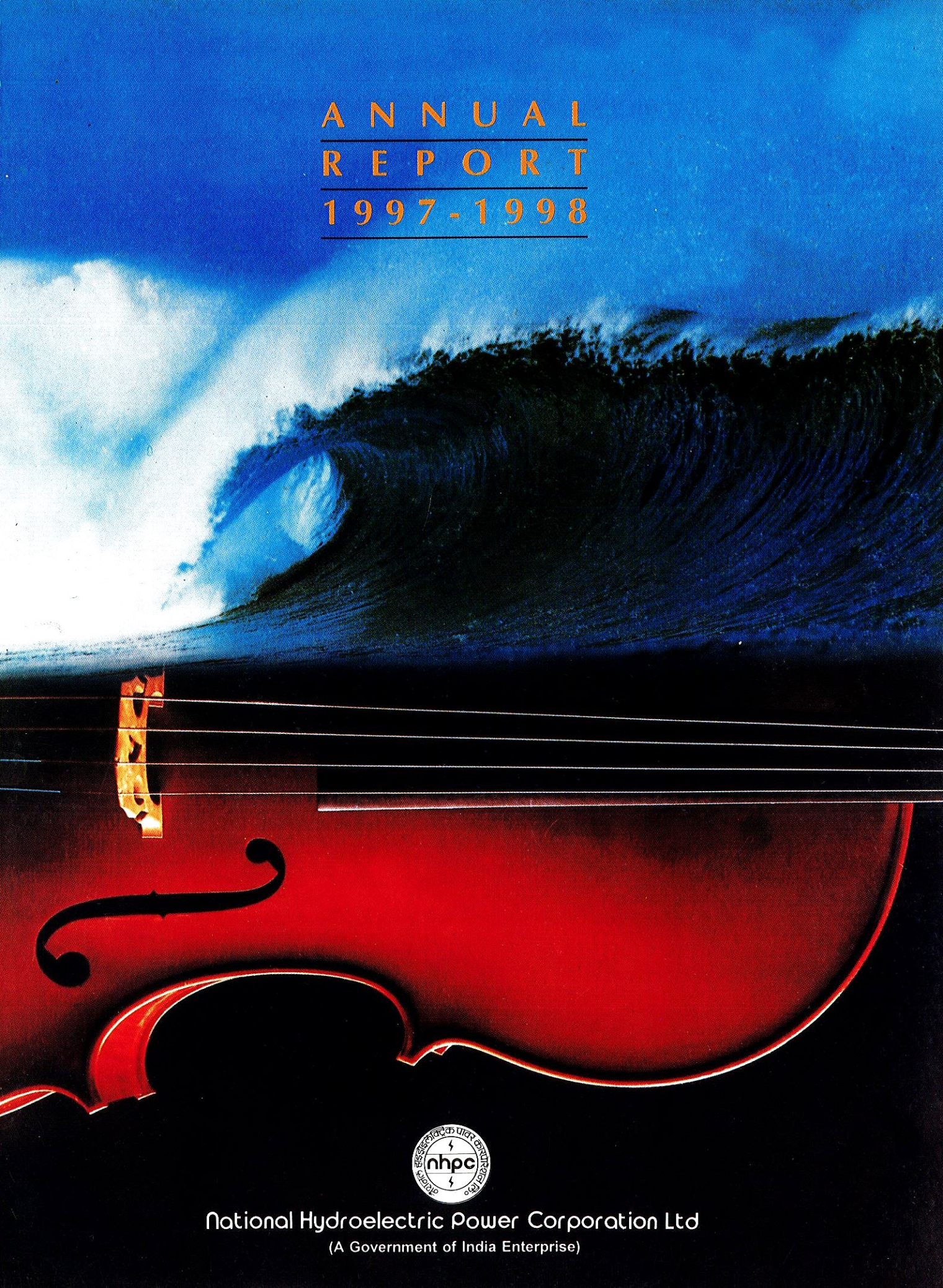


ANNUAL
REPORT
1997-1998



National Hydroelectric Power Corporation Ltd
(A Government of India Enterprise)



480 MW Uri Project (J & K) - Barrage

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CORPORATE MISSION

The mission of NHPC is to harness the vast hydro, tidal and wind potential of the country to produce cheap/pollution free and inexhaustible power. NHPC would play a significant role in the integrated and efficient development of hydroelectrical, tidal and wind power in the Central Sector covering all aspects such as investigations, planning, designs, construction, operation and maintenance of hydroelectrical, tidal and wind power projects.

CORPORATE OBJECTIVES

To achieve planned development of hydro projects expeditiously adopting modern methodologies and latest technologies as well as integrated project management system to achieve speedy execution with least cost and in the shortest time frame.

To ensure maximum utilisation of installed capacity (commissioned power stations) by adopting modern methods of operations and maintenance including renovations, modernisation, uprating of power generating stations, wherever necessary.

To prepare a comprehensive Corporate Plan and a long term perspective plans and constantly reorient it to be in line with the changing political and economical scenario of the country and closely monitor its implementation to create and build up an image for the Corporation in the Power Sector.

To aim at and achieve suitable organisational development with simultaneous human resource development through need based training, etc.

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

To take up the execution of wind and tidal power projects in the country.

To undertake consultancy assignments in the field of project investigation, design, engineering and project implementation. To undertake turnkey execution on deposit basis within and outside the country.

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

FINANCIAL OBJECTIVES

To generate sufficient internal resources for short term and long term financing for expansion and setting up of new projects.

To strategically formulate long term Corporate Plans to achieve desired growth of the activities of the Corporation commensurate with national objectives.

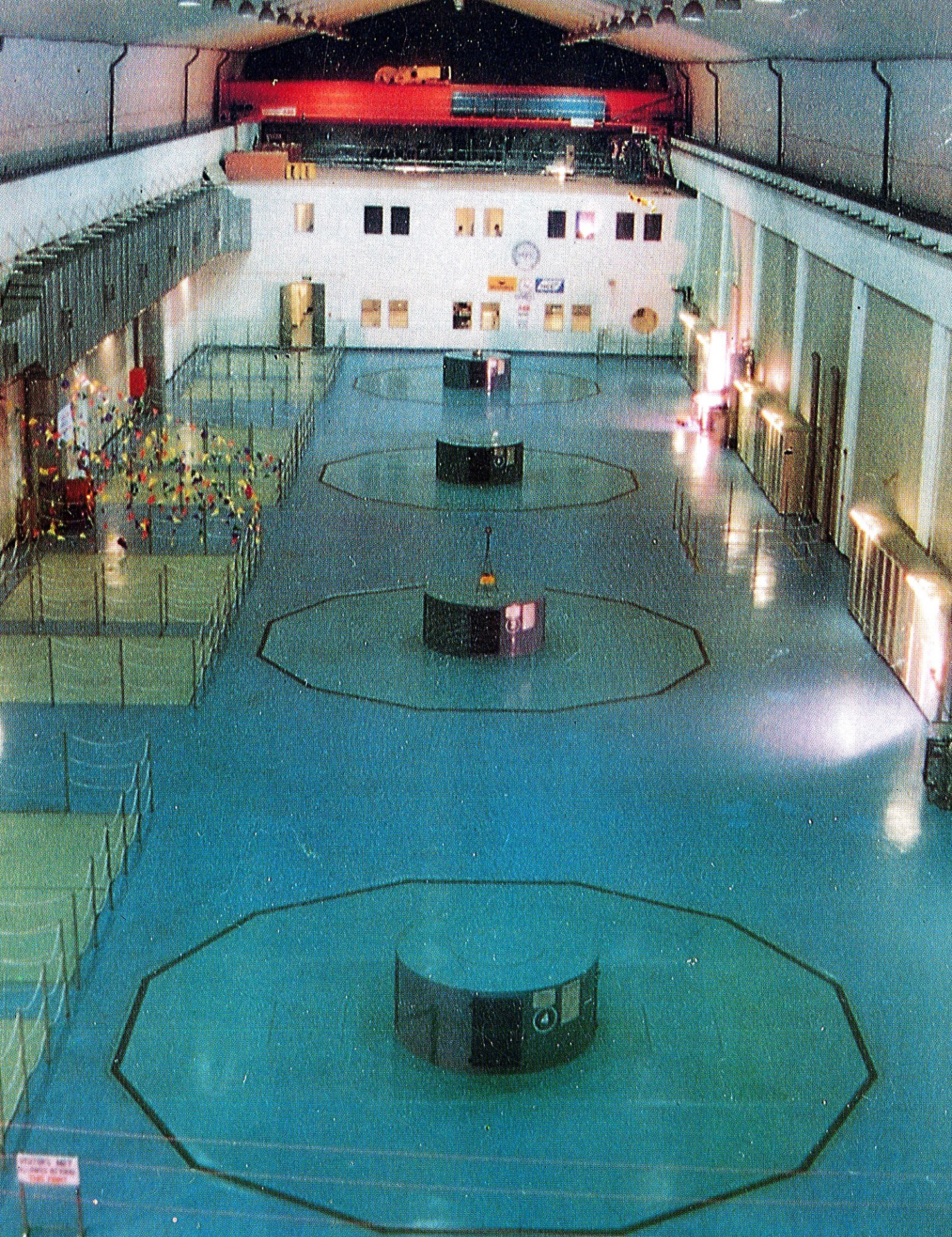
To continue efforts to maximise output and generation at least economic costs.

To complete all on-going projects within the stipulated time and cost without any overruns.

CORPORATE PROFILE

(RS. IN LAKHS)

FINANCIAL	1997-98	1996-97	1995-96	1994-95	1993-94
Sales & Wheeling charges*	99297	53442	50913	48051	20866
Miscellaneous Income @	437	2167	204	162	218
Profit before interest & depreciation \$	78081	48108	43298	37224	17221
Profit after interest & depreciation \$	29942	10668	7737	9367	7054
Dividend	1500	1500	1500	1000	500
Reserves & Surplus (Cumulative)	94859	63447	54429	48192	39825
WHAT CORPORATION OWNS					
Gross Fixed Assets	690490	389378	372752	359780	160399
Depreciation	59871	62281	49012	36983	29124
Net Fixed Assets	630619	327097	323740	322797	131275
Capital Work-in-progress	207311	489571	444470	338007	314869
Construction Stores & Advances	33198	11668	16903	22654	136818
Net Current Assets	119938	48683	39544	52426	83512
Miscellaneous Expenditure	171	499	856	1063	456
	991237	877518	825513	736947	666930
WHAT CORPORATION OWES					
Net Worth					
- Share Capital	339301	291737	289028	283270	283248
- Reserves	94859	63447	54429	48192	39825
Borrowings	544026	522334	482056	405485	343857
Income received in advance on account of advance against depreciation	13051	-	-	-	-
	991237	877518	825513	736947	666930
OPERATING PERFORMANCE					
Generation (M.U.)	8815.76	5614	6141	6058	3587
Machine availability (%)	83.00	83.25	85.30	83.99	84.66
Sales (Rs. in crores)	993	534	509	478	206
Man power (Nos.)	12184	12119	11984	12145	12449
* Sales are net after tariff adjustments and advance against depreciation					
@ Includes receipts against contracts					
\$ After prior period adjustments					



480 MW Uri Project (J & K) - Power House

Board of directors (As on 1.10.98)



Shri Yogendra Prasad
Chairman & Managing Director



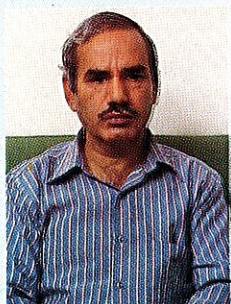
Shri A.I. Bunet
Director (Personnel)



Shri N. Visvanathan
Director (Technical)



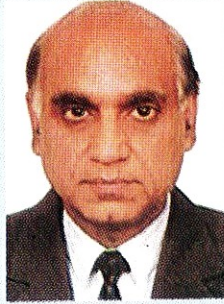
Shri R. Natarajan
Director (Finance)



Shri S.R. Shivrani
JS & FA, Ministry of Power



Shri J. Vasudevan
Joint Secretary (Hydro)
Ministry of Power



Shri D.V. Khara
Member (Hydro)
Central Electricity Authority



Shri A.B. Joshi

5

COMPANY SECRETARY

SHRI VIJAY GUPTA

STATUTORY AUDITORS

M/S MOHAN & MOHAN

CHARTERED ACCOUNTANTS
B-328, 1ST FLOOR,
NEHRU GROUND,
FARIDABAD-121001.

BRANCH AUDITORS

M/S H.S. AHUJA & CO.

CHARTERED ACCOUNTANTS
61-H, GOBIND MANSION,
CONNAUGHT CIRCUS,
NEW DELHI-110 001.

M/S A. KAYES & CO.

CHARTERED ACCOUNTANTS
231, KAMALALAYA CENTRE
II & III FLOOR, 156 - A,
LENIN SARANI,
CALCUTTA-700 013

M/S MANMOHAN JOGINDER & ASSOCIATES

CHARTERED ACCOUNTANTS
3RD FLOOR, HALL NO. 5,
J.D.A. COMPLEX,
OLD HOSPITAL ROAD,
JAMMU-180001

BANKERS

STATE BANK OF INDIA
INDIAN OVERSEAS BANK
DENA BANK
CORPORATION BANK
BANK OF INDIA
BANK OF BHUTAN
PUNJAB NATIONAL BANK
CENTRAL BANK OF INDIA
SYNDICATE BANK
BANK OF BARODA
SKANDINAVISKA ENSKILDA BANKEN



Chairman's statement



Dear Friends,

It gives me great pleasure to welcome you to the 22nd Annual General Meeting of National Hydroelectric Power Corporation Ltd. Financial accounts for the year 1997-98, Directors' Report alongwith Auditors' report and the comments of the Comptroller and Auditor General of India are with you for consideration and adoption and with your permission I would take them as read.

The year 1997-98 was a landmark in the history of the Corporation with marked improvement in sales turnover, generation and profitability. During the year under review, your Corporation achieved

a sales turnover of Rs.1123.48 crores as against Rs.531.42 crores in the previous year. The Corporation registered a net profit of Rs.299.42 crores as against Rs. 106.68 crores in the previous year. The increase in sales turnover and profitability is mainly due to start of commercial operation of the 480 MW Uri Project in Kashmir Valley and record generation by all operating projects except Tanakpur.

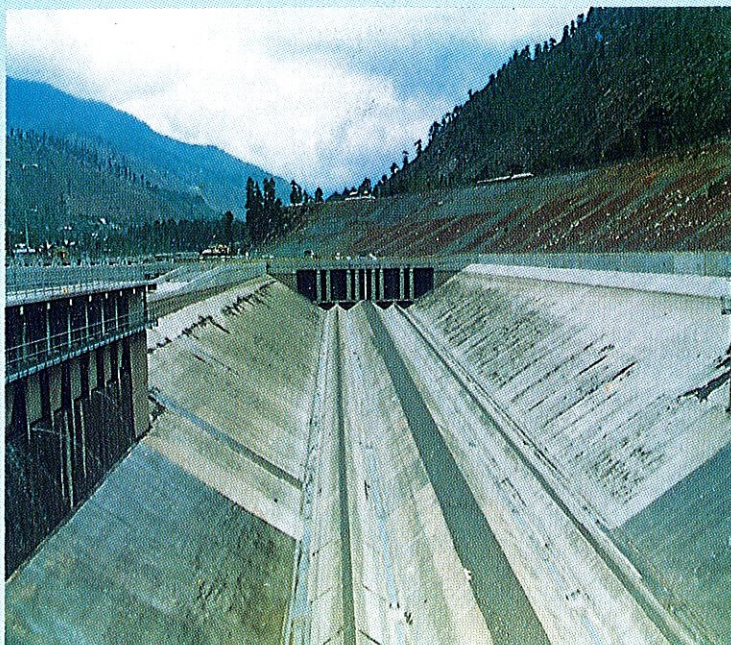
Your Corporation achieved an all time high generation during the year under review. The operating power stations generated 8815.76 million units against the target of 7710 million units which is 14.34% more than the target.

During the year under review, your Corporation raised term loans aggregating to Rs.400 crores from banks and financial institutions. The Corporation successfully redeemed its 13% 'F' series Bonds amounting to Rs.215 crores and 9% Tax free 'B' series bonds amounting to Rs.78 crores. With the redemption of these two series of bonds, the outstanding liability on account of Bonds excluding interest accrued stood at Rs.1931.17 crores as on 31.3.1998.

The outstanding dues from various beneficiary states to whom NHPC is supplying power continue



Shri Yogendra Prasad, CMD presenting dividend cheque to Shri P.R. Kumaramangalam, Hon'ble Minister of Power



180 MW Uri Project (J & K) - Fish ladder

to cause concern to the Corporation. The various beneficiary states owed to NHPC Rs.1298.16 crores as on 31st March, 1998 as against Rs.708.08 crores at the end of last year. However, a marked improvement in the realisation of revenue during the current financial year, i.e., from April 1 to September 30, 1998 is expected to be Rs. 584.12 crores which is 75.23% of the bills raised. This is 22% more than the collection reported during the same period in the previous year. The improvement has been on account of change in realisation strategies and new commercial policies adopted. The major defaulters continue to be UPSEB, HSEB, DVB and J&K. During the year under report, your Corporation signed Power Purchase Agreement with six Electricity Boards.

Your Corporation was adjudged as EXCELLENT under the Memorandum of Understanding signed with the Government of India for the year 1997-98.

Work on the 390 MW Dul Hasti Project (Jammu & Kashmir) picked up momentum with the new Civil

Contractor taking up work on the balance civil works. Construction activities at the 60 MW Rangit Project in Sikkim are now in the final phase. The major achievement has been the daylighting of the head race tunnel. Excavation of dam was completed and concreting was taken-up.

At the 280 MW Dhauliganga Stage-I Project in Uttar Pradesh, work on infrastructure and pre-construction activities has been started. Pre-qualification tenders from contractors of main civil works, hydro-mechanical and electro-mechanical works have been received.

The Union Power Ministry has recently issued instructions to start work of infrastructure at the Koel Karo Project pending decision for investment on the main components.

