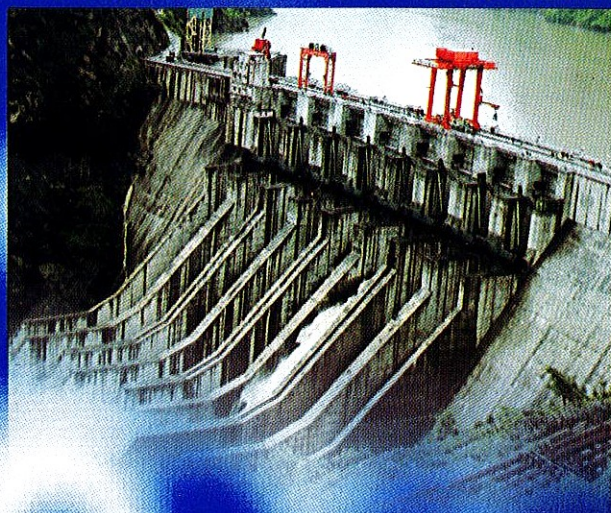


25 Years of Powerful Service to the Nation

ANNUAL REPORT 2000-2001



National Hydroelectric Power Corporation Ltd.

(A Government of India Enterprise)

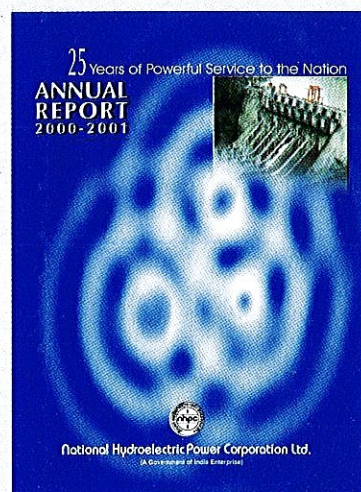


180 MW Baira Siul Project - Himachal Pradesh (Power House).



Contents

Corporate Mission and Objectives	2
Board of Directors	3
Corporate Profile	6
Digest of Important Data (Ten years)	8
Chairman's Speech	11
Directors' Report	16
Annual Accounts	32
Balance Sheet Abstract and Company's General Business Profile	52
Auditors' Report	56
Comments of the Comptroller & Auditor General of India	62



CORPORATE MISSION

The mission of NHPC is to harness the vast hydro, tidal, wind, geo-thermal and gas 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, gas, geo-thermal and wind power potential in the Central Sector covering all aspects such as investigations, planning, designs, construction, operation and maintenance of hydroelectric, tidal, geo-thermal, gas 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 plan 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 hydroelectric, tidal, geo-thermal, gas and wind 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.

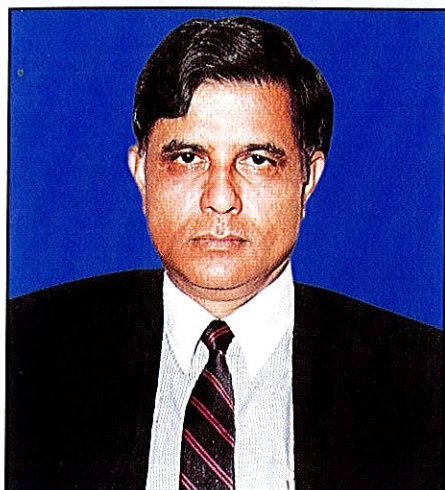
FINANCIAL OBJECTIVES

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 most economic costs.

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



Shri Yogendra Prasad
Chairman & Managing Director

Board of Directors



(As on 01.11.2001)



Shri R. Natarajan
Director (Finance)



Shri Binay Kumar
Director (Personnel)



Shri A.K. Gangopadhyay
Director (Projects)



Shri R.K. Sharma
Director (Technical)



Shri Anil Razdan
Joint Secretary (Hydro)
Ministry of Power



Shri R. Ramanujam
Joint Secretary & Financial
Advisor, Ministry of Power



Shri C.P. Jain
Chairman &
Managing Director, NTPC

Company Secretary
SHRI VIJAY GUPTA

STATUTORY AUDITORS

M/S JAIN CHOPRA & COMPANY
CHARTERED ACCOUNTANTS
105, JYOTI BHAWAN,
DR. MUKHERJEE NAGAR
COMMERCIAL COMPLEX,
NEW DELHI-110009

BRANCH AUDITORS

M/S K.B. SHARMA & CO
CHARTERED ACCOUNTANTS
HALL NO. 1, SECTOR - 2,
TAWI COMMERCIAL COMPLEX,
CHANNI HIMMAT,
JAMMU-180015

M/S SAHA GANGULI & ASSOCIATES
CHARTERED ACCOUNTANTS
SHANTINIKETAN,
8, CAMAC STREET (6TH FLOOR),
CALCUTTA-700017

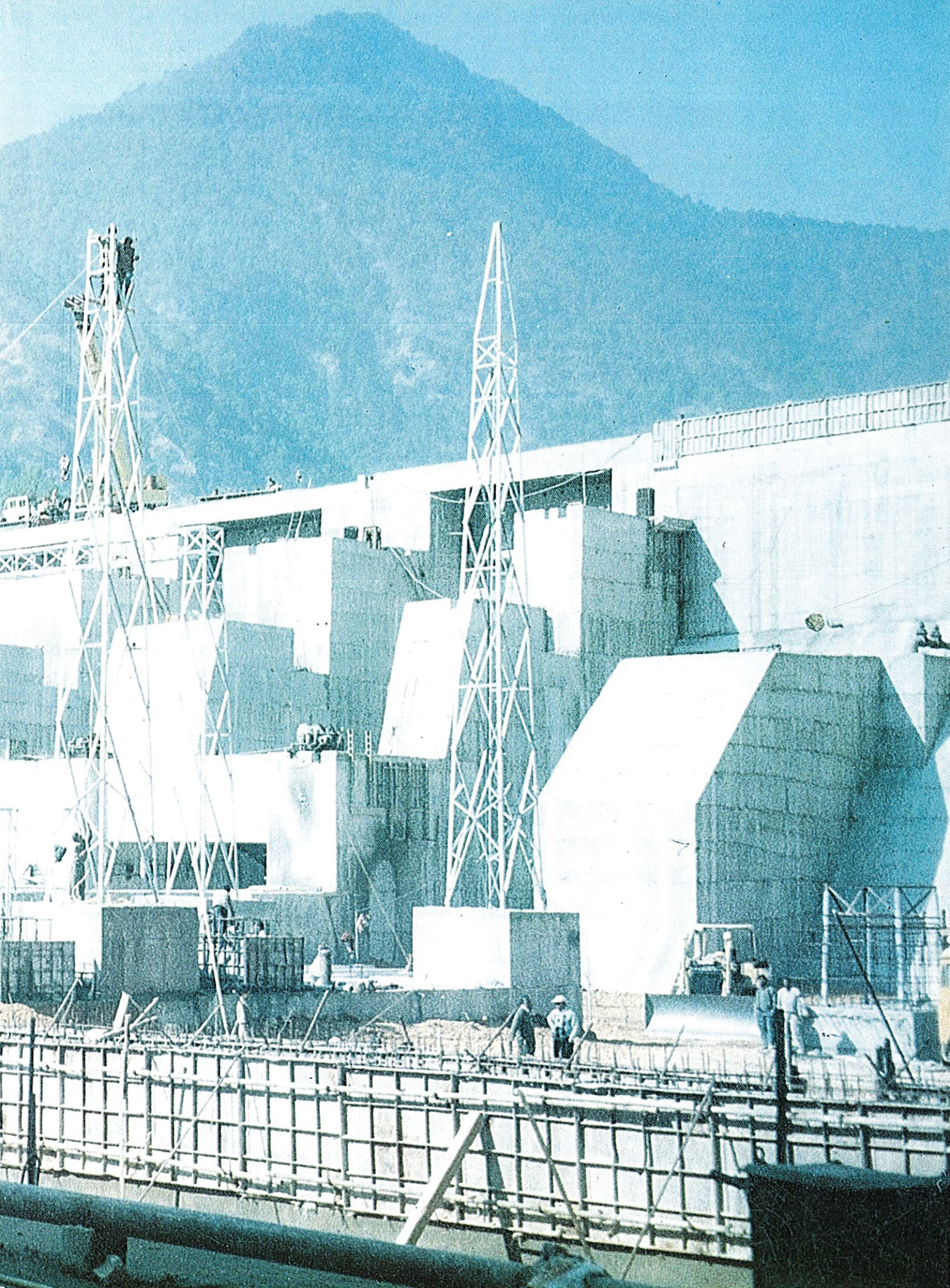
M/S K.K. GHEI & CO
CHARTERED ACCOUNTANTS
806, HEMKUNT HOUSE,
6, RAJENDRA PLACE,
NEW DELHI-110008

BANKERS

STATE BANK OF INDIA
INDIAN OVERSEAS BANK
DENA BANK
CANARA BANK
PUNJAB NATIONAL BANK
BANK OF INDIA
CORPORATION BANK
BANK OF BHUTAN
STATE BANK OF PATIALA
STANDARD CHARTERED BANK
J&K BANK LTD.
ICICI BANK LTD.



60 MW Kurichu H.E. Project - Bhutan (Concrete Dam)



CORPORATE PROFILE

FINANCIAL		2000-2001	1999-2000	1998-99	1997-98
Sales and Wheeling charges	*	11428	10757	11944	9930
Miscellaneous income	@	7881	2026	391	44
Profit before interest, depreciation and tax	\$	11726	10707	9992	8491
Profit after interest and depreciation		4471	4012	3053	2994
Profit after interest, depreciation and tax		4434	4012	3053	2994
Dividend		300	150	150	150
Reserves and surplus(cumulative)		21391	16906	12721	9486

WHAT CORPORATION OWNS

Gross Fixed Assets		78927	77527	70904	69036
Depreciation		12801	10290	8111	5986
Net Fixed Assets		66126	67237	62793	63050
Capital Work in progress		37108	27686	25760	20731
Construction Stores and Advances		6130	5115	3228	3320
Investments		6799			
Net Current Assets		18642	21009	14718	12525
Miscellaneous Expenditure not w/o		98	19	4	17
		134903	121066	106503	99643

WHAT CORPORATION OWES

Net Worth					
- Share Capital		51882	44462	38250	33930
- Reserves		21391	16906	12721	9486
- Income received in advance on account of advance against depreciation		5199	3861	2455	1305
Borrowings		56431	55837	53077	54922
		134903	121066	106503	99643

OPERATING PERFORMANCE

	2000-2001	1999-2000	1998-99	1997-98
Generation (M.U.)	8774	8691	9917	8816
Machine availability (%)	92.09	91.05	88.39	83.00
Sales (Rs. in crores)	1143	1076	1194	993
Man power (Nos.)	11850	12150	11860	11799

* Sales are net after tariff adjustment and advance against depreciation

@ Includes receipts against contracts

\$ After prior period adjustments

(Rs. in Millions)					
1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
5344	5091	4805	2087	1552	2306
217	20	16	22	53	257
4811	4330	3714	1714	1244	1671
1067	774	937	705	415	493
1067	774	937	705	415	493
150	150	100	50	-	-
6345	5443	4819	3982	3327	2912
38938	37275	35978	16040	12293	14832
6228	4901	3698	2912	2662	2517
32710	32374	32280	13128	9631	12315
48957	44447	33801	31487	29941	26993
1167	1690	2265	13682	10246	9270
4868	3954	5243	8351	6390	1537
50	86	106	45	31	-
87752	82551	73695	66693	56239	50115
29174	28903	28327	28325	26325	23225
6345	5443	4819	3982	3327	2912
-	-	-	-	-	-
52233	48205	40549	34386	26587	23978
87752	82551	73695	66693	56239	50115
1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
5614	6141	6058	3587	3474	3567
83.25	85.30	83.99	84.66	87.43	90.18
534	509	478	206	152	228
12119	11984	12145	12449	12952	13015

DIGEST OF IMPORTANT DATA (TEN YEARS)

