

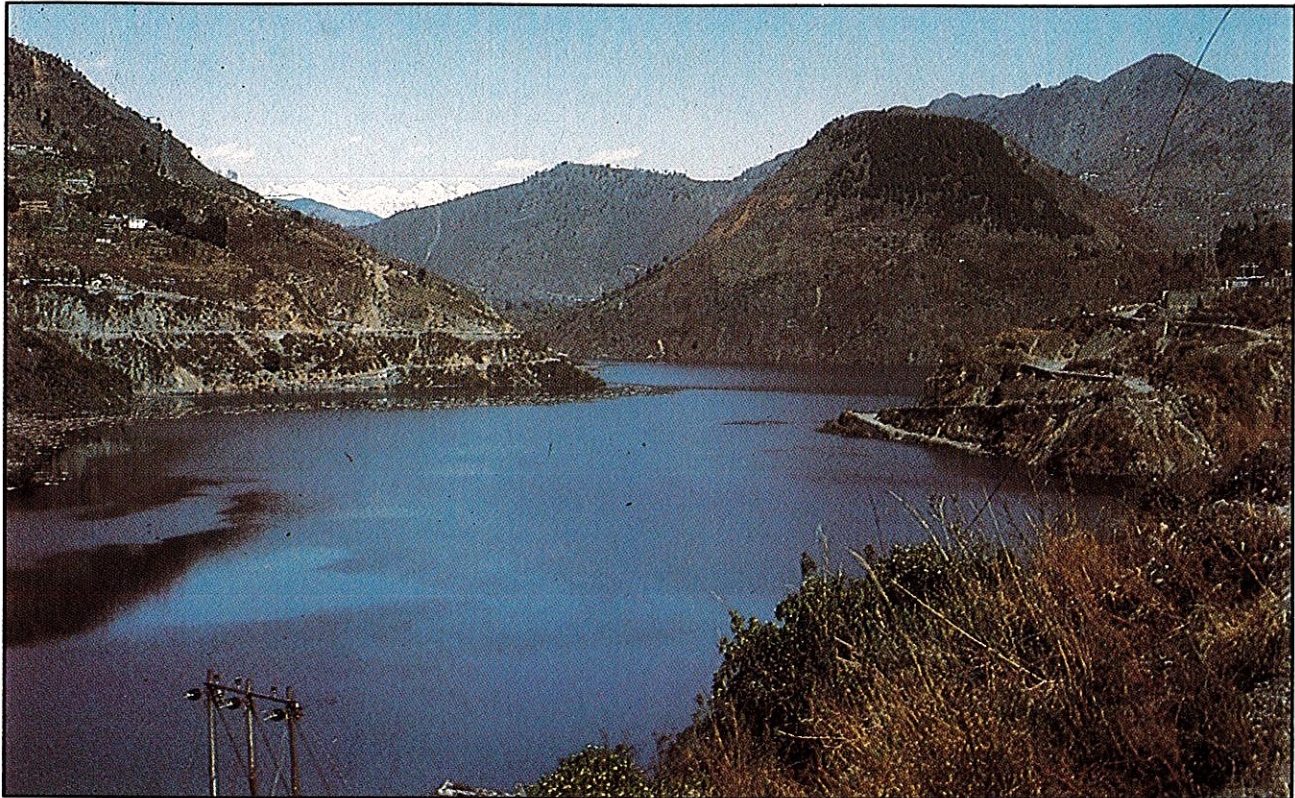
ANNUAL REPORT

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National Hydroelectric Power Corporation Ltd.





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Board of Directors

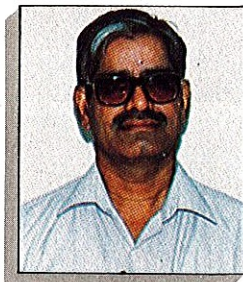
(As on 30.09.1994)



Shri Ajay Dua



Shri K.K. Vohra



Shri A.I. Bunet



Miss E. Divatia



Shri T. Sethumadhavan

COMPANY SECRETARY

Sh. N. Seetharaman

AUDITORS

Statutory Auditors :

M/s. Suresh Chandra & Associates

Chartered Accountants,
16, Paschim Vihar Ext.,
Opp. Ordinance Depot
New Delhi-110 063.



Shri S.R. Narasimhan

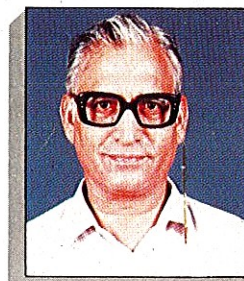
Joint Branch Auditors :

M/s. Hingorani M. & Company,

Chartered Accountants,
35, Netaji Subhash Marg,
Daryaganj,
New Delhi-110 002.

Branch Auditors

M/s. D.P. Sen & Co.
Chartered Accountants,
8/2, Kiron Shankar
Roy Road,
Calcutta-700001.



Shri A.B. Joshi

BANKERS

State Bank of India
Punjab National Bank
Syndicate Bank
Central Bank of India
Bank of Baroda
Indian Overseas Bank
Dena Bank
Bank of Bhutan



Corporate Mission

NHPC's mission is to maintain its leading role in planning, promoting and organising an integrated and efficient development of hydroelectric power in the Central Sector covering all aspects of investigations, design, construction, operation and maintenance of hydroelectric power projects in accordance with the National Policy.



Inside view of power house - Baira Siul Project

Objectives



Tunnel under construction - Uri Project

To add to the power generating capacity in the country in installing hydropower plants within optimum time Schedule and cost by adopting modern technology as well as integrated project management system to achieve the targets of accelerated execution.

To ensure optimum utilisation of commissioned power stations by adopting modern methods of operating and maintenance including renovation and modernisation of generation units whenever necessary.

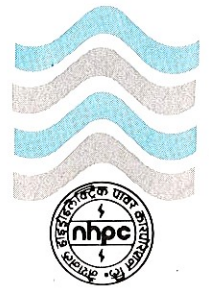
To generate adequate internal resources so as to enable the Corporation to meet its requirement of funds both on capital and revenue accounts.

To prepare a comprehensive Corporate Plan and constantly reorient it for its compatibility with the changing scenario of the country and closely follow-up its implementation to build an image for the Corporation in the Power Sector. Suitable organisational development coupled with need based stable organisational development coupled with need based training for its human resources development shall be pursued.

To undertake long term feasibility studies for optimum development of hydropower resources of river basins with a view to improve the share of hydro in country's power-mix.

To undertake consultancy assignments in the field of project investigation and project implementation including turn-key execution within and outside the country.

To adopt an environmental conscious approach in building hydro-power projects by taking various environmental protection measures.



Financial Objectives

	<p>To raise external resources through borrowing and generate sufficient internal resources for short term & long term financing, expansion and setting up new projects.</p> <p>To strategically formulate long term corporate plans to achieve desired growth of the activities of the Corporation commensurate with national objectives.</p> <p>To continue to make an effort to maximise output and generation.</p> <p>To complete all on - going projects within the stipulated time and cost without any overruns.</p>	<p>भैं धारक को एक सी रुपये भंता करने का वचन देता है।</p>
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Corporate Profile

FINANCIAL

(Rs. in Lakhs)

	1993-94	1992-93	1991-92	1990-91	1989-90
Sales & Wheeling Charges	23647	17890 *	24394	22395	20987
Miscellaneous Income	218	532	2577	2354	132
Profit before interest & depreciation	17147	12436	16710	15989	13289
Profit after interest & depreciation	7054	4149	4930	5267	5242
Dividend	500	-	-	-	-
Reserves & Surplus Cumulative	40325	33271	29122	24192	189825
WHAT CORPORATION OWNS					
Gross Fixed Assets	160399	122933	148323	144232	128605
Depreciation	29124	26621	25174	20792	17508
Net Fixed Assets	131275	96312	123149	123440	111097
Capital Work in Progress	314896	299404	269929	184833	125679
Construction Stores & Advances	136818	102457	92703	73103	55754
Net Current Assets	84012	63904	15373	31483	38990
Miscellaneous Expenditure	456	313	—	4	142
Total	667430	562390	501154	412863	331662
WHAT CORPORATION OWES					
Net Worth —					
— Share Capital	283248	263248	232253	204533	153768
— Reserves	40325	33271	29122	24192	18925
Borrowings —	343857	265871	239779	184138	158969
Total	667430	562390	501154	412863	331662

* Sales have gone down due to transfer of transmission lines to Power Grid.

VALUE ADDED STATEMENT

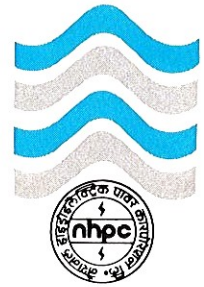
(Rs. in Lakhs)

	1993-94	1992-93	1991-92	1990-91	1989-90
Sales	23400	17609	24104	22111	20943
Less					
Consumption of Stores & spares	178	173	254	117	51
Purchase of Power	—	—	3865	3773	3847
VALUE ADDED	23222	17436	19985	18221	17045

OPERATING PERFORMANCE

	1993-94	1992-93	1991-92	1990-91	1989-90
GENERATION (M.U.)	3586.90	3474.00	3567.00	3617.45	3433.43
MACHINE AVAILABILITY(%)	84.66	87.43	90.18	83.22	87.49
SALES (Rs. in crores)	234.00	176.09	241.04	221.11	209.43
MANPOWER (Nos.)	12449	12952	13015	14944	14997

Chairman's Statement



Dear Friends,

It gives me great pleasure to welcome you to the 18th Annual General Meeting of National Hydroelectric Power Corporation Ltd. (NHPC). Financial accounts for the year 1993-94, Directors' Report alongwith Auditors' Report and the comments of Comptroller and Auditor General of India are with you for consideration and adoption.

During the year under review, your Corporation achieved a sales turnover of Rs. 236.47 crores as against Rs. 178.90 crores in the previous year registering an increase of 32.18%. The net profit during the year was Rs. 70.54 crores as against Rs. 41.49 crores in the previous year. Your Directors have accordingly recommended payment of a maiden dividend of Rs. 5 crores to the shareholders.



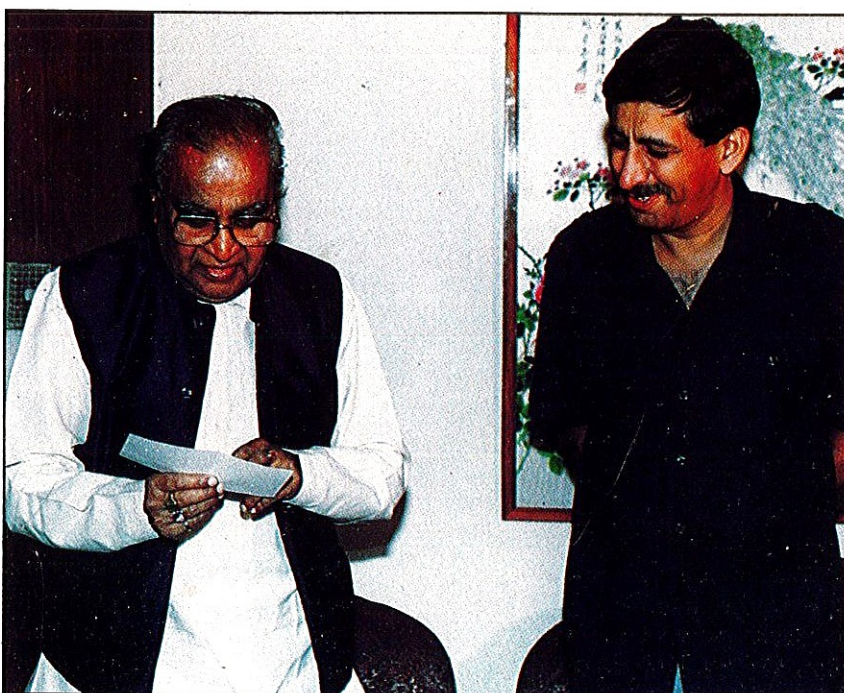
Your Corporation was successful in raising over Rs. 600 crores from the market at very reasonable terms. The average borrowing rates for the Corporation for the entire amount was 14.6% per annum. The Corporation was assigned the highest rating of PI+ for its commercial paper programme by

CRISIL, the premier rating agency in the country.

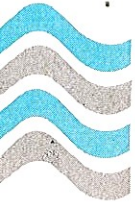
The generation from the existing generating units was 3586.9 million units during the year. I would specially like to commend the performance at the Loktak Project. The Project generated 37% more than the target fixed for the year. This is the highest generation at this Project ever since it was commissioned in 1983.

At the end of the financial year under review, the various beneficiary states owed to NHPC Rs. 250.80 crores. NHPC has been recently allowed by the Union Ministry of Power to regulate the power supply to defaulting States. The Government of India has also agreed to recover as on 31.3.94 through Central appropriation the dues of the Corporation in excess to two months average billing.

Our profitability has gone up through concerted action on various fronts.



Shri N.K.P. Salve, Hon'ble Minister of Power receiving the maiden dividend cheque presented by NHPC.



Dam site — Dhauliganga Project

A notable achievement of the Corporation was in reducing the operation and maintenance costs by 16.3% as compared to the previous year by adopting around economy measures. The staff in the Corporation has been reduced by over 600 persons and the administrative cost substantially contained.

In addition your Corporation was able to service its debts, including redemption of 'A' Series Bonds worth Rs. 141 crores. It also repaid the first two instalments of Rs. 25 crores each towards loans for Chamera Project.

A very significant development during the year under review was the rolling of three machines of the

Chamera H.E. Project Stage-I. This is the biggest project of the Corporation and with its successful completion, NHPC has now to its credit the largest single hydro units of 180 MW each operating in the country. The generation at this project during the first five months of the current year has been far above the target. Power generated from this project enabled the various beneficiary states including Delhi meet the additional energy requirements during the hot summer months. Your Corporation also successfully rolled another 115 MW unit at Salal H.E. Project. Consequently the generating capacity of the Corporation has increased from 883 MW to 1538 MW during the year. This would have its consequential beneficial effect on the rev-

enue and profitability of the Corporation.