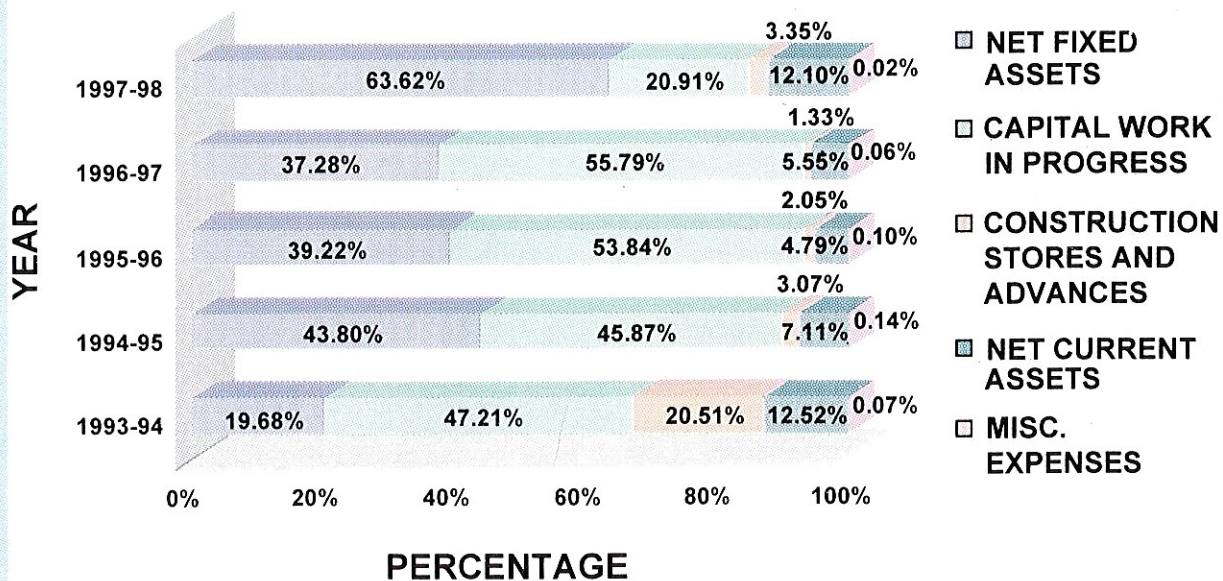
Your Corporation has recently invited global tenders for 300 MW Chamera Stage-II Project in Himachal Pradesh. Meanwhile Rs.20 crores has been sanctioned by Ministry of Power for start of infrastructural works.

The Ministry of Environment and Forest has accorded the clearance for diverting right fork of Kalpong River for additional power generation at the Kalpong Project in Andaman & Nicobar Island. With this, the capacity of the Project being



390 MW Dul Hasti Project (J & K) - TBM in operation

WHAT CORPORATION OWNS



executed by NHPC as a deposit work has been increased to 5.25 MW from 2.25 MW. NHPC has signed the Agreement with Andaman & Nicobar Government on 15.7.98.

Work on the 45 MW Kurichu Project in Bhutan has progressed well during the period under review. The diversion tunnel was daylighted on 14th November, 1997. Simultaneously, work on the construction of main dam and power house has also started. At the 510 MW Teesta Stage-V Project in Sikkim, pre-construction investigation activities have been completed.

Your Corporation has decided to enter in the field of Wind and Tidal Power development. Bids have recently been invited for a 25 MW wind power farm in TamilNadu.

The Corporation is also planning to execute Mini/ Micro Hydel Projects. During the year under

review, NHPC has undertaken various Consultancy Services worth Rs.218 lakhs.

The paid-up capital of the Corporation as on July, 1998 stood at Rs.3075.19 crores. Recently, the authorised share capital of the Corporation has been increased from Rs.3,500 crores to Rs.5000 crores.

The Directors have recommended a lump sum dividend of Rs.15 crores to the Shareholders.

The Hydro Power Policy announced by the Government of India recently is expected to give a boost to the tapping of hydropower potential of the country. NHPC has been identified for taking up number of new schemes during the 9th Plan itself to increase hydropower share in the 10th plan. The Corporation is also in the process of finalising its 15 year Perspective Plan.

An outlay of Rs.8377.89 crores has been



earmarked for NHPC during the 9th Plan period. However, this outlay is likely to go up further, with the Corporation taking more new projects.

Your Corporation has laid emphasis on Human Resource Development. About 6226 mandays of training programmes were conducted by the Corporation during the year for imparting training to employees at all levels.

As a part of employees welfare, the Corporation has set-up a Women Cell to look after the interests of the women employees. A Retired Employees Health Scheme has been introduced by the Corporation to provide medical coverage to retired employees. For the sustained growth of the organisation and its manpower, NHPC has introduced a new promotion policy for its employees during the year 1997. Under the special drive for the recruitment of SC/ST/OBC candidates, 51 Trainee Engineers (Electrical), 22 Jr. Engineers (Electrical) and one Medical Officer were appointed by the Corporation.

During the period under review, 214 employees of the Corporation opted for the Voluntary Retirement Scheme.

Your Corporation has been able to maintain absolute industrial peace and not a single man-day was lost in the whole year. The Corporation has made all possible efforts for the progressive use of Official Language in the Corporate Office as also in the projects.

To commemorate the 50th year of India's Independence, the Corporation organised a number of programmes in the Corporate Office and projects.

I, on behalf of the Board of Directors acknowledge with gratitude the cooperation received from the Government of India, particularly the Ministry of Power, Ministry of Finance (Department of

Economic Affairs), the Planning Commission, Ministry of Environment and Forest, Department of Public Enterprises,

Department of Company Affairs, the Central Electricity Authority and Central Water Commission as well as the State Governments, the Regional and State Electricity Boards etc.

I wish to express my sincere thanks to the various International Financing Institutions as well as Indian Investors and the Nationalised Banks for the confidence reposed by them in NHPC. My special appreciation is also due to the beneficiary States drawing power from our power stations.

I take the opportunity to make a special mention of the dedication and commitment of the NHPC employees at all levels for giving an excellent performance during the year.

I would like to thank all the Directors of the Board for their valuable guidance and direction and unstinted cooperation which enabled the Corporation to give an all round and excellent performance.

(YOGENDRA PRASAD)
Chairman & Managing Director

Date: 18.9.1998



Siul Weir, Siul Project (H.P.) - Siul Weir

Directors' Report

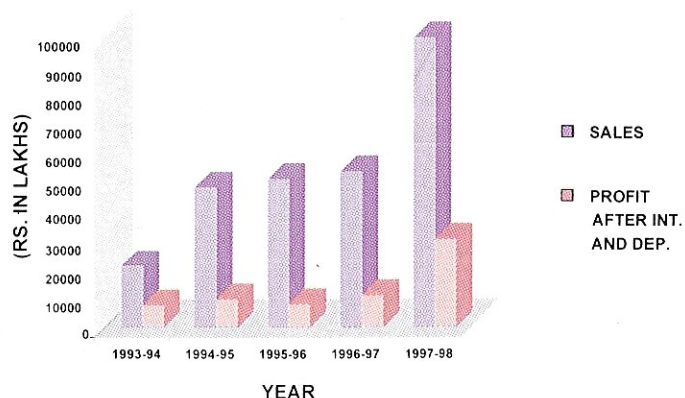
On behalf of the Board of Directors, I have great pleasure in presenting the 22nd Annual Report of the National Hydroelectric Power Corporation Limited along with the Audited Accounts for the year ended 31.3.1998 and the report of Statutory Auditors thereon.

1. FINANCIAL PERFORMANCE

The gross Sales of the Corporation including advance against depreciation during 1997-98 was Rs.1123.48 crores as against Rs. 531.42 crores in the previous year.

Your Corporation made a profit after prior period adjustment of Rs.299.42 crores during the year under report as against Rs. 106.68 crores in the previous year. The increase in profit is mainly due to start of commercial operation of Uri HE Project, the generation exceeding the targets in respect of all ongoing Projects except Tanakpur and due to revised Tariff Policy for the operating Projects.

SALES VS PROFIT



YEAR	1993-94	1994-95	1995-96	1996-97	1997-98
SALES	20619	47810	50913	53442	99297
PROFIT AFTER INT. AND DEP.	7054	9367	7737	10668	29942

FINANCIAL RESULTS

(Rs..in Lakhs)

	1997-98	1996-97
Profit before Depreciation, Interest and financing charges. .	78081	46049
Interest & Financing Charges	43567	26334
Profit before Depreciation.	34514	19715
Depreciation.	11395	11106
Profit for the year after Interest and Depreciation.	23119	8609
Prior period Adjustments .	6823	2059
Profit for the year after prior period Adjustments.	29942	10668
Add:		
Investment Allowance (utilised) reserve written back .	-	2345
Surplus of Profit and Loss Account of earlier year.	7183	6488
Profit available for appropriations.	37125	19501
APPROPRIATIONS:		
(i) Transfer to Capital Reserve	6	-
(ii) Bonds Redemption Reserve.	15500	10668
(iii) Proposed dividend .	1500	1500
(iv) Provision for Income Tax on dividend.	150	150
(v) Balance carried over to Balance sheet.	19969	7183

The total outstanding amount against the various beneficiary States as on 31.3.98 stood at Rs.1298.16 crores excluding provisions of Rs.77.34 crores as against Rs. 708.08 crores at the end of last year. During the year under report, the Corporation has signed the Agreements with six electricity Boards and sold Electricity to the various beneficiaries by collecting Rs. 533.40 crores.

2. PERFORMANCE HIGHLIGHTS

During the year, the actual power generation from the operating projects of the Corporation is 8815.76 MUs including 226.22 MUs during trial run as against the target of 7710 MUs i.e. 14.34% more than the target.



540 MW Chamera Project (H.R) - Concrete dam

3. PROGRESS OF ON GOING PROJECTS

(1) URI H.E. PROJECT(4x120 MW), J&K.

During the year under report, the project has started commercial generation w.e.f. 1.6.97.

PERFORMANCE OF POWER STATIONS (MILLION UNITS)								
Sl. No.	Power Stations	1996-97 Actual	Installed Capacity as on 31.3.98. (In MW)	1997-98 Target	1998-99			
					Actual	Capacity utilisation	Target for the year	Actual upto July,98
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	Baira Siul	545	198	750	779.76	103.97	750	447.90
2.	Loktak	497	105	450	533.86	118.64	450	180.23
3.	Salal	2305	690	2850	2993.46	96.56 #	2800	1472.50
4.	Tanakpur	383	120	460	426.25*	92.66	420	167.89
5.	Chamera	1884	540	1700	1916.56	115.18	1700	1097.90
6.	Uri	85@	480	1500	2165.79@	99.06**	2400	1240.76
Total		5699	2133	7710	8815.76		8520	4607.24
#	Calculated on the design energy							
@	85 MUs and 226.22 MUs during Trial runs in the year 1996-97, 1997-98 respectively.							
*	Shortfall in generation at Tanakpur Project is due to high silt inflow during monsoon leading to forced outage of machines, leakage in Power Channel and consequent shut down of Power Station for repair of Power Channel.							
**	Capacity utilisation for Uri has been calculated from June,97 when the Station was put into Commercial Operation.							

(2) DUL HASTI H.E. PROJECT (3X130) MW - J&K

During the year under report, after the award of contract for the balance civil works, works were resumed immediately in the month of March, 1997.

The Progress of the works in HRT suffered due to heavy ingress of water, poor geological strata and breakdown of TBM. 4460 meters of HRT has been excavated out of 10,600 meters. Excavation in Power House has been completed. Spiral casing of Unit III has been lowered and D.T. liner erection for Unit-II has been completed by July, 1998. The Project is scheduled to be completed in all respects by March, 2001.

(3) RANGIT H.E. PROJECT(3X20MW) - SIKKIM

The Project is in an advance stage of completion. Works are progressing well in all fronts and efforts are being continued to accelerate the progress of works. Excavation of dam has been completed. Further 32,500 Cum. of concrete, against the total of 72,000 Cum. has been placed in the Dam. With regard to HRT, a progress of 2.813 km. has been completed against the total length of 2.853 km. Benching of desilting chambers and erection of steel liner for horizontal & vertical portion of pressure shaft is also in progress.



60 MW Rangit Project (Sikkim) - Erection of generator barrel of unit - 2



390 MW Dul Hasti Project (J & K) - Concrete dam under construction

Service Bay has been completed in all respects in the Power House including erection of unit-1, 2 & 3 upto upper pit liner. Erection of draft tube, scroll casing were also completed in all the three units. Besides these, stator core for all three units has been built up and all the equipments have reached at site. The project is scheduled for completion by March, 1999.

(4) DHAULIGANGA H.E. PROJECT(STAGE-I) (4X70MW) - U.P.

The work on infrastructure and Pre-construction activities has been started. During the year under report, certain activities like temporary housing, development of Benches and protection works besides access and haul roads have been taken up. The work of improvement of Tanakpur-Tawaghat road is being executed by Border Roads Organisation. Work has been stopped for want of forest clearance from February, 1998. However, work on construction of drains, etc. is continuing. An Architect has been appointed and the layout, architectural and construction drawings for permanent colony at Tapovan & Dobat have been submitted and the work is progressing. The forest and defence land have been acquired. Private land at Nigalpani, Tapovan and Dobat have been taken over.

As per the award of Commissioner, Kumaon, 80% of the total amount of compensation for private land measuring 13.95 hac. coming under submergence, has been distributed to the affected families. Efforts are also being made to acquire 3.025 hac. private land in the Power House Area.

Pre-qualification tenders for contractors of main civil works hydro-mechanical and electro-mechanical works have been received in August 1998. The Project is scheduled for completion by September 2004.



60 MW Rangit Project (Sikkim) - Erection of switchyard structure

(5) KOEL KARO H.E. PROJECT (710 MW)- BIHAR

As reported earlier, the project could not be started due to paucity of funds and local resistance. The project was posed to OECF for financial assistance and the response from them was not favourable.

Subsequently CEA has justified the execution of this project even after considering coming up of Purulia H.E. Project in West Bengal and the necessary documents have been submitted to the Ministry of Power for World Bank funding for execution of the Project.

In the meanwhile Central Empowered Committee recommended the case in the month of February, 1997 for freezing of further expenditure on this project and as advised

by the administrative Ministry, a draft CCEA Note has been prepared and submitted to the Ministry of Power on this project for lifting the ban on further expenditure and revival of approval to start the work with the completion schedule of 7 years including the time span of one year for infrastructure development against the original schedule of 8 years, provided sufficient budgetary support is available. However as advised by MOP updated PIB Memo has been submitted to MOP which has been circulated among the appraising authorities. Meanwhile Ministry of Power has directed NHPC to start the pre-construction activities and infrastructural works.

(6) CHAMERA H.E. PROJECT (STAGE - II) (3 X 100 MW)-H.P.

The tenders received for turnkey execution with financial assistance and after the several rounds of negotiations did not result in an acceptable project cost and the Board of Directors of NHPC considered the offer as unacceptable. The Ministry of Power advised further negotiations to bring down the cost. PIB was held on 28.7.1997. PIB desired fresh TEC from CEA and exploring the possibility of financing package by indigenous financiers and suppliers. CEA has given fresh TEC on 28.7.98 which has been formally conveyed to NHPC. Meanwhile NHPC has once again invited global tenders along with financial packages net of budgetary support of Rs.600 Crores from Govt. of India. Meanwhile Rs.20 Crores (including Rs.6.99 Crores already spent on the Project) has been sanctioned by Ministry of Power towards pre-construction activities and infrastructural works.

(7) KALPONG H.E.PROJECT 5.25(3X1.75MW) ANDAMAN & NICOBAR ISLANDS

The execution of the Project has been entrusted to NHPC as a deposit work with the funds to be provided by Andaman & Nicobar



45 MW Kurichu Project (Bhutan) - Diversion tunnel outlet

Islands Authorities. The MOE&F has accorded the clearance for diverting right fork of the river for additional power generation. The Project capacity has been raised to 5.25 MW (3x1.75 MW) with one unit as stand by from the existing level of 2.125 MW.

Till July, 1998, 6400 cum. of stripping has been done on the abutment of Concrete Dam. 2400 cum. excavation in power house area has been completed. 3900 cum. excavation on the penstock alignment has been achieved. 900 cum. of foundation stripping of saddle dyke has been completed. CSMRS team will visit the project for conducting rock mechanic test in the drift after arrival of necessary testing equipments and material at site.

8.87 hec. of land has already been allotted by A&N Administration to the project and taken over by NHPC.

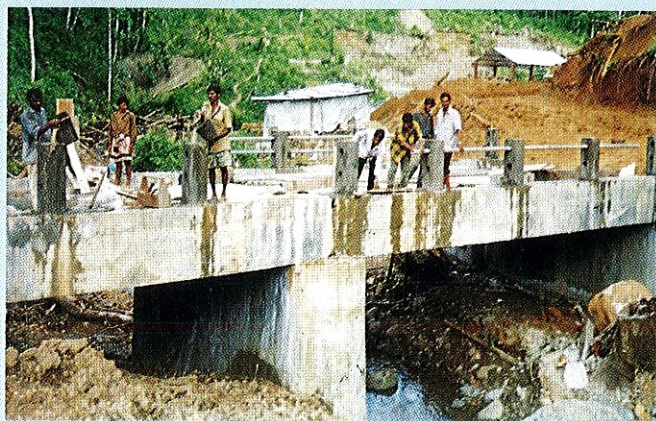
The approach road to dam site has been made through for all types of vehicles. Construction of one no. Mini bridge on Kalara Nallah on approach road to Power House has been completed and second bridge is in progress.

The Project is scheduled for completion in 51 months from the date of signing of the Agreement with A&N Administration i.e. 15.7.1998.

(8) KURICHU H.E. PROJECT (3X1.5 MW) BHUTAN

Kurichu HE Project was entrusted to NHPC in September, 1995 for its execution on turnkey basis. The financial assistance for the Project is being extended through Ministry of External Affairs, Govt. of India.

During the year under report the infrastructure and Pre-construction activities are progressing satisfactorily. The diversion tunnel was day lighted on 14th November, 1997. The work of construction of main Dam and Power House has been awarded to M/s H.C.C. and M/s. Gammon India Ltd. respectively. Supply order for main generating equipments has been placed with M/s. BHEL. Engineering works for civil contract packages and electrical contract packages are in progress. The Project is scheduled for completion by September, 2001.



5.25 MW Kalpong Project (A & N Islands) - Bridge under construction

(9) TEESTA H. E. PROJECT (STAGE-V) (510 MW) - SIKKIM

Teesta H.E. Project (Stage-V) is one of the six Hydro Power Schemes identified on the river Teesta in the state of Sikkim and will have an installed capacity of 510 MW with annual generation of 2573 Mus in a 90% dependable year. Techno Economic Clearance for the estimated cost of Rs. 1925.44 crores including IDC of Rs. 477.31 crores at March, 1993 Price level was

accorded by C.E.A. The State Government has conveyed its approval for the execution of the Project through NHPC. Pre - construction investigation activities of the Project have been completed. DPR has been updated and submitted to C.E.A. for Techno-Economic Clearance. Proposals for environmental and forest clearance have been submitted to Ministry of Environment & Forest. T.E.C. from C.E.A. is awaited.