		2000-2001	1999-2000
A	SALE OF ENERGY \$	12766	12163
B	ADVANCE AGAINST DEPRECIATION	1338	1406
C	MISCELLANEOUS INCOME #	7881	2026
D	TOTAL INCOME (A)-(B)+(C)	19309	12783
E	GENERATION AND OTHER EXPENSES	7583	2076
F	GROSS MARGIN (D) - (E)	11726	10707
G	DEPRECIATION	2387	2198
H	GROSS PROFIT (F) - (G)	9339	8509
I	INTEREST AND FINANCE CHARGES	4868	4497
J	NET PROFIT (H) - (I)	4471	4012
K	TAX	37	-
L	NET PROFIT AFTER TAX (J) - (K)	4434	4012
M	INTERNAL RESOURCE GENERATED (G)+(L)+(B)	8159	7616
N	AUTHORISED CAPITAL	70000	50000
O	EQUITY PAID UP CAPITAL *	51882	44462
P	RESERVE AND SURPLUS	21391	16906
Q	LOAN FUND	56431	55837
R	INCOME RECEIVED IN ADVANCE AGAINST DEPRECIATION (AAD)	5199	3861
S	GROSS FIXED ASSETS	78927	77527
T	DEPRECIATION	12801	10290
U	NET FIXED ASSETS (S) - (T)	66126	67237
V	CAPITAL WORK-IN-PROGRESS	37108	27686
W	CONSTRUCTION STORES AND ADVANCES	6130	5115
X	INVESTMENT	6799	
Y	WORKING CAPITAL	18642	21009
Z	MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF	98	19
AA	GROSS CAPITAL EMPLOYED (U)+(V)+(W)+(X)+(Y)	134805	121047
AB	NET WORTH (O)+(P)+(R)-(Z)	78374	65210
AC	INV. CONSUMED AS PER GEN. AND ADM. AND PURCHASE OF POWER	71	60
AD	VALUE ADDED (A)-(B)-(AC)	11357	10697

\$ INCLUDING TARIFF ADJUSTMENT, WHEELING CHARGES AND PROVISION FOR DOUBTFUL DEBTS

* INCLUDING SHARE DEPOSIT AND GOI FUND ADJUSTABLE TO EQUITY

INCLUDES RECEIPTS AGAINST CONTRACTS

RATIOS

1. RETURN ON GROSS CAPITAL EMPLOYED (H) / (AA)	6.93%	7.03%
2. RETURN ON NET WORTH (L) / (AB)	5.66%	6.15%
3. NET SALES TO GROSS CAPITAL EMPLOYED (A)-(B)/(AA)	8.48%	8.89%
4. VALUE ADDED TO NET SALES (AD) / ((A)-(B))	99.38%	99.44%
5. DEBT TO EQUITY RATIO (Q) / ((O)+(P)+(R))	0.72	0.86
6. NET PROFIT TO NET SALES (L) / ((A)-(B))	38.80%	37.30%

(Rs. in Millions)							
1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992
13094	11235	5344	5091	4805	2087	1552	2306
1150	1305	-	-	-	-	-	-
391	44	217	20	16	22	53	257
12335	9974	5561	5111	4821	2109	1605	2563
2343	1483	750	781	1107	395	361	892
9992	8491	4811	4330	3714	1714	1244	1671
2152	1140	1111	1029	365	230	226	214
7840	7351	3700	3301	3349	1484	1018	1457
4787	4357	2633	2527	2412	779	603	964
3053	2994	1067	774	937	705	415	493
-	-	-	-	-	-	-	-
3053	2994	1067	774	937	705	415	493
6355	5439	2178	1803	1302	935	641	707
50000	35000	35000	25000	25000	25000	25000	25000
38250	33930	29174	28903	28327	28325	26325	23225
12721	9486	6345	5443	4819	3982	3327	2912
53077	54922	52233	48205	40549	34386	26587	23978
2455	1305	-	-	-	-	-	-
70904	69036	38938	37275	35978	16040	12293	14832
8111	5986	6228	4901	3698	2912	2662	2517
62793	63050	32710	32374	32280	13128	9631	12315
25760	20731	48957	44447	33801	31487	29941	26993
3228	3320	1167	1690	2265	13682	10246	9270
14718	12525	4868	3954	5243	8351	6390	1537
4	17	50	86	106	45	31	-
106499	99626	87702	82465	73589	66648	56208	50115
53422	44704	35469	34260	33040	32262	29621	26137
133	60	48	13	37	18	18	412
11811	9870	5296	5078	4744	2044	1506	1865

7.36%	7.38%	4.22%	4.00%	4.55%	2.23%	1.81%	2.91%
5.71%	6.70%	3.01%	2.26%	2.84%	2.19%	1.40%	1.89%
11.22%	9.97%	6.09%	6.17%	6.53%	3.13%	2.76%	4.60%
98.89%	99.40%	99.10%	99.74%	98.73%	97.94%	97.04%	80.88%
0.99	1.23	1.47	1.40	1.22	1.06	0.90	0.92
25.56%	30.15%	19.97%	15.20%	19.50%	33.78%	26.74%	21.38%



300 MW Chamera H.E. Project Stage-II - Himachal Pradesh (Under Construction)



Chairman's Speech



Dear Shareholders,

On behalf of the Directors and employees of NHPC, I have great pleasure in extending a warm welcome to you to the Adjourned 25th Annual General Meeting of the Company. The Revised Directors' Report in the light of the directions received from the Department of Company Affairs, the Annual Accounts of your Company for the year 2000-2001 along with Auditor's Report and the comments of the Comptroller and Auditor General of India are already with you and with your permission I shall take them as read.

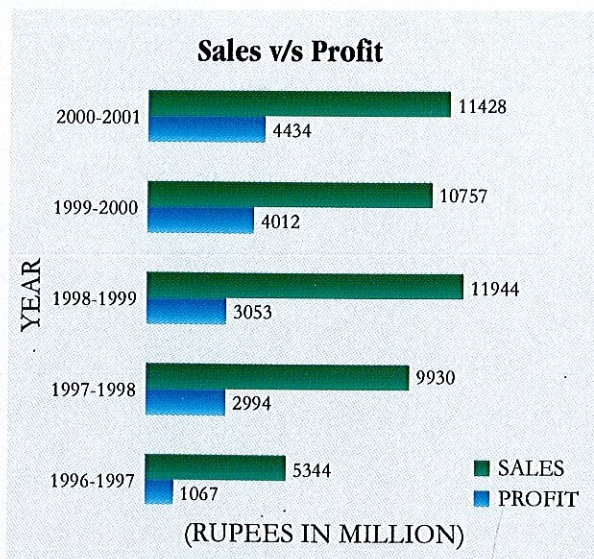
You would be glad to know that during the year 2000-01, the performance of our power stations in operation had been 'excellent' with a high average availability factor of 92.09% as against 91.05% in the last year. The generation from these plants including deemed generation of 810.53 MU from Uri and Tanakpur Project was 9584.46 MU as against 9400 MU. The Corporation has commissioned I, II & III Units of Kurichu HE Project (45MW), Bhutan, ahead of schedule. The Corporation has also commissioned all the three units fifteen months ahead of schedule of the Kalpong Project (5.25 MW) in Andaman & Nicobar Islands, which has been undertaken by the Corporation on deposit work basis.

The financial performance of your Corporation continued to show an upward trend in this year with higher sales turnover of Rs.12766 million as against Rs.12163 million in the previous year and the net profit of Rs.4434 million as against Rs.4012 million in the last year. Your Directors have recommended a dividend of Rs.300 million as against Rs.150 million in the previous year 1999-2000, an increase of 100%.

As I had assured you in the last AGM, the Corporation had taken all possible steps and had made sustained and concerted efforts for the realisation of its outstanding dues and reduced the dues to Rs.7610 million as against Rs.17450 million in the previous year. This has been achieved by realisation of Rs.15583 million from the various beneficiaries. The Average outstanding has been reduced to 7.4 months billing as against 18 months in previous year. During the current year, Government of J&K, Haryana and Uttar Pradesh States have issued bonds worth of Rs.10573 million in favour of NHPC against the dues owed to NHPC.



Shri Suresh P. Prabhu, Hon'ble Union Minister of Power inaugurating the NHPC office at Devrukh, Maharashtra.



The progress of various ongoing projects was by and large satisfactory. Most of the works in Dhauliganga, Chamera Stage-II, Teesta-V HE Projects are in progress ahead of schedule and I am sure that these projects will be completed before scheduled time.

I am glad to inform you that the progress of Survey & Investigations of different projects is excellent. Your Corporation continues to

succeed in registering its presence all over the country. The Corporation has been assigned projects in the State of Maharashtra for confirmatory investigation work of BAV-1 and BAV-II and Devade Projects in the Ratnagiri District, having a combined installed capacity of 61 MW.

You would be glad to know that Govt. continued to be concerned about the non-optimal hydro-thermal mix and is earnestly taking steps to improve the share of hydro in system to improve the quality and reliability of power supply and power systems. This augurs well for the development of your Company in the coming years. In line with the government policy and programmes, the Corporation has drawn ambitious plans for the development of various projects during IX and X Plans by completing various projects and start of new schemes. As stated in the last year's report, out of the seven Projects agreed to be handed over by J&K to



5.25 MW Kalpong H.E. Project Complex -Andaman and Nicobar Islands

NHPC, the Corporation has taken over the four projects from the J&K Govt. i.e. Pakal Dul (1000 MW), Bursar (1020 MW), Uri-II (280 MW) and Sewa-II (120 MW) and taking over of the remaining three projects namely Kishenganga (330 MW), Nimoo-Bazgo (30 MW) and Chutak (18 MW) is in progress.

A Memorandum of Understanding has been signed with the Govt. of Himachal Pradesh for the execution of 231 MW of Chamera HE Project, Stage-III. The Corporation has also signed a Memorandum of Understanding with Govt. of West Bengal for the development of the 900 MW Purulia Pumped Storage Scheme by forming a Joint Venture company.

The Corporation has also taken steps for execution of Small Hydroelectric Projects, namely, Kambang and Sippi in the State of Arunachal Pradesh. Further MNES has conveyed its approval for the development of Tatta Pani Geo-Thermal Fields, Chattisgarh for the pilot power project with the capacity of 300 KW.

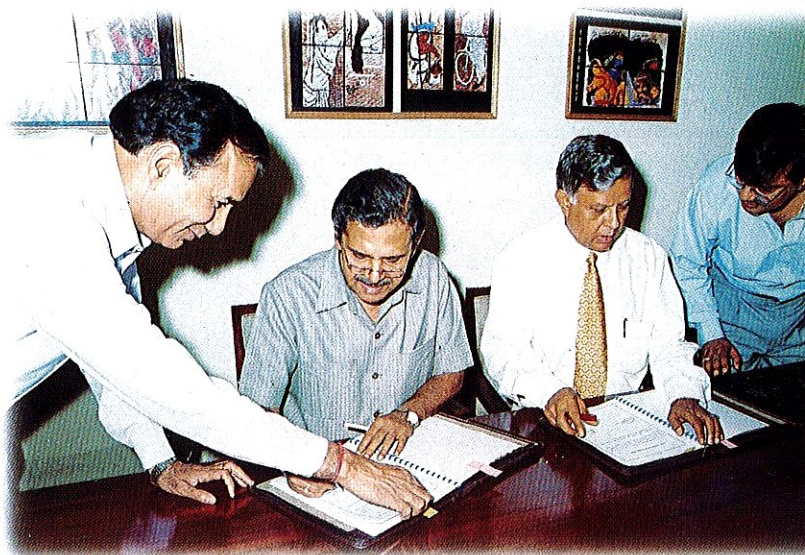
It is a matter of satisfaction that your Corporation continues to enjoy the faith and confidence of all major banks and financial institutions. During the year, the Corporation has raised a Term-Loan of Rs.3328.7 million. LIC has also sanctioned Rs.25000 million line of credit which is biggest line of credit sanctioned to any Corporation in the country by LIC. The Corporation has redeemed Bonds and Term-Loan of Rs.4078.4 million before due date during the year.

Your Corporation has recently signed a MOU with the Apex Unions of Workers for

implementation of revised pay scales w.e.f. 1.1.1997.

I am glad to inform that your Corporation has been provisionally accorded an 'Excellent' rating for the performance in 2000-01 as per MOU norms for the sixth consecutive year.

I, on behalf of the Board of Directors, express my deep and genuine gratitude for the help and co-operation, guidance and advice extended by the Ministry of Power, Ministry of Finance,



Shri A.K. Basu, Secretary (Power) and Shri Yogendra Prasad, CMD, NHPC signing the MOU for the year 2001-2002

Ministry of Environment & Forests, Planning Commission, State Governments, CEA, CWC, State and Regional Electricity Boards, Department of Public Enterprises, Department of Company Affairs and others not specifically mentioned here.

I wish to thank sincerely the International and National financing institutions and investors for the confidence reposed by them on NHPC. I wish to record the Corporation's appreciation of the efforts made by the beneficiary States drawing

power from our power stations to make maximum payments for the electricity consumed in spite of their own fiscal problems.

I take this opportunity to make special mention of the dedication, diligence and commitment of the staff of NHPC at all levels and for their excellent performance under the most difficult and dangerous conditions leaving their families thousands of miles away.

I would like to thank all the Directors of the Board for their valuable contribution and co-operation which enabled the Corporation to scale new heights and achieve excellence in performance.



Dated : 29.10.2001

(YOGENDRA PRASAD)

Chairman & Managing Director



Smt. Jayawanti Mehta, Hon'ble Union Minister of State for Power with the NHPC team at the third Inter-CPSU Hockey Tournament



Subansiri Basin Projects - Investigation work in progress in Arunachal Pradesh

Directors' Report

To the Members,

National Hydroelectric Power Corporation Ltd.,

Your Directors have great pleasure in presenting the 25th Annual Report of your company together with the Audited Accounts, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India for the financial year ended 31st March, 2001.