The Corporation accelerated construction of the on-going projects during the year. Work on the 480 MW Uri Project in Kashmir Valley picked up momentum after the corporation successfully resolved various contractual and other problems affecting the pace of construction. However, work on the 390 MW Dul Hasti H.E. Project continued to be suspended. Your Management has made sincere efforts with the French Consortium of firms and the Govt. of France to restart work at this project. I am glad to inform that as a result of these efforts, a Memorandum of Understanding to resume work was entered into between NHPC and the French Consortium



Glimpse of first Inter-Power Sector hockey tournament.

of firms. Work on the Rangit H.E. Project in Sikkim was also speeded up during the year under review.

I would like to inform that your Corporation has been selected as the executing agency for setting up the 45 MW Kurichu H.E. Project in Bhutan. Your Corporation would be taking up a Project outside India after a gap of over a decade. A formal agreement between NHPC and the Kurichu Project Authority is expected to be signed shortly.

The opening up of the power sector to private participation has generated opportunities for your Corporation to share its vast technical expertise and utilise the manpower more effectively. A Consultancy Wing has been opened for this purpose. The response so far has been encouraging. Subject to Govt. approval, the Corporation also intends to open a new Wing for taking up joint ventures with the private sector.

The surplus manpower has been a cause of concern to your Corpora-

tion. A more liberalised Voluntary Retirement Scheme has been submitted to the Government of India for its consideration. The Management has also agreed to allow the employees seeking outside employment to retain two years' lien in the Company.

The Headquarters of the Corporation has since been shifted to Faridabad where a modern office complex has been constructed. The Corporation has taken steps to reduce staff at the Corporate Office and redeploy it at various projects. A number of senior officers have been shifted to the projects and regional headquarters with a view to ensure better supervision and timely completion of the projects under construction, as also help in speedy decision-making and greater decentralisation of authority.

On behalf of the Directors, management and the staff of NHPC, I would like to sincerely thank the Union Ministry of Power, Central Electricity Authority, Central Water Commission and other Government

and non-Government agencies for their unstinted cooperation. In particular we are grateful to Hon'ble Shri N.K.P. Salve, Union Minister of Power and Shri R. Vasudevan, Secretary, Ministry of Power for their unstinted support and valuable guidance throughout the year in managing our affairs.

I would like to record my appreciation of the work done by NHPC employees at various levels. Their sincerity and dedication has enabled the Corporation to give an around improved performance during the year.



(AJAY DUA)

Chairman & Managing Director

30th Sept, 1994

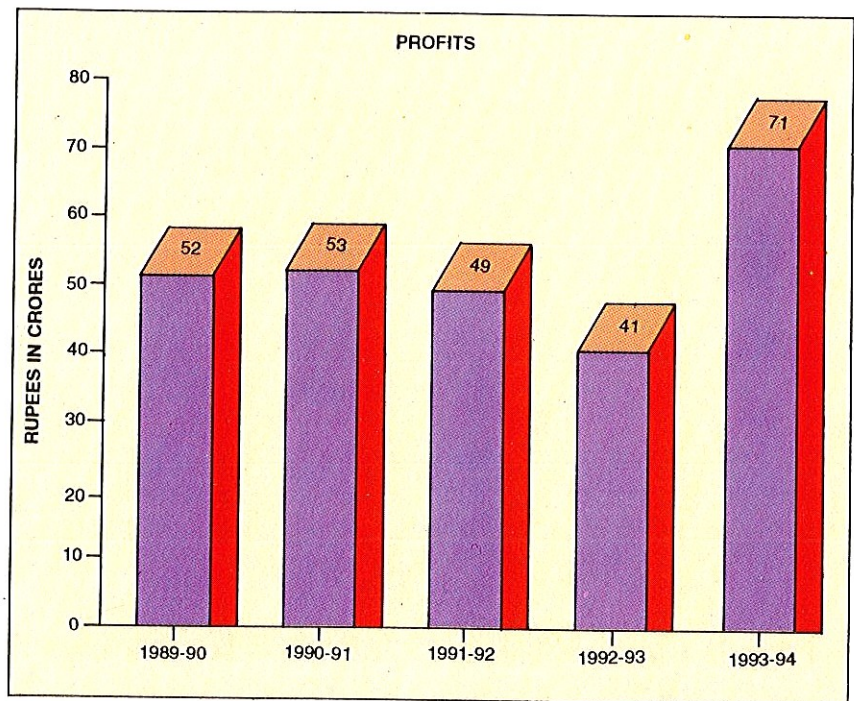
Directors' Report To Shareholders for the year 1993-94

On behalf of the Board of Directors, I would like to present the 18th Annual Report of the operations of NHPC along with Audited Accounts and the Report of Statutory Auditors for the year ended 31.3.94.

FINANCIAL PERFORMANCE

2. Your Company made a net profit of Rs. 70.54 crores during the year under review as against Rs. 41.49 crores in the previous year. This has enabled your Directors to recommend a maiden dividend of Rs. 5 crores to the Shareholders.

3. The sales turnover of the Corporation registered an increase of 32.18% during the year from Rs. 178.90 crores to Rs. 236.47 crores. We expect this revenue to double in the coming year with the commissioning of the Chamera Hydroelectric project St.I (540 MW) and a new unit of 115 MW at Salal Project. The exercise of fixing the tariff rates for projects is currently underway and we hope to have these finalised shortly. Though the revenue during the year has increased substantially and would further go up in the years to come, the dues from the State Electricity Boards continue to pose difficulties despite concerted efforts at various levels to reduce the outstandings. At the end of the year 1993-94, the amount due from the States was Rs. 250.80 crores. Under these circumstances, your Corporation had approached the Union Ministry of Power to vest with it the authority to regulate power supply to persistently defaulting States. Also recourse to insisting upon the SEBs to open Letters of Credit of requisite levels is being pursued to ensure timely payments. Looking at the high level of outstandings, the Central Government has, how-



ever, agreed to recover as on 31.3.94 through Central appropriation, the dues of the Corporation in excess to two months' average billing.

4. The profits of the Company increased significantly during the year. This was possible through concerted action at various fronts. Besides adding to capacity, the overall expenditure was sought to be contained through reduction in manpower, regulating administrative costs and more effective preventive maintenance costs at projects. I would particularly like to highlight the noticeable achievements of the Corporation in reducing the operation and maintenance costs by 16.3% during the year as compared to the previous year. This was possible through adoption of around economy measures. The profit level is expected to go up next year which should enable the Company to generate significantly higher internal resources. Your Board of Directors have consequently been able to recommend the payment of dividend of Rs. 5

crores to the share holders. This is a major landmark in the working of the Company. We hope to keep up this trend in the years to come.

5. The higher generation of internal resources as also the Corporation's ability to tap the capital market successfully enabled the Corporation to step up the pace of construction at its various on-going projects, in particular at Chamera and Salal. The Corporation was allotted a market borrowing quota of Rs. 600 crores which it successfully managed to raise. In fact the terms at which the money was raised were extremely competitive and compare very well with the terms with which the funds were raised by other Central PSUs, including those under the Ministry of Power. The Corporation raised Rs. 100 crores of tax free bonds at the prescribed rates of 10.5% per annum and could borrow additional Rs. 500 crores from commercial banks and financial institutions. The average borrowing rates for the Corporation for the entire amount was 14.6% per annum. The Corporation was assigned the highest rating of Pl+ for



Power House - Loktak Project

its commercial Paper borrowing programme to meet short term needs for funds by CRISIL, the premier rating agency in the country. These developments should augur well for the future growth of the Company.

6. Besides having the highest ever profit during 1993-94, the Corporation also made the highest investment in new projects during the year. It is gratifying to report that the Corporation was able to service its debts, including redemption of 'A' series bonds amounting to Rs. 141 crores. The Company has started repayment of loan on Chamera Project Stage-I. The first two instalments of Rs. 25 crores have already been paid during the year.

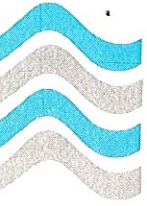
PHYSICAL PERFORMANCE

7. The various operating projects of the Corporation generated 3586.90 MUs of electricity during the year. This included generation of 400.39 MUs at Tanakpur, 1959.58 MUs at Salal, 609.01 MUs at Baira Siul and 617.07 MUs at Loktak. The Tanakpur H.E. Project started commercial production from 1.4.93. The generation at Loktak deserves special mention since it exceeded its previous year's performance and was 37% higher than the target prescribed by CEA and your Management for this project for the year. This level of generation is the highest ever since the project was commissioned in 1983. Through effectively checking the leakage in the power chan-

nel of the Tanakpur Power House, the generation therefrom could be increased substantially and the power house is now able to operate at its maximum level.

8. The Corporation faced major difficulties in stepping up generation at Salal where the reservoir got heavily silted over the years. In fact, the power house had to be closed down for a short period to prevent damage to generating sets. At Baira Siul project, power generation was curtailed for several days due to break down of evacuation arrangements not belonging to this Corporation.

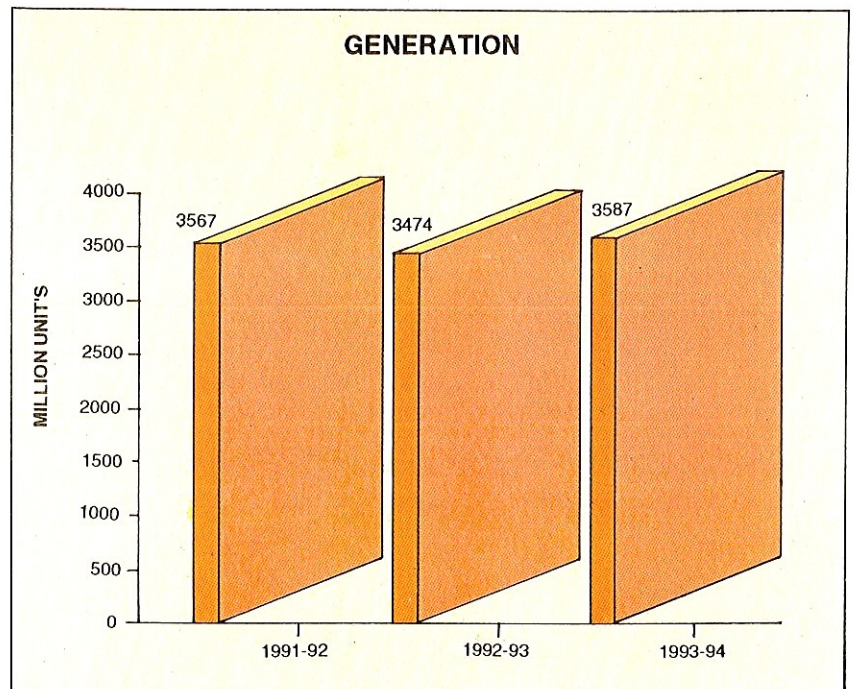
9. During the year under review, the Corporation was able to roll the three machines of Chamera Hydroelectric Project Stage-I. This was

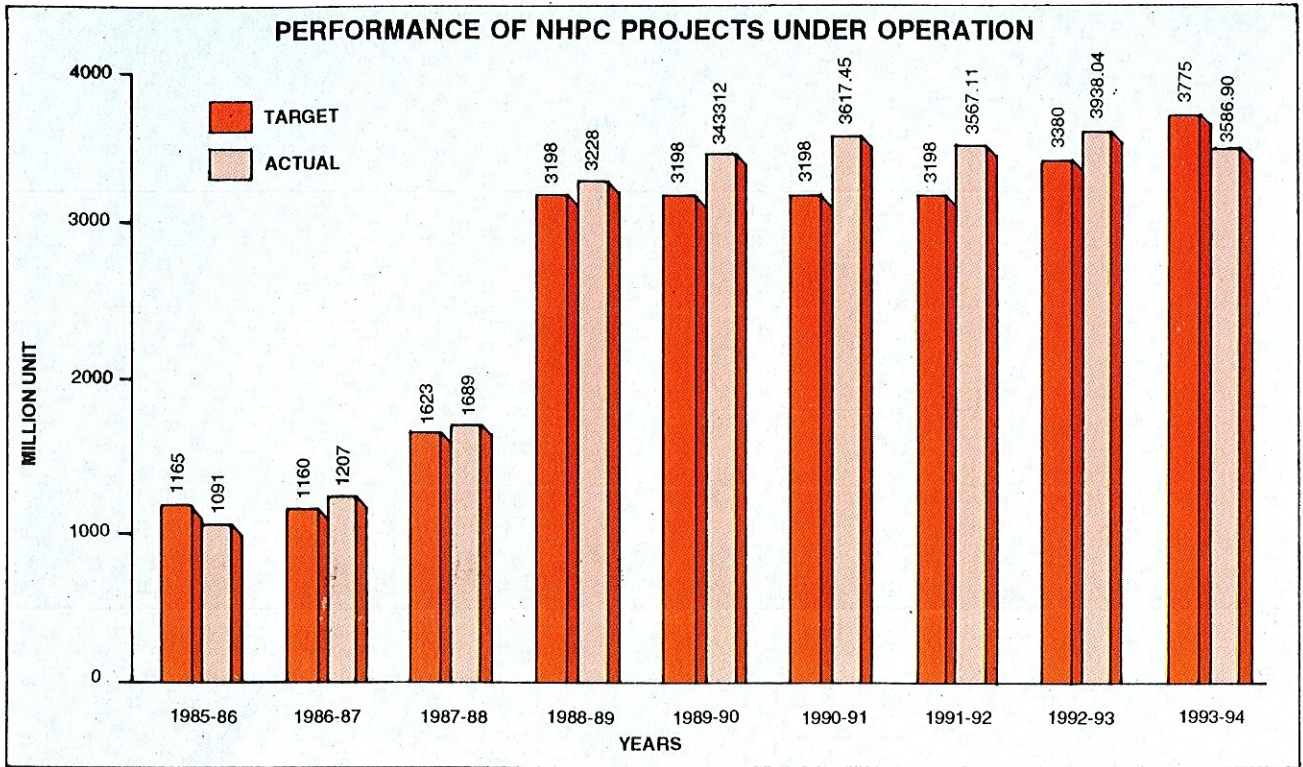


Penstock under construction - Uri Project

possible due to concerted efforts on the part of the Management and the dedicated team work at the project level. This is the biggest ever project executed by your Corporation. With the rolling of first unit of Chamera, the Corporation surpassed the record for the largest unit size held for any hydro project in the country. The project entailed undertaking one of the biggest underground works and deployment of latest construction equipment. The benefit of commercial operation would be available during 1994-95 and this would substantially augment the power supply by your Corporation to the Northern Grid.