(10) LOKTAK DOWN STREAM H.E. PROJECT (90MW) - MANIPUR

To increase the Hydro Power capacity in Manipur, this project could be taken up during 9th Plan, provided adequate budgetary support for the Project cost is made available.

4. SURVEY AND INVESTIGATION

(1) DHAULIGANGA H.E. PROJECT (INTERMEDIATE STAGE) (3X70 MW) - U.P.

The Corporation has submitted Detailed Project Report for Techno-Economic Clearance.

(2) GORIGANGA H.E. PROJECT (STAGE-I (3X20 MW) AND STAGE-II (4X40MW) - U.P.

As reported earlier, CEA had recommended that the planning process of the Project may be deferred till the Detailed Project Report of the Pancheswar Multipurpose Project is completed.



690 MW Salal Complex (J & K) - Reservoir



480 MW Uri Project (J & K) - Gas insulated switchgear

(3) GORIGANGA H.E. PROJECT (STAGE-IIIA) (3X40MW) AND STAGE-II-B (2X10MW)-U.P.

The investigations were completed and the Detailed Project Report submitted to CEA and Techno-Economic Clearance from C.E.A. is still awaited.

5. WIND AND TIDAL POWER

The Corporation has amended its Object Clause of Memorandum of Association to include the Execution, Construction, Generation, Maintenance of Wind and Tidal Power Stations and projects, sale of wind and Tidal Power. During the year under report, action has already been taken to identify the potentiality of Wind and Tidal Power in the country for construction, generation and distribution of Wind and Tidal Power.

6. MINI AND MICRO HYDEL PROJECTS

The Corporation is also planning to execute Mini/Micro Hydel Projects in Tamilnadu. In addition to this, matter regarding taking up of small Hydro Power Projects in H.P., Sarda Basin(UP), Sikkim and in the State of Bihar has also been taken up with the concerned Authorities. You would be glad to know that the Corporation has received the feasibility report of four Projects in the state of Bihar which are under examination.

7. CONSULTANCY SERVICES

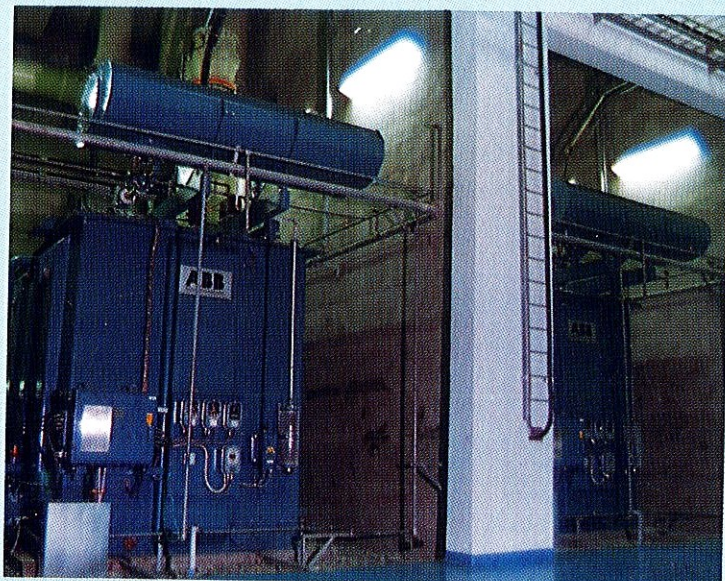
During the year under report, Corporation has undertaken various Consultancy Services valuing Rs. 218 Lakhs. The Organisations to which Consultancy Services were provided are Northern Railway, THDC Ltd, NJPC Ltd, J&K State Power Development Corporation, West Bengal Power Development Corporation and Andhra Pradesh State Electricity Board. Negotiations for construction and assignment of Eastern Tube of Jawahar Tunnel with Border Road Organisation were successfully concluded and the work for the same would be shortly awarded.

Considering the scope for providing Consultancy Services in the Hydro Power, the Corporation is planning to enter into M.O.U. with Bhakra Beas Management Board.

8. CAPITAL STRUCTURE

The present Authorised Share capital of the Corporation stood at Rs. 3500 crores. Recently, the Govt. of India has conveyed its approval for increasing the Authorised Share Capital to Rs.5000 crores from the existing level of Rs.3500 crores, vide Order No.16/51/97-DO, dated 3.8.1998. Action is being taken separately for completing the necessary formalities under the Companies Act, 1956.

The Paid-up Share Capital as on July, 1998 stood at Rs.3075.19 crores.



480 MW Uri Project (J & K) - Transformer

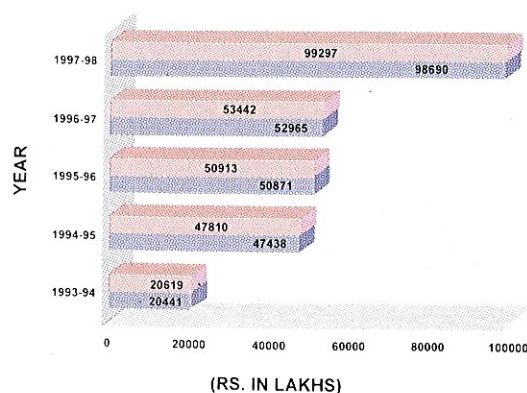
9. PROPOSED DIVIDEND

The Directors have recommended a lump sum dividend of Rs. 15 crores subject to the approval of the shareholders in General Meeting.

10. BONDS

During the year under report, the Corporation has raised Term Loans aggregating to Rs.400 crores from Banks and Financial Institutions and has successfully redeemed its 13% "F" Series Bonds amounting to Rs.215 crores and 9% Tax-free 'B' Series bonds amounting to Rs. 78 crores. With the redemption of these two series of Bonds, the outstanding liabilities on account of Bonds excluding interest accrued stood at Rs. 1931.17 crores as on 31.3.1998.

SALES V/S VALUE ADDED



YEAR	% OF VALUE ADDED
1993-94	99.14%
1994-95	99.22%
1995-96	99.74%
1996-97	99.11%
1997-98	99.39%



A training programme in progress

11. RESERVATION FOR SC/ST

During the year under report, the Corporation had made special efforts to reduce the backlog of reserved vacancies in group "C". During the period under review 17 candidates belonging to SC and 1 candidate belonging to ST were appointed.

12. NHPC ENVIRONMENTAL COMMITMENTS

After indentifying the critical areas, extensive catchment area treatment works including biological and engineering soil conservation measures, implementation of the restoration plan based on integrated biotechnological approach for the revegetation of spoil tips, completion of the aquatic study have been carried out by the various projects of the Corporation. Besides this, environmental clearance for the right fork of Kalpong HE Project in A&N has been obtained and preparation of EIA & EMP for Teesta Stage-V is under progress.

13. HUMAN RESOURCES DEVELOPMENT

Considering the Human Resources as a valuable asset, Corporation has been making constant and strenuous efforts on training to develop and up-grade the technical skills by organising various in house training programmes and nominating the employees for various development

programmes conducted by reputed organisations and Institutions. To enable them to meet challenges of changing business environment, Executives were also deputed to abroad for attending seminars, conferences and training programmes during the year.

14. PERSONNEL AND INDUSTRIAL RELATIONS

During the year under report industrial Relation at all the Projects and in Corporate Office were normal and peaceful.

15. VIGILANCE ACTIVITIES

Number of Vigilance units has been increased to 12. A record number of 505 regular and surprise checks were conducted as a preventive measure during the year at various projects. Vigilance appreciation



programmes and workshop on Vigilance Management were organized. The workshop was attended by Vigilance Officers from different PSUs. A Booklet on 'Dos and Don'ts' has been published and distributed amongst the employees.

16. OFFICIAL LANGUAGE IMPLEMENTATION

During the year under review, quarterly meetings of Official Language Implementation committee were organised

in corporate Office and also in Projects. Officials were trained in Hindi workshop and a help literature was also distributed among trainees. Special meetings of Hindi Officers/ Assistant Hindi Officers were organised periodically for review and to ensure the progressive use of Official Language in Projects.

In compliance with Official Language Act, all the general orders/circulars, press release, tender notice etc. were issued bilingually and in order to increase and monitor the use of Hindi in official work, inspection of various divisions in Corporate Office were conducted. Hindi Day/Hindi Fortnight was also celebrated from 15th September, 1997 to 30th September, 1997. In addition to above, Hindi edition of Personnel Manual, Cabinet Notes on Uri, Dul Hasti and Salal Projects, committee Report on Hydro Power, MOU, Annual Report etc. were also published. During this period, Hindi Competitions were also arranged.

Under the training programme, departmental Hindi Classes for Probodh/Praveen were organised to teach Hindi to non-Hindi speaking Officers/employees. To have awareness among employees, "Aaj Ka Shabad" and "Aaj Ka Vichar" were written in Hindi regularly.

17. SPORTS AND CULTURAL ACTIVITIES

NHPC is a Member of Power Sports Control Board. During the period under review, the Corporation hosted the Volleyball Tournament at New Delhi. NHPC team also participated in various tournaments organized by different Power Sector Corporations under the aegis of Power Sports Control Board. The Corporation also participated in the third inter Power Sector Cultural Meet organised by Power Sports Control Board. During the year, the Corporation organised a number of programmes at the Corporate Office and Projects to celebrate 50 Years of India's Independence.

18. MEMORANDUM OF UNDERSTANDING

A Memorandum of Understanding was signed between the Government of India and NHPC during the year and you would be glad to know that the performance of the Corporation was adjudged as excellent in 7 out of 11 performance indicators. In respect of other four parameters, the excellent rating could not be secured due to slippages on account of machine availability, gross margin and net profit as percentage of capital employed, non-achieving of project implementation milestones and poor collection of dues from beneficiaries.



Dr. E.A.S. Sarma, the then Secretary (Power) and Shri Yogendra Prasad, CMD signing the MoU



19. AUDITORS

M/s. Mohan and Mohan, Chartered Accountants, Faridabad, has been continued as Statutory Auditors for conducting Audit for the year 1997-98 and M/s.H.S. Ahuja & Co., New Delhi, M/s.A. Kayes & Co., Calcutta, were also as Branch Auditors of the Corporation.

M/s.Manmohan Joginder & Associates, Jammu, has been appointed as Branch Auditors of the Corporation.

20. AUDITORS' REPORT

The Auditors' Report refer to the various notes incorporated by the Company is in schedule-16. The replies are enclosed as Annexure-I and are self - explanatory . The comments of the Comptroller and Auditor General of India and replies of the directors are at Annexure-II.

Review of the accounts for the year ending 31st March, 1998 by Comptroller and Auditor General of India is enclosed as Annexure-III to the report.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosure of

particulars in the report of Board of Directors) Rules , 1988 regarding conservation of energy, technology absorption , and foreign exchange earnings and outgo is given in the Annexure -IV to this report.

22. PARTICULARS OF EMPLOYEES

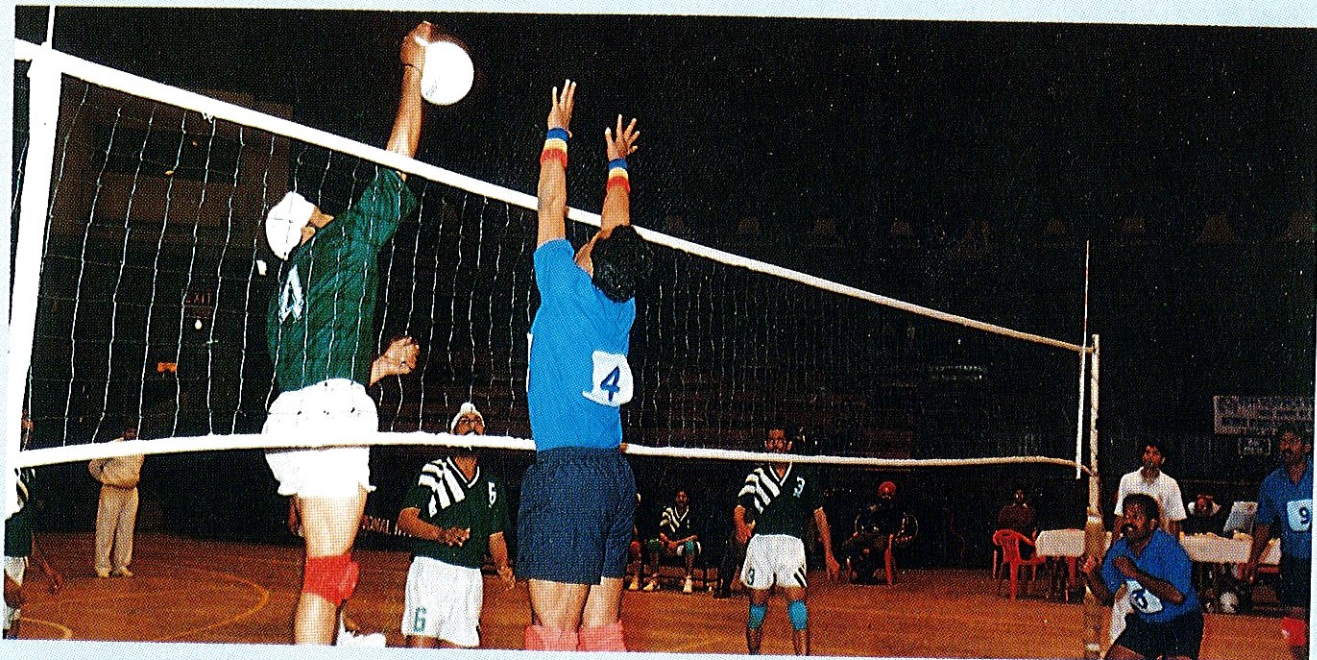
Information under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is given in Annexure-V to this report.

23. BOARD OF DIRECTORS

Following changes have taken place in the Board of Directors of the Corporation since the last report:-

1. Shri S.R. Narasimhan, Chairman & Managing Director, superannuated from the services of the Corporation w.e.f. 30th September, 1997.
2. Shri Yogendra Prasad, Director(Projects) took over additional charge of the duties of Chairman & Managing Director of the Corporation w.e.f. 1st October, 1997 and subsequently appointed as Chairman & Managing Director of the Corporation w.e.f. 6th August, 1998.
3. Shri Ramesh Chandra, Member(D&R), Central Water Commission, ceased to be Director of the Corporation w.e.f. 31st December, 1997 on attaining the age of superannuation.





Inter PSU Volley Ball tournament hosted by NHPC

4. Shri D.V. Khera, Member(HE), Central Electricity Authority and Shri A.B. Joshi, Retired Ex-Chairman of Central Water Commission were appointed as Part-Time Directors on the Board of NHPC Ltd. w.e.f. 31st October, 1997 and 8th December, 1997 respectively.
5. The Board places on record its appreciation for the valuable contribution, guidance and suggestions made by Shri S.R. Narasimhan as C.M.D. and Shri Ramesh Chandra, Member(D&R), Central Water Commission, as Members of the Board.

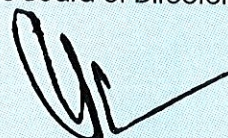
24. ACKNOWLEDGEMENTS

The Board of Directors wish to acknowledge with deep sense of gratitude, the help and cooperation received from the Government of India particularly the Ministry of Power, Ministry of Finance (Department of Economic Affairs), the Planning Commission, Ministry of Environment and Forest, Reserve Bank of India, Department of Public Enterprises, Department of Company Affairs, the Central Electricity Authority, Central Water Commission as well as the State Governments, the Regional and State Electricity Boards.

The Corporation is also grateful to the International and Indian Financing Institutions as well as Indian Investors and the Nationalised Banks for the confidence reposed by them in NHPC. Besides, the Corporation has appreciated to the beneficiaries drawing power from our power stations as also to our other valuable clients who have reposed confidence in NHPC by awarding the contracts for consultancy assignments.

Further, the Board takes the opportunity to thank all the dedicated employees of the Corporation but for whose valuable contributions and unstinted support, the achievements of the Company would not have been possible.

For and on behalf of the Board of Directors



(YOGENDRA PRASAD)

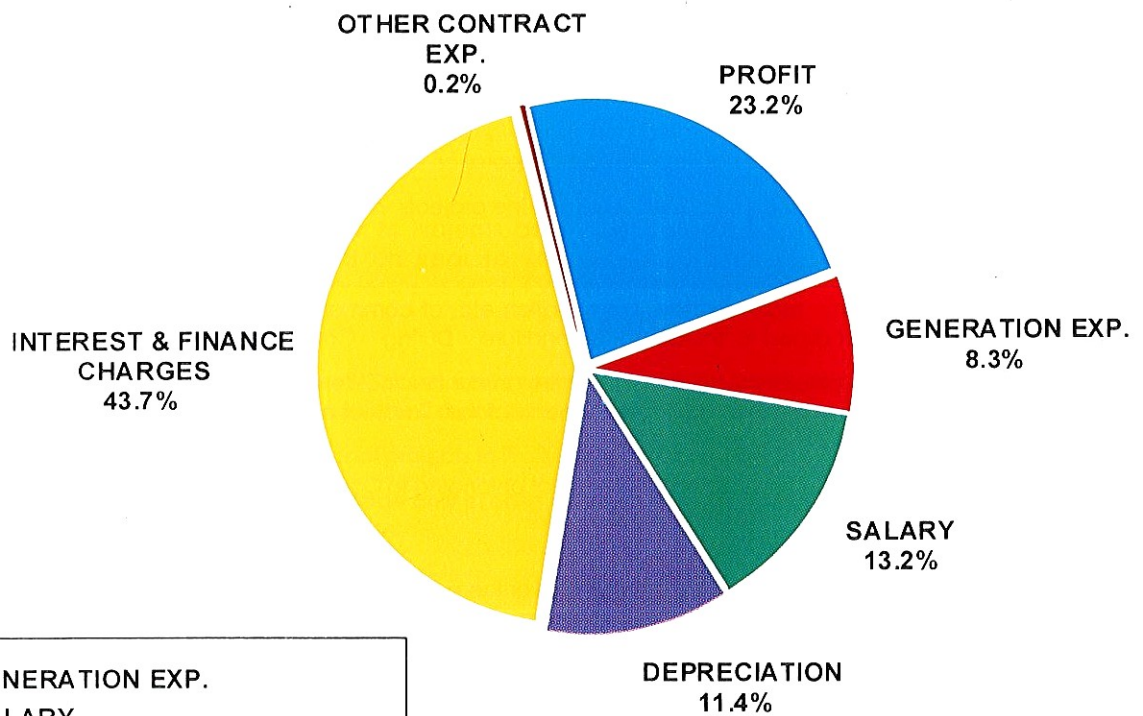
CHAIRMAN & MANAGING DIRECTOR

DATE: 18.9.1998

FARIDABAD.

