2. 3. 4.	PARTICULARS Interest on P.D. Account Other miscellaneous receipts Liability not required written back Profit on sale of assets NERATION, TRANSMISSION AND ADMINISTRATION EXPENSES PARTICULARS GENERATION AND TRANSMISSION EXPENSES Consumption of stores & spares REPAIRS & MAINTENANCE a) Buildings b) Machinery c) Others Other operational expenses	(PENSES	131 2406 40 2577	254 102 129 476	(Rs.	31.3.91 2129 142 83 2354 EDULE 11 in Lakhs) 31.03.91 117 84 121 271



SCHEDULE 11 (Contd.) Rs in lakhs

PARTICULARS	31.03.92	31.03.91
Insurance	30	29
Electricity charges	94	78
Travelling & Conveyance	67	43
Expenses on staff car	60	107
Telephone, Telex & Postage	29	- 23
Consultancy charges	1 .	1
Advertisement & Publicity	5	7
Printing & Stationery	12	12
Corporate office management expenses	202	183
Other miscellaneous expenses	130	144
Loss on sale of assets	1	12
Management expenses-NPTC	163	
Rebate on prompt payment	78	30
Debit Balance written off	51	
	1952	1380

EMPLOYEES REMUNERATION AND BENEFIT	S		SCHEDULE 12 Rs in Lakhs
PARTICULARS		31.03.92	31.03.91
Salaries, wages & allowances Gratuity & Contribution to Provident Fund		1823	1066
(Including Administration charges) Staff welfare expenses	2	130	96
		273	135
		2226	1297

PRIOR PERIOD ADJUSTMENT		SCHEDULE 13 Rs in Lakhs
PARTICULARS	31.03.92	31.03.91
1. Sale of Electricity	(51)	17
2. Interest	-	10
3. Depreciation	4	12
4. Royalty	17	
5. Salaries & Wages	(5)	7
6. Repair & Maintenance		(8)
7. Other Miscellaneous	(19)	(35)
	(54)	3



NOTES TO THE ACCOUNTS & CONTINGENT LIABILITIES

SCHEDULE 14

- 1. Contingent Liabilities exist in respect of the following:
 - a) Claims against the Company not acknowledged as debts, Rs. 29891 lakhs (previous year Rs. 26525 lakhs).
 - b) Income-tax demand Rs. NIL (previous year Rs. 581 lakhs)
 - c) Bonds for a sum of Rs. 18787 lakhs (previous year Rs. 18787 lakhs) 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, in respect of the projects executed on agency basis, deposit works and against grant-in-aid have not been included as the same will be recoverable from the concerned authorities.

- 2. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 274701 lakhs (previous year 198607 lakhs).
- 3. "Government of India Fund-Adjustable to Equity" includes:
 - a) Rs. 180 lakhs (previous year Rs. 180 lakhs) drawn as loan from Government of India, conversion of which to equity has been agreed to by Government in principle and is awaiting completion of certain formalities.
 - b) Rs. 6672 lakhs (previous year Rs. 9263 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 HE. Project (Stage 1) 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 effect from 1st November, 1987. Pending execution of legal documents in this regard, the accounts of that project have been incorporated in the account 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 rates 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 comes to Rs. 33160 lakhs and Rs. 31070 lakhs respectively and included in "Government Fund Adjustable to Equity" and "Unsecured Loan" respectively.

Pending settlement of terms and conditions, provision of additional interest of Rs. 5292 lakhs (including Rs. 2308 lakhs provided upto 31.03.1991) made for non-payment of loan and interest, has been included in current liabilities.