10. Work on the 480 MW Uri H.E. Project in Kashmir Valley was significantly speeded up during the year. The various contractual and





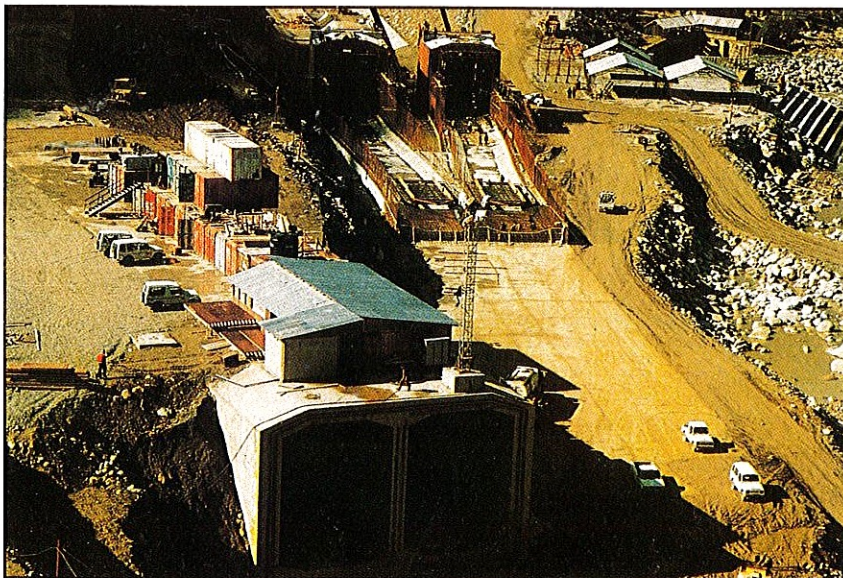
other problems affecting the pace of construction were resolved enabling the Contractors to improve accelerate the progress. During the year excavation of the tunnel was completed for 16 kms, achieving the highest ever monthly rate of tunnelling so far attained and mak-

ing good some of the delay that occurred earlier in the project implementation primarily due to problems in acquisition of land for the project. It is hoped that the project will be commissioned during the VIIIth Plan period as envisaged earlier.

11. Work continued to be suspended at the 390 MW Dulhasti Project in J&K. Negotiations were initiated at various levels with the French Consortium of firms executing the project and the Government of France for early resumption of works. As a result of the efforts made during the year, it has now become possible for your Corporation to arrive at a tentative understanding with the French firms to evolve a plan of action to resume the work.

12. Work at Rangit Project in Sikkim, which had been lagging behind on account of various factors also picked up. This is an important project being executed by the Corporation in the State of Sikkim and would go a long way in improving the hydro-thermal mix of the Eastern Grid, besides meeting the energy requirements of State of Sikkim.

13. As a result of an agreement



Cut and cover culverts - Uri Project





entered into by the Government of India with the Royal Government of Bhutan in February 1994, your Corporation was entrusted with the execution of the 45 MW Kurichu hydroelectric project on Kurichu in Eastern Bhutan. This project is aimed at meeting the growing requirement of power in Eastern Bhutan and the surplus power could be utilised in India. The Corporation is in the process of signing a formal agreement with the Kurichu Project Authority for executing this project. It is gratifying that the Corporation would be executing once again a project outside India after a gap of more than a decade. The confidence reposed by the two Governments on your Corporation is a testimony to the technical and managerial competence and a recognition of the capability of the Corporation in execution of hydroelectric projects in a professional manner matching international standards and needs.

14. With a view to sharing the technical expertise developed in the

Corporation with others and also for effective utilisation of the Corporation's manpower, a Consultancy Division was started during the year. Your Corporation has a large number of experienced and trained engineers proficient in various aspects of hydro development such as investigation, design, construction and operation. The opening up of the power sector to private participation has created a demand for such expertise which has been developed over the years in your Corporation and we hope to be able to become an agent of further growth of hydro power specially in the private sector in the years to come as consultants for the private sector hydro projects.

15. Your Corporation continues to pay attention to environment protection and promote the natural wealth of the country. In doing so it has taken up large afforestation works with strict compliance to the various environmental and ecology regulations. The Corporation has prepared the catchment area treat-

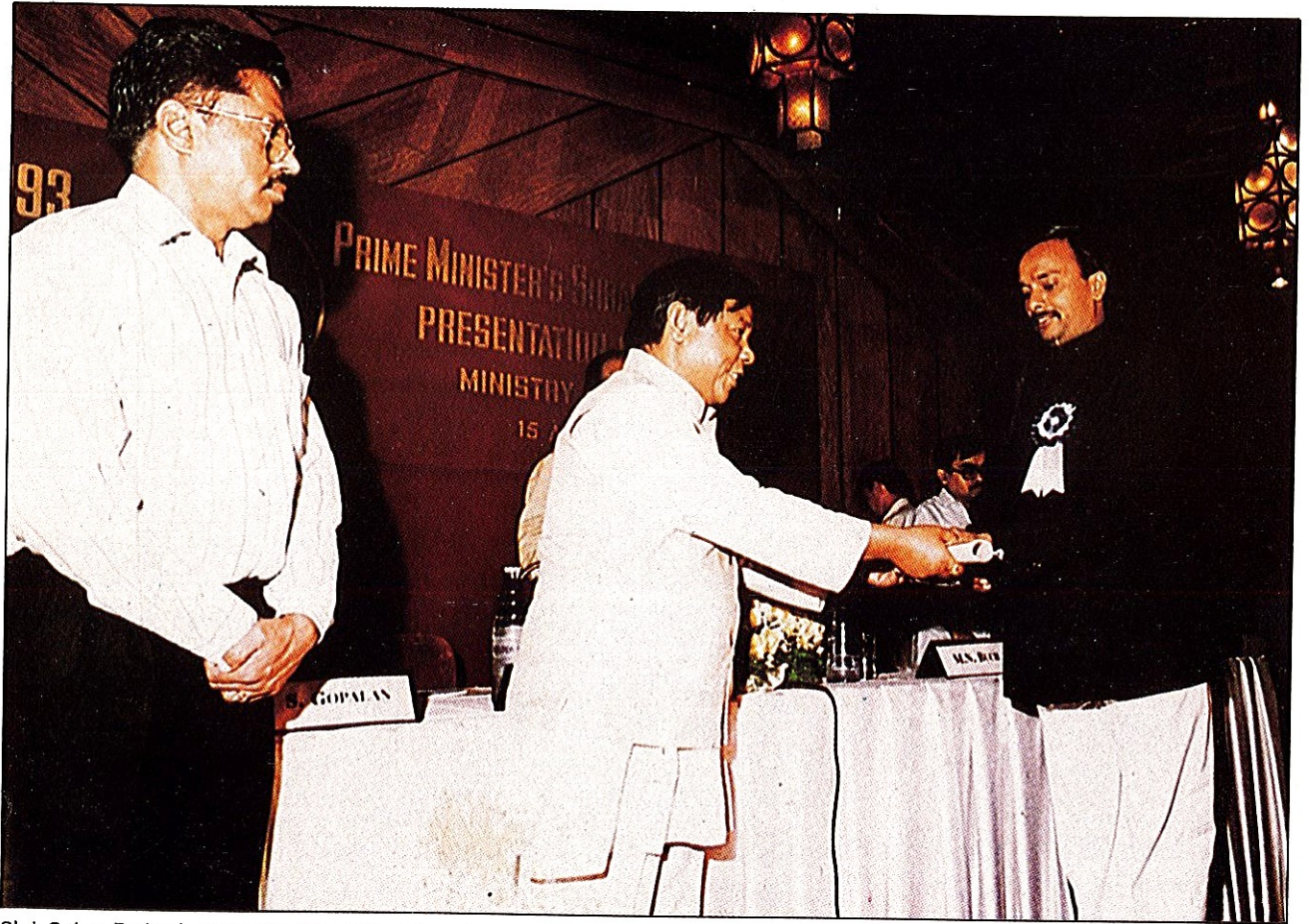
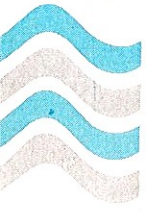
ment plan for various projects under construction and large tracts of land were acquired for voluntary and compensatory afforestation. Over the years the Corporation has planted 72 lacs trees, including about 38 lacs at Chamera Hydroelectric Project.

16. Besides promotion of benign environment, the Corporation has been paying special attention to conservation of energy. This concept is being administered at the projects both under implementation as well as under operation. The Corporation observed Energy Conservation Week to create awareness amongst its employees about the judicious use of oil, construction power and auxiliary consumption. During this week, Seminars and Workshops were organised on this subject.

HUMAN RESOURCES

17. Harmonious climate of industrial relations was maintained in the Corporation during the year. The Management made conscious efforts to reduce staff at the Corporate office and redeploy it at various projects so as to speed up the progress of construction and provide more effective supervision. Towards this end, a number of senior positions were diverted from the Corporate Office to the Projects and Regional Headquarters. It is hoped that this would ensure better supervision and timely completion of various on-going projects. This will also be a step towards speedier decision-making and greater decentralisation of authority. The Management of your Company also streamlined the system of rotating staff between the Head Office and the Projects and a large number of transfers, particularly from the Corporate Office to the projects were





Shri Satya Prakash receiving Shramveer Award

effected at various levels.

18. It was decided to shift the Headquarters of the Company from New Delhi to Faridabad in Haryana where your Company has constructed a spacious and modern office complex. Ours would be one of the few Govt. Companies to shift its headquarters out of Delhi in line with the Government decision. Being under one roof, it should facilitate more effective coordination as also foster greater comradery amongst the staff.

19. With a view to reducing the level of surplus staff in the Company, your Corporation implemented a Voluntary Retirement Scheme. 366 employees availed of this scheme. It is proposed to continue to imple-

ment this scheme in the following year and simultaneously to review the benefits under the scheme. With a view to thin down the staff strength of the Corporation, your management has agreed to allow the employees seeking outside employment to retain 2 years' lien in the Company.

20. The Corporation has been very careful with respect to new recruitments and in fact repatriated a large number of deputationists. Retraining of employees was initiated so that the need for recruitment of new employees is obviated. A total of 4929 mandays were utilised during the year in training and development of employees. Staff was deputed for a large number of internal programmes and courses organised by other professional

bodies. For the transfer of technology, a number of staff members were sent abroad for on-job training.

21. Shri Satya Prakash an employee of the Corporation working at the Loktak Project was awarded the Prime Minister's Shramveer Award. This is the first time that an employee of your Corporation has been given recognition at the national level.

22. Your Corporation continued to implement the Presidential Directive providing reservation for SC/ST candidates. While considering terms of SC/ST candidates, due relaxation is given as per the policy of the Corporation. There is some backlog in filling up of the vacan-



cies reserved for SC/ST employees even though offers of appointment had been sent to the selected candidates as per the prescribed rules and procedures.

OFFICIAL LANGUAGE

23. The Management continued to make efforts to promote use of Hindi at the Corporate Office as well as in various projects. Several competitions and workshops were organised for promoting the progressive use of Hindi in official work and cash prizes and certificates awarded to winners and other deserving candidates. Loktak Project was awarded the Rolling Trophy for undertaking substantial work in Hindi by the Imphal Town Official Language Committee.

24. With a view to making Vigilance function of the Corporation more effective, a Chief Vigilance Officer in the rank of Executive Director was appointed on deputation from the Govt. of India. Action has been initiated to strengthen the Vigilance



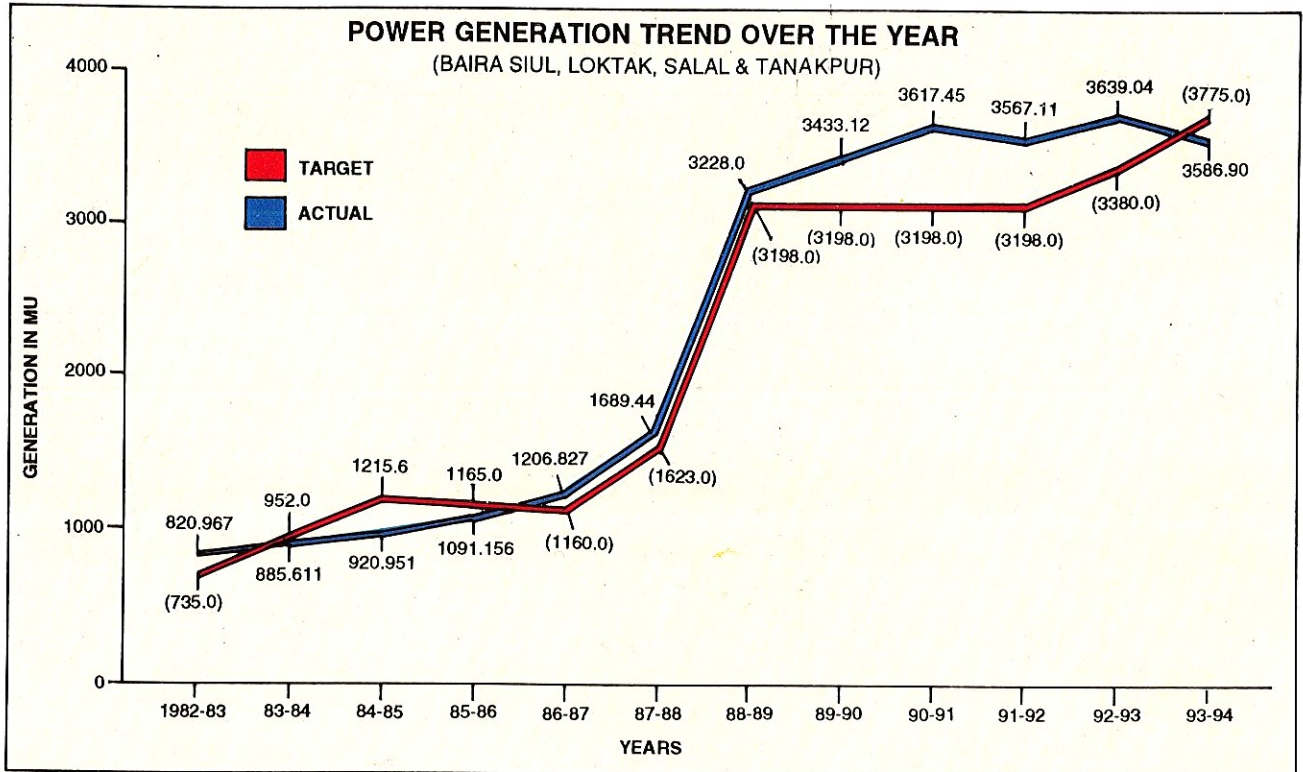
NHPC Office complex at Faridabad

set-up, particularly in far flung areas of the projects. Project Vigilance Officers are being identified. For this purpose, close coordination was maintained with various Govt. enforcement agencies.