ANALYSIS OF REVENUE - 1997-98

(BEFORE PRIOR PERIOD ADJUSTMENT)



- GENERATION EXP.
- SALARY
- DEPRECIATION
- INTEREST & FINANCE CHARGES
- OTHER CONTRACT EXP.
- PROFIT

SIGNIFICANT ACCOUNTING POLICES

1. ACCOUNTING CONVENTIONS

- 1.1 The financial statements are drawn up on historical cost basis.
- 1.2 Revenue and Expenses are generally accounted for on accrual basis except in the case of surcharge recoverable from Debtors, sale of scrap, income from consultancy charges and the expenditure on account of L.T.C encashment.

2. FIXED ASSETS

- 2.1 Fixed assets are carried at cost of acquisition/construction. However, where actual cost is not ascertainable due to non submission/adjustment of contractors/suppliers bills, these are carried at estimated cost. The contribution received from outside agencies, if any, towards fixed assets are netted out.
- 2.2 Fixed Assets created on land not belonging to the Corporation are included under fixed assets.
- 2.3 Payments made provisionally towards compensation and other expenses relatable to land are treated as cost of land.
- 2.4 Assets procured/created in projects on grants-in-aid/agency or deposit basis are not included in the assets as ownership does not vest with the Corporation.
- 2.5 Construction equipments declared surplus in the projects are shown at lower of book value and net realisable value.

3. CAPITAL WORK IN PROGRESS

- 3.1 Expenditure on maintenance, upgradation etc. of common public facilities in projects under construction is charged to 'Incidental Expenditure During Construction'.
- 3.2 On start of commercial production, the entire amount of 'Incidental Expenditure During Construction' is allocated on immovable major components of the project excluding land and infrastructural works.

4. MISCELLANEOUS EXPENDITURE

It includes expenditure incurred on assets not belonging to Corporation which is written off over a period of 5 years after start of commercial operation.

5. DEPRECIATION & AMORTISATION

- 5.1 Premium on lease hold land is amortised over the period of lease.
- 5.2(a) Depreciation is charged on straight line method as per rates prescribed under the Electricity (Supply) Act, 1948 as notified from time to time. In respect of assets, where rate has not been laid down under the aforesaid Act, depreciation is provided on straight line method as per rates prescribed under the Companies Act, 1956.
- 5.2(b) Depreciation on fixed assets is provided from the year following that in which the assets become available for use.
- 5.3 Assets with original cost/W.D.V. of Rs.5,000/- or less (excluding immovable assets) at the beginning of the year are depreciated fully.

6. VALUATION OF INVENTORIES

- 6.1 Stores and Spares are valued at cost.
- 6.2 Loose tools issued during the year are charged to consumption account where cost of individual items is Rs. 5,000/- or less and in other cases written off in 5 yearly equated instalments.
- 6.3 Stores issued for operation and maintenance at operational projects but lying unused at site at the year end are evaluated at engineering estimates and taken as stores.

7. EXCHANGE FLUCTUATIONS

Foreign currency loans/balances are translated/converted with reference to the rates of exchange ruling at the year end. The difference is transferred to Capital work-in-progress/fixed assets in case of capital assets and to Profit & Loss/I.E.D.C. in case of current assets.

8. RETIREMENT BENEFITS

Provision for gratuity and leave encashment is made on actuarial valuation basis.

9. RECOGNITION OF PROFIT ON CONSTRUCTION CONTRACTS

9.1 Profit on construction contracts is recognised as under:-

- a) On completion of contracts in respect of Short Term contracts with duration upto 12 months.
- b) On percentage basis in respect of Long Term contracts with duration of more than 12 months as given below:-

Progress of work	Recognition of profit (% age of estimated profit)
a) Upto 66.67%	Nil
b) above 66.67% upto 90%	80%
c) above 90%	100%

9.2 Loss, if any, is recognised immediately.

10. SELF INSURANCE

0.5 % p.a. of Gross Block of O & M Projects as on the date of Balance Sheet is transferred to Self Insurance Reserve Account on year to year basis by charge to Profit & Loss account. Reserve so created will be utilised for losses of Assets for specified contingencies.

11. MISCELLANEOUS

- 11.1 Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Corporation.
- 11.2 Power supplied from operational projects to Projects under construction is charged as per normal tariff.
- 11.3 Prior period adjustments are made only in case of projects under operation, if the amount involved is more than Rs. 5000/-in each case.

12. ALLOCATION OF CORPORATE OFFICE EXPENSES

The Corporate Office Expenses are allocated as under :-

- i) On operational projects @ 1% of Sale of Power for the year excluding taxes & duties.
- ii) In case of construction contract Projects @ 5% of the expenditure incurred during the year.
- iii) The balance expenditure is allocated to other projects in the ratio of net capital expenditure incurred during the year.



BALANCE SHEET AS AT 31.3.1998

(Rs. in Lakhs)

PARTICULARS	SCHEDULE NO.	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Capital	1	296869	247541
b) Share Capital deposit		400	7208
c) Govt. of India Fund adjustable to equity		42032	36988
d) Reserves and Surplus	2	94859	63447
		434160	355184
2. LOAN FUNDS	3		
a) Secured Loans		278234	258599
b) Unsecured Loans		265792	263735
		544026	522334
3. INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION		13051	
		991237	877518
APPLICATION OF FUNDS			
1. FIXED CAPITAL EXPENDITURE			
a) Fixed Assets	4		
Gross Block		690490	389378
Depreciation		59871	62281
Net Block		630619	327097
b) Capital Work-In-Progress	5	207311	489571
c) Construction Stores & Advances	6	33198	11668
		871128	828336
2. CURRENT ASSETS LOANS & ADVANCES	7		
a) Inventories		3960	3178
b) Sundry Debtors		129816	70808
c) Cash & Bank Balances		11124	8672
d) Other Current Assets		2795	2730
e) Loans & Advances		25616	28452
		173311	113840
Less: Current Liabilities & Provisions	8		
a) Liabilities		43418	61038
b) Provisions		9955	4119
		53373	65157
NET CURRENT ASSETS		119938	48683
3. MISCELLANEOUS EXPENDITURE	9	171	499
(To the extent not written off or adjusted)		991237	877518

NOTES TO THE ACCOUNTS &

CONTINGENT LIABILITIES

Schedule 1 to 16 and Accounting Policies form integral part of the Accounts

VIJAY GUPTA
Secretary

R.NATARAJAN
Director (Finance)

YOGENDRA PRASAD
Chairman & Managing Director

As per our report of even date attached
For MOHAN & MOHAN
Chartered Accountants

Place : FARIDABAD
Dated : 22 JULY, 1998

ADARSH MOHAN
Partner

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998

(Rs. in Lakhs)

PARTICULARS	SCHEDULE NO.	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
INCOME			
1. Sales		112348	53142
Add : Tariff Adjustments(Net)		—	300
Less: Advance against depreciation		<u>13051</u>	<u>99297</u>
2. Contracts & Consultancy(Net)		219	1974
3. Other Income	10	218	193
TOTAL INCOME		<u>99734</u>	<u>55609</u>
EXPENDITURE			
1. Generation, Administration & Other Expenses	11	8323	3967
2. Employees' Remuneration & Benefits	12	13181	4004
3. Depreciation		11395	11106
4. Interest & Finance charges	13	43567	26334
5. Other Contract Expenses	14	149	1589
TOTAL EXPENDITURE		<u>76615</u>	<u>47000</u>
Profit for the year		23119	8609
Prior period adjustment(Net)	15	6823	2059
Profit for the year after Prior Period adjustment		29942	10668
Balance Profit brought forward from last year		7183	6488
Proposed Dividend		1500	1500
Provision for Income Tax(on Dividend)		150	150
Investment Allowance(utilised)Reserve written back		—	2345
Transfer to Capital Reserve		6	—
Transfer to Bonds Redemption Reserve		15500	10668
Balance Profit carried to Reserves & Surplus		19969	7183

VIJAY GUPTA
Secretary

R.NATARAJAN
Director (Finance)

YOGENDRA PRASAD
Chairman & Managing Director

As per our report of even date attached
For MOHAN & MOHAN
Chartered Accountants

Place : FARIDABAD
Dated : 22 JULY, 1998

ADARSH MOHAN
Partner



SHARE CAPITAL

SCHEDULE-I

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
AUTHORISED		
35000000 (Previous year 35000000)		
Equity Shares of Rs.1000/- each	350000	350000
ISSUED , SUBSCRIBED AND PAID UP		
29686947 Equity Shares (Previous year 24754147) of	296869	247541
Rs.1000/- each fully paid up (Out of above, 629529 Shares		
have been allotted for consideration other than cash		
persuant to contracts and one Share has been allotted		
for part consideration other than cash.)	296869	247541

RESERVES AND SURPLUS

SCHEDULE-2

(Rs. in Lakhs)

PARTICULARS	BALANCE AS AT 1ST APRIL, 1997	ADDITIONS	DEDUCTION	BALANCE AS AT 31ST MARCH, 1998
Self Insurance Reserve	—	3120	—	3120
Capital Reserve (Sale of Fixed Assets)	—	6	—	6
Bond Redemption Reserve	35264	15500	—	50764
General Reserve	21000	—	—	21000
	56264	18626	—	74890
Surplus as per Profit & Loss Account	7183			19969
	63447			94859

LOAN FUNDS

SCHEDULE-3

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
SECURED LOANS		
A. BONDS (Non-convertible, Non-cumulative)		
BONDS - C SERIES *1 (PRIVATE PLACEMENT)		
9%(Tax-Free)10 year bonds of Rs.1000/- each redeemable at par (Due for repayment within one year Rs.15000 Lakhs.) (Earliest date of redemption is 20th May,1998.)	15000	15000
BONDS - D SERIES *1 (PRIVATE PLACEMENT)		
9%(Tax-Free) 10 year bonds of Rs.1000/- each redeemable at par on 27th September, 1999.	21998	21998
Interest accrued and due on notified Bonds	—	297
BONDS - E SERIES *1 (PRIVATE PLACEMENT)		
9%(Tax-Free) 10 year bonds of Rs.1000/- each redeemable at par on 9th February,2000.	15000	15000
BONDS - F SERIES *1 (PRIVATE PLACEMENT)		
13% 7 year bonds of Rs.1000/- each redeemable at par on 13th September,1997	—	21500
BONDS - G SERIES *1 (PRIVATE PLACEMENT)		
17.5% 7 year bonds of Rs.1000/- each (Due for repayment within one year Rs.5000 Lakhs.) redeemable at par on 2nd December, 1998	5000	5000
17% 7 year bonds of Rs.1000/- each (Due for repayment within one year Rs.1000 Lakhs.) redeemable at par on 21st February, 1999.	1000	1000
18% 7 year bonds of Rs.1000/- each (Due for repayment within one year Rs.13000 Lakhs.) redeemable at par. (Earliest date of redemption is 9th March, 1999.)	13000	13000
9%(Tax-Free) 10 year bonds of Rs.1000/- each redeemable at par on 31st March,2002.	700	700
	<u>19700</u>	<u>19700</u>



LOAN FUNDS

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
BONDS - H SERIES *1		
(PRIVATE PLACEMENT)		
18% 7 year bonds of Rs.1000/- each redeemable at par on 8th August, 1999.	5000	5000
17% 7 year bonds of Rs.1000/- each redeemable at par. (Earliest date of redemption is 30th March, 2000.)	2519	2519
	<u>7519</u>	<u>7519</u>
BONDS - I SERIES *1		
(PRIVATE PLACEMENT)		
17% 7 year bonds of Rs.1000/- each redeemable at par on 4th January, 2001.	80	80
15.5% 7 year bonds of Rs.1000/- each redeemable at par (Due for repayment within one year Rs.333 Lakhs.) (Earliest date of redemption is 20th January, 1999)	1000	1000
14% 7 year bonds of Rs.1000/- each redeemable at par. (Earliest date of redemption is 24th March, 2001)	19096	19096
10.5% (Tax-Free) 7 year bonds of Rs.1000/- each redeemable at par on 29th March, 2001.	10000	10000
	<u>30176</u>	<u>30176</u>
BONDS - J SERIES *2		
(PRIVATE PLACEMENT)		
13% 7 year bonds of Rs.1000/- each redeemable at par on 1st December, 2001.	5000	5000
13.25% 7 year bonds of Rs.1000/- each redeemable at par. (Earliest date of redemption is 8th October, 2001)	15500	15500
9.25%(Tax-Free) 7 year bonds of Rs.1000/- each redeemable at par. (Earliest date of redemption is 15th November, 2001)	10000	10000
16.5% 7 year bonds of Rs.1000/- each redeemable at par on 21st July, 2002.	2500	2500
16% 5 year bonds of Rs.1000/- each redeemable at par on 30th September, 2000.	500	500
16.25% 7 year bonds of Rs.1000/- each redeemable at par. (Earliest date of redemption is 30th September, 2000)	6736	6736
	<u>40236</u>	<u>40236</u>

LOAN FUNDS

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
BONDS -K SERIES *2		
(PRIVATE PLACEMENT)		
18% 5 Year Bonds of Rs.1000/- each redeemable at par (Due for repayment within one year Rs.7677 Lakhs.) (Earliest Date of Redemption is 30th March,1999)	7677	7677
17.5% 5 Year Bonds of Rs.1000/- each redeemable at par (Earliest Date of Redemption is 1st August,1999)	13746	13746
17.5% 7 Year Bonds of Rs.1000/- each redeemable at par (Earliest Date of Redemption is 30th September,2001)	5000	5000
	<u>26423</u>	<u>26423</u>
BONDS-L SERIES *2		
(PRIVATE PLACEMENT)		
17 % 5 Year Bonds of Rs.1000/- each redeemable at par (Earliest Date of Redemption is 22nd October,1999)	5635	5635
16% 7 Year Bonds of Rs.1000/- each (redeemable at par on 31st March,2004)	6330	6330
10.5%(Tax-Free) 7 Year Bonds of Rs.1000/- each (redeemable at par on 31st March,2004)	5100	5100
	<u>17065</u>	<u>17065</u>
Interest Accrued and Due (L-SERIES)	12	—
B. OTHER TERM LOANS		
UNIT TRUST OF INDIA *1	30000	40000
(Due for repayment within one year Rs. 5000 Lakhs.)		
ICICI Ltd. *2	10000	—
(Due for repayment within one year Rs. NIL Lakhs.)		
INDUSTRIAL DEVELOPMENT BANK OF INDIA *2	10000	—
(Due for repayment within one year Rs. NIL Lakhs.)		
STATE BANK OF INDIA Term loan *2	20000	—
(Due for repayment within one year Rs. NIL Lakhs.)		
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.*2	895	985
(Due for repayment within one year Rs.104 Lakhs.)	<u>70895</u>	<u>40985</u>
WORKING CAPITAL DEMAND LOAN From Banks (Short Term)*3	12000	2700
CASH CREDIT FROM BANKS (SHORT TERM)*3	2210	—
Total Secured Loans	<u>278234</u>	<u>258599</u>



LOAN FUNDS

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
UNSECURED LOANS		
A. BONDS (Non-convertible, Non-Cumulative & Cumulative)		
BONDS - B SERIES		
9%(Tax-Free) 10 year bonds of Rs.1000/- each redeemable at par on 11th December,1997 (Due for repayment within one year Rs.NIL Lakhs.)	—	7814
Interest accrued and due	—	287
B. LOAN FROM GOVERNMENT OF INDIA	62741	61824
(Due for repayment within one year Rs.5309 Lakhs.)		
Interest accrued and due	19748	17903
C. LOAN FROM OTHERS (Guaranteed by Government of India)		
1. Export Development Corporation (Canada) (Due for repayment within one year Rs. 6559 Lakhs.)	32796	35629
2. West Merchant Bank Ltd., (Due for repayment within one year Rs. 2497 Lakhs.)	17737	16723
3. ABSEK (Due for repayment within one year Rs. 8579 Lakhs.)	68634	65553
4. Nordic Investment Bank (Due for repayment within one year Rs. NIL Lakhs.)	20249	18404
5. Credit Commercial DE France (Due for repayment within one year Rs. NIL Lakhs.)	41357	39598
6. OECF (Due for repayment within one year Rs. NIL Lakhs.)	2530	—
	<u>183303</u>	<u>175907</u>
Total unsecured loan	<u>265792</u>	<u>263735</u>
TOTAL LOAN (Secured + Unsecured)	<u>544026</u>	<u>522334</u>

Note :-

- *1. Secured by equitable mortgage against assets of Chamera H.E. Project.
- *2. Secured through hypothecation against assets of Uri H.E. Project.
- *3. Secured by hypothecation against Debtors and O&M Stores.