- 5. From 19.11.91 all the Transmission lines were transferred to National Power Transmission Corporation Ltd. (NPTC) on management basis. All expenses during the period 19.11.91 to 31.3.92 incurred by NPTC on behalf of Corporation are booked in respective heads except employees oriented expenses which have been shown as NPTC management expenses.
- The agreements for the supply of power with the beneficiaries are not yet finalised. Pending finalisation of the agreements, sale of electricity from Baira Siul and Salal Projects has been accounted on provisional rates of 36.65 paise and 49.34 paise per KWH respectively. Sale of Electricity from Loktak and Chukha Transmission System has also been accounted on provisional rates of 56.90 and 48.50 paise per KWH during 1.4.91 to 20.10.91 and 58.78 paise and 49.73 paise per KWH during 21.10.91 to 31.3.92 respectively. However, based on the discussions relating to tariff negotiations with the beneficiaries, Rs. 1337 lakhs have been provided and charged to Profit and Loss Accounts towards tariff adjustments.
 - b) Pending finalisation of agreement with Orissa State Electricity Board, charges for wheeling of power through Jeypore Talcher Transmission System have been accounted for at the rate of Rs. 40 lakhs per month.



SCHEDULE 14 (Contd.)

- 7. The cost of land in some cases represents provisional/initial payments towards compensation and other incidental expenses adjustment, if any, will be made when the final compensation is determined. The title of land in certain cases has not been passed to the Corporation pending completion of legal formalities.
- 8. Value of surplus construction equipments, awaiting disposal/transfer in operating projects, on which no depreciation has been charged in terms of Accounting Policy no. 2B (ii) is Rs. 2331 lakhs (Gross Block). (previous year Rs. 2045 lakhs.)
- 9. In case of Uri H.E. Projects:
 - i) Pending finalisation of terms and conditions of the lease deed with the J&K State Government for the transfer of land acquired/purchased by the project for its work, the life of the lease has been taken provisionally as 90 years.
 - ii) Due to disturbed law and order conditions prevailing in J&K, capital construction stores worth Rs. 539 lacs could not be verified and reconciled with Priced Stores Ledger and bin cards. Adjustments on account of consumption, shortages and excess, if any, will be made as and when stores is reconciled.
 - iii) Pending finalisation of the terms and conditions including price, no provision has been made in the accounts in respect of land and some old buildings of Power Development Department of J&K State in the possession of the project at Gantamulla for which P.D.D. of J&K State has made a demand of Rs.83 lacs and which is under correspondence with them. Same will be accounted for on settlement.
 - iv) Depreciation includes arrears of depreciation of Rs. 16 lacs in respect of fixed assets of Rs. 465 lacs put to use in earlier years, but capitalised during the year as certified by management, and this being a technical matter auditors have relied upon the same.
- 10. In case of Chamera H.E. Project certain losses covered under insurance could not be quantified and accounted for as the claims are yet to be lodged based on actual expenditure on repair/re-doing the work.
- 11. In case of Salal Project (Stage-1) (the construction of which was completed in the year 1987-88)
 - i) The scrap generated during construction period but sold during the year for Rs. 73 lakh has been credited to Dams & Barrage, Power House and Tunnels.
 - ii) Liability, if any, on account of stamp duty for its transfer from Government of India to Corporation will be provided at the time of execution of documents.
- 12. In case of Chukha Transmission System the Global accounts by Eastern Regional Electricity Board have not been finalised. Pending finalisation of Global accounts, unbilled sale of 32.2311 M.U. has been accounted for at provisional rate of 48.50 paise per KWH.
- 13. In some of the Projects, Material issued to contractors, advances for capital expenditure, Sundry Debtors, Loans and Advances, Sundry Creditors, Deposit/Earnest money from contractors and others are subject to reconciliation/confirmations. Adjustment, if any, will be carried out at the time of reconciliation/confirmation.
- 14. In case of some projects, adjustments in respect of some capital services/stores received during the year against advance payment/deposits have not been made because of non-receipt of verified bills/other documents.
- 15. Wage structure of workmen has been revised w.e.f. August, 1987. Pending detailed calculation, the liability on account of wage revision has been provided on estimated basis. The liability on account of Ex-Gratia and Productivity Linked Incentive is also provided on estimated basis.
- 16. Till previous year the Corporation was converting foreign payments out of foreign Bank Account on the basis of exchange rates prevailing on the date of payment. During the year the conversion of above payments has been made on the basis of the rates of drawal into the Bank Account in chronological order. This does not have any effect on the profit for the year.
- 17. The agreement for purchase of Power has since been signed with Royal Government of Bhutan. The excess liability of Rs. 2406 lakh provided in earlier years has been written back by crediting to Miscellaneous Income.
- 18. Certain excess/wrong debits and credits given by State Bank of India are appearing in Bank Reconciliation Statement. These items are under correspondence with the bank. Adjustments, if any, will be made in the books of accounts as and when these are settled.