BOARD OF DIRECTORS

25. Shri V.K. Dewan ceased to be a part-time Director on the Board of Directors of NHPC with effect from 29.6.94. The Board places on record their appreciation of the valuable services rendered by Shri Dewan as a Director.





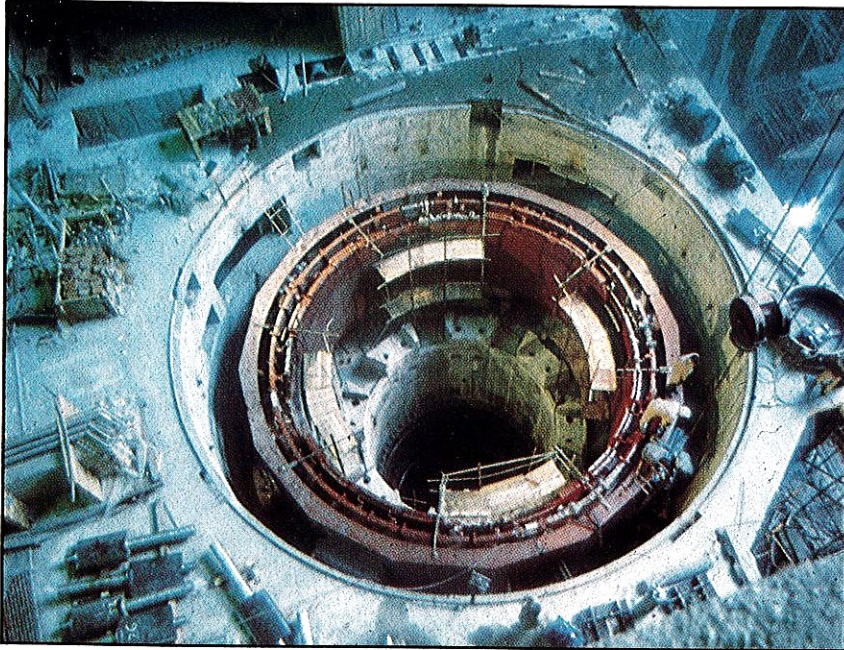
AUDITORS' REPORT

26. The Auditor's Report inter alia refers to the various notes incorporated by the Company in Schedule XIV. The replies are therefore, self-explanatory. The reconciliation in respect of Uri could not be effected on account of prevailing disturbed conditions. The reconciliation of advances, material issued to contractors, sundry debtors etc, is being periodically done and discrepancies detected are adjusted.

The Corporation has no raw materials. However, periodical review to determine unserviceable/damaged store is conducted and appropriate action taken for disposal/adjustments of these items. Steps are being taken to enlarge the scope



Investigation work in Progress - Kurichu Project



Unit VI under construction - Salal

and area of internal audit and strengthen it further to commensurate with the size of the Corporation and nature of business. The comments of the Comptroller and Auditor General of India and replies of the Directors thereof appear at Annexure-I.

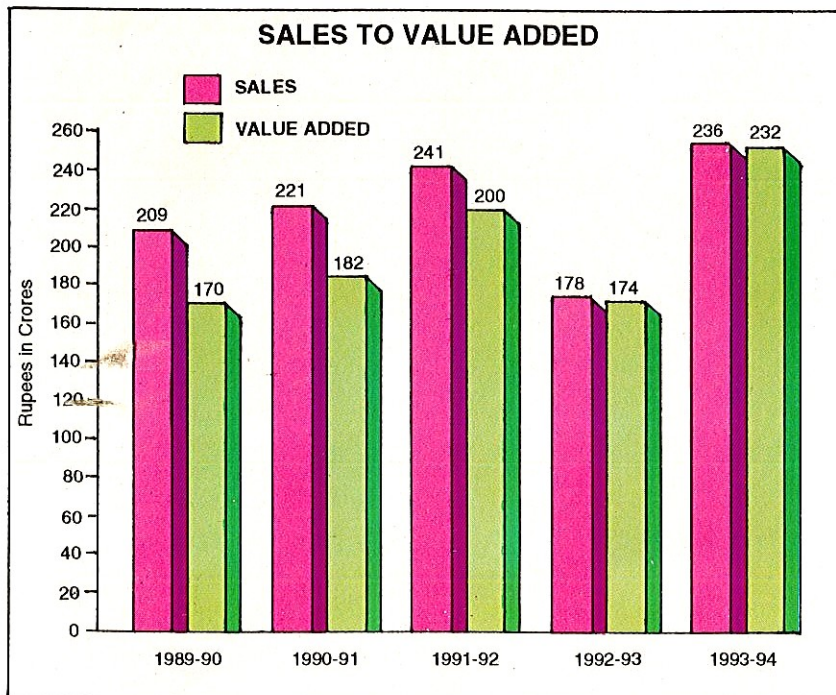
Review of the accounts for the year ending on 31st March, 1994 by Comptroller & Auditor General of India is enclosed as Annexure-II to the report.

PARTICULARS OF EMPLOYEES

27. Information under Section 217(2A) of the Companies Act 1956 read with Companies' (Particulars of employees) Rules 1975 is given in Annexure. III to this Report.

ACKNOWLEDGEMENTS

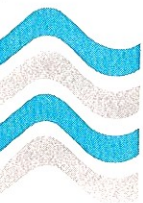
28. Your Board would like to place on record its appreciation of the unstinted cooperation and assistance extended by various authorities of the Government and other organisations during the year to this Corporation. In particular, we are grateful to the Ministry of Power and CEA for their valuable guidance, advice and help. The Board of Directors also wishes to thank the C&AG of India, the Statutory Auditors and the bankers for their valued cooperation.



For and on behalf of the Board of Directors

(AJAY DUA)

Chairman & Managing Director



SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting:

- 1.1 The Corporation follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
- 1.2 Financial statements are prepared on historical cost basis.

2. Capital Expenditure

2.1 Fixed Assets:

- a. Fixed Assets are carried at cost of acquisition/construction less accumulated depreciation. 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 the accounts.
- b. Fixed Assets owned by the Corporation created on land not belonging to the Corporation are shown under fixed assets.

2.2 Other Assets:

- i) The expenditure incurred on the assets which are not owned and created on the land not belonging to Corporation are written off over a period of 5 years in equal instalments after start of commercial operation.
- ii) Expenditure on maintenance, upgradation etc. of common Public facilities is charged to 'Incidental Expenditure During Construction' (IEDC) forming part of Capital Work in Progress.
- iii) Assets procured/created out of Grant in aid/Agency or Deposit basis are not included in the assets as ownership does not vest with the Corporation.

2.3 Depreciation and Amortisation:

- (i) Premium on leasehold land is amortised over the period of lease.
- (ii) Depreciation on assets used for generation/transmission, operation is being charged on straight line basis at the rates notified under sub-section 1 of section 68 of Electricity (Supply) Act, 1948 following the year in which the assets are put to use.
- (iii) Depreciation on other assets is provided on straight line basis at the rates prescribed in the Companies Act, 1956.
- (iv) Assets with original Cost/W.D.V. of Rs. 5,000/- or less at the beginning of the year are fully written off.
- (v) Depreciation on Construction Equipments declared surplus is not provided.

3. Valuation of Inventories:

- 3.1 Stores and Spares are valued at cost.
- 3.2 Consumable/Loose tools purchased where cost of one single item is Rs. 5,000/ or less is charged to consumption account. In other cases, cost is written off over a period of 5 years in equal instalments.

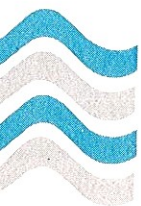


4. Exchange Fluctuations:

Foreign exchange loans are translated at the rate of exchange at the year end and the resultant difference is transferred to incidental expenditure during construction forming part of Capital Work in Progress

5. Miscellaneous

- 5.1 Liabilities for Goods in transit/Capital Works executed but not certified are not provided for, pending inspection and acceptance by the Corporation.
- 5.2 Power supplied from operational projects to Projects under construction is being charged as per normal tariff.
- 5.3 The entire amount of incidental expenditure during construction (IEDC) is allocated on the fixed immovable assets excluding land on the basis of cost appearing/adjusted as on 1st day of the Start of commercial production.
- 5.4 The Corporate Office expenses inclusive of remuneration to surplus employees are allocated as under :
 - a) On operational Projects @ 1% of sale of energy and wheeling charges excluding taxes, duties.
 - b) In case of Kurichu H.E.P. at a flat rate of 5% of direct capital expenditure.
 - c) The balance expenditure is allocated to Projects under construction/on agency basis, investigation works on pro-rata basis in the ratio of net capital expenditure incurred during the year.
- 5.5 In case of Projects under operation, "Prior Period Adjustments" are made only if the amount involved is more than Rs. 5000 in each case.
- 5.6 Interest and incidental expenses incurred on raising funds for construction project by way of Debenture/ Term loans/Bonds is treated as capital expenditure and charged to Incidental Expenditure during construction.



BALANCE SHEET AS AT 31.3.1994

(Rs. in Lakhs)

PARTICULARS	SCHEDULE NO	31.3.1994		31.3.1993	
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Capital	1	249908		225523	
(b) Reserves and Surplus	2	39825	289733	33271	258794
2. GOVT. OF INDIA FUND					
ADJUSTABLE TO EQUITY			33340		37725
3. LOAN FUNDS					
(a) Secured Loans	3	133333		117446	
(b) Unsecured Loans		210524	343857	148425	265871
			<u>666930</u>		<u>562390</u>
APPLICATIONS OF FUNDS					
1. FIXED CAPITAL EXPENDITURE					
(a) Fixed Assets					
Gross Block	4	160399		122933	
Less: Depreciation		29124		26621	
Net Block			131275		96312
(b) Capital Work-in-Progress	5	314869		299404	
(c) Construction Stores & Advances	6	136818	582962	102457	498173
2. CURRENT ASSETS LOANS & ADVANCES					
(a) Inventories	7	2085		1988	
(b) Sundry Debtors		25080		19179	
(c) Cash & Bank Balances		11605		13660	
(d) Other Current Assets		516		1157	
(e) Loans & Advances		65216	104502	57811	93795
Less: Current Liabilities & Provisions					
(a) Liabilities	8	20490		29891	
(b) Provisions		500	20990	--	29891
			83512		63904
NET CURRENT ASSETS					
3. MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)	9		456		313
			<u>666930</u>		<u>562390</u>

NOTES TO THE ACCOUNTS & CONTINGENT LIABILITIES

Schedule 1 to 14 and Accounting Policy form integral part of the Accounts

N. SEETHARAMAN
Secretary

A.R. RAMAMURTHI
Chief (F&A)

K.K. VOHRA
Director (Finance)

AJAY DUA
Chairman & Managing Director

As per our report of even date attached
For **SURESH CHANDRA & ASSOCIATES**
Chartered Accountants

Place: New Delhi
Dated: 30th August, 1994

MADHUR GUPTA
Partner



PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 1994

(Rs. in Lakhs)

PARTICULARS	Schedule No	31.3.1994	31.3.1993
INCOME			
1. Sales		23400	17609
2. Wheeling Charges		247	281
3. Miscellaneous Income	10	218	532
TOTAL INCOME		<u>23865</u>	<u>18422</u>
EXPENDITURE			
1. Generation, Transmission & Administration Expenses	11	1545	1381
2. Employees' Remuneration & Benefits	12	1991	1349
3. Wheeling Charges		247	282
4. Royalty		439	517
5. Depreciation		2304	2260
6. Interest		7789	6027
7. Provision for Doubtful Debts		2781	2371
TOTAL EXPENDITURE		<u>17096</u>	<u>14187</u>
Profit for the year		6769	4235
Add (Less) Prior period adjustments	13	285	(86)
Profit Before Income Tax & Statutory Appropriations		7054	4149
Add Profit Brought forward from previous year		12	12
Less:			
Proposed Dividend		500	
Statutory Appropriation Debenture Redemption Reserve		4195	4149
Profit transferred to General Reserve		--	--
Profit carried over to Reserves & Surplus		2371	12

N. SEETHARAMAN
Secretary

A.R. RAMAMURTHI
Chief (F&A)

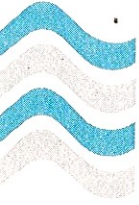
K.K. VOHRA
Director (Finance)

AJAY DUA
Chairman & Managing Director

As per our report of even date attached
For **SURESH CHANDRA & ASSOCIATES**
Chartered Accountants