FIXED ASSETS

SCHEDULE-4

(Rs In Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.97	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.98	As at 1.4.97	For the year	Adjust- ments	As at 31.3.98	As at 31.3.98	As at 31.3.97
Land Freehold	4753	934	—	5687	—	—	—	—	5687	4753
Land Leasehold	1663	24	77	1610	160	27	(76)	111	1499	1503
Buildings	47393	18012	1835	63570	8144	1747	(1564)	8327	55243	39249
Roads & Bridges	6289	67	700	5656	1290	181	(327)	1144	4512	4999
Railway Siding	3	—	—	3	—	—	—	—	3	3
Construction Plant & Machinery	10501	627	6446	4682	6343	245	(3348)	3240	1442	4158
Generating Plant & Machinery	92738	77676	152	170262	10953	4079	(31)	15001	155261	81785
Substation Equipments	1027	245	231	1041	464	84	(124)	424	617	563
Hydraulic Works (Dams, Tunnels, etc.)	204122	221980	2	426100	19801	5411	1	25213	400887	184321
Vehicles	2001	151	993	1159	1372	137	(655)	854	305	629
Furniture Fixture & Equipments	1391	258	388	1261	640	197	(273)	564	697	751
Transmission Lines	1734	121	128	1727	580	96	(129)	547	1180	1154
Misc. Assets/ Equipments	1607	61	157	1511	839	195	(140)	894	617	768
Construction Plant & Machinery Not In Use	14156	696	8631	6221	11695	—	(8143)	3552	2669	2461
TOTAL	389378	320852	19740	690490	62281	12399	(14809)	59871	630619	327097
PREVIOUS YEAR	372752	17252	626	389378	49012	13314	(45)	62281	327097	323740



CAPITAL WORK-IN-PROGRESS

SCHEDULE- 5

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
1. Survey, Investigation and other expenses	852	804
2. Buildings, Civil Engg. Works and Communications	642	24209
3. Roads & Bridges	2187	2049
4. Hydraulic Works, Barrages, Dams, Tunnels & Power Channels	44754	177413
5. Penstock	2042	18706
6. Plant & Machinery in Generating Stations	55805	107885
7. Electric Installation & Sub-Station Equipments	65	314
8. Miscellaneous Assets	89	86
9. Trunk Transmission Lines	28	118
10. Incidental Expenditure During Construction		
Balance b/f from Last year	157987	115131
Additions during the year	24850	45576
TOTAL	182837	160707
Less : Adjusted during the year	81990	2720
NET I.E.D.C. ADDED TO C.W.I.P	100847	157987
	207311	489571

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

Annexure to schedule-5

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
EMPLOYEES' REMUNERATION & BENEFITS		
Salary, Wages, Allowances & Benefits	4414	6300
Gratuity & Contribution to Provident Fund (including Administration Fee)	1102	1129
Staff welfare expenses	746	1212
Leave salary & pension contribution	28	16
	6290	8657
REPAIRS & MAINTENANCE		
Buildings	247	116
Machinery & construction equipments	259	174
Others	317	355
	823	645
ADMINISTRATION & OTHER EXPENSES		
Travelling & Conveyance	235	169
Expenses on staff cars & inspection vehicles	311	325
Rent Office	15	19

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998		FOR THE YEAR ENDED 31ST MARCH, 1997	
Rent Residential	146		105	
Rates and Taxes	6		145	
Insurance	96		206	
Electricity charges	216		140	
Telephone, Telex & Postage	62		49	
Advertisement & Publicity	56		73	
Foreign consultancy charges	277		496	
Income Tax on Foreign contracts	237		255	
Design & Consultancy charges	4		1	
Entertainment	5		4	
Printing & Stationery	85		62	
Expenditure on land not belonging to Corporation	1928		1116	
Land acquisition & Rehabilitation	91		-	
Donations	-		10	
Other expenses	723		1279	
Payment to Auditors	7		5	
Loss on material/assets written off	12	4512	28	4487
INTEREST & FINANCE CHARGES				
Interest on Loans	7170		15152	
Interest on Bonds	9808		15136	
Bond issue expenses	7		743	
Commitment fee	243		355	
Financing/Guarantee charges	703	17931	3938	35324
EXCHANGE RATE VARIATION-NET(GAIN)		(17)		(2892)
DEPRECIATION		899		2203
TOTAL EXPENDITURE		30438		48424
LESS: RECEIPTS AND RECOVERIES				
Hire charges/out turn of Plant & Machinery	488		572	
Interest on				
Term deposits/Bank Accounts	22		159	
Loans and advances	531	553	172	331
Miscellaneous receipts & recoveries	274		111	
Profit on sale of assets	0		3	
Sale of Power during Trial runs	3074		1235	
TOTAL RECEIPTS & RECOVERIES		4389		2252
NET EXPENDITURE		26049		46172
LESS:				
I.E.D.C. allocated to Grant in aid, Deposit/Agency basis, Operating projects & turn-key Contracts		1199		596
AMOUNT TRANSFERRED TO C.W.I.P		24850		45576

A) PARTICULARS OF REMUNERATION PAID TO DIRECTORS

(Rs. in Lakhs)

	<u>1997-98</u>	<u>1996-97</u>
(a) i) Salaries & Allowances	15	14
ii) Contribution to Provident Fund	1	1
iii) Rent for Residential Accommodation	3	3
iv) Travelling Expenses	21	21
v) Medical Reimbursement	1	2
(b) Whole time Directors were also allowed the use of company's car for official journeys and for private journeys upto 1000 kms. p.m. on payment as under:-		
	<u>NON-AC CAR</u>	<u>AC-CAR</u>
upto 16 HP	Rs 250/- p.m	Rs 400/- p.m
above 16 HP	Rs 375/- p.m	Rs 600/- p.m

B) PARTICULARS OF PAYMENT TO STATUTORY AUDITORS

(Rs. in Lakhs)

	<u>1997-98</u>	<u>1996-97</u>
Audit Fees	3	2
Tax Audit Fees	1	1
Audit Expenses	3	2

CONSTRUCTION STORES & ADVANCES

SCHEDULE-6

(Rs. in Lakhs)

PARTICULARS	AS AT 31ST MARCH, 1998	AS AT 31ST MARCH, 1997
1. CONSTRUCTION STORES		
(At cost as valued and certified by Management)		
Construction Material in Transit	31	30
Stores	<u>26611</u>	<u>9287</u>
	26642	9317
2. ADVANCE FOR CAPITAL EXPENDITURE		
Secured (Considered good)	4910	1035
Unsecured a) Considered good	1646	1316
b) Considered doubtful	<u>8</u>	<u>8</u>
	6564	2359
Less: Provision for Doubtful	<u>8</u>	<u>8</u>
	<u>6556</u>	<u>2351</u>
	<u>33198</u>	<u>11668</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	AS AT 31ST MARCH, 1998		AS AT 31ST MARCH, 1997	
CURRENT ASSETS				
1. Inventories (At Cost as valued and certified by Management)				
Stores and spares	3955		3173	
Loose tools	<u>5</u>	3960	<u>5</u>	3178
2. Sundry Debtors (Unsecured)				
Debts outstanding for a period exceeding six months	66124		59782	
Other debts	<u>71426</u>		<u>17959</u>	
TOTAL DEBTORS	137550		77741	
LESS Provisions	<u>7734</u>	129816	<u>6933</u>	70808
PARTICULARS OF SUNDRY DEBTORS (Unsecured)				
	<u>1997-98</u>	1996-97		
Considered good	129816	70808		
Considered doubtful and provided	<u>7734</u>	6933		
3. Cash & Bank Balances				
Cash, Imprest, Cheques & Drafts, Balances with scheduled banks	233		1132	
Current account	5964		3321	
Cash credit account	824		703	
Deposit account (Short term)	182		272	
Balances with non-scheduled banks (With Skandinaviska Enskilda Banken)				
Current account [with Bank of Bhutan]	3302		3141	
Current account	44		18	
Saving account			5	
Term deposit	<u>575</u>	11124	<u>80</u>	8672
4. Other Current Assets				
Interest accrued on deposits	1		12	
Others	<u>2794</u>	2795	<u>2718</u>	2730
5. Loans and Advances				
ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED				
Secured (Considered good)	1092		77	
Unsecured (Considered good)	3769		3288	
Unsecured (Considered doubtful)	<u>140</u>	5001	<u>123</u>	3488
LESS Provision for Doubtful	<u>140</u>	4861	<u>123</u>	3365
Loans to employees (Secured)		1261		865
Public Deposit A/C G.O.I.				
Power Grid Corporation of India Ltd		17262		22579
Construction work-in-progress (contracts)		2232		1643
	<u>173311</u>		<u>113840</u>	

A. PARTICULARS OF MAXIMUM BALANCE DURING THE YEAR WITH NON-SCHEDULED BANKS

	(Rs. in Lakhs)	
	1997-98	1996-97
SKANDINAVISKA ENSKILDA BANKEN		
Current account	3310	3920
BANK OF BHUTAN		
Current account	93	410
Term Deposit	1240	400
Saving account	5	5
B. PARTICULARS OF LOANS & ADVANCES DUE FROM DIRECTORS		
	1997-98	1996-97
Amount due at the end of the year	1	5
Maximum balance at any time during the year	3	14

CONSTRUCTION WORK-IN-PROGRESS (CONTRACTS)

Annexure to schedule-7

(Rs. in Lakhs)			
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998		FOR THE YEAR ENDED 31ST MARCH, 1997
DIRECT EXPENSES	201		1106
(Includes labour, materials & payment to contractors/suppliers)			
EMPLOYEES' REMUNERATION & BENEFITS			
Salary, wages, allowances & benefits	200		147
Gratuity & contribution to provident fund	29		-2
Staff welfare expenses	11	240	3
			148
REPAIRS & MAINTENANCE			
Buildings	9		4
Machinery & construction equipments	17		
Other	19	45	12
			16
ADMINISTRATION & OTHER EXPENSES			
Travelling & conveyance	33		21
Expenses on staff cars & insp. Veh.	28		15
Rent office	7		6
Rent residential	3		1
Electricity charges	2		1
Telephone, telex & postage	10		4
Advertisement & publicity	5		7
Design & consultancy charges	0		
Entertainment	1		1
Printing & stationery	3		3
Bank charges	1		3
Corporate office management expenses	58		51
Other expenses	7	158	3
			116
DEPRECIATION	25		5
TOTAL EXPENDITURE	669		1391
LESS: RECEIPTS AND RECOVERIES	80		34
(Miscellaneous)			
NET EXPENDITURE DURING THE YEAR	589		1357
Balance b/f from last year	1643		286
TOTAL EXPENDITURE CARRIED OVER TO SCHEDULE-7	2232		1643

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE-8

(Rs. in Lakhs)

PARTICULARS	AS AT		AS AT
	31ST MARCH,1998		31ST MARCH,1997
LIABILITIES			
Sundry creditors	4843		4341
Unspent amount of Deposit/Agency	241		247
Deposits/Retention money	833		4076
Other liabilities	12081		21642
Interest accrued but not due on Loans	13647		22675
Liability for Cheques issued	10		1
Advances against construction contracts	11763	43418	8056
			61038
PROVISIONS			
Proposed Dividend	1500		1500
Provision for Taxation(on dividend)	150		150
Provision for Staff benefits	8305	9955	2469
		53373	65157

MISCELLANEOUS EXPENDITURE

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

SCHEDULE-9

(Rs. in Lakhs)

PARTICULARS	AS AT		AS AT	
	31ST MARCH, 1998		31ST MARCH, 1997	
Deferred Revenue Expenses		165		486
Expenditure on Assets not belonging to Corporation		6		13
Losses awaiting w/o sanction	446		586	
Less : Provided for	446		586	
		<u>171</u>		<u>499</u>



OTHER INCOME

SCHEDULE-10

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
Profit on sale of assets	5	20
Liability not required written back	—	25
Other miscellaneous receipts	213	148
	<u>218</u>	<u>193</u>

GENERATION, ADMINISTRATION & OTHER EXPENSES

SCHEDULE-11

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
A. GENERATION EXPENSES		
Consumption of stores & spares	607	477
REPAIRS & MAINTENANCE		
a) Buildings	156	81
b) Machinery	269	619
c) Others	502	569
Other operational expenses	250	198
Amount w/off Against Deferred Revenue Expenditure	6	174
	1790	2118
B. ADMINISTRATION & OTHER EXPENSES		
Rent	8	1
Rates & Taxes	7	9
Insurance	3146	22
Electricity charges	58	35
Travelling & Conveyance	108	104
Expenses on staff car	257	178
Telephone, Telex & Postage	44	32
Advertisement & Publicity	19	16
Entertainment expenses	1	1
Printing & Stationery	30	29
Consultancy Charges	10	48
Corporate office management expenses	1137	541
Loss on sale of assets	42	
Other miscellaneous expenses	1295	523
Exchange Rate Variation	371	310
	<u>8323</u>	<u>3967</u>

EMPLOYEES REMUNERATION AND BENEFITS

SCHEDULE-12

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
Salaries, wages & allowances	9335	2996
Gratuity & Contribution to Provident Fund (Including Administration Fees)	2648	504
Staff welfare expenses	1198	504
	<u>13181</u>	<u>4004</u>

INTEREST & FINANCE CHARGES**SCHEDULE-13**

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
Interest on GOI loans	9677	5798
Interest on bonds	22326	15853
Interest on foreign loans	6856	3266
Interest on Cash credit facilities	2797	643
Rebate to customers	308	157
Commitment fee	181	171
Guarantee fee on foreign loan	1392	427
Other finance charges	30	19
	<u>43567</u>	<u>26334</u>

OTHER CONTRACT EXPENSES**SCHEDULE-14**

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
Payment to Sub-contractors/Suppliers	122	1435
Direct Expenses (Includes labour, materials)	26	146
Other Expenses	1	8
	<u>149</u>	<u>1589</u>

PRIOR PERIOD ADJUSTMENT (NET)**SCHEDULE-15**

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 1998	FOR THE YEAR ENDED 31ST MARCH, 1997
1. Sale of Electricity	188	3377
2. Interest	—	(307)
3. Guarantee Charges	—	(897)
4. Depreciation	(222)	(91)
5. Salaries & Wages	(15)	(14)
6 Interest received from debtors	6396	—
7 Repairs & Maintenance	(11)	—
8. Others	487	(9)
	<u>6823</u>	<u>2059</u>

NOTES TO THE ACCOUNTS

1. Contingent liabilities :-

- a) Claims against the Corporation not acknowledged as debts Rs.116971lakhs (previous year Rs. 93005 lakhs).
- b) Bonds for Rs. 20888 lakhs (previous year Rs.47345 lakhs) executed in favour of Customs Authorities by the Corporation.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 82105 lakhs (previous year Rs. 22280 lakhs).
3. Pending sanction, Rs. 8692 lakhs, (previous year Rs. 3648 lakhs) being the first 50% of interest accrued during construction on Govt. of India loan and capitalised in respect of Chamera -I, Tanakpur and Uri Projects has been shown as Government of India fund adjustable to equity and balance 50% as Government of India loan in accordance with the then financing pattern followed in this regard.
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 on the same terms and conditions as stipulated by the Government of India in case of transfer of other projects to the Corporation.

Out of the total funds received from the Government for construction of the 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 policy of Government of India then prevailing. 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 aforesaid basis comes to Rs. 33160 lakhs and Rs. 31070 lakhs respectively. Pending settlement of terms and conditions, provision of additional interest of Rs. 11262 lakhs (Previous year Rs.10321 lakhs) has been made for non payment of loan and interest.

- 5.1 Pending issue of notification in respect of tariff which is in process with Central Electricity Authority/Govt. of India, Sales have been accounted for at provisional rates. Sales include Rs.10430 lakhs in respect of Loktak, Bairasiul, Tanakpur, Salal and Chamera I for which bills have not been raised. Similarly, in case of Uri Project, there is excess billing by Rs.13062 lakhs which is yet to be withdrawn though accounting effect has been given.
- 5.2 Advance against depreciation of Rs.13051lakhs being the difference between the depreciation recoverable through tariff (Sales) and that charged to Profit & Loss Account has been transferred from sales.
- 5.3 Sales for the period for which global accounts have not been received, have been accounted for based on readings at Bus-bar.
- 5.4 12% of the net design energy has been given free of cost to the home States as per the Government of India directive/tariff notifications. This, however, does not affect the profitability of the Corporation.
6. The Power Transmission Systems of the Corporation had been vested in the Power Grid Corporation of India Limited by virtue of 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 equity and Govt. of India loans have been transferred to PGCIL in accordance with the Act. Common loans/bond money and interest liability thereon have been retained in the books of the Corporation by showing the corresponding amount as recoverable from PGCIL. The accounts with PGCIL are subject to reconciliation.

7. 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 and the liability, if any, on account of stamp duty for transfer of land in favour of the Corporation shall be provided at the time of execution of documents. The title of land in certain cases has not been passed to the Corporation pending completion of legal formalities.
8. The Interest earned on charge account (with Skandinaviska Enskilda Banken, Sweden) has been credited to IEDC (Incidental Expenditure during construction)/ Profit & Loss Account from year to year/utilised for the purpose agreed by Government of Sweden (SIDA). SIDA has not agreed to request for utilisation of balance interest in charge account. Pending settlement of the issue now between Govt. of India and Government of Sweden regarding utilisation of balance Interest in charge account, the balance as on 31.3.98 Rs.3302 lakhs (previous year Rs.3141 lakhs) has been shown as bank balance.
9. The Corporation has modified its existing accounting policy No. 3.2 relating to allocation of "Incidental Expenditure During Construction" during the year. IEDC is now not being allocated on infrastructure works & minor component of the project. The effect of modification is not material.
10. The Corporation has modified its existing Accounting Policy No. 5.3, relating to charging of depreciation on Assets upto Rs. 5000/- during the year by excluding immovable assets. The effect of modification on the depreciation charge for the year is not material.
11. The Corporation has changed its accounting policy during the year relating to treatment of remuneration to surplus employees of the Operating projects. The effect of the change in the policy is that the Profit of the Corporation is less by Rs.6291 lakhs as equivalent amount of Employees' remuneration and benefits has been charged to Profit and Loss Account instead of Incidental Expenditure during Construction.
12. Gross Block of the assets used during construction of the Project has been reduced by an amount of Rs.14089 lakhs during the year by the amount of provision for depreciation upto the date of commercial operations by contra reduction from provision against depreciation.
- 13.1 Pending execution and authentication of " Agreement" between Andaman and Nicobar Administration and the Corporation for execution of Kalpong H.E.Project in Andaman Island on Deposit Work Basis with a provision of profit element @ 10% as "NHPC's administrative charges on total Project cost, the annual accounts of the project have been prepared- keeping in view of the relevant proviso of the draft Agreement.
- 13.2 In conformity with the relevant proviso of the "Draft Agreement", all immovable fixed assets obtained/ constructed at the project site in the course of execution of the deposit work, have been treated as project construction expenses. Similarly all movable fixed assets, construction materials in hand used either in direct construction work or otherwise have been treated as fixed assets and current assets of the project respectively till the option to takeover by NHPC or to hand over the same to A&N Administration is exercised.
14. In some of the projects/units, Material issued to contractors, claims recoverable, advance for Capital Expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors, Deposit/Earnest money from contractors are subject to reconciliation/ confirmation. Account with Controller of Aid, Accounts & Audit is also subject to reconciliation with Ministry of Finance. Adjustment, if any, will be carried out at the time of reconciliation/ confirmation.
- 15.1 Since the Uri H.E. Project has been declared commercially operative w.e.f 01.06.97, the sales against generation during trial runs have been credited to IEDC (Incidental expenditure during construction) of the project at provisional rates.
- 15.2 In case of Uri Project, deemed export benefits availed by the contractor, if any, and not accounted for upto 31.03.1998, which in turn are payable to NHPC, shall be accounted for on settlement of claims.