SCHEDULE 14 (Contd.)

19. The Corporation was having Group Gratuity from LIC for discharging Gratuity liability upto 31.03.1991. The policy has since been discontinued. The liability for the year 1991-92 has been provided in books of accounts on estimated basis without Actuary valuation.

20.		Quantitative details			19	91-92	1990-91	
	١.	Licensed Capacity (Mega Watt)			_	-Not App	Applicable-	
	11.	Installed Capacity (Mega watt)				630	630	
	111.	Actual Generation (Mega Watt)				3567	3617	
	IV.	Purchase of Power (Million Units)	5 (0)			1432	1397	
	٧.	Actual Sales (Million Units)				4940	4853	
				Rs./Lakhs	% age R	s./Lakhs	% age	
21.	a.	Value of imported Capital Goods		3492		3149		
		on CIF basis						
	b.	Expenditure in foreign currency						
		i) Know-How				1644		
		ii) Interest		3594		2247		
		iii) Other Misc. Matters		35902		29531		
	C.	Earnings in foreign exchange						
		i) Interest		918		671		
	d.	Value of spare parts & Component consume	ed			9 8		
		in operating projects						
		i) Imported			-			
		ii) Indigenous		254	100	117	100	

- 22. Unsecured loans include an amount of Rs. 17053 lakhs (previous year Rs. 7801 lakhs) due towards instalment of loan repayable within one year.
- 23. No provision on account of liability of Income-tax has been made in view of carried forward losses under Income Tax Act.
- 24. Previous years' figures have been regrouped/re-arranged wherever necessary to make these comparable with current years' figures.



ACCOUNTING POLICIES

SIGNIFICANT POLICIES

- 1. System of Accounting:
 - i) The Corporation follows the mercantile system of accounting and recognises income and expenditure on an accrual basis.
 - ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

2. Fixed Assets and Depreciation:

(A) Fixed Assets:

Fixed Assets are carried at cost of acquisition or construction less accumulated depreciation (except free hold land). However where the actual expenditure cannot be directly determined, the same is ascertained on the basis of fair estimates. The amount contributed by other agencies towards part cost of assets belonging to Corporation or jointly owned by Corporation with others is reduced from the cost of such assets and net costs are shown in accounts. Inter-unit transfers of assets are done on book value.

- (B) Depreciation and Amortisation:
- i) Leasehold land:

Premium on leasehold land is amortised over the period of lease.

i) Other Assets

Depreciation on assets, plant & machinery, equipment etc. used for generation/transmission, operation and maintenance of generating stations is being charged on staight line basis 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 on straight line basis at the rates prescribed in schedule XIV to the Companies Act, 1956. In case of assets acquired prior to 2nd April 1987, the rates of depreciation are calculated under earlier provisions of Companies Act, in terms of clarification given by Company Law Board.

Depreciation is not provided on construction equipments declared surplus to the requirement of operating units.

3. Technical Know-How Fees:

Expenditure on acquiring technical know-how is treated as an item of incidental expenditure during construction which is allocated to assets in the manner stated in para 11.

4. Inventories:

- i) Stores and Spares are valued at cost.
- ii) 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.



ACCOUNTING POLICIES (Contd.)

5. Exchange Fluctuations:

Liability for foreign exchange loans during construction is determined with reference to the rate of exchange prevailing 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.

6. Gratuity

The Corporation has an approved Gratuity Fund. The payments on account of liability accruing on account of Gratuity till 31.03.1991 was discharged by paying requisite premium on Group Gratuity Policy of LIC. The Group Gratuity Policy has since been discontinued. The provision for incremental liability for this year has been made in the books of accounts, pending payment to fund.