Place: New Delhi
Dated: 30th August, 1994

MADHUR GUPTA
Partner

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

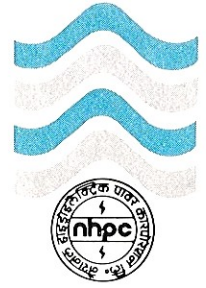
(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
AUTHORISED CAPITAL		
250,00,000 (Previous year 250,00,000) Equity Share of Rs. 1000/- each	<u>250000</u>	<u>250000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
24990840 Equity Shares (Previous year 22552340) of Rs. 1000/- each fully paid (out of this 629529 shares have been allotted for consideration other than cash pursuant to contracts and one share has been allotted for part consideration other than cash)	249908	225523
	<u>249908</u>	<u>225523</u>

RESERVES AND SURPLUS**SCHEDULE-2**

(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
Debenture Redemption Reserve	14109	9914
General Reserve	21000	21000
Investment Allowance (Utilised) Reserve	2345	2345
Profit & Loss Account (Loss)	2371	1123
	<u>39825</u>	<u>33271</u>



LOAN FUNDS

SCHEDULE-3

(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
SECURED LOANS		
Bonds--A Series		
(Secured through equitable mortgage against assets of Loktak and Baira Siul Projects)		
14% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par.		
Earliest date of redemption is 8th July, 1993	--	14129
Bonds--C Series		
(Secured through equitable mortgage against assets of Chamera H.E. Project)		
9% 10 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 20th May, 1998	15000	15000
Bonds--D Series		
(Secured through equitable mortgage against assets of Chamera H.E. Project)		
9% 10 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 27th September, 1999	21998	22000
Interest accrued and due on notified bonds	135	81
Bonds--E Series		
(Secured through equitable mortgage against assets of Chamera H.E. Project)		
9% 10 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 9th February, 2000	15000	15000
Interest accrued and due (Unclaimed)	--	36
Bonds--F Series		
(Secured through equitable mortgage against assets of Chamera H.E. Project)		
13% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 13th September, 1997	21500	21500
Bonds--G Series		
(Secured through equitable mortgage against assets of Chamera H.E. Project)		
17.5% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 2nd December, 1998	5000	5000



SCHEDULE-3(Contd.)

(Rs. in Lakhs)

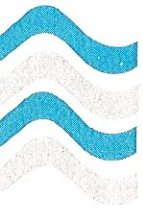
PARTICULARS	31.3.94		31.3.93	
17% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 21st February 1999	1000		1000	
18% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par. Earliest date of redemption is 9th March 1999	13000		13000	
9% 10 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 31st March 2002	700	19700	700	19700
Other Loans (UTI) (Secured through equitable mortgage against assets of Chamera H.E. Project)		40000		10000
Total Secured		<u>133333</u>		<u>117446</u>
UNSECURED LOANS				
Bonds--B Series (Secured through equitable mortgage against assets of Chukha Transmission System of PGCIL)				
13% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 11th December, 1994		4978		4996
9% 10 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 11th December, 1997		7842		7866
Interest accrued and due (Sub-judice)		96		
Bonds--H Series (To be secured through equitable mortgage)				
18% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 8th August 1999	5000		5000	
17% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par. Earliest date of redemption is 30th March, 2000	2519	7519	900	5900
Bonds--I Series (To be secured through equitable mortgage)				
17% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 4th January, 2001	80			



SCHEDULE-3 (Contd.)

(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
15.5% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par. Earliest date of redemption is 20th January, 1999	1000	--
14% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par. Earliest date of redemption is 24th March, 2001	19096	--
10.5% 7 year redeemable non-convertible bonds of Rs. 1000/- each redeemable at par on 29th March, 2001	10000	30176
FUNDS FROM GOVERNMENT OF INDIA	51500	53175
INTEREST ACCRUED AND DUE ON GOVERNMENT LOAN FROM OTHERS (guaranteed by Government of India)	12068	4457
1. Export Development Corporation (Canada)	45596	48641
2. Consortium led by Chartered West L.B. Ltd.	8624	6938
3. Credit Commercial DE France	15658	12912
4. ABSEK	<u>21867</u>	<u>91745</u>
	2790	71281
 LOAN FROM OTHER AGENCIES	 4600	 750
 Total Unsecured	 <u>210524</u>	 <u>148425</u>
TOTAL	<u>343857</u>	<u>265871</u>



FIXED ASSETS

SCHEDULE-4

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEP.		NET BLOCK	
	As at	Additions/	Deductions/	As at	Upto	As at	As at
	1.4.93	Adjustments	Adjustments	31.3.94	31.3.94	31.3.94	31.3.93
Land Freehold	1945	2357	7	4295	--	4295	1945
Land Lease Hold	1676	159	411	1424	79	1345	1606
Buildings	15130	8397	130	23397	4093	19304	11555
Roads & Bridges	5550	417	155	5812	888	4924	4772
Construction Plant & Machinery	16207	420	950	15677	13187	2490	3382
Generating Plant & Machinery	9971	12829	10	22790	2264	20526	8062
Sub-station Equipments	761	41	35	767	272	495	528
Hydraulic Works (Dams, Tunnels etc.)	64151	19639	2260	81530	6315	75215	59199
Vehicles	1399	85	290	1194	930	263	499
Furniture, Fixtures & Equipments	1327	82	583	826	415	412	833
Transmission Lines	4133	1414	3910	1637	228	1409	3565
Miscellaneous Assets/Equipments	683	478	111	1050	453	597	366
TOTAL	122933	46318	8852	160399	29124	131275	96312
Previous Year	148323	2232	27622	122933	26621	96312	



CAPITAL WORK-IN-PROGRESS

SCHEDULE-5

(Rs. in Lakhs)

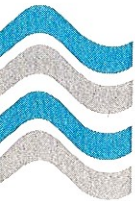
PARTICULARS	31.3.94	31.3.93
1. Survey, Investigation, Consultancy and other expenses	828	804
2. Buildings and Civil Engg. Works and Communications	15937	15325
3. Roads & Bridges	1507	1502
4. Hydraulic Works, Barrages, Dams, Tunnels & Power Channels	108256	99900
5. Penstock	2673	2535
6. P&M in Generating Station	27717	24792
7. Elect. Install. & Sub-Station Equipments	6150	6046
8. Misc. Assets	6846	540
9. Trunk Transmission Lines	226	2097
10. Expenditure on Assets created on Land not belonging to corporation	1276	4095
11. Incidental Expenditure During Construction		
Balance b/f from last year	141768	129417
Additions for the year	<u>38791</u>	<u>22900</u>
TOTAL	<u>180559</u>	<u>152317</u>
Add (Less) Adjusted/transferred to Government of India during the year	<u>(37106)</u>	<u>(10549)</u>
NET I.E.D.C ADDED TO C.W.I.P	143453	141768
	<u>314869</u>	<u>299404</u>

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

Annexure to Schedule-5

(Rs. in Lakhs)

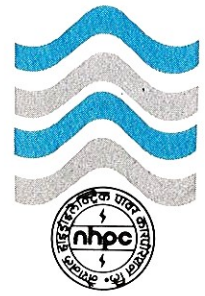
PARTICULARS	31.3.94	31.3.93
EMPLOYEES' REMUNERATION & BENEFITS		
Salary, Wages, Allowances & Benefits	4338	4162
Gratuity & Contribution to Provident Fund (including Administration Fee)	525	567
Staff welfare expenses	705	630
Leave salary & pension contribution	24	27
	5592	5386
REPAIRS & MAINTENANCE		
Buildings	192	235
Machinery & Construction equipments	1271	1438
Others	588	521
Travelling & Conveyance	98	114
Expenses on staff cars & inspection vehicles	341	326
Rent Office	127	133
Rent for Residential accommodation	65	62
Rates and Taxes	194	217
Insurance	189	160



Annexure to Schedule-5 (Contd.)

(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
Electricity charges	593	338
Telephone, Telex & Postage	68	78
Advertisement & Publicity	16	36
Design & Consultancy charges	4	23
Entertainment	2	2
Printing & Stationery	42	50
PAYMENT TO AUDITORS		
Audit fee	2	2
For other matters	1	1
Audit expenses	1	1
Interest on Loans	4	4
Interest on Bonds	12652	5729
Up front Charges for Bond Issue & Loan	10040	13197
Bank Charges	310	395
Income tax on foreign contracts	21	7
Loss on material/assets written off	1627	1611
Foreign consultancy charges	27	244
Commitment fee	87	1034
Financing charges	189	526
Depreciation	326	185
Exchange rate variation	1697	1689
Donations & Other contributions	65	--
Management expenses Power Grid Corporation of India Ltd.	23	--
Doubtful Debts	--	273
Expenditure on land not belonging to Corporation	--	9
Other expenses	1857	--
TOTAL EXPENDITURE	4361	2798
LESS: RECEIPTS AND RECOVERIES	42668	36820
Sale of scrap	97	51
Electricity charges	119	1955
Rent	3	13
INTEREST		
Term deposits	96	505
Loans and advances	157	126
Other investments	38	73
Miscellaneous receipts & recoveries	534	1591
Profit on sale of assets	7	2



Annexure to Schedule-5 (Contd.)

(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
Prior period adjustments	--	6489
Exchange Rate Variation (Gain)	-	174
TOTAL RECEIPTS	<u>1051</u>	<u>10979</u>
NET EXPENDITURE	<u>41617</u>	<u>25841</u>
LESS:		
1. Hire Charges/out turn allocated/allocable directly to C.W.I.P	2587	2764
2. I.E.D.C. allocated to Investigation Deposits, Agency works and Operating projects	239	177
	<u>2826</u>	<u>2941</u>
	<u>38791</u>	<u>22900</u>

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

	1993-94 (Rs.)	1992-93 (Rs.)
i) Salaries and Allowances	409794	379428
ii) Contribution to Provident Fund	39361	43790
iii) Rent for Residential Accommodation	166184	161178
iv) Travelling Expenses	164259	99965
v) Medical Reimbursement	34386	42215
vi) Leave Travel Concession		62922

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.

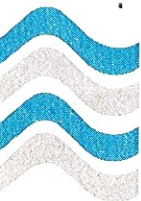
CONSTRUCTION STORES & ADVANCES

SCHEDULE- 6

(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
1. CONSTRUCTION STORES		
(At Cost as valued and certified by Management)		
Construction Material in Transit	249	503
Stores	7609	8377
	<u>7858</u>	<u>8880</u>
2. ADVANCE FOR CAPITAL EXPENDITURE		
Secured (Considered good)	114682	76932
Unsecured	14278	16645
a) Considered good		
b) Doubtful	-	-
c) Less Provision for Doubtful	-	-
	<u>128960</u>	<u>93577</u>
	<u>136818</u>	<u>102457</u>

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



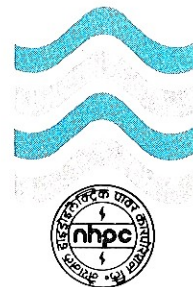
CURRENT ASSETS LOANS AND ADVANCES

Schedule-7

(Rs. in Lakhs)

PARTICULARS	31.3.94		31.3.93	
1. Inventories (At Cost as valued and certified by Management)				
Stores and spares	2083		1982	
Loose tools	<u>2</u>	2085	<u>6</u>	1988
2. Sundry Debtors				
Debts exceeding six months	25152		17683	
Other debts	9251		8038	
LESS Provision for Doubtful/Bad debts	<u>9323</u>	25080	<u>6542</u>	19179
Particulars of Sundry Debtors	<u>1993-94</u>	<u>1992-93</u>		
Unsecured considered	25080	19179		
Considered doubtful and provided	9323	6542		
3. Cash & Bank Balances				
Cash, Imprest, Cheques, Drafts, Postal orders & Postal stamp	402		1821	
BALANCES WITH SCHEDULED BANKS				
Current account	7931		2321	
Deposit with scheduled banks	902		1294	
BALANCE WITH NON-SCHEDULED BANKS				
Current account (With Skandinaviska Enskilda Banken)	<u>2370</u>	11605	<u>8224</u>	13660
	Maximum Balance during the year			
SKNDINAVISKA ENSKILDA BANKEN	<u>1993-94</u>	<u>1992-93</u>		
Current Account	8668	9426		
4. OTHER CURRENT ASSETS				
Interest accrued on deposits	96		80	
Others	<u>420</u>	516	<u>1077</u>	1157
5. LOANS AND ADVANCES				
ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED				
Secured (Considered good)	10		6	
Unsecured (Considered good)	2927		2582	
Unsecured (Doubtful)	94		95	
Less Provision for Doubtful	94		95	
Loan to employees (Secured)	413		419	
Balance with customs	-		-	
Public Deposit A/C G.O.I.	7474		57	
Power Grid Corporation of India Ltd.	<u>54392</u>	<u>65216</u>	<u>54747</u>	<u>57811</u>
		<u>104502</u>		<u>93795</u>

Advance due from Directors Rs.NIL (Previous year Rs. 1 lakh). Maximum amount due at anytime during the year amount to Rs. 1.27 lakhs (Previous year Rs. 1 lakh).



CURRENT LIABILITIES AND PROVISIONS

SCHEDULE-8 (Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
LIABILITIES		
Sundry creditors	5956	3495
Unspent amount of Deposit/Agency	277	289
Deposits/Retention money	737	799
Other liabilities	3653	11215
Interest accrued but not due-Loan	9849	14075
Liability for Cheques issued	18	18
	20490	29891
PROVISIONS		
Dividend	500	--
	<u>20990</u>	<u>29891</u>

Interest accrued but not due on loans includes Rs. 525 lakhs (Previous year Rs. 1601 lakhs) on Cumulative Bonds 'B' Series to be paid on maturity.