1. FINANCIAL PERFORMANCE

The summary of the financial results of the company for the year ended 31st March, 2001 is given in Table.1 below.

2. TURNOVER AND PROFIT

As may be seen from the results, the turnover of the company during the year 2000-01 was Rs.12766 million and your company after providing depreciation, interest on loans, financing charges and allowing prior period adjustment made a net profit,

after tax, of Rs.4434 million compared to the previous year's profit of Rs.4012 million. The profit for the year ended March 2001 was higher than the profit in the previous year by about Rs.459 million or by about 11.44 %.

3. PROPOSED DIVIDEND

Your Directors have recommended a lump sum dividend of Rs.300 million for the year 2000-01 subject to the approval of the shareholders in the forthcoming General Meeting.

4. REVENUE REALISATION

During the year 2000-01, the Corporation has realized an amount of Rs.15583 million towards energy sold to the beneficiaries including the sum received through CPA and surcharge. After the realization, the principal dues have been reduced to Rs.7610 million

Table 1. FINANCIAL RESULTS

	(Rs In Million)	
	2000-01	1999-2000
Sale of Power	12766	12163
Profit before Depreciation, Interest and Tax	11726	10707
Depreciation	2387	2198
Profit after Depreciation and before Interest and Tax	9339	8509
Interest Cost	4868	4497
Profit after Depreciation and Interest but before Tax	4471	4012
Tax	37	-
Profit after Depreciation, Interest and Tax	4434	4012
Surplus of Profit and Loss Account of earlier year	8712	4885
Profit available for appropriations	13146	8897
APPROPRIATIONS:		
Write back from Bonds Redemption reserve	2422	-
Transfer to General Reserve	11100	-
Proposed Dividend	300	150
Provision for Income Tax (on dividend)	31	35
Balance Profit carried to Reserves and Surplus	4137	8712

(7.4 months of Average Billing) as against Rs.17 450 million compared to the previous year of 18 months of average billing. In addition to above, the Corporation has received a sum of Rs.14046.46 million upto July, 2001, which includes the Bonds worth of Rs. 10573 million against the settlement of outstanding dues from J&K, HVPNL and UPPCL.

5. PERFORMANCE HIGHLIGHTS

Projects in operation

During the year, operational projects of your Corporation have generated 8773.93 million units of energy against the target of 9400 million units. The shortfall in generation was mainly due to poor inflow of water in respect of Baira Siul, Salal and Uri Hydroelectric Projects. Due to less inflow and grid constraints the deemed generation

was 810.53 MU. The total actual generation including the deemed generation was 9584.46 MU, which is higher than the target by 184.45 MU.

During the year under report the machine availability of all the generating units in operation was 92.09% against the target of 86.02%.

6. PROGRESS OF ONGOING/ SANCTIONED PROJECTS

ON GOING PROJECTS

Dul Hasti H.E. Project (390 MW) Jammu & Kashmir

All civil works except HRT are going on in full swing and are expected to be completed in this year itself. Electro-mechanical and hydro-mechanical works are also progressing satisfactorily for completion by Dec.2001. Erection activities in all the three Units of

Table 2. PERFORMANCE OF POWER STATIONS

S.No	Power Stations	Effective Capacity as on 31.3.01 (In MW)	Generation in million units					
			2000-2001		1999-2000		2001-2002 upto July, 2001	
			Target MU	Actual MU	Target Achievement in percentage	Actual MU	Target (MU)	Actual (MU)
1	2	3	4	5	6	7	8	9
1.	Baira Siul	180.00	750.00	649.28	86.57	425.57	425	300.55
2.	Loktak	105.00	450.00	551.14	122.48	506.75	144	167.56
3.	Salal Stage-I&II	690.00	3100.00	2939.26	94.81	3249.14	1485	1464.64
4.	Tanakpur	94.20	440.00	440.10@	100.03	408.88	163	163.87
5.	Chamera Stage-I	540.00	1785.00	2111.63	118.30	2125.73	855	1039.98
6.	Uri	480.00	2575.00	2587.38@	100.48	1948.93	1332	952.30
7.	Rangit	60.00	300.00	305.67	101.89	*25.74	136	133.04
Total		2149.20	9400.00	9584.46	-	8690.74	4540	4221.94
* With reference to date of commissioning.								
@ Including deemed Generation								



390 MW Dul Hasti H.E. Project - Jammu and Kashmir (Concrete Dam)

Power House stand completed. Head Race Tunnel Excavation has been completed to an extent of 78.95%. The project is now scheduled to be completed by December, 2003.

Dhauliganga H.E. Project (280 MW) Uttaranchal

The project is being executed with the financial assistance from Japan Bank of



280 MW Dhanliganga H.E. Project - Uttaranchal (Construction in progress)

International Cooperation . Construction of Diversion Tunnel was completed and river is diverted on 23.4.2001. Execution of major components of the Project is in full swing .

Excavation of ventilation tunnel and main access tunnel to Power House has been completed, ahead of schedule. After completion of construction adits, excavation of HRT is progressing satisfactorily. Excavation upto Crane beam level in powerhouse has been completed and casting of Crane beam is in progress.

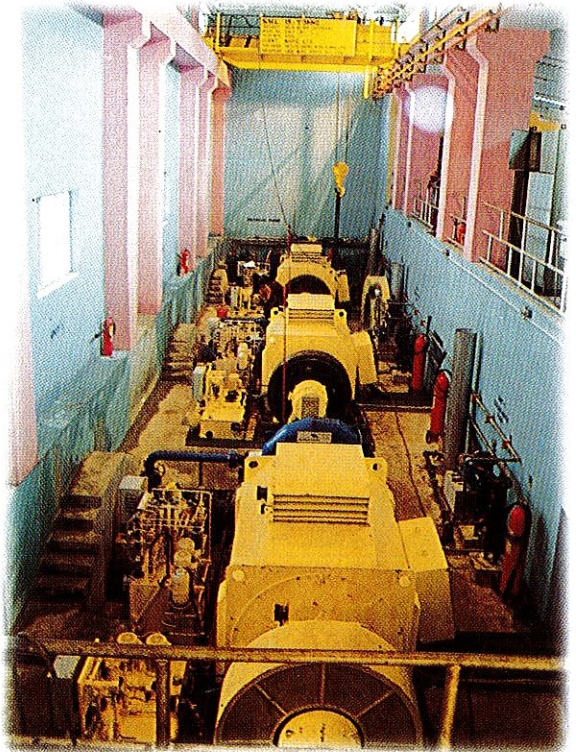
The project is scheduled for commissioning in March, 2005.

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

Since the last Report, for want of certain clearances the Project has not been taken up.

Kalpong H.E. Project (5.25 MW) Andaman & Nicobar Islands

The first unit of Kalpong HE Project was put on bar on 1.7.2001, 15 months ahead



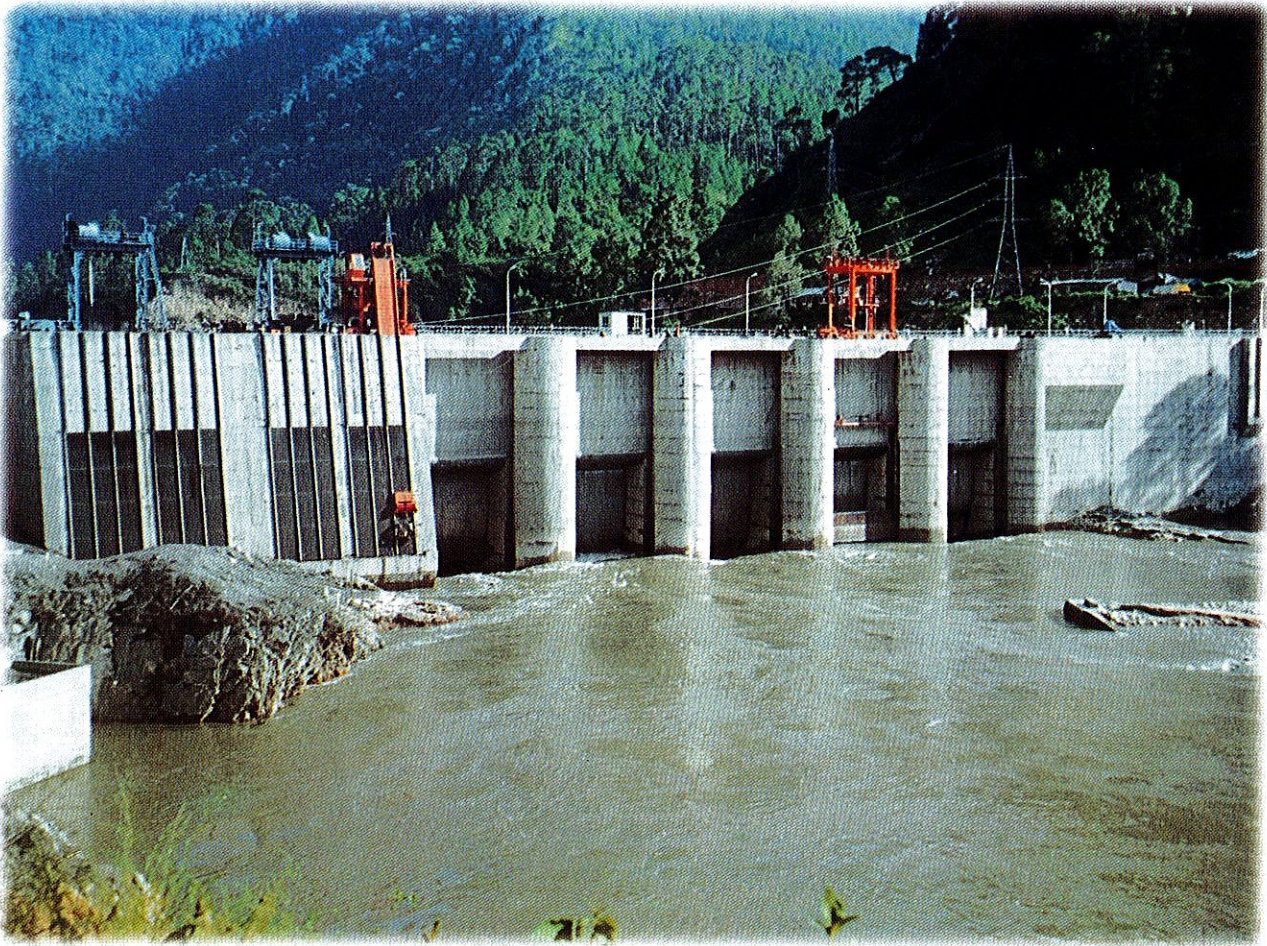
*5.25 MW Kalpong H.E. Project - Andaman and Nicobar Islands
(Inside view of Power House)*

of schedule. The remaining two units have also been commissioned on 30.7.2001 and 15.8.2001 respectively, much ahead of schedule.

Kurichu H.E. Project (45 MW) Bhutan

In line with NHPC's commitment of early commissioning of Kurichu HE Project,

also been entrusted the work of additional 4th unit of this project at a fixed cost of Rs.40 Crores and work is in progress with commissioning expected by June, 2002 against the target of December 2002. The work of Gelephu -Tintibi – Nanglam Transmission line work at a cost of Rs.45 Crores to evacuate the power from



Kurichu H.E. Project - Bhutan (Concrete Dam)

Unit # 3 was commissioned on 13.4.2001, three and half months ahead of schedule. Unit # 3 and Unit # 2 have been synchronized with Indian grid on 14.8.2001 and 15.8.2001 respectively. Work on unit # 1 is in advanced stage and the unit will be put on stream by September 2001. NHPC has

Kurichu Project to India, has also been completed ahead of schedule. You would be glad to know that in the history of hydro power, this is for the first time that a project is being completed before schedule inspite of tough geology and difficult terrain conditions.

Chamera H.E. Project Stage-II (300 MW) Himachal Pradesh

River diversion has been achieved on 5.1.2001, one year ahead of schedule. After completion of excavation, Dam foundation grouting alongwith level-course concreting



300 MW Chamera H.E. Project Stage-II - Himachal Pradesh (Head Race Tunnel)

have also been completed. Excavation of Stilling Basin, downstream of Dam is in progress. 3.3 km of Upper reach of HRT has been day-lighted on 5th May, 2001. 88% of overall HRT excavation has been completed about 7 months ahead of schedule. Power House excavation and all other excavation works in Power House area are also proceeding ahead of schedule. 83.5% of TRT excavation has been completed well ahead of schedule. The project is scheduled to be completed by May, 2004 but efforts are being made to Commission the Project before December, 2003.