16. In case of Chamera-I net realisable value of surplus equipment has been assessed on the basis of "Manual for Disposal of construction Plant Equipment and Spares" as declared by the Corporation instead of CWC guidelines. Due to this change, depreciation on Surplus equipments amounting to Rs.2.52 lakhs (previous year Rs.142.55 lakhs) has been charged which is lower by Rs.36.03 lakhs in comparison to the calculation made on previous year basis.
17. The reconciliation/settlement of contractors claims in respect of Chamera I & Tanakpur projects is in progress. Pending settlement, the liability has been provided based on analysed rates duly certified by Engineering Department which is under review. The claims of contractors which in the opinion of Management are not maintainable are shown under the Head "Contingent Liability." Similarly liability, if any, for escalation and extra items for capital works & services received in respect of Salal Project shall be accounted for at the time of final approval as the amount is unascertainable.
18. Priced Store ledger could not be fully reconciled in case of Dulhasti and Kurichu Projects with the financial books. Material at site accounts is not reconciled in respect of some of Projects. Adjustment, if any, will be made as and when stores are reconciled.
19. Losses awaiting write off sanction (Rs. 446 lakhs) represent shortages/losses etc. mainly during construction period of the projects. Individual cases are being examined at appropriate level.
20. As per accounting policy No.1.2, surcharge on outstanding dues from State Electricity Boards and others has not been accounted for in view of uncertainty of realisation, except Rs. 6396 lakhs which have been received during the year and accounted for through Prior Period Adjustment as the whole realisation relates to earlier years.
21. Pending receipt of full amount of transfer consideration in respect of Sawalkot and Baglihar project which have been agreed to be transferred to J&K Government, these are being treated as construction projects of the corporation and adhoc advance of Rs. 536 lakhs received is being treated as such and shown under current liabilities. NHPC does not anticipate any loss out of this transaction.
22. Pending finalisation of exact treatment to be given for the Assets taken over from DSB and its consequent settlement etc. the difference between book value and transfer price of spares & equipments taken over from DSB and handed over to JPSA (JV) in Dulhasti Project, being Rs.15534 lakhs has been reduced provisionally from Capital Work-in-Progress.
23. Rs.1759 lakhs being IEDC in respect of Uri Project which could not be adjusted at the time of capitalisation shall be allocated to Assets during next year.
24. Expenditure on arresting of rock of plunge pool of Salal Project which was being treated as deferred revenue has been capitalised during the year keeping in view the nature of expenditure resulting into credit of Rs.728 lakhs to Prior Period Adjustment account.
25. The Employees Pension Scheme, 1995 has been implemented w.e.f. 1.10.97. Additional liability for the period 16.11.95 to 30.9.97, if any, will be accounted for as & when settled.
26. The effect of foreign exchange fluctuation during the year is as under:

(Rs.in lakhs)

(i) Amount included in expenses charged to Profit & Loss Account (Net) excluding depreciation	576
(ii) Amount included in sales recoverable from beneficiaries	782
(iii) Net amount credited to profit & loss account for the year excluding depreciation	206
(iv) Amount credited to Incidental expenditure during construction	17
(v) Amount charged to Capital work-in-progress	210
(vi) Amount adjusted by addition to carrying amount of fixed assets	11517

27. Even though Corporation's application for waiver of Guarantee fee in respect of External Commercial Borrowings raised by the Company is still pending, out of abundant caution provision of Rs. 7574 lakhs has been made @ 1.2% per annum and the additional guarantee fee @ 1.2% amounting to Rs.7574 lakhs has been treated as contingent liability.
28. No provision for property tax etc. has been made in respect of Faridabad Office Complex pending receipt of completion certificate and demand notice. However, pending execution of conveyance deed for the land acquired during the year provision for charges has been made. No provision for property tax, lease money/ground rent payable for finalisation of conveyance deed charges has been made in respect of flats purchased in Mumbai pending receipt of claims/details from the concerned authorities.
29. Rs.5836 lakhs have been set aside during the year towards staff benefits liabilities and charge to P&L Account, IEDC and construction work in progress is Rs. 4641, lakhs Rs. 1171 lakhs, Rs. 24 lakhs respectively. The above amount includes Rs. 810 lakhs and Rs. 1215 lakhs on account of Leave encashment and Gratuity respectively which has been provided over and above the actuarial valuation so as to recognise estimated increase on this account consequent upon revision of pay scales.
30. In the absence of taxable income/taxable wealth, no provision for Income Tax/Wealth Tax is considered necessary.
31. The Corporation has proposed dividend of Rs.15 crores for the year 1997-98 out of the profits of the earlier years and after providing for depreciation in the manner stated in accounting policy No. 5. The Ministry of Irrigation & Power (Department of Power) vide their letter No.25(10/84-D(SEB) dated 1st June, 1985, after obtaining clarification from Ministry of Law advised that dividend could be paid after providing for depreciation as per provisions of Electricity (Supply) Act, 1948.
32. Quantitative details:-

		1997-98	1996-97
i) Licensed Capacity	(M.W.)	- Not Applicable -	
ii) Installed Capacity	(M.W.)	2118	1627
iii) Actual Generation	(M.U.s.)	8589.54 #	5614
iv) Actual Sales	(M.U.s.)	7492.14 @	4882
# Excluding 226.22 M.U.s during trial runs .			
@ Excluding 199.07 M.U.s during trial runs.			
33. a) Value of imported Plant & Machinery and Spares on CIF basis.		Rs. in Lakhs 2068	Rs. in Lakhs 206
b) Expenditure in Foreign Currency			
i) Know- How		1108	780
ii) Interest		11269	14550
iii) Other Misc. Matters		373	5707
c) Value of spare parts & Components consumed in operating units.			
i) Imported		53	150
ii) Indigenous		607	413
d) Earnings in foreign currency (Interest)		82	139
34. Previous year's figures have been regrouped/re-arranged wherever necessary.			

VIJAY GUPTA
Secretary

R. NATARAJAN
Director (Finance)

YOGENDRA PRASAD
Chairman & Managing Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No

State Code

Balance Sheet Date
Date Month Year

II Capital Raised during the year (Rupees in Lakhs)

Public Issue

Rights Issue

Bonus Issue

Private Placement *

* Share Capital deposit received from Govt. of India.

III Position of Mobilisation and Deployment of Funds (Rupees in Lakhs)

Total Liabilities

Total Assets

Sources of Funds

Paid-Up Capital #

Reserves and Surplus

Secured Loans

Unsecured Loans

Includes share capital deposit Rs.400 lakhs and Govt. of India Fund adjustable to equity Rs.42032 lakhs.

Application of Funds

Net Fixed Assets

@

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

@ Includes Capital Work-in-Progress Rs.207311 lakhs and Construction Stores & Advances Rs.33198 lakhs.

IV Performance of Company (Rupees in Lakhs)

Turnover

9 9 5 1 6 **

Profit Before Tax

2 9 9 4 2 @@

Earning per share in Rs.

1 0 0 - 8 6

Total Expenditure

7 6 6 1 5

Profit After Tax

2 9 9 4 2 @@

Dividend Amount

1 5 0 0

** Excludes Other Income Rs.218 lakhs.

@@ After prior period adjustments.

V Generic Names of Three Principal Products/Services of Company

i) Product Description G E N E R A T I O N O F E L E C T R I C I T Y

Item Code No -

ii) Product Description C O N S T R U C T I O N C O N T R A C T S

Item Code No -

iii) Product Description C O N S U L T A N C Y S E R V I C E S

Item Code No -

VIJAY GUPTA
Secretary

R. NATARAJAN
Director(Finance)

YOGENDRA PRASAD
Chairman & Managing Director

FOR MOHAN & MOHAN
CHARTERED ACCOUNTANTS

(ADARSH MOHAN)
PARTNER

Place : Faridabad
Dated : 22 July,1998

AUDITORS' REPORT

To The Members of National Hydroelectric Power Corporation Limited

We have audited the attached Balance Sheet of National Hydroelectric Power Corporation Limited, as at 31st March, 1998 and the annexed Profit and Loss Account for the year ended on that date together with the Schedules, Notes forming part of the accounts and Accounting Policies referred to therein and in which are incorporated the accounts of the units audited by other auditors which have been relied upon by us.

We report that:

1. As required by the Manufacturing and Other Companies (Auditor's 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 as we considered appropriate and as per information and explanations given to us, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure 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 purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law, have been kept by the company so far it appears from our examination of the books and proper returns adequate for the purpose of our audit have been received from branches not audited by us. Reports of Branch Auditors in respect of the branches not audited by us have been received and the same have been considered while preparing our Report.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts and returns.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the Notes to the Accounts (Schedule 16) and Significant Accounting Policies give the information required by the Companies Act, 1956 in the manner so required subject to:
 - i) *Note No. (1) of Schedule 16*
Re: Claims against the Corporation not acknowledged as debt amounting to Rs. 1169.71 crores besides bonds executed in favour of Custom Authorities amounting to Rs.208.88 crores.
 - ii) *Note No. (3) of Schedule 16*
Re: Adjustment of interest accrued on Government of India loan during construction period.
 - iii) *Note No. (4) of Schedule 16*
Re: Incorporation of accounts of Salal H.E. Project on the basis of Government directive and legal opinion.
 - iv) a) *Note No. (5.1) of Schedule 16*
Re: Accounting of revenue from Sales of Power on Provisional basis which is subject to change on issue of Government Notification fixing the tariff. Total sales of Rs.1123.48 crores include Rs.104.30 crores in respect of Loktak, Bairasiul, Tanakpur, Salal & Chamara-I not supported by any bills which is subject to acceptance by the concerned states and competent authority. Similarly in case of Uri Project there is excess billing by Rs.130.62 crores which is yet to be withdrawn though accounting effect has been given. This has resulted decrease in net profit and sundry debtors by Rs. 26.32 crores.
 - b) We are unable to express our opinion on the extent of adjustments that may become necessary upon fixation of tariff by Government of India & its implication on the accounts.
 - v) *Note No. (5.2) of Schedule 16*
Treatment of income received in advance on account of advance against depreciation Rs.130.51 crores by charging to Profit & Loss Account and shown as 'Sources of Funds'.

- vi) *Note No. (6) of Schedule 16*
Re: Transfer of transmission lines to PGCIL pending settlement of consideration.
- vii) *Note No. (7) of Schedule 16*
Re: Capitalisation of land on provisional basis pending determination of purchase consideration, non - execution of title deeds pending completion of formalities.
- viii) *Note No. (8) of Schedule 16*
Re: Crediting of Interest earned to I.E.D.C./Profit & Loss and showing the balance in bank account pending settlement with Government of Sweden.
- ix) *Note No. (11) of Schedule 16*
Re: The effect of change in accounting treatment relating to remuneration of surplus employees.
- x) *Note No. (14) of Schedule 16*
Re: Non-reconciliation/non-confirmation of materials issued to contractors, advances to contractors, sundry debtors, sundry creditors, material in transit/under inspection, deposits/earnest money from contractors, claims recoverable, advances for capital expenditure and account with Controller of Aid, Accounts & Audit and the impact of the above on assets and liabilities and on the profit cannot be ascertained.
- xi) *Note No. (17) of Schedule 16*
Re: Liabilities for contractors/suppliers which have been provided for on estimated basis pending final settlement.
- xii) *Note No. (18) of Schedule 16*
Re: Non-reconciliation of Stores with Priced Store Ledger and Material at Site Account. The effect of reconciliation on accounts is unascertainable.
- xiii) *Note No. (20) of Schedule 16*
Re: Accountal of Surcharge receipt Rs. 63.96 crores through Prior Period Adjustment.
- xiv) *Note No. (22) of Schedule 16*
Re: Reduction of Capital Work in Progress worth Rs.155.34 crores being excess of transfer price over book value of Spare parts & Other assets to a contractor.
- xv) *Note No. (25) of Schedule 16*
Re: Non-provision of contribution payable under The Employees' Pension Scheme, 1995 for the period 16.11.95 to 30.09.97 and consequential effect thereof which is not ascertainable.
- xvi) *Note No. (27) of Schedule 16*
Re: Provision for guarantee fees of Rs. 75.74 Crores and non- provision for additional guarantee fees for default in its payment @ 1.20% amounting to Rs. 75.74 crores though included in Contingent Liabilities.
- xvii) (a) *Accounting Policy No.5.3*
Assets originally costing Rs.5000/- or less and assets with W.D.V. of Rs.5000/- or less, the original cost of which was upto Rs.1.00 lakhs in each case were completely taken out from the books of accounts and as such from being disclosed in Balance Sheet in this year and in earlier years, the total gross value of such assets though considerable in nature, not readily available. This has resulted understatement of both gross value of fixed assets and depreciation, which is not in conformity with Schedule VI of the Companies Act, 1956 and accepted accounting principles.
- b) *Accounting Policy No. 10*
Creation of Self insurance reserve by charge to Profit & Loss Account instead of appropriation out of profit.

- xviii) Bank account maintained under the centralised cash management system of the company has old unreconciled entries as on 31st March, 1998. The position of outstandings including such old entries as on 30.6.98 stood as under:
- a) Excess debits by the bank in the Company's account Rs.12.81 lakhs.
 - b) Excess credits by the bank in the Company's account Rs. 0.53 lakhs.
 - c) Less debits by the bank in the Company's account Rs. 16.79 lakhs.
 - d) Less credits by the bank in the Company's account Rs. 2.84 lakhs.
- xix) An amount of Rs. 11 crores being the amount of interest upto 31.3.98 on Unit Trust of India loan taken by the Company & allocated to PGCIL is not accepted by PGCIL.
- xx) a) Non-provision of sales tax liability (Rs.25 crores taken as Contingent Liability) in respect of assets, stores etc. purchased from one of the foreign contractors in Dulhasti Project, it has been explained to us that the Corporation has approached the appropriate authority for exemption for levy of sales tax in this case.
- b) In respect of Loktak Project non provision of bad and doubtful claim against old claim of Rs.69.64 lakhs (Manipur Irrigation Department).
- c) The liability of Rs.27.68 lakhs on account of old outstanding unreconciled balances relating to interest on 'A' and 'B' series bonds on written back during 1996-97 has been reinstated during 1997-98. The same has not been disclosed in Notes to Accounts.
- d) In respect of Kalpong Project non-accounting of income of Rs.41 lakhs on account of administrative charges @ 10% of project expenses incurred till 31st March, 1998.
- xxi) a) Materials issued to contractors Rs.283.58 lakhs, advances to contractors Rs.216.46 lakhs (included in Construction Stores and Advances), interest accrued on advances to contractors Rs. 44.42 lakhs and hire charges of machinery recoverable Rs.73.01 lakhs (included in Other Current Assets) in case of Chamera Project Stage-I are outstanding since long, the recovery of which is unascertainable.
- b) Certain Plant & Machinery charged to the Corporation against advance made to a contractor in Chamera Project Stage-I were reported to have been released despite the fact that a sum of Rs.249 lakhs (including interest upto 31.3.96) was outstanding as on 31st March, 1998 resulting in erosion of securities. In the absence of records we are unable to comment upon the action of the management/adequacy of the system in the unit.
- xxii) a) Non-recoveries of principal amount of loan, interest thereon material issued and other old recoverable items not as per stipulated terms from one contractor of Rangit Project. {Total outstanding interest as on 31.3.1998 Rs. 760.39 lakhs covered by bank guarantee of Rs. 245.59 lakhs and hypothecation of Plant & Machinery, (present W.D.V. be less than 100 lakhs), even supplementary agreement's exhibit II not providing for any recovery of interest on loan amount to Rs.1 crore approx. per year on average} and its resultant impact inter-alia on loss of revenue due to non stipulation as regards charging of interest on overdue amount.
- b) Non-recoveries of dues from one contractor of Rangit Project in respect of HRT Up and Downstream not as per stipulation and deferment thereof (total outstanding Rs. 187.84 lakhs as on 31.03.98 covered by bank guarantee of Rs.34.48 lakhs) and its resultant impact inter-alia on loss of revenue.
- c) Non recovery of old outstanding dues from one contractor in Rangit Project in respect of Power House works (since the work was stopped by them) not as per stipulation and deferment thereof (total outstandings Rs.106.82 lakhs covered by bank guarantee of Rs.18.23 lakhs) and its resultant impact inter-alia on loss of revenue.
- xxiii) a) Koel Karo & Chamera-II Projects could not be started even during last sixteen/seventeen years

and six/seven years respectively, hence justification of treating all expenses as IEDC (Incidental Expenditure During Construction) and its resultant disclosure of total amount of Rs.48.89 crores on 31.3.98 as under the head Capital Work in Progress in the Balance Sheet could not be ascertained.

- b) Koel Karo project not being in execution stage the construction machinery remained practically surplus, hence justification of charging depreciation on such assets amounting to Rs.4.63 lakhs resulting increase in Capital Work in Progress could not be ascertained.
- iv) a) Down payment from Kurichu Project Authority (KPA) of Rs.51.78 crores received in the preceding years being not adjustable against current value of contract work during the year and being liable to be adjusted after completion of 80% of contract work was shown as 'Current liabilities'. This being in the nature of medium term mobilisation advance should have been shown under the broad head of 'Unsecured Loan's in the liability side of Balance Sheet. This resulted under statement of 'Unsecured loans' and over statement of 'Current liabilities'.
- b) Surplus Construction Stores amounting to Rs.42.20 crores in respect of Chamera-I, Tanakpur and Salal Project should have been included in 'Current Assets' instead of 'Fixed Capital Expenditure - Construction Stores & Advances' and no provision against obsolete stores has been made.
- xxv) a) In respect of Tanakpur Project Rs.79.81 lakhs (netted) outstanding in respect of materials issued to contractors and advance for capital expenses have not been capitalised pending reconciliation/finalisation of accounts of the contractors.
- b) Debtors include Rs.67 lakhs for the sale effected by Tanakpur Project in previous year in respect of which the bills are yet to be raised. Debtors of Rs.1.56 crores representing own consumption have been reversed during the year through prior period alongwith liability of Rs.13 lakhs on account of electricity charges.

and the effect on the accounts of the above, give a true and fair view:-

- a) In the case of the Balance sheet of the State of Affairs of the Company as at 31st March, 1998 and
- b) In the case of Profit & Loss Account of the profit of the Company for the year ended on that date.

For MOHAN & MOHAN
Chartered Accountants

(ADARSH MOHAN)
Partner

Place : Faridabad.
Dated : 22 July, 1998

Annexure to the Auditors' Report

Referred to in para 1 of our report of even date

1. The company has maintained records for majority of fixed assets showing full particulars including quantitative details except that location and identification mark of fixed assets has not been mentioned in the fixed assets register in few cases. Management has not conducted physical verification of assets in some projects. In some projects reports are under reconciliation and we are unable to comment on the discrepancies, if any. No serious discrepancies have been reported during the year where verification has been completed.
2. None of the Fixed Assets has been revalued during the year.
3. Physical verification of stores, spares 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 reasonable according to the size and nature of its business. Material lying with third parties has been confirmed/verified in few cases only.
4. According to the information and explanation given to us, the procedure of physical verification of stocks, spares, operating supplies etc. followed by the management needs to be further strengthened keeping in view of the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and records have been dealt within the books of account except in case of some Projects where discrepancies are reported to be under reconciliation pending investigation. The stores lying with contractors are subject to reconciliation/confirmation in some cases. In Dulhasti and Kurichu Projects, Priced Stores Ledgers are not fully reconciled with the financial books.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the previous year except that stock lying at sites at O & M projects is valued at engineering estimates basis.
7. According to information given to us, Company has not taken any loans, secured or unsecured during the year from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and from Companies under the same Management under sub-section (1B) of Section 370 of the Companies Act, 1956.
8. According to information given to us, company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and to Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
9. The parties including employees to whom loans and advances in the nature of loans have been given are generally regular in repayment of principal amount and interest wherever applicable except in case of advances considered doubtful. In some of the cases, the advances and interest wherever applicable are outstanding since long and matters in few cases pending with arbitration/ courts, which are prejudicial to the interest of the Company.
10. In our opinion, and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of company and nature of its business with regards to Plant and Machinery equipment and other assets and for the sale of goods. However strengthening and implementation is required in areas like purchase of stores, raw materials, adjustment of old unreconciled debits and credits in banks, Materials and equipments issued to

contractors, follow up of debtors and contractors advances, disposal of old plant and machinery, slow moving stores and reconciliation of Priced store ledger with the record maintained at stores.