MISCELLANEOUS EXPENDITURE

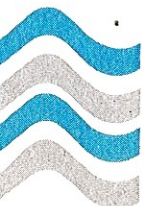
SCHEDULE-9 (Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		
Expenditure on asset not belonging to Corporation	32	--
Losses awaiting w/o sanction	568	497
Less: Provided for	567	497
Deferred Revenue Expenses	423	313
	<u>456</u>	<u>313</u>

MISCELLANEOUS INCOME

SCHEDULE-10 (Rs. in Lakhs)

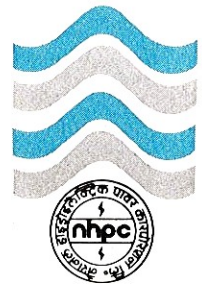
PARTICULARS	31.3.94	31.3.93
Other miscellaneous receipts	103	92
Liability not required written back	1	353
Profit on sale of assets	114	87
	<u>218</u>	<u>532</u>



**GENERATION TRANSMISSION AND
ADMINISTRATION EXPENSES**

SCHEDULE-11

	(Rs. in Lakhs)	
PARTICULARS	31.3.94	31.3.93
A. GENERATION AND TRANSMISSION EXPENSES		
Consumption of stores & spares	178	173
REPAIRS & MAINTENANCE		
a) Buildings	56	34
b) Machinery	119	156
c) Others	252	227
Other operational expenses	122	74
Amount w/off Against Deferred Revenue Expenditure	125	78
B. ADMINISTRATION EXPENSES		
Rent	1	-
Rates & Taxes	3	2
Insurance	10	8
Electricity charges	21	12
Travelling & Conveyance	33	34
Expenses on staff car	97	42
Telephone, Telex & Postage	14	10
Advertisement & Publicity	4	7
Printing & Stationary	10	8
Corporate office management expenses	234	176
Loss on sale of assets	9	-
Management expenses Power Grid Corporation of India Ltd.	-	57
Rebate on prompt payment	74	84
Other miscellaneous expenses	182	125
Provision for Doubtful Advances	1	74
	<u>1545</u>	<u>1381</u>



EMPLOYEES REMUNERATION AND BENEFITS

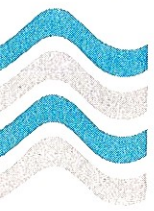
SCHEDULE-12
(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
Salaries, wages & allowances	1576	1142
Gratuity & Contribution to Provident Fund (including Administration Fees)	215	143
Staff welfare expenses	200	64
	1991	1349

PRIOR PERIOD ADJUSTMENT

SCHEDULE-13
(Rs. in Lakhs)

PARTICULARS	31.3.94	31.3.93
Sale of Electricity	315	(2)
Depreciation	(1)	1
Salaries & Wages	(9)	(2)
Repair & Maintenance	(11)	(17)
Other Miscellaneous	(9)	(66)
	285	(86)



NOTES TO THE ACCOUNTS

SCHEDULE-14

1. Contingent liabilities:-
 - a) Claims against the Company not acknowledged as debts Rs. 47166 lakhs (previous year Rs.35584 lakhs).
 - b) *Bonds for a sum of Rs. 4701 lakhs (previous year Rs. 36021 lakhs) executed by the company in favour of Customs Authorities for re-export of construction machinery and spares imported without duty by the Consortium of Contractors of Dul-Hasti and Uri Projects.*
 - c) Electricity duty on consumption of Power (amount unascertainable) for which liability has been disputed by the Corporation (Salal Project-1).
 - d) Projects executed on agency basis, deposit works and against grants-in-aid as these are recoverable from concerned authorities.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 137506 lakhs (previous year Rs.208667 lakhs).
3. "Government of India Fund-Adjustable to Equity" includes:
 - a) Rs. 180 lakhs (Previous year Rs. 180 lakhs) received as loan from Government of India, towards Chukha Transmission System, not transferred to Power Grid Corporation of India pending completion of certain formalities.
 - b) Rs. 33160 lakhs (previous year Rs.33160 lakhs) being contribution from Government of India for Salal project and interest accrued thereon. (Refer para 4 for details).
4. Salal H.E. Project (Stage-I) has been transferred to the Corporation w.e.f. Nov. 87 vide Ministry of Power and NCES letter Nos. 4/1/78-DO (NHPC) dated 9.2.89 and dated 12.7.91. Pending completion of legal formalities for de jure transfer and based on legal opinion, the Accounts of this project have been incorporated in Accounts of Corporation on the same terms and conditions as stipulated by the Government of India in case of transfer of other projects to the Corporation.

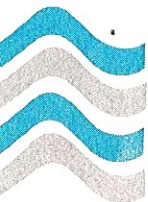
Accordingly out of the total fund in flow from the Government for construction of project, an amount of Rs. 29764 lakhs being the first 50% of the estimated revised project cost has been treated as investment from the Government of India and adjustable by issue of Equity share capital. The balance amount drawn on different dates has been treated as interest bearing loan at the rates prevailing on the dates of drawl as per Government policy. The interest accrued on such loan component 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 the *ibid* basis comes to Rs. 33160 lakhs and Rs. 31070 lakhs respectively.

Pending settlement of terms and conditions, provision of additional interest of Rs. 7642 lakhs (including Rs. 6617 lakhs provided upto 31.3.93) has been made for non payment of loan and interest.

5. The agreements with the beneficiaries for the supply of power have not yet been finalised. Pending this, sale of electricity from Loktak, Baira Siul, Salal, Tanakpur and Salal-II, Projects has been accounted at provisional rates of 64.83, 47.55, 57.00, 168.54 and 73.43 paise per KWH respectively. However, tariff adjustment for Rs. 2781 lacs has been estimated and provided for, which in the opinion of Management is adequate.



6. The revised project costs for Chamera, Tanakpur, Uri and Dul Hasti H.E. Projects have been cleared by Public Investment Board/Cabinet Committee on Economic Affairs. As per the financing pattern of Government of India, the loans received upto 31.3.94 for these projects will be converted into Equity. Pending approval of Government of India for conversion, the amount has been shown as Loan from Government of India. However interest on these loans has not been provided for.
- 7 (i) As per the National Thermal Power Corporation Ltd., The National Hydroelectric Power Corporation Ltd. and the North Eastern Electric Power Corporation Ltd. (Acquisition and Transfer of Power Transmission System) Act, 1993, the assets and liabilities relating to Transmission Lines have been vested in the Government of India w.e.f. 1.4.1992. The present position of adjustments on account of consideration for transfer as notified by Government of India is given below:-
 - a) Loans from Government of India has been reduced by Rs. 104.01 crores.
 - b) "Capital" and amount adjustable to Equity, are to be reduced by Rs. 203.85 crores and Rs. 1.80 crores respectively.
 - c) Necessary adjustments for transfer of Loan & Other Liabilities aggregating Rs. 229.39 crores pertaining to transmission lines will be made after finalisation of arrangements with GOI and PGCIL. Pending completion of formalities, the amount at (b) and (c) above has been shown as Amount Recoverable from PGCIL/GOI.
- (ii) The transmission lines in the state of J&K have been transferred to PGCIL w.e.f. 1.4.93 at a provisional consideration of Rs. 64.42 crores, which does not include liability for additional interest on Government of India Loan.
- (iii) Pending determination of basis of appropriations between generation and transmission, the amount realised from beneficiaries have been appropriated towards adjustment of dues of the Corporation.
8. The cost of land in some cases represent 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.
9. Impact of change in Accounting Policy with regard to writing off fully loose tools/assets with original cost or W.D.V. upto Rs. 5000/- is as under :-
 - i) Profit is lower by Rs. 111 lakhs
 - ii) (IEDC) for the year higher by Rs. 274 lakhs.
10. Uri H.E. Projects is being executed by contractors on turnkey basis. Prior to award of this contract, the Corporation has got some jobs completed. No adjustment has been made pending settlement with the contractor.
11. In case of Uri H.E. Project:-
 - i) Pending finalisation of terms and conditions of the lease deed with the J&K State Government for the transfer of land acquired/purchased, the life of the lease has been taken provisionally as 90 years.
 - ii) Due to disturbed conditions prevailing at Uri in J&K state, Capital Construction Stores of Rs. 505 lakhs



(including Rs. 80 lakhs pending receipt of the bills) could not be verified and reconciled with Priced Stores Ledger and bin cards. Adjustments including on account of consumption, receipts, shortage/excess, if any, will be made as and when stores are reconciled.

- iii) Pending determination of purchase consideration, no provision has been made in respect of land and some old building belonging to Power Development Department (J & K State) presently in the possession of the project at Gantamulla as demand of Rs. 83 lakhs made by Power Development Department is considered not payable & the matter is under correspondence with J&K State.
 - iv) The sales tax Liability is accounted for on provisional basis. Adjustment, if any, will be made at the time of final assessment.
12. One Generating unit of Salal-II has been declared commercially operative from 1st July'93. Accordingly sale of power and expenses incurred on generation of the same during trial runs upto 30th June'93 have been accounted for as Incidental Expenditure During Construction (IEDC).
 13. The French consortium of contractors has discontinued the work at Dul-Hasti H.E. Project. Discussions for resumption of work are in progress and pending settlement liability, if any could not be provided as the same is not ascertainable.
 14. In some of the projects, Material issued to contractors, advance for Capital Expenditure, Sundry Debtors, Loans & Advances, Sundry Creditors, Deposit/Earnest money from contractors and others are subject to reconciliation/ confirmation. Adjustment, if any, will be carried out at the time of reconciliation/confirmation.
 15. Certain excess/wrong debits and credits given by the banks are under reconciliation and adjustments, if any, will be made in the books of accounts as and when these are settled.
 16. Provision for Gratuity is being made on estimated basis after discontinuation of Group Gratuity policy of LIC.
 17. In case of Salal H.E. Project-I, expenses of Rs. 236.94 lakhs incurred on plunge pool has been treated as deferred revenue expenditure to be written off in 5 years,
 18. Pending revision of pay scales on IDA pattern, no provision has been made.

19. Quantitative details:

	<u>1993-94</u>	<u>1992-93</u>
i) Licensed Capacity (M.W.)	-Not Applicable-	
ii) Installed Capacity (M.W.)	865	648
iii) Actual Generation (M.U.)	3587	3474
iv) Actual Sales (M.U.)	3442	3424



	<u>Rs. / Lakhs</u>	<u>%</u>	<u>Rs. / Lakhs</u>	<u>%</u>
20. a) Values of imported Plant & Machinery and Spares on CIF basis	23772		14530	
b) Expenditure in Foreign Currency				
i) Know-How	1749		1662	
ii) Interest	7203		5153	
iii) Other Misc. Matters	756		18086	
c) Earnings in Foreign exchange				
i) Interest	452		1452	
d) Value of spare parts & components consumed in operating units-				
i) Imported	—		—	
ii) Indigenous	178	100	173	100

21. In the absence of taxable income, no provision on account of liability of Income-tax has been made.

22. Previous year's figures have been regrouped/re-arranged wherever necessary to make these comparable with current year's figures.

N. SEETHARAMAN
Secretary

A.R. RAMAMURTHI
Chief (F&A)

K.K. VOHRA
Director (Finance)

AJAY DUA
Chairman & Managing Director

As per our report of even date attached
For **SURESH CHANDRA & ASSOCIATES**
Chartered Accountants

Place: New Delhi
Dated: 30th August, 1994

MADHUR GUPTA
Partner



Auditors' Report

TO THE MEMBERS OF NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED

We have audited the attached Balance Sheet of National Hydroelectric Power Corporation Ltd., New Delhi as at 31st March, 1994 and also the attached Profit and Loss Account for the year ended on that date in which are incorporated the Accounts of the Branches and Units audited by other auditors, which have been relied upon by us and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Corporation as we considered appropriate and on the basis of information and explanations given by the management during the course of the audit and after considering the Reports of the Branch Auditors of the Corporation, we annex hereto a statement of the matters specified in Paragraphs (4) and (5) of the said Order.
2. Further to our comments referred to in Paragraph (1) above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts, as required by Law, have been kept by the Corporation so far as appears from our examination of the books and proper Returns, adequate for the purposes of our audit have been received from the auditors in respect of the Branches and the Units of the Corporation audited by them;
 - (c) The reports of the Branch Auditors on the Accounts audited by them respectively under Section 228 of the Companies Act, 1956 have been received by us as required under clause (c) of sub-section (3) of the said Section and have been considered in preparing this Report, after making such adjustments as we considered necessary;
 - (d) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of account and the Returns;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required subject to the;
1. Note No. (4)
Re: Incorporation of accounts of Salal H.E. Project on the basis of Govt. directive and legal opinion;
2. Note No. (5)
Re: Accounting of revenue from sale of electric power on provisional basis;
3. Note No. (6)
Re: Non provision of interest on Govt. of India loan received for Chamera, Tanakpur, Uri and Dulhasti H.E. Project pending conversion into equity;
4. Note No. (7)
Re: Transfer of transmission lines to Govt. of India/PGCIL pending settlement of consideration;
5. Note No. (8)
Re: Land capitalised on provisional basis pending determination of purchase consideration, non registration/execution of title deed pending completion of formalities;
6. Note No. (9)
Re: Effect of change in accounting policy with regard to depreciation and writing off loose tools.
7. Note No. [11 (ii)]
Re: Non verification and reconciliation of stores with Price Stores Ledger in case of Uri H.E. Project;
8. Note No. [13]
Re: Non provision of liability at Dulhasti H.E. Project;



9. Note No. [14]
Re: Non reconciliation/confirmation of materials issued to contractors, Advances to contractors, sundry debtors, creditors, deposits/earnest money from contractors;
10. Note No. [15]
Re: Non adjustment of wrong debits and credits given by bank;
11. Note No. [16]
Re: Provision of gratuity on estimated basis without actuary valuation;
12. Note No. [18]
Re: Non provision on account of wage revision.

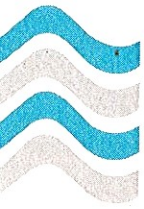
And the effect on the accounts, as detailed above and read together with other Notes appearing in Schedule 14, give a true and fair view:-

- i) In the case of the Balance Sheet of the state of affairs of the Corporation as at 31st March, 1994;
- ii) In the case of the Profit & Loss Account of the Profit of the Corporation for the year ended on that date.