OTHER POLICIES

- 7. The Corporation receives grants in aid for investigation of various projects. The balance of grants in aid is being reflected in accounts after deducting expenditure incurred on the investigation works. The ownership of the assets procured/constructed from grants in aid does not vest with the Corporation and hence assets are not included in the assets of the Corporation.
- 8. Liabilities, if any, for capital works executed but not measured are not provided as such works require to be finally inspected and accepted by the Corporation. Similarly, liabilities for material in transit are not provided till the time of receipt, inspection and acceptance of the same by the Corporation.
- 9. In the projects under construction, the grants/share of costs/expenditure incurred on the Assets not belonging to the Corporation are accounted for under construction work in progress pending final allocation.
- 10. 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. No adjustment is made for national profit on such sale since the amount is not material.
- 11. 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.
- 12. The Corporate Office expenses, 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 operating projects on pro-rata basis in the ratio of their net capital expenditure incurred during the year.



ACCOUNTING POLICIES (Contd.)

- 13. 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.
- 14. 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.
- 15. 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.
- 16. 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, 1992 and the Profit & Loss Account for the year ended on that date in which are incorporated the accounts of the Projects/Units audited by the Branch Auditors and their reports on the respective units have been considered by us in preparing this report. We report as follows.

- 1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement of the matters specified in paragraphs 4 & 5 of the said order.
- 2. Further to our comments in the Annexure referred to in Paragraph 1 above we report as under.
 - 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) dt. 12.7.91 from Ministry of Power and NCES and on the basis of experts' legal opinion from 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) As per accounting policy no.9, 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.
 - iii) Note No.6(a & b) to schedule 14 regarding revenue from sale of electric power and wheeling charges of JTTS accounted for on the basis of provisional rates/matter 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.
 - iv) Note No. 7 to schedule 14 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.
 - v) Note No. 8 to schedule 14 regarding non-charging of depreciation on surplus construction equipments, awaiting disposal/transfer in operating projects having gross value of Rs. 2331 lacs.
 - vi) Note No. 9(ii) to schedule 14 regarding non-verification and reconciliation of capital construction stores worth Rs. 539 lacs, with Price stores ledger and consequent adjustment on account of consumption shortages and excess at Uri H.E. Project.
 - vii) Note No 9(iii) to schedule 14 regarding non-provision in respect of land and some old buildings taken from Power Development Department of J & K at Uri H.E. Project.
 - viii) Note No. 10 to schedule 14, regarding non-accounting of certain losses covered under insurance, the claims are yet to be lodged on actual expenditure on repair, and amount is uascertained at Chamera H.E. Project.
 - ix) Note No. 13 to schedule 14 regarding non-reconciliation/confirmation of Material issued to contractors, advances for Capital Expenditure, Sundry Debtors, Sundry Creditors, Deposit/Earnest money from contractors and others at some of the projects.
 - x) Note No. 18 to schedule 14 regarding certain excess/wrong debit and credits given by State Bank of India not adjusted in the books. Effect unascertained.
 - xi) Note No. 19 to schedule 14 regarding provision of gratuity for the year on estimated basis without actuary valuation. Effect unascertained.



- xii) At Dulhasti H.E. Project, details pertaining to transactions relating to the previous year regarding few heads of accounts classified under the head Inventories and Loan and Advances are not available at the unit as the same are stated by the management to have been destroyed in fire.
- xiii) At Chukha Transmission System, Advance for Capital Expenditure and Advances recoverable in cash or kind include Rs 458629/- and Rs. 5862495/- respectively in respect of which we are unable to comment on the ultimate realisability or otherwise pending detailed scrutiny and consequent adjustments.
- xiv) At Chamera H.E. Project (Stage-I), Hire charges for plant & equipments supplied to major contractors has not been charged at the rates provided in the contract pending final settlement of the basis of recovery. This has resulted in short accounting of hire charges recoverable from contractors amounting to Rs. 456.93 lacs and reflection of excess expenditure in incidental expenditure during construction by the same amount.
- xv) At Dulhasti Transmission System (Jammu), Credit balance amounting to Rs. 436514.83 under the head Stores issued to the contractors has been transferred to other civil works-WIP arbitrarily without reconciliation. Hence we are unable to comment on the same.