11. According to information and explanations, given to us there are no transactions of purchase and sale of goods, materials and services 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, company does not have regular procedure for determination of un-serviceable or damaged stores/raw materials in most of the projects. However, provisions for losses is made whenever such items are determined.
13. The company has not accepted any deposits from the public u/s 58A of the Companies Act, 1956.
14. According to information and explanations given to us, the company is maintaining reasonable records for the sale and disposal of the realisable scrap. The company has no by product.
15. In our opinion, the internal audit system of the company is not commensurate with the size of company's business, more particularly, the quality and periodicity aspects, enlarging the scope, coverage and strengthening the internal audit. In respect of some projects/units, internal audit has not been completed.
16. We have been explained that the maintenance of cost records has not been prescribed by the Central Government u/s 209 (i)(d) of the Companies Act 1956.
17. According to the records of the company, Provident Fund dues have generally been deposited in time with the appropriate authorities. We have been informed that the Employees' State Insurance Act, 1948 is not applicable to the Company.
18. As per explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty were outstanding as on 31st March, 1998 for a period of more than six months from the date they become payable.
19. According to the information and explanations given to us, and on examination of the books of account carried out in accordance with generally accepted auditing practices, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. The company is not a sick industrial company under the provisions of section 3(1) (o) of The Sick Industrial Companies (special provisions) Act, 1985.
21. In respect of service activities
 - i) The Company has a reasonable system of recording receipts, issue, consumption of materials and stores and allocation of materials consumed and man-hours utilised to relative jobs commensurate with nature of its business.
 - ii) There exists a reasonable system of authorisation at proper level with adequate control over the issue and allocation of stores and labour commensurate with its scope and nature of its business.

For MOHAN & MOHAN
Chartered Accountants

(ADARSH MOHAN)
Partner

Place : Faridabad.
Dated: 22 July 1998

REPLIES TO AUDITORS' REPORT

Most of the comments in the Auditors' Report inter-alia refer to the various notes and accounting policies incorporated by the Company in the Accounts, the replies are, therefore, self explanatory and not being commented separately. The replies on the other comments are as under:

- (xvii) (a) Accounting Policy shall be reviewed during the year 1998-99.
(b) In our opinion treatment given is correct.
- (xviii) The cases relating to wrong/less debits/credits by the Banks are constantly taken up with the concerned branches of the bank and adjustments are made from time to time.
- (xx) (a&c) Comment is self explanatory.
b) The amount is recoverable from Manipur Irrigation Department and matter is under correspondence.
d) In view of our Accounting Policy No. 9, no profit has been recognised.
- (xxi) (a) &(b) A Committee has been constituted to look into the issues.
- (xxii) (a) & (b) The matter is being examined and suitable adjustments will be done in 1998-99.
(c) The NPCC, the contractors in this case have approached BPE for arbitration though opposed by NHPC, whose decision is awaited.
- (xxiii) (a) & (b) The issue will be examined in detail and appropriate action taken during 1998-99.
- (xxiv) (a) Down payment received from Kurichu Project Authority is not in the nature of loan as such treatment given, in our opinion, is correct.
(b) Treatment given is correct in our opinion and no provision against obsolete store is considered necessary at this stage.
- (xxv) (a) The contractors claims are in the process of finalisation.
(b) The Bills as may be required will be raised shortly.

ANNEX. TO AUDITORS' REPORT

- 1). Necessary action to complete the balance Physical Verification and location will be taken in 1998-99.
- 10) In our opinion, adequate internal control procedures exist in the Company in respect of areas mentioned in the comment.
- 12) The unserviceable or damaged stores are periodically determined. There are no raw materials in the Company.
- 15) The scope, coverage and strength of Internal Audit is quite adequate and sufficient considering the needs and size of the Company. It is also reviewed from time to time and strengthened if situation so demand. The Internal Audit has raised a large number of points and the management has/is taking the required action in appropriate cases.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED, FARIDABAD, FOR THE YEAR ENDED 31 MARCH 1998.

COMMENTS

(A) Balance Sheet

(i) Fixed Assets (Schedule 4)

(a) Gross block: Rs.690490 lakh

1) A reference is invited to Comment No.A(ii) of the Comptroller & Auditor General of India on the accounts of the Company for the year ended 31 March, 1995 and 31 March 1996 wherein it was pointed out that the depreciation charged on original assets/equipment used during construction period has not been reduced from the gross block of these original assets/equipment at the time of capitalisation on commencement of the commercial operation of the respective projects.

During the year 1997-98, the Company has reduced the Gross block in Chamera-I and Tanakpur but did not reduce the gross block of Rs.1566.23 lakh relating to Salal II.

This has resulted in overstatement of gross block of fixed assets and provision for depreciation by Rs.1566.23 lakh.

Similarly, the gross blocks in respect of Baira Siul, Loktak and Salal Project Stage-I which were commissioned respectively in 1982, 1985 and 1987 are also overstated due to the depreciation charged on the original assets/equipment not being reduced from the gross blocks of these assets/equipment at the time of capitalisation on the commencement of commercial operation.

In addition to the above, the Chamera-I Project transferred the construction equipment of Rs.768.42 lakh to other Projects during the period 1.5.94 to 31.3.97 on which depreciation of Rs.646.69 lakh was charged during construction stage. However, the amount of depreciation was not reduced from the gross block by the recipient project authorities.

This has also resulted in overstatement of gross block and provision for depreciation by Rs.646.59 lakh.

MANAGEMENT REPLIES

The Audit Comment for 1994-95 basically relates to Chamera Project (Stage-I). This comment was again referred to in 1995-96 Accounts indicating overstatement of gross block for Chamera-I and Tanakpur Projects. Accordingly the gross block of Chamera-I and Tanakpur was rectified in 1997-98. The rectification was not done for Baira Siul, Loktak and Salal Project Stage-I which were commissioned in 1982, 1985 and 1987 respectively.

The adjustment of the Gross Block by the recipient Project for the equipment transferred from Chamera Project will be reviewed and the correction, if any, will be carried out during 1998-99.

Current Assets, Loans and Advances(Schedule 7) Rs.1733.11 lakhs.

Current Assets: Inventories : Rs.3960 lakh

2. This includes Rs.173.44 lakh on account of Fixed assets pending issue as capital store. This should have been shown under Construction stores and advances. This has resulted in overstatement of Current assets, loans and advances by Rs.173.44 lakh and understatement of Fixed Capital Expenditure to same extent.

Loans and Advances :Rs.25616 lakh

Loans and Advances :Rs.25616 lakh

3. This includes Rs.31.14 lakh recoverable from suppliers since January 1988 due to non-supply of 'C' Forms to them. This has become irrecoverable due to finalisation of sales tax assessments. This has resulted in overstatement of Loans and advances as well as profit by Rs.31.14 lakh.

4. This includes Rs.192.10 lakh on account of advance to BHEL for renovation and modernisation of Baira Siul Project. This should have been included under Fixed Capital Expenditure – Construction Stores and Advances. This has resulted in understatement of Fixed Capital Expenditure - Construction Stores and Advances and overstatement of Current Assets, Loans and Advances by Rs.192.10 lakh.

Profit and Loss Account

Expenditure:

Generation, Administration & Other

Expenses(Schedule 11):Rs.8323 lakh

5. This does not include Rs.48.72 lakh on account of Exchange Rate Variation on items procured out of foreign loans and lost during transit.

Depreciation Rs.11395 Lakh.

6. The Company has been following the depreciation rates as prescribed in the notification under Electricity(Supply) Act,1948 and not as prescribed in Sch.XIV of Companies Act,1956. In respect of Chamera-I Project the Company did not depreciate ERV allocated on fixed assets retrospectively. This has resulted in understatement of depreciation and overstatement of profit by Rs.205.83 lakh.

The Construction Stores and Advances normally reflect items which are required for the purpose of construction. The assets issued for the Operational requirement in Operation Projects is shown under Inventory under Current Assets as per Policy followed consistently.

Advances to Contractors are still under reconciliation and the required adjustment will be made during 1998-99.

The Construction Stores and Advances normally reflect the items which are required for the purpose of construction. The assets issued for the operational requirement in Operational Projects is shown under Inventory under current assets as per policy followed consistently.

The losses during construction have been capitalised and accordingly the exchange rate variation on such adjustments also has to be allocated on Fixed Assets.

The Company is following only the rate of depreciation as prescribed in the Notification under the Electricity (Supply) Act, 1948. However the Accounts for the Company are maintained under the Companies Act, 1956 and accordingly the depreciation has been calculated.

Notes to the Accounts (Schedule 16)

7. A reference is invited to Note No.2 according to which estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.82105 lakhs. This does not include Rs.1068.01 lakhs being balance amount on contract for modernisation of Baira Siul Project awarded to BHEL.

Noted.

Statutory Auditors' Report

8. A reference is invited to item No.2 d(xvii)(b) of the Auditors' Report regarding creation of Self Insurance Reserve by charge to Profit and Loss Account instead of appropriation out of profit. The qualification of Statutory Auditors' is not correct as Self Insurance Reserve has been created for the purpose of meeting the unforeseen losses of Assets of O&M Projects.

No Comments.

9. A reference is invited to qualification No.2(d)(xxiv)(b) of the Auditors' Report, according to which the amount of surplus construction stores amounted to Rs.42.20 crore in respect of Chamera I, Tanakpur and Salal Projects. However, the amount involved is Rs 42.01 crore.

No Comments.

Sd/-

(T.K. SANYAL)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Date: 15-09-98

Place: New Delhi.

REVIEW OF ACCOUNTS OF NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED, FARIDABAD, FOR THE YEAR ENDED 31 MARCH, 1998 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

NOTE: THIS REVIEW OF ACCOUNTS HAS BEEN PREPARED WITHOUT TAKING INTO ACCOUNT COMMENTS UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956 AND QUALIFICATIONS CONTAINED IN THE STATUTORY AUDITOR'S REPORT.

1. FINANCIAL POSITION

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

	(Rs. in crores)		
Liabilities	1995-96	1996-97	1997-98
a) Paid-up capital			
i) Government (including Government funds adjustable to equity)	2890.28	2917.37	3393.01
ii) Others	—	—	—
b) Reserves and surplus			
i) Free reserves and surplus	544.29	634.47	948.53
ii) Share premium account	—	—	—
iii) Capital reserves	—	—	0.06
c) Borrowings			—
i) from Government of India	571.94	618.24	627.41
ii) from Financial institutions	400	409.85	708.95
iii) Foreign currency loans	1766.11	1759.07	1833.03
iv) Cash credit	43.37	27	142.10
v) Others	1866.31	2224.31	1931.17
vi) Interest accrued and due	172.83	184.87	197.60
d) i) Current liabilities and provisions	460.32	620.86	495.38
ii) Provision for gratuity	7.93	14.28	38.35
e) Income received in Advance			
i) Advance against depreciation	—	—	130.51
Total	8723.38	9410.32	10446.10
ASSETS	1995-96	1996-97	1997-98
f) Gross block	3727.52	3893.78	6904.90
g) Less: Cumulative depreciation	490.12	622.81	598.71
h) Net block	3237.4	3270.97	6306.19
i) Capital work-in-progress including construction stores & advances	4613.73	5012.39	2405.09
j) Investments	—	—	—
k) Current assets, loans and advances	863.69	1121.97	1733.11
l) Miscellaneous expenditure not written off	8.56	4.99	1.71
m) Accumulated loss	—	—	—
Total	8723.38	9410.32	10446.10
n) Working capital {k-d (i)-c (vi)}	230.54	316.24	1040.13
o) Capital employed (h+n)	3467.94	3587.21	7346.32
p) Net worth {a + b (i) + b (ii) - l - m}	3426.01	3546.85	4339.83
q) Net worth per rupee of paid-up capital (in Rupees)	1.19	1.22	1.28

2. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs. 3751.51 crores from internal and external sources were realised and utilised during the year as follows:-

Sources of funds	(Rs. in crores)	
Funds generated from operation		
i) Profit for the year	299.42	
Less: Depreciation reduced during the year	<u>24.10</u>	275.32
Add: Mise. Expenditure written off		3.28
Add: Self Insurance Reserve		<u>31.20</u>
		309.80
ii) Increase in paid up capital		475.64
iii) Increase in borrowed funds		204.19
iv) Receipt of fund as advance against depreciation		130.51
v) Decrease in Capital work-in-progress including construction, store and advances		2607.30
vi) Increase in provision for Gratuity		<u>24.07</u>
Total		<u>3751.51</u>
Utilisation of funds		
i) Increase in Fixed assets		3011.12
ii) Increase in Working Capital		723.89
iii) Dividend paid (including dividend tax)		<u>16.50</u>
Total		<u>3751.51</u>

3) WORKING RESULTS

The working results of the Company in the last three years ended 31st March 1998 are given below:

	(Rs. in Crores)		
	1995-96	1996-97	1997-98
i) Sales (including excise duty)	509.13	534.42	992.97
ii) Profit before tax	77.37	106.68	299.42
iii) Provision for tax	—	—	—
iv) Net profit after tax	77.37	106.68	299.42

4. RATIO ANALYSIS

Some important financial ratios on the financial health and working of the Company at the end of the last three years ended 31st march 1998 are as follows

	1995-96	1996-97	1997-98
a) Liquidity ratio			
Current Ratio (Current assets to Current liabilities & provisions and interest accrued and due but excluding provisions for gratuity) {k/d (i) + c (vi)}	1.36	1.39	2.50
b) Debt equity ratio			
Long term debt to Net worth {c (i to v but excluding short term loans)/p}	1.34	1.41	1.18

c) Profitability ratios

Profit (before tax) to	(in Percentage)		
(i) Capital employed	2.23	2.97	4.08
(ii) Net worth	2.26	3	6.90
(iii) Sales	15.20	19.96	30.15
(iv) Equity	2.68	3.66	8.82
d) Earnings per share (in Rupees)	26.77	36.57	88.25

5. INVENTORY LEVELS

The inventory levels at the close of the last three years ended 31st March, 1998 are as follows:

	(Rs. in crores)		
	1995-96	1996-97	1997-98
Stores, spares and loose tools	25.97	31.78	39.60

6. Sundry debtors

The sundry debtors and Sales in the last three years ended 31st March, 1998 are as follows:-

As on 31st March	Sundry Debtors			Sales (including excise duty)	Percentage of Sundry debtors to sales.
	Considered good	Considered doubtful	Total		
1996	436.81	143.80	580.61	509.13	114.04
1997	708.08	69.33	777.41	534.42	145.47
1998	1298.16	77.34	1375.50	992.97	138.52

The agewise break up of sundry debtors at the end of 1997-98 is as under:-

	Amount (Rs. in crores)
Debtors outstanding for less than 1 year	980.39
1-2 years	247.76
2 years and above	58.64
3 years and above	88.71
Total	1375.50

Sd/-

(T.K. Sanyal)

Principal Director of Commercial Audit
and Ex-officio Member, Audit Board -III,
New Delhi

New Delhi

Dated: 15.09.98

A. CONSERVATION OF ENERGY**(a) Energy measures taken and on hand.**

NHPC power system is designed in optimal manner such that power losses (auxilliary consumption) are minimised.

(b) Additional investment and proposals if any, being implementd for reduction of consumption of Energy.
There is no proposal for direct investment by the Corporation at present.**(c) Impact of measures at (a) and (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.**

Optimum utilisation is made during the year under report.

(d) Total Energy consumption and Energy consumption per unit of production as per Form-A of the Annexure thereto.

NHPC does not cover in the category of Industries mentioned in the schedule..

B. TECHNOLOGY ABSORPTION**(R&D)**

1. A separate division Research Development has been created to look after the problems relating to silt at various operational Projects and import substitution of spares. Further this Division is in the process of establishment and works pertaining to repetitive and chronic problems in O&M Projects will be taken up gradually.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO**OUTGO**

Rs. In LAKHS

1. Value of Imported Plant & Machinery	2068
2. Know-how	1108
3. Misc.	373
4. Interest Income	11269
5. Interest	82

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

(A) PARTICULARS OF EMPLOYEES THROUGHOUT THE FINANCIAL YEAR WHO WERE IN RECEIPT OF REMUNERATION NOT LESS THAN RS.3,00,000/-P.A.