Teesta H.E. Project Stage-V (510 MW) Sikkim

This project is being constructed on the river Teesta in Eastern Sikkim. The agreement was signed on 2.8.2000 with the Sikkim Government for execution of this project. All contracts for major civil works viz Dam, HRT and power house have been awarded. Excavation of adits to HRT, Main access tunnel to power house and ventilation tunnel has been taken up. Construction of Diversion Tunnel is progressing satisfactorily. One of the significant achievements has been completion of heading excavation in DT-II, three months ahead of schedule. Heading excavation in DT-I has also been completed in August 2001, one month ahead of schedule. Compensatory afforestation, in 250 ha. of land in lieu of 147.423 ha. of forest land diverted for project construction, has been taken up by Sikkim Forest Deptt. with financial help from NHPC. The development of infrastructure in the project area is in progress. In accordance with Govt. sanction, the project is scheduled for commissioning by February, 2007.



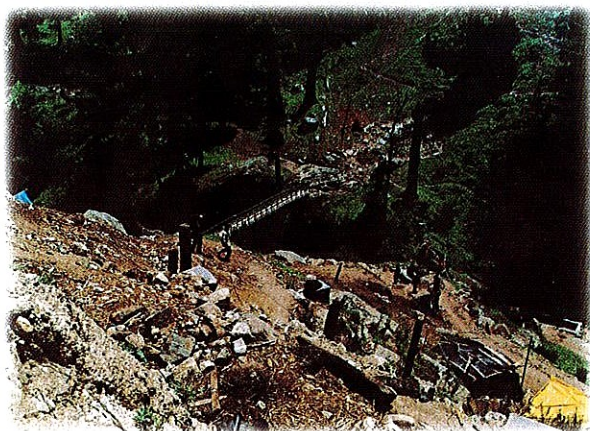
510 MW Teesta H.E. Project Stage-V - Sikkim (Drilling Operation at inlet to Diversion Tunnel)

Loktak Downstream H.E. Project (90 MW) Manipur

The works in this project are at standstill in view of adverse law and order situation prevailing in the State of Manipur and absence of adequate security measures. Government of India had decided to induct one CRPF battalion in October 2000. The identified CRPF battalion could not take position in the project sites, due to non availability of accommodation, which was to be arranged by Govt of Manipur. In addition, issues related to land acquisition need to be finalized before NHPC could consider start of infrastructure development

Parbati H.E. Project Stage-II (800 MW) Himachal Pradesh

The Revised DPR of the Project was submitted by NHPC on 5.10.2000 in record time. TEC was accorded by CEA on 3.1.2001.



800 MW Parbati H.E. Project Stage-II - Himachal Pradesh (Dam site)

Notifications under various sections for land acquisition have been issued and the process is in advanced stage. Rehabilitation and Re-settlement Plan has also been submitted.

Construction of roads, bridges and buildings at various sites of the Project has been started and the same is in progress. All clearances from the MOEF have been obtained.

7. STATUS OF NEW PROJECTS/SCHEMES

i. Subansiri Basin Projects,

Arunachal Pradesh

(Subansiri (Upper)-2500 MW, Subansiri (Middle)-2000MW, Subansiri (Lower)-2000 M.W)

The Corporation has submitted the Detailed Project Report for Subansiri (Lower) Project to Central Electricity Authority which is presently under examination. Investigation work in other two projects in this basin is progressing satisfactorily.

Siang Basin Projects,

Arunachal Pradesh

Siang (Upper) – 11000 MW, Siang (Middle) – 700 MW, Siang (Lower) – 1700 MW

Survey and Investigation work in all the three Projects in Siang Basin is progressing as per schedule.



Subansiri Basin Projects - Arunachal Pradesh (Investigation work in progress)

ii. New Projects in Jammu and Kashmir

The Corporation has been assigned seven projects having a total capacity of 2798 MWs through a MOU signed between Government of Jammu & Kashmir and the Government of India. Four projects i.e. Pakal Dul, Bursar, Uri-II and Sewa-II have been physically handed over to NHPC and the process of handing over / taking over is in progress in remaining projects i.e. Kishenganga, Nimoo-Bazgo and Chutak.



480 MW Uri H.E. Project - Jammu and Kashmir (Gas Insulated Switch Yard)

The Corporation has already submitted Feasibility Report, Stage-II Estimate and Site clearances application of Pakal Dul, Bursar, Uri-II and Sewa-II HE Projects. Stage-I site clearance have been received for Pakal Dul, Bursar and Sewa-II HE Projects. The development of infrastructure and geological investigation work has been taken up at Sewa-II HE Project. NHPC has submitted Detailed Project Report, Stage-II Estimate and Site clearance application (Stage-II) for Kishenganga HE Project. Geological investigation work is being taken up in Nimoo-Bazgo and Chutak HE Projects.

iii. New Projects in Himachal Pradesh

Parbati HE Project, Stage-III (520 MW), Himachal Pradesh

Survey and investigation works have been taken up. Feasibility report for the project has been submitted to Ministry of Power. Other infrastructure works are also being taken up.

Chamera HE Project, Stage-III (231 MW), Himachal Pradesh

MOU for the execution of the project was signed with HP Govt. on 5.7.2001. NHPC has established the office at the site and the staff has been posted at the project. The feasibility report for the project has been submitted to Ministry of Power.

iv. New Projects in Maharashtra

You would be glad to know that the Corporation has recently taken up confirmatory investigation work of Bav-I and Bav-II and Devade Projects in the Ratnagiri District of Maharashtra with a combined installed capacity of 61 MW.



Bav H.E. Project - Maharashtra

v. New Projects in West Bengal

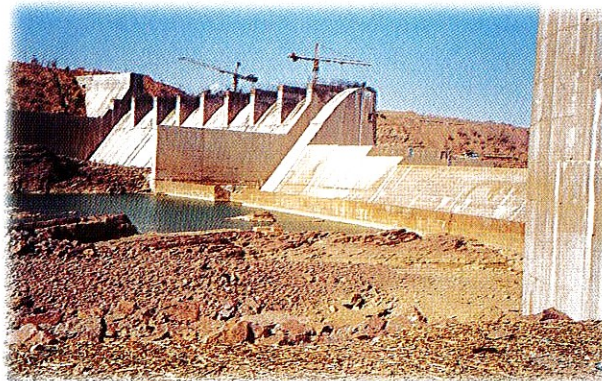
Teesta Low Dam Stage-III (132 MW)

Teesta Low Dam Stage-IV (168 MW)

Feasibility reports were submitted to CEA/MOP for establishment of commercial viability of the project for stage III & IV. Estimate for stage-II activities has also been submitted.

Farakka HE Project (125 MW)

The Corporation has already taken up Survey and Investigation works.



1000 MW Indira Sagar H.E. Project - Madhya Pradesh (Dam under construction)

An MOU has also been signed for formation of joint venture company with equity participation by the State Govt. of West Bengal and NHPC for the execution of 900 MW Purulia Pumped Storage Project.

8. JOINT VENTURE

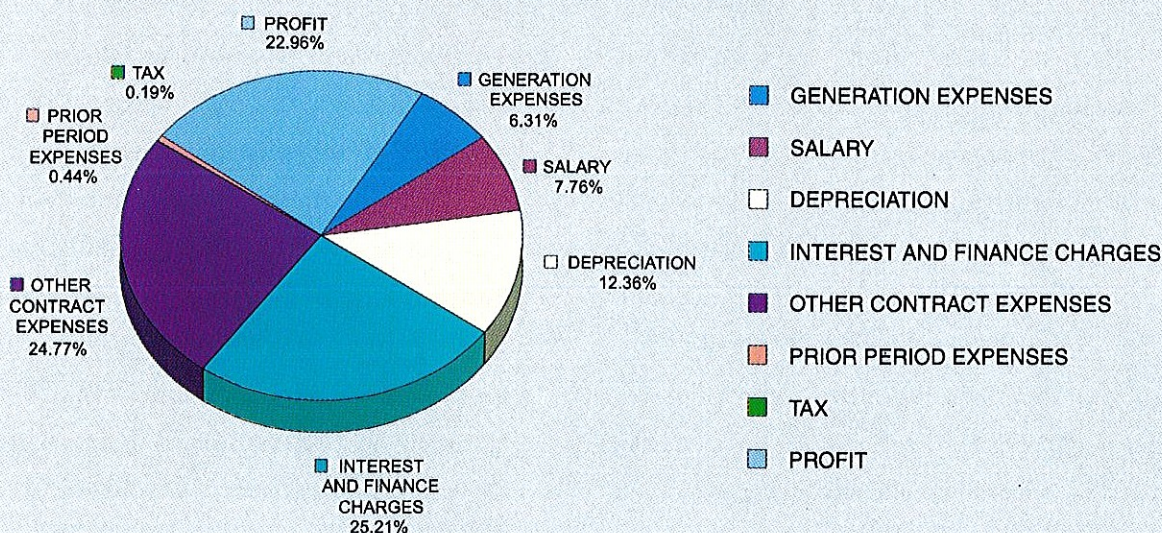
Two projects namely Indira Sagar (1000 MW) and Omkareshwar (520 MW) in Madhya Pradesh have been taken over by NHDC, a company incorporated as joint venture with the Govt. of Madhya Pradesh. Construction work on Indirasagar project is in advanced stage and the project is scheduled for commissioning in 2004-05.

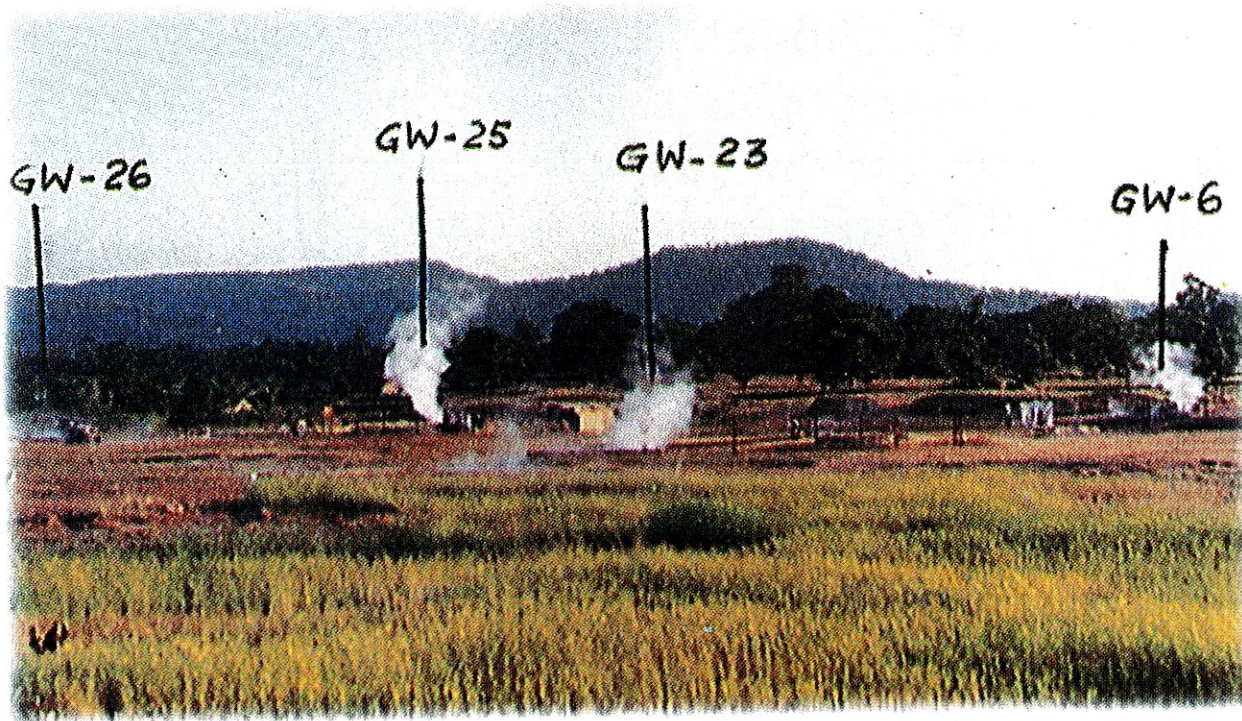
9. SMALL HYDRO PROJECTS

Kambang (3X 2MW) & Sippi (2X2MW) Small Hydro Electric Projects, Arunachal Pradesh

MOUs for execution and funding of Kambang (3x2 MW) and Sippi (2x2 MW) Small Hydroelectric Projects in Arunachal

Analysis of Revenue 2000-2001





Panoramic View of hot water wells, Tattapani, Chattisgarh

Pradesh were signed during Feb. 2001. Detailed Project Reports for these Projects were approved by Government of Arunachal Pradesh at an estimated cost of Rs. 41.72 Crores and Rs.38.33 Crores respectively based on price level of November, 2000 (excluding IDC). MNES is providing capital subsidy of Rs.15.67 Crores and Rs. 18.00 Crores for Kambang and Sippi respectively and balance funds shall be arranged by the corporation. The amount spent by the corporation will be recovered from the State Govt. on mutually agreed terms and conditions. The projects are likely to be commissioned within two years. Tenders for Civil, Electro-Mechanical and Hydro-Mechanical works have been received and are being evaluated for awards of works.