Further to above:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examinations of the books.
- c) The Balance Sheet & Profit and Loss Account dealt with in this report are in agreement with the books of account.

Subject to the matters referred to in para 2 and its consequential effect on the Profit and Loss Account and Balance Sheet the said accounts together with the schedules annexed thereto and read with the accounting policies and the notes appearing thereon give a true and fair view:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1992 and
- ii) In the case of the Profit and Loss Account, of the Profit of the Company, for the year ended on that date.

For and on behalf of SUMER BANSAL & CO CHARTERED ACCOUNTANTS

New Delhi

Dated: 11th Nov. 1992

A.K. JAIN Partner



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 reconciliation & as such we are unable to comment about the discrepancies if any in those projects. In other projects where physical verifications 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 except in case Dulhasti H.E. Project, Koel-Karo H.E. Project and Chamera H.E. Project, where the discrepancies identified are under reconciliation/verification.
- 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 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.
- 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 provision 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, sales tax, wealth tax, customs duty and excise duty as on 31st March, 1992 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 (0) 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 and on behalf of SUMER BANSAL & CO.
CHARTERED ACCOUNTANTS

Place: New Delhi

Dated: 11th Nov. 1992 -

A.K. JAIN (Partner)



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 LTD. FOR THE YEAR ENDED 31ST MARCH, 1992

BALANCE SHEET

APPLICATION OF FUNDS

FIXED CAPITAL EXPENDITURE

1) Gross Block Rs. 148323 lakhs

With a view to increase the capacity of the plant, 3 old runners (value not ascertained) were replaced by the modified runners (valued Rs. 732 lakhs) which were capitalised during the year 1988-89 to 1990-91 without adjusting the cost of old runners. This resulted in overstatement of gross block (amount not ascertained).

2) Capital Work in Progress Rs. 269929 lakhs

The above amount includes Rs. 212.10 lakhs of expenditure on civil works (Pilot Tunnel) incurred prior to award of work on turnkey basis to the French consortium. But the civil works have not been accepted by the turnkey contractor as they do not fit in to the approved design and this fact has not been disclosed in the accounts.

3) Incidental expenditure during construction Rs. 129417 lakhs

- i) The above amount does not include provision of Rs. 23.66 lakhs towards leave salary and pension contribution, and lease rent and is understated by Rs. 23.66 lakhs.
- ii) This includes Rs. 33.51 lakhs being the excess depreciation charged resulting in overstatement of work in progress and understatement of Fixed Assets by Rs. 33.51 lakhs.

4) Current Assets Loans & Advances Loans & Advances Rs. 6518 Lakhs

- i) The above amount is overstated by Rs. 101 lakhs of claims admitted by the Company and not deducted from asset of advances to Contractor and Rs. 12.24 lakhs shown as expenditure during construction. The work in progress is consequently understated by Rs. 113.24 lakhs.
- ii) The above amount is also overstated by Rs. 68.5 lakhs of conductors already supplied by the firm upto November, 1991 and "Inventories" understated by same amount.
- iii) Rs. 39.28 lakhs of consumable items received and consumed prior to 31st March, 1992 are also included wrongly in above amount with corresponding understatement of "Capital Work in Progress"