Sl. No.	Name & Designation	Remuneration (Rupees)	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.	8.
	S/Shri						
1.	Aggarwal S.K. Manager	315631	Regular	BSc.(Engg) Civil, (14 Yrs.)	13.11.84	39	-
2.	Alok Kumar Manager	338593	Regular	B.Tech (mech) (13 Yrs.)	18.2.85	38	-
3.	Apparao Y.N. General Manager	450716	Regular	B.E.(Civil), M.E.(HydroPower) (29 Yrs.)	1.8.77.	52	A.E. C.W.C
4.	Azad S.K. Chief	333621	Regular	B.A.(Hons.) SAS (25 Yrs.)	16.5.81	57	Section Officer, AGCR.
5.	Bal Mukund General Manager	388896	Regular	BSc.(Engg.)Mech. (27 yrs)	16.12.78	49	Astt. Engineer, EIL
6.	Bhargava D.P. Chief Engineer	361482	Regular	B.E(Elec.) (19 Yrs.)	20.02.79	42	-
7.	Bhardwaj S.R. General Manager	400412	Regular	MA (Eng.),Dip. In Journalism, Dip. In Mktg. And Sales Management, (37 Yrs.)	11.9.81	55	PRO, NFL.
8.	Bhatnagar Amod Sr.Manager	368459	Regular	Isc. (36 Yrs.)	23.7.76	56	Stenographer, UPSEB
9.	Biswas A.K. Sr.Manager	308587	Regular	B.E. Civil (26 Yrs.)	21.10.82	50	AE, Govt. of W.B.
10.	Bunet A.I. Director(Personnel)	385821	Govt. Appointment	B.A. Hons, LLB, P.G. Dip. in IR & Welfare. (30 Yrs.)	31.3.93	56	GM (P&A), Paradeep PhosphatesLtd.
11.	Chandersekran A. Chief Engineer	398208	Regular	BE (Civil) (29 Yrs.)	20.11.78	54	AE, PWD.
12.	Chaudhary N.K. Chief Engineer	363692	Regular	CE(I),MIE,LLB, AMIE (29 Yrs.)	15.7.81	51	RE, NBCC
13.	Chopra Opinder Chief	391227	Regular	BA, PG Dip. In Lab. Laws, Labour Welfare and Personnel Mangt. (33 Yrs.)	19.4.79	50	Office Supdt., BALCO
14.	Darbari H.L. Sr.Manager	341817	Regular	M.E.(Civil) (29 Yrs.)	12.9.81	52	A.E.,P.W.D.(J&K)

15. Darde P.N. Chief Engineer	369581	Regular	B.E. (Civil), Ph.D. (31 Yrs.)	31.1.80	57	Lecturer, Delhi College of Engg.
16. Dayal I.D. Sr.Manager	309920	Regular	B. Tech. (Civil), (18 Yrs.)	2.6.80	42	-
17. Dhawan Gopal Chief	468404	Regular	M. Tech. (Applied Geology Ph.D. (18 Yrs)	1.2.80	43	-
18. Gandotra B.M. Sr.Manager	352279	Regular	B.E.(Civil) (31 Yrs.)	1.12.75	58	A.E., P.W.D. J&K
19. Gangopadhyay A.K. Executive Director	472656	Regular	BE. (Civil) (31 Yrs.)	10.9.81	52	XEN, PWD, Goa
20. Goel S.P. Sr.Manager	344512	Regular	B.Sc. (Prod. Engg.)	20.1.78	52	A.E., BSP
21. Goela Y.S. Sr. Manager	317023	Regular	BSc. (Engg. Elect.) (32 yrs)	1.1.77	50	-
22. Gulati Vinod General Manager	462285	Regular	AMIE(Mech) P.G. Diploma in Elect and Mech.Engg. P.G. Diploma in EDP&S, Diploma in PM&IR. (31 Yrs)	1.3.80	51	Major in Indian Army
23. Gupta A.K. Chief Engineer	362188	Regular	B.E.(Hons.) Mech. (20 Yrs.)	24.11.77	43	-
24. Gupta A.K. Sr.Manager	348088	Regular	BSc.Engg. (Mech.) (23 Yrs.)	25.11.75	46	Supervisor, Salal Project
25. Gupta R.K. Sr.Manager	349549	Regular	B.E.(Civil) M.Tech.(WR) (19 Yrs)	22.5.79	52	-
26. Gupta D.K. Accounts Officer	460809	Regular	M.Com. (19 Yrs.)	9.4.79	40	-
27. Gupta G.C. Chief Medical Officer	399147	Regular	MBBS (29 Yrs.)	24.4.81	51	Major in Indian Army
28. Gupta S.C. Sr.Manager	385519	Regular	BE(Civil) (20 Yrs.)	20.1.78.	44	-
29. Gupta Subhash C. Sr.Manager	303112	Regular	BSc., M.Com., P.G. Dip in PM& IR, P.G. Dip. Business Mgt. (27 Yrs.)	7.10.77	46	Asstt., Directorate of Audit, Revenue Deptt.
30. Gupta T.C. Sr.Manager	323687	Regular	BSc (Engg.) Mech. (20 Yrs.)	15.7.78	49	Technical Asstt., Ministry of Energy
31 Gupta V.K. Chief Engineer	383978	Regular	BE(Civil) (32Yrs.)	10.5.78	54	Dy. Director, Central Hydroelectric Project Control Board.
32. Hegde U.V. Sr.Manager	329921	Regular	MSc Applied Geology (18 Yrs).	8.2.80	43	-

33. Hussain S.M. Chief Engineer	391403	Regular	BSc Engg. (Civil), PG Diploma in Structures (26 Yrs.)	14.12.81	49	AE, Bihar Irrigation Deptt.
34. Iyer S.G. Chief	386965	Regular	M.A. LLB, P.G. Diploma in Pers. Mgt., Diploma in T&HRD (32 yrs.)	22.12.81	52	Admn. Officer, NBCC
35. Jain A.K. E.D.(F&A)	544652	Regular	B.Com., ACA (28 Yrs.)	28.11.78	53	Dy. Accts. Manager, IFFCO
36. Jain S.K. Sr.Manager	300954	Regular	BE (Elect.) (18 Yrs.)	13.3.80	40	-
37. Jain V.K. Chief Engineer	350918	Regular	BE(Elect.), FIE (25 Yrs.)	1.8.77	48	S.O.,CEA.
38. Jamwal S.S. General Manager	462979	Regular	BE(Elect.) (30 Yrs.)	30.12.79	53	AE, PDD(J&K)
39. Jose P.C. Chief Engineer	349567	Regular	BSc(Engg.) M.Tech., PHD. (27 Yrs.)	24.12.79	51	AD.(Extra) CWC
40. Kanjalia V.K. General Manager	306580	Regular	BSc. (Engg.) Elect.MSc. Engg (28 Yrs.)	8.5.79	52	AEE, PSEB
41. Kapoor Kamal Chief Engineer	356804	Regular	BSc.Engg. (Elect.) (25 Yrs.)	6.8.77	48	Supervisor, CEA
42. Kapoor Subhash Chief	377166	Regular	B.A.(Hons.) ,C.A (26 Yrs.)	5.9.88	52	Manager(F&A), SAB Electronics
43. Kapoor V.K. Chief Engineer	316951	Regular	BSc. Engg. (Civil), Dip. In Hydro Power Development (21 Yrs.)	16.5.77	44	-
44. Karkun Dilip Sr.Manager	301015	Regular	BE (Civil), M.Tech. (Water Resources), (27 Yrs.)	25.7.84	49	Executive Engineer , NPCC
45. Khar Veerjee Dy.Manager	322486	Regular	BE Civil, (13 Yrs.)	22.2.85	37	-
46. Khunteta H.D. Chief	420932	Regular	B.Com, CA (22 Yrs.)	18.4.88	46	Finance Manager, CIMMCO
47. Kohli Lalit Sr.Manager	316621	Regular	B.Sc. PG Dip. In Business Management, Dip. in Export Management (23 Yrs.)	29.12.81	45	Sales Officer, UP Forest Corporation
48. Koul Pramod A.A.O.	339192	Regular	B.Sc. CA (Inter), (8 Yrs.)	3.12.90	37	Soni & Rastogi, Chartered Accountant, Simla.
49. Krishnamurthy M. General Manager	401999	Regular	BE. Elect. Dip. In Russian & German Language 34 Yrs.	29.6.81	58	Dy. Manager, NTPC

50. Lalitha O.R. Chief Engineer	334857	Regular	BE Civil, (27 Yrs.)	2.6.80	51	AE, CWC
51. Lal R.P. Chief Engineer	328410	Regular	BSc. Engg. (Elect.) (31 Yrs.)	30.11.81	53	AEE, UPSEB
52. Lomas A.K. Chief Engineer	398567	Regular	BSc. Engg. (Mech.) MA (Pub. Admn.) (26 Yrs.)	8.6.81	47	Exe. Engineer, Western Coal Fields Ltd., Nagpur.
53. Manchanda P.C. Chief Engineer	337181	Regular	AMIE, (34 Yrs.)	2.4.79	55	Asstt. Director, CBIP
54. Madan M.M. Chief Engineer	330476	Regular	M.Tech (Civil), Dip. In Management (20 Yrs.)	18.5.77	44	-
55. Mandal T. Sr.Manager	321937	Regular	BE Civil, (26 Yrs.)	22.12.79	49	-
56. Maniappan T.P. Chief Engineer	350642	Regular	BE Civil. MIMA, FIE, P.G. Dip. In Management (31Yrs.)	22.10.81	55	AE, PWD, GOA
57. Malhotra I.B. Dy.Manager	322021	Regular	Dip.inMech. Engg. (16 Yrs.)	1.7.82	50	JE, CPWD
58. Nohar Lal Operator(Photostat)	320317	Regular	Higher Secondary	31.8.79	43	-
59. Misra R.N. Sr.Manager	353729	Regular	BE Civil, M.Tech., MBA Financial Management - (19 Yrs.)	21.6.79	41	-
60. Mathur Dayal Sr.Manager	384358	Regular	BA,MA (SocialWorks) (22 Yrs.)	18.2.81	46	Labour Officer, ModernWoolen Carpets.
61. Mathur G.N. General Manager	406474	Regular	AMIE (Elect.) (31 Yrs.)	7.4.78	55	AE, RSEB
62. Mathur N.K. Manager	302603	Regular	MSc. (20 Yrs.)	1.3.85	43	Arun Udyog, Jaipur
63. Nagaraja K.S. Sr.Manager	376068	Regular	BE Civil, M.Tech. (Civil) (20 Yrs.)	16.5.77	44	
64. Nand Gopal General Manager	484351	Regular	ME (Civil), B.E.(Civil) (30 Yrs.)	3.4.80	57	Dy. Manager, TSP Ltd., Tungabhadra.
65. Narang S.M. Chief Engineer	378147	Regular	BSc. Engg.(Civil) (32 Yrs.)	14.2.79	55	Asstt. Director, CWC
66. Natarajan R. Director(Finance)	388111	Govt. Appointment	BSc.ACA, ICWA(Inter)CS(Inter) (29 Yrs.)	7.7.95	55	Director (Finance),NJPC
67. Ojha R.N. Chief	380530	Regular	BA Diploma in Social Works (22 Yrs.)	13.7.78	54	Welfare Officer, Britannia Engg Works, Patna.

68. Omnakuttan N. Chief Engineer	331710	Regular	BSc. Engg.(Mech.) (24 Yrs.)	20.1.78	52	AE, B.S .Project, Govt. of India.
69. Prasad V.B. General Manager	379265	Regular	BTech.(Elect) (33 Yrs.)	14.4.80	55	EE,UPSEB
70. Raina M.K. Chief Engineer	368923	Regular	BE(Elect.) (22 Yrs.)	20.1.78	47	AE,BSP
71. Robertson J.H. Chief Engineer	354468	Regular	BE	11.10.78	52	AEE, Tamilnadu State Elect. Board
72. Sairam T.V. Dirctor(Vigilance)	432367	Deputation	MA(Eco.) MSc.(Bot.) M.Phil., Dip.in Genl Mgt.	1.12.93	52	Central Excise & Customs, Ministry of Finance.
73. Salhotra N.P. Manager	313782	Regular	BE(Mech.) (22 Yrs.)	20.1.78	48	A.E. Bairasul Project, Govt. of India.
74. Sarkar A.K. Sr.Manager	308348	Regular	BE(Mech.) (18 Yrs.)	1.2.80	41	-
75. Saxena R.K. Sr.Manager	355924	Regular	BA,LL,B., (33 Yrs.)	19.11.79	52	Law Asstt., UPSEB
76. Sen S.P. Chief Engineer	348013	Regular	ME (Civil), FIE (26 Yrs.)	12.8.80	50	AE,I&W, West Bengal
77. Shankracharya Manager	309875	Regular	BSc.Engg(Civil), M.Tech.) WR (16 Yrs.)	28.11.84	41	Supervisor, CWC
78. Shenvi N.R. Chief Engineer	378055	Regular	BE (Civil), (28 Yrs.)	9.10.78	51	Engineer, Mysore Power Corpn. Ltd., Bangalore
79. Sher S.C. Chief Engineer	352766	Regular	BE (Elect.) M.Tech. (19 Yrs.)	22.5.79	43	-
80. Sharma Brijendra Executive Director	536402	Regular	B.Tech(Civil), M.Tech. (Civil) (34 Yrs.)	18.7.81	58	Research Engineer, Institute of Rock Mechanics, Karlsnoha, West Germany
81. Sharma G.S. Sr.Manager	307711	Regular	B.Tech.(Civil), (18 Yrs.)	1.2.80	42	-
82. Sharma M.D. Sr.Manager	400764	Regular	BE Civil, LLB, Dip. in Business Management (24 Yrs.)	20.10.82	48	AD (E), CWC
83. Sharma R.K. General Manager	413183	Regular	BE Elect., PG Dip. Elect. Engg. (29 Yrs.)	31.8.78	51	AE,Beas Project, Chandigarh
84. Sharma T.R. Sr.Manager	310195	Regular	BSc. Engg. (Mech.), (25 Yrs.)	16.10.80	48	Engineer. Beas.
85. Singh Harbans Sr.Manager	336934	Regular	BSC. Engg. (Civil), FIE, MIGS (32 Yrs.)	20.1.79	55	AE, CWC

86. Singh Joginder General Manager	403457	Regular	MA Social Work, LLB (28 Yrs.)	10.5.78	53	Personnel cum Labour Welfare Officer, Punjab Scooters Ltd.
87. Singh K.P. Chief Engineer	367480	Regular	BE Elect. (27 Yrs.)	11.3.80	51	Asstt. Director, CEA
88. Singh Nain Chief Engineer	354533	Regular	BE Elect. (18 Yrs.)	2.5.80	43	-
89. Singhal R.S. Sr.Manager	343231	Regular	B.Com., SAS. (33 Yrs.)	22.11.78	55	AGCR
90. Srivastava Anurag Manager	308181	Regular	BE Civil (16 Yrs.)	13.12.82	38	-
91. Sood A.K. Chief	397031	Regular	M.Tech, Applied Geology (26 Yrs.)	30.10.82	51	STA, Central Ground Water Board, Ministry of Agriculture.
92. Venkatesha C.R. Executive Director.	500545	Regular	ME Civil, FIE, (21 Yrs.)	29.7.81	53	Scientist, Cement Research Institute.
93. Verma D. Paul Executive Director	469428	Regular	BSc. Engg. (Civil), (32 Yrs.)	9.8.76	56	SDO, Punjab Irrigation and Power Deptt.
94. Visvanathan N. Director(Technical)	352916	Govt. Appointment	ME (Civil), (35 Yrs.)	17.9.79	58	Asstt. CE, Triveni Structurals Ltd.
95. Walvekar A.S. Chief	339736	Regular	BSc. Geology, MSc. Applied Geology (18 Yrs.)	1.2.80	43	-
96. Yadvendra R.K. General Manager	428695	Regular	MSc. Engg. (Mech), MBA, Phd. Social Science (32 Yrs.)	1.1.82	56	Dy. Director, OO Development Commissioner, Ministry of Industry, Govt. of India
97. Yogendra Prasad C.M.D.	400002	Govt. Appointment	BSc. Engg. (Elect.) (30 Yrs.)	10.5.78	54	Asstt. Engineer, Bihar State Electricity Board.

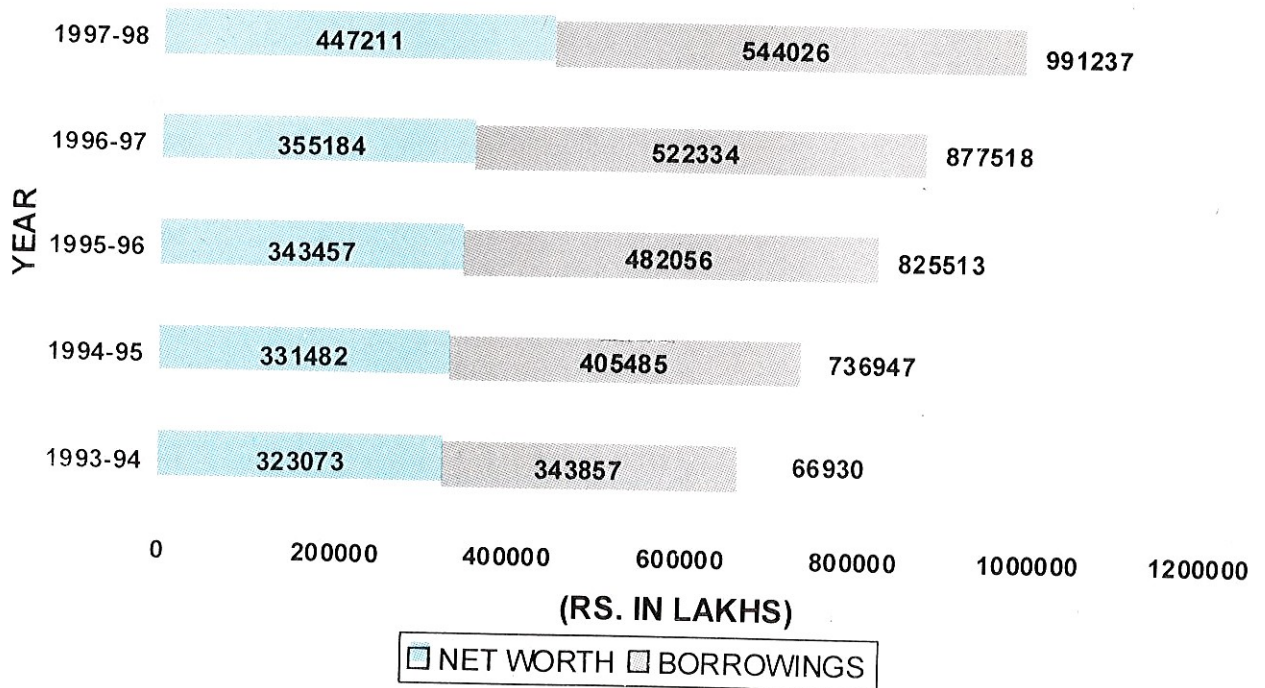
(B) PARTICULARS OF EMPLOYEES EMPLOYED FOR PART OF THE FINANCIAL YEAR WHO WERE IN RECEIPT OF REMUNERATION NOT LESS THAN Rs.25000/- P.M.

1. Shri B.S.P. Sinha Executive Director	403299	Regular	B.A. MIMM (U.K.) (36 Yrs.)	3.6.81	58	Manager, BHEL.
2. Shri Satya Prakash Manager.	496239	Regular	B.E. (Civil) (23 yrs.)	9.7.81	46	Asstt. Manager, FCI.

NOTES:

- The above employees are not related to any of the Directors of the Corporation within the meaning of section 6 of the Companies Act, 1956.
- 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.
- Designation indicated in the list denote the nature of duties performed by the employee.
- (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.

NET WORTH V/S BORROWINGS





480 MW Uri Project (J&K) - Power Channel



National Hydroelectric Power Corporation Ltd

(A Government of India Enterprise)

NHPC Office Complex, Sector 33,
Faridabad (Haryana) -121 003