10. GEO-THERMAL POWER DEVELOPMENT IN INDIA

The Corporation has been appointed as a Nodal agency for Exploitation of Geothermal Energy in the country by Ministry of Non-Conventional Energy Sources (MNES). Since the know how for construction of Geothermal Projects for generation of electric power is not available either with the corporation or else where in the country, an International Consultant/Contractor viz., M/s Geotherm Ex. USA have been hired for—i) Review and Evaluation of existing published data regarding all Geothermal fields in the country, ii) Preparation of Pre-feasibility Report in respect of four most prominent sites and iii) Supervision and

Exploration involving deep drilling and Preparation of Detailed Project Report in respect of one most suitable prospect for power generation.

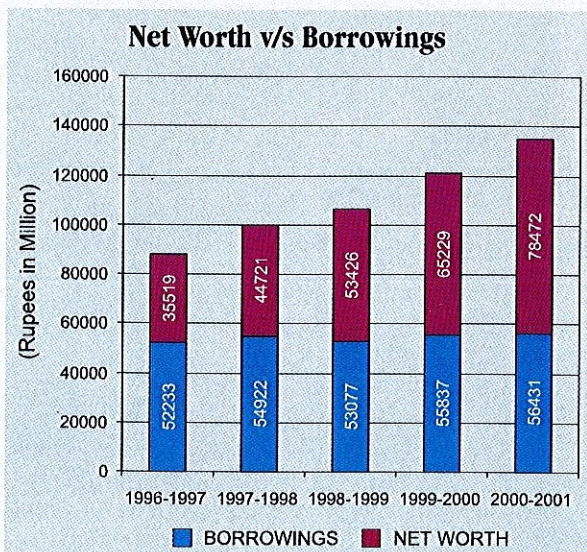
Subsequently, approval for development of Tattapani Geothermal fields, Chattisgarh for power generation in two phases has been received from MNES. In Phase-I, a Pilot power plant of 300 KW capacity will be installed and in Phase-II, Feasibility study for MW size Geo-thermal plant is to be taken up. For pilot plant, MNES have conveyed their approval for grant to the tune of Rs. 4.6 Crores.

Estimates for Pilot plant and for exploitation of MW size Power Plant are under preparation with the help of in-puts from the various sources/ budgetary offers. Meanwhile, in-principle approval of Government of Chattisgarh has been obtained for the installation of Pilot Geothermal Power Plant at Tattapani.

11. CONSULTANCY

During the year under report, Corporation has taken up a number of Consultancy assignments with various organisations. The Corporation has been engaged as “**Lenders Independent Engineers**” by IFCI Ltd./ ICICI Ltd and a consortium of Indian Banks promoting the 400 MW Maheshwar Project in Madhya Pradesh and 300 MW Baspa –II Project in Himachal Pradesh both in the private sector. The Corporation has also signed a MOU with Heavy Engineering Corporation,

Ranchi for mutual sharing of expertise and resource for development of Hydroelectric power projects in India and abroad. Besides these, the Corporation was also awarded the Consultancy assignment of Techno Commercial evaluation of offer from ALSTOM-BHEL, associating in joint inspection and witnessing of major tests for refurbishment of Hydel unit of Maithon HE Project of Damodar Valley Corporation, development of software packages for Bhakra Beas Management Board / Annual maintenance of software packages for Nathpa Jhakri Power Corporation Ltd. in the areas of Finance and Administration. During the year under report, you would be glad to know that the Corporation has successfully completed the assignment of preparation of pre-feasibility report of Tizu-Zungki HE Project for Department of Power Govt. of Nagaland, Repair and restoration work of 900 year old Spituk Monastery, Leh on Deposit work basis and Construction



Management work for Bakreshwar Dam and reservoir project for West Bengal Power Development Corporation Ltd.

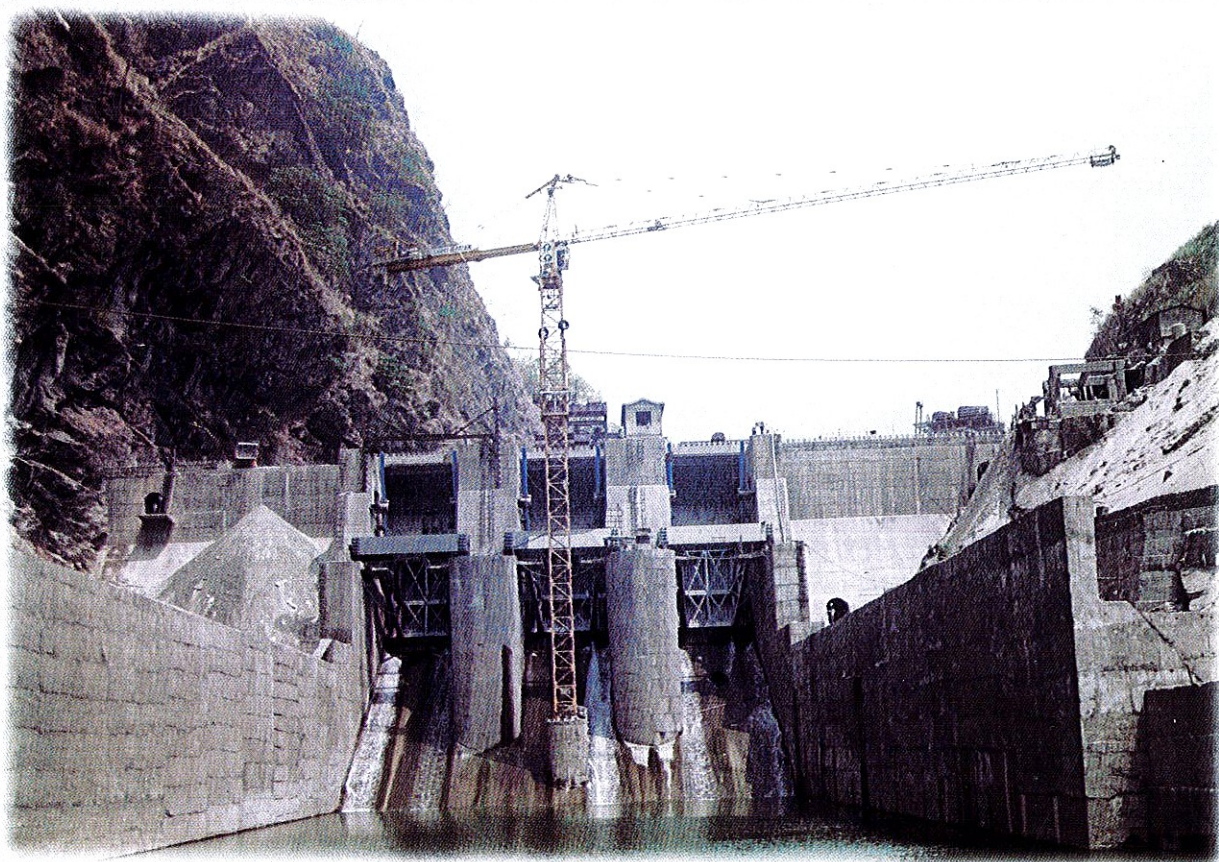
12. CAPITAL STRUCTURE

The present authorised Share capital of the Corporation stood at Rs. 70000 million. The total paid-up Share capital was Rs.46145 million as on 31.03.2001 which was further increased to Rs 51482.84 million in September, 2001.

13. BONDS

During the year under report the Corporation has maintained its consistent track record of timely discharge of its committed liabilities towards Bondholders and other institutions. The Corporation has

continued with its policy of liquidating the high cost debt by the cheaper debt, thus saving a substantial amount in interest payment. The treasury functions of your Corporation have also improved by careful combination of Cash Credit, thus resulting in savings of Rs.128.4 million over the last year. Besides this, the Corporation has completed the financial closure for the term loan of Rs.8000 million @ 11.5% to 12% interest with tenures of 12-15 years for the execution of Chamara Hydroelectric Project Stage-II . You would also be glad to know that the Corporation has obtained the sanction for the line of Credit of Rs.25,000 million from LIC for a period of 17 years and this is the biggest line of credit



60 MW Rangit H.E. Project-Sikkim (Concrete Dam)

granted by LIC to any corporate in the country. During the year the term loan amounting to Rs.3328.7 million has been repaid to the various Financial Institutions/ Banks and different series of Bonds amounting to Rs.4078.4 million have been redeemed .

14. COMMUNICATION AND INFORMATION

The corporation is giving top most priority to Information Technology and its adoption in various fields of work. As a part of improving communication facilities between projects and Corporate Office, VSAT Network at 11 sites and 9 nos. of Inmarsat were commissioned, Intranet system for information dissemination among employees of Corporate Office was implemented and internet facilities were provided to LAN environment. During the period under review, Installation and implementation of CPSUNET, network between Power Sector Undertakings, through satellite links were completed.

15. MEMORANDUM OF UNDERSTANDING

A Memorandum of Understanding was signed between the Government of India and NHPC for performance during the year under report and the Corporation is expected to get the Excellent rating (provisional) for the Sixth Consecutive year.

16. ENVIRONMENTAL COMMITMENTS

Being conscious of its responsibility towards environment, the corporation is taking all required action and measures, while

implementing its various Hydro projects. Commitment towards protection of environment and preservation of ecology are integral part of the Quality Policy of the Organisation. Right from the planning stage, environmental protection measures are internalised and financial provisions are made in the cost estimates of the projects. Post – construction Environment Impact Assessments are made to validate the efficacy of the mitigatory measures adopted during the construction stage. All the projects under the corporation which are taken up for implementation, are assessed environmentally and construction is so planned that there is bare minimum impact on the environment and the environmental measures go hand in hand with the progress of the works. The corporation has also applied to appropriate authority for ISO 14001 certificate and action has been taken to implement the proposal relating to operational procedure on “Energy Conservation” and “Waste Disposal”.

17. HUMAN RESOURCES DEVELOPMENT

Considering the Human Resource as a valuable asset, the Corporation is making constant and strenuous efforts to train, develop and up-grade the technical skills by organising various training Programmes for all levels of employees to improve the efficiency and effectiveness at their respective work places. During the year under report the Corporation has also arranged various in-house programmes and sponsored employees of different levels to conferences,

seminars and training programmes organized by outside agencies. Executives were also deputed abroad for attending Seminars, Conferences and training Programmes during the year to enable them to meet challenges of changing business environment. During the year under report, the Corporation has exceeded the target by achieving 13275 mandays against 7500 provided in the MOU.

18. STAFF WELFARE AND INDUSTRIAL RELATIONS

Since last report, a Memorandum Of Understanding has been signed by the Corporation with the Workers Union for the settlement of wages below the supervisor cadre employees w.e.f 01.01.97.

19. RESERVATION FOR SC/ST

The guidelines for reservation of SC/ST posts for the recruitment have been adhered to by the Corporation.

20. VIGILANCE ACTIVITIES

During the year, the representatives of the Vigilance Division in 15 Projects and at the headquarter continued their efforts to further improve appreciation of vigilance amongst the staff. Besides publishing and distributing literature on the subject, 9 number Vigilance Appreciation Workshops were organized besides two Vigilance Seminars at regional level for senior officers. Representatives of various Projects / Liaison Office situated in Jammu and Kashmir and Himachal Pradesh participated at a regional level seminar at Salal HE Project / Parbati HE Project, in the month of April, 2000/ November, 2000

respectively. In addition to this surprise inspections and regular inspections of different Deptts. of the Projects were carried out by the Project Vigilance Officers. You would also be glad to know that, Vigilance Awareness Week was organized in all the Projects during October-November, 2000 and efforts of the Vigilance Wing were highly appreciated by the CVC. For the first time, Vigilance Wing published a periodical titled 'Chetna'.

21. OFFICIAL LANGUAGE IMPLEMENTATION

During the year, the Corporation made sincere efforts for extensive use of Hindi in official working by issue of necessary orders/instructions. Review of the progress was made by the Committees for implementation of official language in the Projects as well as in Corporate Office. Training Programmes were organised for Officers and non-Hindi speaking employees. Hindi workshops, training programmes were also conducted. 'Akshar Hindi Software' was made available to the different divisions in Corporate Office and Projects. NHPC Website in Hindi was also launched. 'Rajbhasha Shield' and certificates were awarded to Corporate Office for the third consecutive year by Town Official Language Implementation Committee, Faridabad.