Place: New Delhi

Dated: 23rd December, 1992

(KANWAL NATH) PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND EX-OFFICIO MEMBER, AUDIT BOARD-III **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 employ	yees employed	throughout the f	inancial year who were	in receipt of remuneration	not less	than Rs. 1,44,000/- P.A.
S/Shri Bandyopadhyay M.R. Chief	1,49,029	Regular	M.Sc. (Applied Geology) (30 years)	29.12.80	55	Geologist (Sr.) GSI.
Divatia, Miss E, General Manager	1,56,917	Regular	BE (Civil) M.Tech., (Struct) (33 years)	22.03.79	54	Deputy Director CWC
Gangopadhayay A.K. Chief Engineer	1,45,861	Regular	BE (Civil) (26 years)	10.09.81	46	Xen, PWD Govt. of Goa, Daman & Diu, Panaj
Gulati Vinod Chief	1,68,047	Regular	AMIE (Mech.) PG in Elec. & Mech. Engg., Dip. in Adv W.S., Dip in EDP & S, P.G. Dip in PM&IR (25 years)		45	Major in Indian Army.
Gupta G.C. Sr. Deputy Chief Medical Officer	1,59,981	Regular	MBBS (22 years)	24.04.81	45	Major in Indian Army.
Gupta M.L. Chief Engineer	1,57,447	Regular	B.Sc. Engg. (Mech.)	29.04.80	47	Dy. Mgr. BHEL
Hai M.A. Chairman & Managing Director	2,15,275	Govt. Appointment	B.E. (Mech.) FIIPM (36 years)	10.03.89	57	Director (Tech.) NTPC.
Jain A.K. General Manager	1,88,546	Regular		28.11.78	46	Dy. Accounts Mgr. IFFCO, New Delhi.
Kochar J.N. Chief	1,63,013	Regular	B.A. (32 years)	10.08.81	56	Civilian Officer Gr. I, Office of DG, Border Roads.
Krishna Mohan Chief	1,45,596	Regular	MA (LSW) (28 years)	05.06.78	54	DM(Per) Bharat Coking Coal Limited.
Mittal, S.K. General Manager	1,54,684	Regular	BE (Elect) (32 years)	23.05.78	56	XEN, UPSEB
Nand Gopal Chief Engineer	1,46,585	Relgular	BE (Civil) ME (Structures) (25 years)	03.04.80	50	Dy. Manager TSP Ltd. Tungabhadra Dam.
Ramamurthy A.R. Chief	1,47,902	Regular		11.08.78	55	Sr. Asst. Mgr., FCI.
laman N.V. Company Secretary General Manager	1,44,955	Regular		15.12.78	55	Dy. Co. Secy; Engineers India Limited.
ao P.L. Chief Engineer	1,52,759	Regular	AMIE Dip., in Business Mgt. & Ind. Admn. (32 years)	12.03.81		Divisional Engineer Rehabilitation Reclamation Organisation, Deptt. of Rehabilitation Govt. of In- dia.
en S.C. ir (Tech.)	1,84,489	Govt. Appointment	BE (Civil) FIE (36 years)	31.08.84		CE. ASEB.



ANNEXURE-IV (Contd.)

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)
Sharma P.D. Chief Engineer	1,63,929	Regular	AMIE, Dip. in Elec. Engg. LLB, FIE (28 years)	29.08.77	48	AE, UPSEB
Sharma R.K. Chief Engineer	1,45,780	Regular	BE (Elect) PG Dip. in Elect. Engg. Dip. in Marketing Management (23 years)	31.08.78	45	AE. Beas Project, Chandigarh.
Singh G.P. Dir (Projects)	1,74,461	Govt. Appointment	B.Sc. Engg (Elect) (32 years)	26.11.87	56	Sr. Mgr. (Hydro) Kenya Lighting Co.
Singh, Maj. R.D.P. Sr. Manager	1,48,640	Regular	B.Sc. Engg (Civil) (25 years)	21.03.79	48	Major in Indian Army.
Sinha BSP Chief	1,46,163	Regular	B.A., MIMM (UK) (29 years)	03.06.81	52	Manager, BHEL.
Suri B.L. Chief Engineer	1,48,436	Regular	B.Sc. Engg (Elect.) PG Dip. in Business Management (32 years)	12.07.82	56	SE (Electrical), PDD J&K
/erma Brig. R.K. NSM (Retd.) Dir (Personnel)	1.80.080	Govt. Appointment	B.Sc., PG in Def. Studies, PG Dip. (in Business Mgmt. Lab. Law & Exp. Mktg. Mgmt. (37 years)	15.05.89	57	Brigadier in Indian Army.

B.Com., IA & AS 31.07.87 Addl. General Dir (Finance) Apptt. (33 years) Manager (Finance). BHEL. Mukherjee K. 1,26,423 Regular **FICWA** 25.01.79 Asst Fin. Mgr. FCI Chief (35 years)

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 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 estimated basis.
 - (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.