For and on behalf of
Suresh Chandra & Associates
Chartered Accountants

Place: New Delhi
Dated: 30th August, 1994

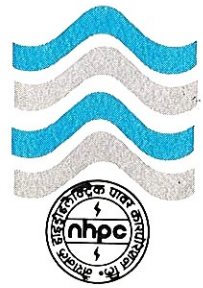
(MADHUR GUPTA)
Partner



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 verifications 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 verification have been conducted, no major discrepancies have been noticed.
2. None of the fixed assets has been revalued during the year.
3. The physical verification of stores, spare parts, raw materials has been conducted by the Management at most of the projects following perpetual system of inventory. In our opinion the system adopted by the management is satisfactory according to the size and nature of business of the Corporation.
4. The procedure of physical verification of stocks, spares, stores, operating supplies, etc. followed by the management are generally reasonable and adequate in relation to the size of the Corporation and the nature of its business.
5. The discrepancies found during the physical verifications of stores, spare parts and raw materials have been adjusted in the accounts during the year exception case of some projects, where the discrepancies noticed are reported to be under reconciliation/verification.
6. The valuation of inventory is made at cost except in case of Dulhasti, Dhauliganga and Uri Projects where valuation is made as per General Ledger, which is not in accordance with the accepted standard accounting principles.
7. The Corporation has taken unsecured loans from company listed in the register maintained u/s 301 of the Companies Act, 1956. In our opinion rate of interest, terms and conditions of such loans are not prima facie prejudicial to the interest of the Corporation.
8. The Corporation has granted unsecured loans to Company listed in the register maintained u/s 301 of the Companies Act, 1956. In our opinion the rate of interest and terms and conditions of such loans are not prejudicial to the interest of the Corporation.
9. The Corporation has given advances in the nature of loans to the employees of the Corporation and contractors who are generally regular in making payment of interest where applicable.
10. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of 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 except at Uri Project.
11. According to the information and explanations given to us by the management, there are no transactions of purchase of goods and materials and sale of goods, material and service aggregating during the year to Rs. 50,000 or more in respect of each party made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956.
12. 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, wherever such items are determined.
13. 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.
14. According to the information and explanations given to us, the Corporation is maintaining reasonable records for the sale and disposal of the realisable scrap.



15. The Corporation has a separate Internal Audit Department. The scope and area of the Department needs to be enlarged and the Internal audit system needs to be strengthened considering the size of the Corporation and nature of the business.
16. Maintenance of the cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956.
17. The Corporation has been regular in the Provident Fund Trust. As explained to us the provisions of Employee's State Insurance Act is not applicable to Corporation.
18. There are no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty as on 31st March, 1994 which are outstanding for a period of more than six months from the date they become payable.
19. In our opinion and according to 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.
20. The Corporation is not a sick industrial corporation within the meaning of clause (O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provision).
21. In respect of agency works/deposit works:
 - 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
Suresh Chandra & Associates
Chartered Accountants

Place: New Delhi
Dated: 30th August, 1994

(MADHUR GUPTA)
Partner



ANNEXURE-1
To Directors' Report

COMMENTS OF 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, 1994 AND MANAGERMENTS REPLIES THERETO

COMMENTS

REPLIES

I. BALANCE SHEET

**i) Capital work-in-progress- Schedule-5
P&M in Generating Station-Rs.27,717.00
Lakhs.**

This includes material valuing Rs. 137.50 lakhs purchased from BHEL, Bhopal. Out of this, material valuing Rs. 129.00 lakhs was despatched by BHEL, Bhopal in February/March, 1994 and material valuing Rs. 8.50 Lakhs was despatched in April 1994. The material was, however, received in the project in April/May, 1994.

This has resulted in overstatement of Capital Work-in-progress by Rs. 137.50 lakhs, understatement of Material in Transit by Rs. 129.00 lakhs and overstatement of Sundry Creditors by Rs. 8.50 lakhs.

**ii) Current Liabilities and Provisions- Rs. 209.90
Lakhs (Schedule 8)**

This does not include Rs. 20.88 lakhs on account of consultancy charges payable to M/s SNC/Acres and Rs. 78.00 lakhs payable to HPSEB on account of claim for reimbursement for work done. This has resulted in understatement of Current Liabilities and Provisions by Rs. 98.88 lakhs.

1. i) Both the capital work in progress and material in transit forms part of "fixed capital expenditure" and therefore, do not affect the true and fair view of Balance Sheet.

ii) (a) The bills from consultants were not received and definite liability being uncertainable not provided for.

(b) This pertains to the investigation done for Chamera- II Project by HPSEB when it was owned by them. The Project was subsequently given to NHPC through Govt. of India and approval thereof is still awaited. Pending the ibid approval and furnishing of detailed break-up of Rs. 78 lakhs by HPSEB- liability could not be provided. But nevertheless, a sum of Rs. 75.73 lakhs has been included in the contingent liability

2 II. PROFIT & LOSS ACCOUNT

i) Depreciation Rs. 2304.00 lakhs

This does not include Rs. 877.00 lakhs on account of depreciation on generating equipments which were put to use during the year 1992-93 and on which depreciation was required to be charged during the year 1993-94 as per Company's Accounting Policy No. 2.3 (ii). This has resulted in overstatement of Profit by Rs. 877.00 lakhs and a corresponding understatement of Depreciation.

2. i) The Accounting Policy 2.3 (ii) specifically mentions that depreciation on assets used for generation/ transmission, operation is being charged on straight line basis at the rates notified under sub-section 1 of section 68 of Electricity (Supply) Act, 1948 following the year in which the assets are put to use. Under Para 2 of GSR 1331 (e) of Schedule to the Extraordinary Gazette Notification relating to charging of depreciation under Electricity(Supply) Act inter alia provide that depreciation on assets should be provided from the beginning of the year of accounts next following that in which the particular assets become available for use in "business". The terminology of "Assets become available for use in the business" also connotes commercial activity



which commences only after the commercial production starts.

The commercial production of Tanakpur Project started from 1.4.1993. As such, in consonance with Indian Electricity Supply Act 1948 as also Company's Significant Accounting Policies, Depreciation was not chargeable in the current year and hence not provided for. Even if the depreciation had been chargeable during the year, as held by the Audit, the profit would not have been affected as depreciation would have been built in the tariff and recovered from the customers.

ii) Interest Rs. 7789.00 lakhs

The interest amounting to Rs. 7916.00 lakhs accrued and due on Govt. loans has not been accounted for upto 31st March, 1994. This has resulted in overstatement of Profit by Rs. 852.00 lakhs related to completed projects and understatement of IEDC by Rs. 7064.00 lakhs related to projects under construction. [Refer Note No. 6 to the Accounts and Auditor's Report-Para No. 2(e)(3).

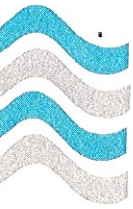
ii) Government of India in their letter No. 12/2/Fin/79 dated 18th March, 1980 had inter alia mentioned that in the Power Sector funds shall be released to the Central Govt. Corporation including various projects in the form of equity and loan in the ratio of 1:1 equity being released first. In consonance with this policy, loans in respect of various projects of the Corporation like Baira Siul, Loktak etc. have been converted retrospectively to keep up the ratio of 1:1. Government has neither changed the ibid policy nor put any restrictions on retrospective conversion of loan into equity.

In the VIII Five Year Plan, Govt. of India had earmarked Rs. 1092.95 crores towards the equity of the Company and a sum of Rs. 654.95 crores had already been released in the first 2 years of the Plan i.e. in 1992-93 and 1993-94. But the entire amount could not be adjusted against paid up equity in view of the technical reasons that had it been done, the paid up capital would have crossed the authorised capital. As such, the Company justifiably did not provide interest amounting to Rs. 70.65 crores towards IDC portion of the loan which was liable for conversion to avoid temporary inflation of project cost as also the tariff is directly linked to it and disclosure thereof made in the Note No. 6 of Schedule XIV. This is in consonance with the past practice followed by the Company and also the fact that retrospective conversion is allowed/ has been allowed by the Govt. in the case of NHPC and other Power Sector Govt. Companies.

The amount of Rs. 8.52 crores includes a sum of Rs. 4.26 crores towards construction (1992-93) and the impact of the balance has been accounted for under provision for tariff adjustment and hence there is no over statement of profit.

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

Place: New Delhi
Date: 30th September, 1994



ANNEXURE-II
To Directors' Report

REVIEW OF ACCOUNTS OF NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH, 1994 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA.

1. FINANCIAL POSITION

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

	(Rs. in lakhs)		
	1991-92	1992-93	1993-94
LIABILITIES			
a) i) Paid up Capital	192241	225523	249908
ii) Central Government Funds Adjustable to Equity Capital	40012	37725	33340
b) Reserves & Surplus			
i) Free Reserves & Surplus	23357	23357	25716
ii) Committed reserves	5765	9914	14109
c) Borrowing from			
i) Government of India	56655	53175	51500
ii) Foreign Institutions	55520	71281	91745
iii) Financial Institutions	-	10000	40000
iv) Bonds	120346	126091	143713
v) Others	-	750	4600
vi) Interest accrued and due	7258	4574	12299
d) Current liabilities and provisions	34380	29891	20990
Total	535534	592281	687920
ASSETS			
e) Gross Block	148323	122933	160399
f) Less cumulative depreciation	25174	26621	29124
g) Net Block	123149	96312	131275
h) Capital Work-in-Progress	269929	299404	314869
i) Construction stores & Advances	92703	102457	136818
j) Current Assets, Loans & Advances	49753	93795	104502
k) Misc. Expenditure (to the extent not written off)	-	313	456
Total	535534	592281	687920
l) Capital Employed (g+j-d-c (vi))	131264	155642	202488
m) Net Worth (a+b(i)-k)	255610	286292	308508
n) Net Worth per rupee of Paid up Capital	Rs. 1.10	Rs 1.09	Rs 1.09

2. CAPITAL STRUCTURE

The debt-equity ratio of the Company increased from 0.91:1 in 1991-92 and 1992-93 to 1.07:1 in 1993-94

3. LIQUIDITY AND SOLVENCY

- a) The percentage of Current Assets, Loans & Advances to total Net Assets increased from 9.29% in 1991-92 to 15.84% in 1992-93 and decreased to 15.20% in 1993-94.



- b) The percentage of Current Assets, Loans & Advances to Current Liabilities and Provisions which is a measure of liquidity increased from 119.49% in 1991-92 to 272.14% in 1992-93 and 313.92% in 1993-94
- c) The percentage of Quick Assets (Sundry Debtors, Cash & Bank Balances and Loans & Advances) to Current Liabilities (excluding provisions but includes interest accrued and due) which is another measure of liquidity increased from 114.94% in 1991-92 to 266.38% in 1992-93 and to 312.35 % in 1993-94.

4. WORKING CAPITAL

The Working Capital (Current Assets, Loans & Advances less Current Liabilities & Provisions) of the Company at the close of last three years ending 31st March, 1994 was Rs. 8115 lakhs, Rs. 59330 lakhs and Rs. 71213 lakhs. The percentage of Sales to Working Capital was 300.60% in 1991-92, 30.15% in 1992-93 and 33.21% in 1993-94.

5. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs. 99818 lakhs from internal and external sources were generated and utilised during the year as given below:

(Rs. in Lakhs)

Sources of Funds

Funds generated from Operations

a) Profit	7054	
Add: Depreciation	<u>2503</u>	9557
b) Increase in Capital		20000
c) Increase in Borrowings		70261
 Total		<u>99818</u>

Utilisation of Funds

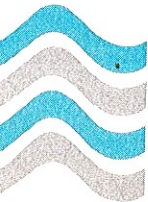
a) Increase in Fixed Assets including Capital Work-in-Progress & Construction Stores & Advances		87292
b) Increase in Working Capital:		
Addition to Current Assets Loans & Advances	10707	
Add: Decrease in Current Liabilities & Provisions (excluding dividend)	1676	12383
c) Increase in Misc. expenditure (Capital)		143
 Total		<u>99818</u>

6. WORKING RESULTS

The Working Results of the Company for the last three years ending 31st March, 1994 are given below:

(Rs. in Lakhs)

Year	Sales	Profit	Percentage of Profit to			
			Sales	Capital employed	Equity capital	Net worth
1991-92	24394	4930	20.2%	3.8%	2.1%	1.9%
1992-93	17890	4149	23.2%	2.7%	1.6%	1.4%
1993-94	23647	7054	29.8%	3.5%	2.5%	2.3%



7. INVENTORY

The value of stores & spares including loose tools at the close of the last three years ending 31st March, 1994 was Rs. 1894 lakhs, Rs. 1988 lakhs and Rs. 2085 lakhs respectively.