22. SOCIAL INITIATIVES

The employees of the Corporation continued their efforts to help people affected by natural calamities. During the year, the Corporation

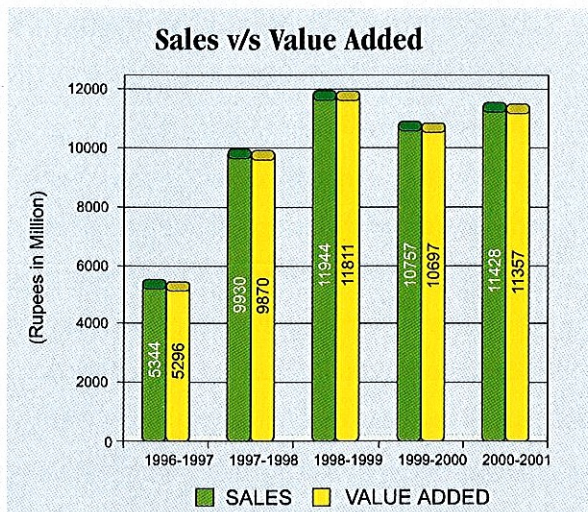
has contributed Rupees 10 Million which includes one day salary of the employees to the Prime Minister's National Relief Fund for the benefit of earthquake victims of Gujarat. The Ladies Welfare Association of the Corporation organised many community Welfare Programmes at Corporate office as also in and around the projects.

23. SPORTS AND CULTURAL ACTIVITIES

The Corporation continued its efforts to encourage sports activities and hosted the Third Inter Power Sector Hockey tournament in New Delhi. NHPC teams also participated in various tournaments organised by the Power Sports Control Board.

24. ACCOUNTS OF SUBSIDIARY COMPANY-NHDC

The Corporation has submitted an application to the Govt. of India, Department of Company Affairs, for not attaching the balance sheet and profit and loss account of its subsidiary company i.e. Narmada Hydroelectric Development Corporation Ltd. (NHDC) pursuant to Section 212 of the Companies Act, 1956 due to non completion of its accounts for the year 2000-01 and approval has since been received with the condition to circulate the accounts of the subsidiary company to the members as and when become available. Accordingly the accounts of NHDC shall be circulated to the members as soon as the same are received. Necessary statement of interest under Section 212 will also be attached as an **Annexure-V**.



25. AUDITORS

M/s. Jain Chopra & Company, Chartered Accountants, New Delhi, were appointed as Statutory Auditors for conducting the Audit for the year 2000-2001. M/s.K.K.Ghei &Co, Chartered Accountants, New Delhi, M/s. Saha Ganguli & Associates, Chartered Accountants, Calcutta and M/s. K.B.Sharma & Co, Chartered Accountants, Jammu were appointed as Branch Auditors of the Corporation.

26. AUDITOR'S REPORT

The Auditor's Report refers to various notes incorporated by the corporation in Schedule-XVI, which are self-explanatory. The replies to the comments of the auditors are furnished as **Annexure-I**. The comments of the Comptroller and Auditor General of India and replies thereon are at **Annexure-II**.

Review of the accounts for the year ending 31st March 2001 by Comptroller and Auditor General of India is enclosed as **Annexure-III** to the report.

27. 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.

28. AUDIT COMMITTEE

During the year under report the Audit Committee was constituted in accordance with Section-292 A of the Companies Act, 1956. The said Audit Committee has reviewed the annual financial statements, before submission to the Board as required in Section 292 A of the Companies Act. 1956.

29. PARTICULARS OF EMPLOYEES

Information required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is treated as nil.

30. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 of the Companies Act, 1956 the Directors hereby confirm that :

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith

proper explanation relating to material departures;

- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) the Directors have prepared the annual accounts on a going concern basis.

31. PARTICULARS OF DIRECTORS

Shri. A.B. Joshi part time Director retired from the Board as per the Articles of Association of NHPC. Since last report Shri Anil Razdan, Joint Secretary (Hydro), Ministry of Power, Shri R.Ramanujam, JS&FA, Ministry of Power and Shri C.P.Jain, CMD, National Thermal Power Corporation have been appointed as part time Directors on the Board of NHPC Ltd. Since the last report the services of Shri A.I.Bunet, the then Director(Personnel) has been interchanged with Shri Binay Kumar, who has taken over charge of Director (Personnel) with effect from 9th August, 2001.

32. ACKNOWLEDGEMENTS

The Board of Directors acknowledge with thanks the guidance and cooperation extended by the Government of India and particularly the Ministry of Power, Ministry of Finance (Department of Economic Affairs), Planning Commission, Ministry of Environment and Forest, Reserve Bank of India, Department of Public Enterprises, Department of Company Affairs, Central Electricity Authority, Central Water Commission as well as the State Governments, the Regional and State Electricity Boards.

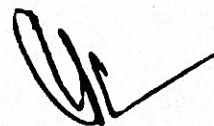
The Board expresses its gratitude to the International and Indian Financing Institutions as well as to investors for the confidence reposed by them in NHPC. The Board places its special appreciation to the beneficiaries drawing power from your power stations and to other valuable clients who have reposed confidence in NHPC by

awarding the contracts for Consultancy assignments.

The Board records its deep appreciation of valued cooperation extended by the office of the Comptroller & Auditor General of India, the Statutory Auditors and the Bankers.

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 : 12th October, 2001

Place : Faridabad



Shri Yogendra Prasad, CMD, NHPC Presenting award to winners of various Hindi competitions

ANNUAL ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

- 1.1 The financial statements are drawn up on historical cost basis.
- 1.2 Interest/Surcharge recoverable from debtors is recognised as revenue on being received / reasonably determinable for collection.

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 relating 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 infrastructure works.

4. MISCELLANEOUS EXPENDITURE

Miscellaneous expenditure of the project 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 Depreciation is charged on Straight Line Method in the year following that in which the assets become available for use, as per rates prescribed under the Electricity (Supply) Act, 1948 & as notified from time to time, except in case of assets valuing Rs.5,000 or less purchased during the year and those with similar W.D.V. (excluding immovable assets) at the beginning of the year, which are depreciated fully during the year. In respect of assets where the rates are not available as per the said Act, the rates as prescribed in Schedule XIV to the Companies Act, 1956 are adopted.

6. VALUATION OF INVENTORIES

- 6.1 Stores & spares are valued at weighted average cost. However scrap is valued at net realisable value.
- 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 installments.
- 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, leave encashment and post-retirement Medical Health Scheme is made on actuarial valuation basis every year.

9. TURNOVER

- a) (i) Sale of energy including changes in Exchange Rate Variation is accounted for either at rates notified or at provisional rates arrived at on the principles of tariff fixation under the Electricity (Supply) Act, 1948.
- (ii) Incentives are recognised on the basis of rates as per tariff notifications and settlement with beneficiaries. Pending settlements with beneficiaries or where tariff notifications have not been issued, the same is recognised on provisional basis keeping in view the likelihood of its acceptance.
- (iii) Adjustments arising out of finalisation of global accounts, though not material, are effected in the year of respective finalisation.
- b) Revenue from Construction Contracts on Cost Plus/Deposit/Turnkey/ Project Management/Contracts is recognised on %age of completion method as under:-

<u>Progress of Work</u>	<u>Recognition of Revenue</u>
a) upto 66.67%	Nil
b) above 66.67 to 90%	80%
c) above 90%	100%

Losses including those anticipated in the contracts are 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 Prepaid expenses and prior period expenses/income of items of Rs. 50,000/- and below are charged to natural heads of accounts.

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.

13. BORROWING COST

Borrowing costs that are attributable to the acquisition, construction and production of qualifying assets are capitalised as a part of cost of such assets. Other borrowing costs are recognised as an expenses in the period in which they are incurred.

14. INVESTMENT

Investments are intended for long term and are carried at cost.

BALANCE SHEET AS AT 31.03.2001

(Rs. in millions)

PARTICULARS	SCHEDULE NO.	AS AT 31ST MARCH, 2001		AS AT 31ST MARCH, 2000	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	46,144		39,972	
Share Capital deposit		1,480		232	
Government of India Fund					
adjustable to equity		4,258		4,258	
Reserves and Surplus	2	<u>21,391</u>	73,273	<u>16,906</u>	61,368
LOAN FUNDS					
	3				
Secured Loans		31,931		31,912	
Unsecured Loans		<u>24,500</u>	56,431	<u>23,925</u>	55,837
INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION					
			5,199		3,861
			<u>134,903</u>		<u>121,066</u>
APPLICATION OF FUNDS					
FIXED CAPITAL EXPENDITURE					
Fixed Assets	4				
Gross Block		78,927		77,527	
Depreciation		<u>12,801</u>		<u>10,290</u>	
Net Block		66,126		67,237	
Capital Work-In-Progress	5	37,108		27,686	
Construction Stores and Advances	6	<u>6,130</u>	1,09,364	<u>5,115</u>	1,00,038
INVESTMENT					
	7		6,799		-
CURRENT ASSETS, LOANS AND ADVANCES					
	8				
Inventories		904		830	
Construction Work In Progress (Contracts)		18		2,142	
Sundry Debtors		19,825		22,809	
Cash and Bank Balances		2,206		1,117	
Other Current Assets		548		269	
Loans and Advances		<u>1,827</u>	25,328	<u>1,608</u>	28,775
Less: Current Liabilities and Provisions	9				
Liabilities		3,206		6,139	
Provisions		<u>3,480</u>	<u>6,686</u>	<u>1,627</u>	<u>7,766</u>
NET CURRENT ASSETS			18,642		21,009
MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)	10		98		19
			<u>1,34,903</u>		<u>1,21,066</u>
NOTES TO THE ACCOUNTS AND CONTINGENT LIABILITIES					
	17				
Schedule 1 to 17 and Accounting Policies form integral part of the Accounts					

As per our report of even date attached
For JAIN CHOPRA & COMPANY
Chartered Accountants

ASHOK CHOPRA
Partner

VIJAY GUPTA
Secretary

R.NATARAJAN
Director (Finance)

YOGENDRA PRASAD
Chairman & Managing Director

Place : Delhi

Dated : 24th July, 2001



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

(Rs. in millions)

PARTICULARS	SCHEDULE NO.	FOR THE YEAR ENDED 31ST MARCH, 2001	FOR THE YEAR ENDED 31ST MARCH, 2000
INCOME			
Sales		12,766	12,163
Less: Advance against depreciation		<u>1,338</u>	<u>1,406</u>
Contracts and Consultancy		5,226	12
Other Income	11	2,655	2,014
TOTAL INCOME		<u>19,309</u>	<u>12,783</u>
EXPENDITURE			
Generation, Administration and Other Expenses	12	1,218	1,167
Employees' Remuneration and Benefits	13	1,498	939
Depreciation		2,387	2,198
Interest and Finance charges	14	4,868	4,497
Other Contract Expenses	15	4,783	2
Prior period adjustment(Net)	16	84	(32)
TOTAL EXPENDITURE		<u>14,838</u>	<u>8,771</u>
Profit for the year (before tax)		4,471	4,012
Provision for taxation		408	
Less : Income Tax recoverable		<u>371</u>	37
Profit after tax		4,434	4,012
Balance Profit brought forward from last year		8,712	4,885
Write back from Bonds redemption reserve		2,422	-
Transfer to General Reserve		11,100	-
Proposed Dividend		300	150
Provision for Income Tax (on Dividend)		31	35
Balance Profit carried to Reserves and Surplus		4,137	8,712

As per our report of even date attached
For JAIN CHOPRA & COMPANY
Chartered Accountants

ASHOK CHOPRA
Partner

VIJAY GUPTA
Secretary

R.NATARAJAN
Director (Finance)

YOGENDRA PRASAD
Chairman & Managing Director

Place : Delhi
Dated : 24th July, 2001

SHARE CAPITAL**SCHEDULE - 1**
(Rs. in millions)

PARTICULARS	AS AT 31ST MARCH,2001	AS AT 31ST MARCH,2000
AUTHORISED		
70000000 Equity Shares (Previous year 50000000) of Rs.1000/- each	<u>70,000</u>	<u>50,000</u>
ISSUED , SUBSCRIBED AND PAID UP		
46144947 Equity Shares (Previous year 39972447) of Rs.1000/- each fully paid up (Out of above, 6,29,529 Shares have been allotted for consideration other than cash pursuant to contracts and one Share has been allotted for part consideration other than cash.)	46,144	39,972
TOTAL	<u>46,144</u>	<u>39,972</u>

RESERVES AND SURPLUS**SCHEDULE - 2**
(Rs. in millions)

PARTICULARS	BALANCE AS AT 31ST MARCH,2000	ADDITIONS	DEDUCTIONS	BALANCE AS AT 31ST MARCH,2001
Capital Reserve (Sale of Fixed Assets)	1	-	-	1
Bond Redemption Reserve	5,076	-	2,422	2,654
Self Insurance Reserve	1,017	383	1	1,399
General Reserve	2,100	11,100	-	13,200
Surplus as per Profit and Loss Account	8,712	6,525	11,100	4,137
TOTAL	16906	18,008	13,523	21,391



LOAN FUNDS

SCHEDULE - 3 (Rs. in millions)