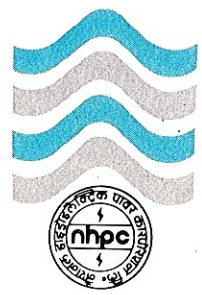
8. SUNDRY DEBTORS

Sundry Debtors and Sales in the three years ending 31st March, 1994 are given below:

As on	Sundry Debtors			Sales	Percentage of Sundry Debtors to Sales
	Considered good	Considered doubtful	Total		
31st March, 1992	19866	4171	24037	24394	99%
31st March, 1993	19179	6542	25721	17890	144%
31st March, 1994	25080	9323	34403	23647	145%

Place: New Delhi
Date: 30th September, 1994

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



ANNXURE-III To Directors' Report

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

Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of Commencement of employment in NHPC	Age (Years) held	Last Employment
1	2	3	4	5	6	7
(A) Particulars of employees employed throughout the financial year who were in receipt of remuneration not less than Rs. 1,44,000/- P.A.						
S/Shri						
Aggarwal, S.K. Senior Manager	1,47,406	Regular	B.Tech, (Elect.) PG. Dip. in Project Management (21 Years)	13.06.80	47	Military Engineering Service
Apparao, Y.N. Chief Engineer	1,54,516	Regular	B.E. (Civil), M.E. (Hydro Power) (25, Years)	01.08.77	49	AE, CWC
Balmukund Chief Engineer	1,45,001	Regular	B.Sc. Engg. (Mech.) (23 Years)	16.12.78	45	Asstt. Engr., EIL
Bandhopadhyay, M.R. Chief	1,91,250	Regular	M.Sc. (Applied Geology) (32 Years)	29.12.80	58	Geologist (Sr.) Geological Survey of India.
Banerjee, P.P. Chief	1,45,264	Regular	B.Com., AICWA (32 Years)	10.04.84	56	Chief Accountant Sadik Indl. Trading Co., UAE.
Bhardwaj, S.R. Chief	1,67,057	Regular	M.A. (Eng.), Dip. in Journalism Dip., in Marketing & Sales Management (33 Years)	11.09.81	51	Public Relations Officer National Fertilizers Limited
Brijesh Kumar Chief	1,77,268	Regular	M.A. (Pol. Sc.) M.A. (LSW), B.L. (28 Years)	12.07.78	56	Personnel Officer Bokaro Steel Limited
Brijendra Sharma Chief Engineer	1,55,809	Regular	B.Tech, (Civil), M.Tech., (Soil Mech. & Foundation Engg.) (30 Years)	18.07.81	53	Research Engineer, Institute of Rock Mechanics, Univ. of Karlsruhe Germany
Bunet, A.I Director (Personnel)	1,62,652	Govt. Appointment	B.A. (Hons.), P.G. (Hons.) Dip in IR & Welfare LL.B., (25 Years)	31.3.93	52	General Manager Paradeep Phosphates Ltd.
Chandrasekharan, A Senior Manager	1,55,862	Regular	B.E. (Civil) (24 Years)	20.11.78	49	AE. PWD, Madras
Chouhan, S.S. Chief Engineer	1,47,034	Regular	Degree in Civil Engg. (29 Years)	19.03.79	51	Major in Indian Army
Divatia, E. (Miss) Director (Tech.)	2,09,071	Govt. Appointment	B.E. (Civil), M.Tech. (Struct.) (35 Years)	22.03.79	57	Deputy Dir. CWC
Garg, M.P. Manager	1,54,154	Regular	B.E. (Civil) (27 Years)	24.09.85	49	Offg., SE.HPSEB
Gangopadhyay, A.K. Chief Engineer	1,70,286	Regular	B.E. (Civil) (28 Years)	10.09.81	48	Executive Engineer PWD Govt. of Goa, Daman & Diu, Panaji
Gupta G.C. D.C.M.O.	1,49,444	Regular	M.B.B.S. (24 Years)	24.04.81	47	Major in Indian Army
Gupta M.L. General Manager	1,62,715	Regular	B.Sc. Engg. (Mech.) (26 Years)	29.04.80	49	Dy. Manager, BHEL
Gupta V.K. Senior Manager	1,55,175	Regular	B.E. (Hons.) (Civil) (29 Years)	10.05.78	50	Dy. Director, CHEPC Board
Gupta R.C. Senior Manager	1,52,643	Regular	B.E. (Mech.) (23 Years)	10.08.77	50	Executive Engineer, PWD, J & K

ANNXURE-III (Contd.)

Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of Commencement of employment in NHPC	Age (Years) held	Last Employment
1	2	3	4	5	6	7
S/Shri						
Gothra G.S. Chief Engineer	1,56,823	Regular	Degree in Engg. (Civil), LLB (30 Years)	12.03.79	57	Major in Indian Army
Gulati Vinod Chief	2,04,654	Regular	AMIE, (Mech.) PG in Elect., Mech. Engg. Dip. in Adv., W.S., Dip. In EDP, P.G., Dip in PM&IR (27 Years)	01.03.80	47	Major in Indian Army
Hashia, M.L. Chief Engineer	1,78,519	Regular	B.E. (Civil) (34 Years)	23.07.81	57	Executive Engineer, PWD, J & K
Jain A.K. General Manager	1,71,156	Regular	B.Com., ACA. (24 Years)	28.11.78	48	Dy. Accounts Manager, IFFCO New Delhi
Joginder Singh Chief	1,75,333	Regular	MSW, LLB. (23 Years)	10.05.78	48	Personnel-Cum-Labour Welfare Officer Punjab Scooters Limited
Kanjalia, V.K. Chief Engineer	1,64,720	Regular	B.Sc. (Engg.) (Elect.) M.Sc. (Engg.) (23 Years)	08.05.79	48	Asstt. Executive Engineer, PSEB.
Khar, P.N. Executive Director	1,76,842	Regular	B.E. (Civil), MEI, MIAHR., MAII (38 Years)	15.05.78	58	Supdtg. Engineer Salal H.E. Project Govt. of India
Khazanchi R.N. Chief Engineer	1,55,960	Regular	B.E. (Civil) (29 Years)	03.09.83	52	Executive Engineer PWD, J & K
Krishn Mohan Chief	1,82,755	Regular	M.A. (Labour & Social Welfare) (30 Years)	05.06.78	56	D.M. (Per), Bharat Coking Coal Ltd.,
Krishnamurthy, M. Chief Engineer	1,78,446	Regular	B.E.(Elect.), Sr. Dip. in German, Dip. in Russian (28 Years)	29.06.81	54	D.M. NTPC
Mandal, R.P. Chief Engineer	1,56,151	Regular	B.Sc. Engg., (Civil) (31 Years)	16.11.79	54	Xen, Border Roads Dev. Board.
Mital, S.K. Executive Director	1,85,388	Regular	B.E. (Elect.) (34 Years)	23.05.78	58	Xen, UPSEB
Murari Lal Chief Engineer	1,56,348	Regular	B.E.(Civil), FIE (27 Years)	22.10.81	53	Executive Engineer, IDPL.
Nand Gopal Chief Engineer	1,75,802	Regular	B.E. (Civil) M.E. (Structures) (23 Years)	03.04.80	52	Dy. Manager, TSP LTD., Tungabhadra Dam
Prasada Rao, P.D. General Manager	1,53,294	Regular	B.E. (Hons.) (Civil) (30 Years)	23.06.80	54	Dy. Director, CWC.
Rastogi, V.P. Chief Engineer	1,72,943	Regular	AMIE, Dip. in Ind. Administration (36 Years)	09.06.81	54	Sr. Sales Mgr. Triveni Structural's Ltd.
Ramamurthi, A.R. Chief	1,72,200	Regular	B.A., AICWA, ACS (40 Years)	11.08.78	57	Senior Asstt. Manager, FCI
Rama Rao, K. Senior Manager	1,53,407	Regular	B.E. (Civil) (22 Years)	13.03.80	48	Extra Asstt. Director, CWC
Sharma, P.D. Chief Engineer	1,65,675	Regular	AMIE, Dip. in Elect. Engg., LLB., FIE (30 Years)	29.08.77	50	A.E. UPSEB
Sharma, R.K. Chief Engineer	1,77,720	Regular	B.E. (Elect.) P.G. in Elect. Engg., Dip. in Marketing Management (25 Years)	31.08.78	50	A.E. Beas Project
Singh, R.D.P. Chief Engineer	1,69,583	Regular	B.Sc. Engg. (Civil) (27 Years)	21.03.79	52	Major in Indian Army
Subramani, C.G. Executive Director	1,78,720	Regular	B.E. (Civil), MIE (33 Years)	03.10.79	56	Exe. Engineer, Border Rd. Deptt.



ANNXURE-III (Contd.)

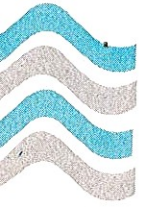
ANNXURE-III (Contd.)

Name & Designation	Remuneration (Rs.)	Nature of employment	Qualification and Experience	Date of Commencement of employment in NHPC	Age (Years)	Last Employment held
1	2	3	4	5	6	7
Sinha, B.S.P. General Manager	1,87,858	Regular	B.A. MIMM (UK) (30 Years)	03.06.81	54	Manager, BHEL
Verma, D. Paul Chief Engineer	1,64,227	Regular	B.Sc. (Engg.) (Civil) (27 Years)	09.08.76	53	S.D.O. Punjab, PWD (Irrigation)
Vohra, K.K. Director (Finance)	2,30,561	Govt. Appointment	B.A. (Hons.), Dip. in Management Dip in O & M, FICWA, GDCS FCS, FIAM, FIBM, (London) (26 Years)	31.12.92	57	Executive Director(Finance) Balco, New Delhi
Yaduvendra, R.K. Chief Engineer	1,67,682	Regular	M.Sc. (Mech. Engg.) MBA (28 Years)	01.01.82	53	Dy. Director, Office of Dev. Commissioner, SSSI.
Yogendra Prasad Executive Director	1,64,269	Regular	B.Sc. Engg. (Elect.) (25 Years)	10.05.78	49	A.E. UPSEB
Viswanathan, N. General Manager	1,88,735	Regular	M.E. (Civil), (Power Engg.) (30 Years)	17.09.79	54	Asstt. C.E., Triveni Structural Ltd.
Rao, P.L. Chief Engineer	1,80,821	Regular	AMIE, Dip. in Business Mgt. & Ind. Adm. (34 Years)	12.03.81	55	Divisional Engr., Rehabilitation Reclamation Orgn Deptt of Rehabilitation Govt. Of India
Robertson, J.H. Senior Manager	1,57,571	Regular	B.E. (Mech.) (25 Years)	11.10.78	48	Asstt. Divisional Engineer, Tamilnadu Electricity Board.

(B) Particulars of employees employed for part of the financial year who were in receipt of remuneration not less than Rs. 12,000/- per month

S/Shri

Nagbhushan, K.M. General Manager	2,62,141	Regular	B.E. (Cvtil) (37 Years)	31.03.80	60	Dy. Director, CWC
Malhotra, S.P. Senior Manager	2,06,141	Regular	B.A. (Hons.) (38 Years)	30.04.77	58	P.S. Ministry of Energy
Bhamrah, S.S. Manager	1,65,810	Regular	AMIE (Elect.) (29 Years)	13.08.77	58	Project Engineer, BSL Project
Sharma, O.P. General Manager	54, 135	Regular	B.Sc. Engg. (Civil) (32 Years)	15.06.78	56	Executive Engineer Salal Project.
Raman, N.V. Company Secretary & General Manager	35, 254	Regular	BA. LLB, GDCS, ACS, ICWA (Inter) Dip. in Labour Laws (36 Years)	15.12.78	57	Dy. Co. Secy., Engineers India Ltd.
Kochar, J.N. General Manager	1,40,748	Regular	B.A. (34 Years)	10.03.81	58	Civilian Officer, Gr. I Office of DG Border Roads
Naidu, B.S.K. Chief Engineer	1,60,303	Regular	BE. (Hons.) (Mech.) M Tech. (Hydel.) MIAHR, (24 Years)	28.02.82	52	Manager, BHEL
Suri, B.L. Chief Engineer	94,075	Regular	B.Sc. Engg. (Elect) P.G. Diploma in Business Management (35 Years)	12.07.82	58	S.E. (Elect.) PDD, J & K
Sairam, T.V. Executive Director	50,386	On Deputation	M.A. (Eco.) MSc. Botony, M.Phil. (Social Science) MDPA (Public Admn.) DLF (French); DIM (International Marketing) DIIAP (Int. Economics) (24 Years)	01.12.93	48	Collector of Central Excise (Appeals)



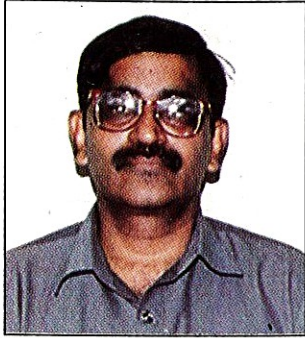
ANNXURE-III (Contd.)

NOTES

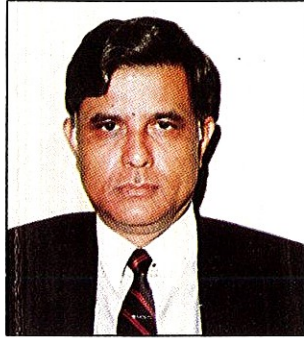
- (1) None of the above employees is related to any of the Directors of the Corporation within the meaning of Section 6 of the Companies Act, 1956.
- (2) The terms and conditions of appointment are as determined by Government/Rules and regulations of the Corporation in force from time to time as the case may be
- (3) Designations indicated in the list denote the nature of duties performed by employees.
- (4) (a) The 'Remuneration' includes cost of hiring Corporation-leased accommodation, wherever applicable, employer's contribution to PF etc.,
(b) The Gratuity amount has not been taken into account as the same has been provided on 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.

SENIOR EXECUTIVES

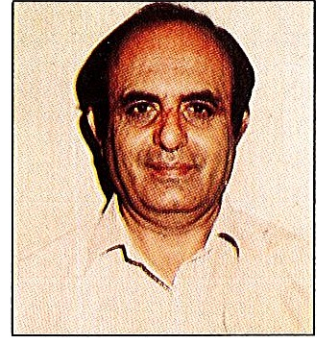
EXECUTIVE DIRECTORS



Shri T.V. Sairam

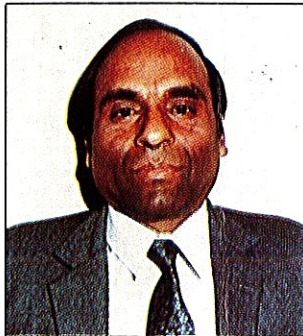


Shri Yogendra Prasad

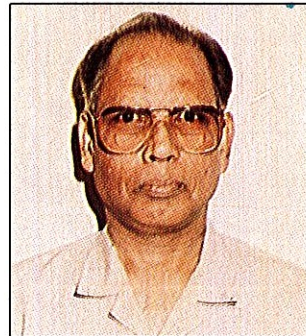


Shri C.G. Subramani

GENERAL MANAGERS



Shri A.K. Jain



Shri B.S.P. Sinha



Shri N. Viswanathan



Shri P.D. Prasada Rao



National Hydroelectric Power Corporation Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)
Regd. Office : Hemkunt Tower, 98, Nehru Place,
New Delhi - 110019