PARTICULARS	AS AT 31ST MARCH, 2001	AS AT 31ST MARCH, 2000
SECURED LOANS		
I. BONDS (Non-convertible, Non-cumulative)		
BONDS - G SERIES *1 (PRIVATE PLACEMENT)		
9% (Tax-Free) 10 year bonds of Rs.1000/- each redeemable at par on 31st March, 2002 (Due for redemption within one year Rs. 70 millions)	70	70
	70	70
BONDS - H SERIES *1 (PRIVATE PLACEMENT)		
17% 7 year bonds of Rs.1000/- each redeemable at par from 14th May, 2000 to 4th October, 2000	-	162
	-	162
BONDS - I SERIES *1 (PRIVATE PLACEMENT)		
14% 7 year bonds of Rs.1000/- each redeemable at par on 4th January, 2001.	-	8
15.5% 7 year bonds of Rs.1000/- each redeemable at par on 20th January, 2001	-	33
14% 7 year bonds of Rs.1000/- each redeemable at par from 24th March, 2001 to 31st March, 2001	-	1,902
14% 7 year bonds of Rs. 1000/- each redeemable at par on 4th April, 2001 (Due for redemption within one year Rs. 8 millions)	8	8
10.5% (Tax-Free) 7 year bonds of Rs. 1000/- each redeemable at par on 29th March, 2001	-	1,000
	8	2,951
BONDS - J SERIES *2 (PRIVATE PLACEMENT)		
13% 7 year bonds of Rs.1000/- each redeemable at par on 1st December, 2001. (Due for redemption within one year Rs. 500 millions)	500	500
13.25% 7 year bonds of Rs.1000/- each redeemable at par from October to Dec. 2001 (Earliest date of redemption is 8th October, 2001) (Due for redemption within one year Rs. 1550 millions)	1,550	1,550
9.25%(Tax-Free) 7 year bonds of Rs.1000/- each redeemable at par on 15th & 16th Nov. 2001 (Due for redemption within one year Rs. 1000 millions)	1,000	1,000
16.5% 7 year bonds of Rs.1000/- each redeemable at par on 21st July, 2002.	250	250
16% 5 year bonds of Rs.1000/- each redeemed at par on 30th September, 2000.	-	50
16.25% 7 year bonds of Rs.1000/- each redeemed at par on 30th September, 2000.	-	674
	3,300	4,024

LOAN FUNDS

SCHEDULE - 3 (Rs. in millions)

PARTICULARS	AS AT 31ST MARCH, 2001	AS AT 31ST MARCH, 2000
BONDS - K SERIES *2 (PRIVATE PLACEMENT)		
18% 5 year bonds of Rs. 1000/- each redeemed at par on 30th March, 2001	-	250
17.5% 5 year bonds of Rs. 1000/- each redeemable at par on 1st August, 2001 (Due for redemption within one year Rs. 300 millions)	300	300
17.5% 7 year bonds of Rs. 1000/- each redeemable at par (Earliest Date of Redemption is 30th September, 2001) (Due for redemption within one year Rs. 500 millions)	500 800	500 1,050
BONDS - L SERIES *2 (PRIVATE PLACEMENT)		
16% 7 year bonds of Rs. 1000/- each redeemable at par on 31st March, 2004	633	633
10.5% (Tax-Free) 7 year bonds of Rs. 1000/- each redeemable at par on 31st March, 2004	510 1,143	510 1,143
Interest Accrued and Due (L-SERIES)	-	1
II. OTHER TERM LOANS		
UNIT TRUST OF INDIA *1 (Due for repayment within one year 500 millions.)	500	1,500
I C I C I Ltd. *2	4,000	4,000
INDUSTRIAL DEVELOPMENT BANK OF INDIA *2	3,000	3,000
STATE BANK OF INDIA Term loan *2	2,000	2,000
CORPORATION BANK *2	1,000	1,000
INDIAN OVERSEAS BANK *2	500	500
CANARA BANK *1	1000	-
CANARA BANK *2 (Due for repayment within one year Rs.214 millions.)	1,072	1,286
CENTRAL BANK OF INDIA *2 (Due for repayment within one year Rs.100 millions.)	400	500
STATE BANK OF PATIALA *2	500	500
BANK OF MAHARASHTRA *2	1,000	1,000
LIFE INSURANCE CORPORATION OF INDIA LTD. *1	4,000	2,500
ORIENTAL BANK OF COMMERCE *2	1,000	1,000

LOAN FUNDS

SCHEDULE - 3 (Rs. in millions)

PARTICULARS	AS AT 31ST MARCH,2001	AS AT 31ST MARCH,2000
INDIAN BANK *1	1,000	-
STATE BANK OF INDORE *1	400	-
HOUSING DEVELOPMENT FINANCE CORPORATION Ltd. *2 (Due for repayment within one year Rs. 16.32 millions.)	<u>52</u> 21,424	<u>66</u> 18,852
WORKING CAPITAL DEMAND LOAN From Banks (Short Term) *3	2,390	1,615
CASH CREDIT FROM BANKS (SHORT TERM) *3	<u>2,796</u>	<u>2,044</u>
Total Secured Loans	<u>31,931</u>	<u>31,912</u>

LOAN FUNDS

SCHEDULE - 3 (Rs. in millions)

PARTICULARS	AS AT 31ST MARCH,2001	AS AT 31ST MARCH,2000
UNSECURED LOANS		
A. LOAN FROM GOVERNMENT OF INDIA	4,397	4,845
(Due for repayment within one year Rs. 461 millions.)		
Interest accrued and due	-	2
B. TERM LOANS		
Vysya Bank Limited *4	750	-
(Due for repayment within one year Rs 750 millions)		
C. LOAN FROM OTHERS (Guaranteed by Government of India)		
1. Export Development Corporation (Due for repayment within one year Rs. 808 millions.)	1,615	2,209
2. West Merchant Bank Ltd., (Due for repayment within one year Rs. 243 millions.)	1,216	1,525
3. ABSEK (Due for repayment within one year Rs. 955 millions.)	4,776	5,469
4. Nordic Investment Bank (Due for repayment within one year Rs. 236 millions)	2,357	2,428
5. Credit Commercial De France	5,097	4,503
6. Export Development Corporation (CHAMERA-II)	1,387	649
7. Japan Bank of International Cooperation - Tranche-I	1,451	1005
8. Japan Bank of International Cooperation - Tranche-II	1,454	772
	19,353	18,560
D. OTHER LOAN AND ADVANCES (From Kurichu Project Authority)	-	518
TOTAL Unsecured loan	24,500	23,925
TOTAL LOAN (Secured loan+ Unsecured loan)	56,431	55,837

Note :

- *1. Secured by equitable mortgage/ hypothecation against assets of Chamera H.E. Project.
- *2. Secured through equitable mortgage / hypothecation against assets of Uri H.E. Project.
- *3. Secured by hypothecation against Debtors and O&M Stores.
- *4. Unsecured short term credit facility.

FIXED ASSETS

SCHEDULE-4 (Rs. in millions)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1.4.2000	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.2001	As at 1.4.2000	For the year	Adjust- ments	As at 31.3.2001	As at 31.3.2001	As at 31.3.2000
Land Freehold	913	220	30	1,103	-	-	-	-	1,103	913
Land Leasehold	218	9	45	182	15	3	-	18	164	203
Land Unclassified	-	101	-	101	-	-	-	-	101	-
Buildings	6,564	169	4	6,729	1,189	232	2	1,423	5,306	5,375
Roads and Bridges	774	66	-	840	159	25	-	184	656	615
Construction Plant and Machinery	440	118	38	520	254	24	7	285	235	186
Generating Plant and Machinery	19,489	242	1	19,730	2,934	784	2	3,720	16,010	16,555
Sub-Station Equipments	395	30	-	425	59	32	-	91	334	336
Hydraulic Works (Dams,Tunnels,etc.)	47,192	345	8	47,529	4,931	1,274	1	6,206	41,323	42,261
Vehicles	200	62	8	254	90	40	(5)	125	129	110
Furniture Fixture and Equipments	279	116	8	387	90	31	1	122	265	189
Transmission lines	191	1	-	192	85	15	-	100	92	106
Miscellaneous assets/equipments	176	102	24	254	63	20	(23)	60	194	113
Construction Plant and Machinery Declared Surplus	650	36	70	616	378	17	7	402	214	272
Fixed Assets of Minor Value upto Rs5000/-	46	19	-	65	43	20	2	65	-	3
TOTAL	77,527	1,636	236	78,927	10,290	2,517	(6)	12,801	66,126	67,237
PREVIOUS YEAR	70,904	7,316	693	77,527	8,111	2,285	(106)	10,290	67,237	62,793

CAPITAL WORK-IN-PROGRESS

SCHEDULE-5

(Rs. in millions)

PARTICULARS	AS AT 1ST APRIL, 2000	ADDITIONS DURING THE YEAR	ADJUST- MENTS	CAPITALISED DURING THE YEAR	AS AT 31ST MARCH, 2001
1. Survey, Investigation and other expenses	187	155	-	-	342
2. Buildings and Civil engineering. Works and Communications	740	673	(41)	251	1,121
3. Roads and Bridges	306	306	(98)	84	430
4. Hydraulic Works, Barrages, Dams, Tunnels and Power Channel	7,285	4,986	(85)	200	11,986
5. Penstocks	204	-	-	-	204
6. Plant and Machinery in Generating Station	5,796	748	(1)	8	6,535
7. Electrical Installations and Sub-station equipments	20	21	-	3	38
8. Miscellaneous assets	4	4	(2)	2	4
9. Trunk Transmission lines	3	-	-	-	3
10. Exchange Rate Variation	-	(36)	10	-	(26)
11. Incidental expenditure during construction	13,141	3,340	(11)	(1)	16,471
TOTAL	27,686	10,197	(228)	547	37,108
PREVIOUS YEAR	25,760	7,629	(106)	5,597	27,686

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

Annexure to schedule-5

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
EMPLOYEES' REMUNERATION AND BENEFITS		
Salary, Wages, Allowances and Benefits	1381	698
Gratuity and Contribution to Provident Fund (including Administration Fee)	157	82
Staff welfare expenses	179	95
Leave salary and pension contribution	7	2
	1,724	877
REPAIRS AND MAINTENANCE		
Buildings	25	26
Machinery and construction equipments	35	48
Others	69	47
	129	121
ADMINISTRATION AND OTHER EXPENSES		
Travelling and Conveyance	54	45
Expenses on staff cars and inspection vehicles	52	37
Rent Office	7	3
Rent Residential	52	27
Rates and Taxes	3	10
Insurance	12	8
Electricity charges	33	18
Telephone, Telex and Postage	20	15
Advertisement and Publicity	17	17
Foreign consultancy charges	5	34

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001		FOR THE YEAR ENDED 31ST MARCH,2000	
Income Tax on Foreign contracts	-		39	
Design and Consultancy charges	6		14	
Entertainment	1		1	
Printing and Stationery	21		13	
Expenditure on land not belonging to Corporation	201		112	
Land acquisition and Rehabilitation	5		6	
Other expenses	152		130	
Payment to Auditors	1		1	
Loss on material/assets written off	4	646	13	543
INTEREST AND FINANCE CHARGES				
Interest on GOI loan	40		82	
Interest on bonds	292		542	
Interest on foreign loan	483		450	
Interest on cash credit facilities/term loan	444		181	
Bond issue expenses	1		1	
Commitment fee	58		40	
Guarantee fee on foreign loan	75		62	
Other finance charges	91	1,484	347	1,705
EXCHANGE RATE VARIATION-NET(GAIN)		(335)		146
DEPRECIATION		123		81
PRIOR PERIOD EXPENSES (NET)				
a) INCOME	28		-	
Less :				
b) EXPENDITURE				
i) Salaries, Wages, Allo. and Benefits	4		-	
ii) Repairs and Maintenance	-		61	
iii) Others	3		(95)	
iv) Depreciation	3	(18)	-	(34)
TOTAL EXPENDITURE		3,753		3,439
LESS : RECEIPTS AND RECOVERIES				
Hire charges/out turn of Plant and Machinery	51		113	
Interest on Loans and advances	43		45	
Miscellaneous receipts and recoveries	75		59	
Profit on sale of assets	1		1	
Sale of Power during Trial runs	-		15	
TOTAL RECEIPTS AND RECOVERIES		170		233
NET EXPENDITURE		3,583		3,206
LESS :				
Share of Corporate Office Allocated to OM projects and Deposit / turn-key Contracts.		243		197
AMOUNT TRANSFERRED TO C.W.I.P		3,340		3,009

A) PARTICULARS OF REMUNERATION PAID TO DIRECTORS

	(Rs. in millions)	
	<u>2000-2001</u>	<u>1999-2000</u>
(a) i) Salaries and Allowances	2.4	2.6
ii) Contribution to Provident Fund	0.2	0.3
iii) Rent for Residential Accommodation	0.4	0.3
iv) Travelling Expenses	2.9	2.7
v) Medical Reimbursement	0.2	0.2
(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 :		
From 1/4/2000 to 31/10/2000	<u>NON-AC CAR</u>	<u>AC-CAR</u>
upto 16 HP	250 P.M.	400 P.M.
above 16 HP	375 P.M.	600 P.M.
From 1/11/2000 to 31/03/2001	<u>NON-AC CAR</u>	<u>AC-CAR</u>
upto 16 HP	325 P.M.	520 P.M.
above 16 HP	490 P.M.	780 P.M.

B) PARTICULARS OF PAYMENT TO STATUTORY AUDITORS

	(Rs. in millions)	
	<u>2000-2001</u>	<u>1999-2000</u>
Audit Fees	0.63	0.43
Tax Audit Fees	0.12	0.11
Audit Expenses	0.35	0.51
Other matters	0.01	0.05

CONSTRUCTION STORES AND ADVANCES

	SCHEDULE-6	
	(Rs. in millions)	
PARTICULARS	AS AT 31ST MARCH,2001	AS AT 31ST MARCH,2000
CONSTRUCTION STORES		
(At cost as valued and certified by Management)		
Construction Material in Transit	1	9
Stores	<u>1,179</u>	<u>1,696</u>
	1,180	1,705
ADVANCE FOR CAPITAL EXPENDITURE		
Secured (Considered good)	1,594	1,015
Unsecured (Considered good)	<u>3,356</u>	<u>2,395</u>
	<u>6,130</u>	<u>5,115</u>

INVESTMENTS

	SCHEDULE-7	
	(Rs. in millions)	
PARTICULARS	AS AT 31ST MARCH,2001	AS AT 31ST MARCH,2000
LONG TERM INVESTMENTS (UNQUOTED)		
Investment in subsidiary company		
795512 Fully paid-up equity shares of		
Rs. 1000/- each in Narmada Hydro Development Corporation Limited	795	-
LONG TERM INVESTMENTS (QUOTED)		
360800 Fully paid-up equity shares of Rs. 10/- each in Indian Overseas Bank	4	-
NOTE :	(Rs. in millions)	(Rs. in millions)
	As at 31/3/2001	As at 31/3/2000

Quoted Investment

Book Value	4	-
Market Value	3	-

LONG TERM INVESTMENTS (UNQUOTED)

Government of Uttar Pradesh-11% redeemable-Bonds	3000	-
Haryana Vidut Prasaran Nigam Limited-11.89%	3000	-
redeemable Non-Convertible Non-cumulative-Bonds	<u>6799</u>	-

CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE-8 (Rs. in millions)

PARTICULARS	AS AT 31ST MARCH,2001		AS AT 31ST MARCH,2000	
CURRENT ASSETS				
Inventories (At Cost as taken, valued and certified by Management)				
Stores and spares	903		828	
Loose tools	<u>1</u>	904	<u>2</u>	830
Construction Work-In-Progress (contracts)		18		2,142
Sundry Debtors(Unsecured)				
Debts outstanding for a period exceeding six months	13,892		18,884	
Other debts	<u>6,708</u>		<u>4,751</u>	
TOTAL DEBTORS	20,600		23,635	
LESS Provisions	<u>775</u>	19,825	<u>826</u>	22,809
PARTICULARS OF SUNDRY DEBTORS (Unsecured)				
	2000-2001	1999-2000		
Considered good	19,825	22,809		
Considered doubtful and provided	775	826		
Cash and Bank Balances				
Cash, Imprest, Cheques and Drafts	1,625		278	
Balances with scheduled banks in				
Current account	510		406	
Deposit account(Short term)	1		-	
Balances with non-scheduled banks				
(With Bank of Bhutan)				
Current account	20		433	
Saving account	<u>50</u>	2,206	<u>-</u>	1,117
Other Current Assets				
Interest accrued on deposits/investments	251		11	
Others	<u>297</u>	548	<u>258</u>	269
Loans and Advances				
ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED				
Secured (Considered good)	2		105	
Unsecured(Considered good)				
Subsidiary Company	16		-	
Others	839		902	
Unsecured (Considered doubtful)	<u>5</u>	862	<u>7</u>	1,014
LESS Provision for Doubtful	<u>5</u>	857	<u>7</u>	1,007
Advance tax deposit and tax deducted at source		434		-
Power Grid Corporation of India Ltd	<u>536</u>	1827	<u>601</u>	1,608
		<u>25,328</u>		<u>28,775</u>

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

		(Rs. in millions)
SKANDINAVISKA ENSKILDA BANKEN	2000-2001	1999-2000
Current account	-	368
BANK OF BHUTAN		
Current account	433	433
Term Deposit	120	60

B. PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS

	2000-2001	1999-2000
Amount due at the end of the year	0.6	0.4
Maximum balance at any time during the year	1.3	0.5

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

CONSTRUCTION WORK-IN-PROGRESS(CONTRACTS)

Annexure to schedule-8
(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
DIRECT EXPENSES	2,200	1,469
(Includes labour,materials, Assets and payment to contractors/suppliers)		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salary,wages, allowances and benefits	59	38
Gratuity and contribution to provident fund	6	2
Staff welfare expenses	2	3
	67	43
REPAIRS AND MAINTENANCE		
Buildings	1	1
Machinery and construction equipments	5	3
Others	18	13
	24	17
ADMINISTRATION AND OTHER EXPENSES		
Travelling and conveyance	9	5
Expenses on staff cars and inspection vehicles	7	4
Rent office	1	1
Insurance	4	3
Telephone, telex and postage	4	2
Advertisement and publicity	-	1
Printing and stationery	1	1
Bank charges	1	1
Corporate office managment expenses	115	75
Other expenses	8	8
	150	101
DEPRECIATION	7	5
TOTAL EXPENDITURE	2,448	1,635
LESS: RECEIPTS AND RECOVERIES		
Miscellaneous	32	60
NET EXPENDITURE DURING THE YEAR	2,416	1,575
Balance b/f from last year	2,142	567
Adjustment during the year	9	-
TOTAL EXPENDITURE DURING THE YEAR	4,567	2,142
Less : Transferred to Profit and loss account (Schedule-15)	4,549	-
TOTAL EXPENDITURE CARRIED OVER TO SCHEDULE-8	18	2,142

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE-9

(Rs. in millions)

PARTICULARS	AS AT 31ST MARCH,2001		AS AT 31ST MARCH,2000	
LIABILITIES				
Sundry creditors				
Total Outstanding dues of small scale Industrial Undertaking(s).	1		3	
Total Outstanding dues of creditors other than small scale Industrial Undertaking(s).	<u>1,065</u>	1,066	<u>1,039</u>	1042
Unspent amount of Deposit/Agency		27		26
Deposits/Retention money		157		153
Other liabilities		462		1,223
Interest accrued but not due on Loans		1,023		1,124
Liability for Cheques issued		-		1
Advances against construction contracts		<u>471</u>	3,206	<u>2,570</u>
				6,139
PROVISIONS				
Taxation		408		-
Proposed Dividend		300		150
Tax on proposed dividend		31		33
Staff benefits		<u>2,741</u>	3,480	<u>1,444</u>
			<u>6,686</u>	<u>1,627</u>
				7,766

MISCELLANEOUS EXPENDITURE

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

SCHEDULE-10

(Rs. in millions)

PARTICULARS	AS AT 31ST MARCH,2001		AS AT 31ST MARCH,2000	
Deferred Revenue Expenses		47		19
Expenditure on Assets not belonging to Corporation		51		-
Losses awaiting write off sanction	32		28	
Less : Provided for	32	-	28	-
		98		19

OTHER INCOME**SCHEDULE-11**

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
Profit on sale of assets	34	11
Liability not required written back	10	6
Income from long term investments (Gross)	587	-
Other miscellaneous receipts	15	51
Income from scrap	1	-
Interest on loans and advances	7	8
Surcharge	2,001	1,938
	<u>2,655</u>	<u>2,014</u>

GENERATION, ADMINISTRATION AND OTHER EXPENSES**SCHEDULE-12**

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
GENERATION EXPENSES		
Consumption of stores and spares	71	60
REPAIRS AND MAINTENANCE		
Buildings	25	23
Machinery	182	195
Others	98	67
Other operational expenses	34	23
Amount written off Against Deferred	<u>11</u>	<u>3</u>
Revenue Expenditure	421	371
ADMINISTRATION AND OTHER EXPENSES		
Rent	3	2
Rates and Taxes	1	2
Insurance	387	364
Electricity charges	6	10
Travelling and Conveyance	18	14
Expenses on staff car	20	19
Telephone, Telex and Postage	9	7
Advertisement and Publicity	4	4
Printing and Stationery	8	4
Donation	7	27
Corporate office management expenses	128	122
Loss on sale of assets	10	1
Other miscellaneous expenses	<u>170</u>	<u>207</u>
Exchange Rate Variation	26	13
	<u>1,218</u>	<u>1,167</u>

EMPLOYEES REMUNERATION AND BENEFITS**SCHEDULE-13**

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
Salaries, wages and allowances	1203	730
Gratuity and Contribution to Provident Fund (Including Administration Fees)	117	76
Staff welfare expenses	178	133
	<u>1,498</u>	<u>939</u>

INTEREST AND FINANCE CHARGES

SCHEDULE-14

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
Interest on Government of India loans	718	754
Interest on bonds	1,036	1,411
Interest on foreign loans	697	690
Interest on Cash credit facilities / Term loan	2,114	1,384
Bond expenses	1	-
Rebate to customers	167	107
Commitment fee	-	1
Guarantee fee on foreign loan	129	148
Other finance charges	6	2
	<u>4,868</u>	<u>4,497</u>

OTHER CONTRACT EXPENSES

SCHEDULE-15

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
Direct Expenses (Includes labour, materials)	4,099	-
Indirect Expenses	450	-
Provision for contingencies	230	-
Other consultancy expenses	4	2
	<u>4,783</u>	<u>2</u>

PRIOR PERIOD ADJUSTMENT (NET)

SCHEDULE-16

(Rs. in millions)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH,2001	FOR THE YEAR ENDED 31ST MARCH,2000
INCOME		
Sale of Electricity	-	(1)
Interest / Surcharge received from Debtors	(2)	-
others	<u>30</u>	<u>94</u>
SUB TOTAL	<u>28</u>	<u>93</u>
EXPENDITURE		
Salaries and Wages	14	1
Repair and Maintenance	10	11
Interest	(1)	12
Others	<u>18</u>	<u>7</u>
SUB TOTAL	<u>41</u>	<u>31</u>
Depreciation	71	30
Prior Period Adjustment (Net)	<u>(84)</u>	<u>32</u>

NOTES TO THE ACCOUNTS

SCHEDULE - 17

1. CONTINGENT LIABILITIES

- a) Claims against the Corporation not acknowledged as debts Rs. 8465 millions (previous year Rs.8782 millions). This includes Rs. 757 millions towards additional guarantee fee in respect of external commercial borrowing for which application for waiver is still pending with Govt. of India.
- b) Bonds for Rs. 212 millions (previous year Rs. 428 millions) 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.24059 millions (previous year Rs.26703 millions).
3. a) Salal H.E. Project (Stage-I) had 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. Accordingly, an amount of Rs.3316 millions (Rs.2976 millions being the first 50% of estimated revised cost and Rs.340 millions of 50% of IDC) has been treated as investment from Govt. and accounted for as GOI fund adjustable to equity.
- b) Pending sanction, Rs. 942 millions, (previous year Rs. 942 millions) being the first 50% of interest accrued during construction on Govt. of India loan and capitalised in respect of Chamera -I, Tanakpur, Uri and Rangit 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. LAND & BUILDING

- a) The land owned by the Company has been classified into freehold and leasehold to the extent possible based on available documentation and the balance has been shown as unclassified.
- b) Title deeds/title in respect of land & Building, in some cases, have yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- c) Pending execution of lease deeds at some of the Projects in Jammu and Kashmir, period of lease has been taken at 99 years.

5. INVESTMENT

Bond/Share certificate are yet to be received in respect of the Corporation's investments in Haryana Vidyut Prasaran Nigam Limited Bonds & shares in Narmada Hydro Development Corporation Limited (a subsidiary Company). During the year, Interest amounting to Rs.587 millions (gross) on investments in bonds is accounted for in Profit & Loss Account.

6. SALES

- a) Sales include Rs.593 millions in respect of Foreign Exchange Variation accounted for, in terms of principles of tariff fixation, pending receipt of order from CERC.
- b) In reference to Rangit Project, sales have been booked on the basis of provisional rates allowed by CERC and adjustment towards incentive/disincentive shall be accounted for after certification of machine availability by concerned authorities.
7. In respect of Kalpong Project 10% administrative charges, amounting to Rs.54 millions, recoverable in terms of contract are not recognised as revenue pending sanction of revised budget estimate from Ministry of Non-conventional Energy Sources. This being a Project on 'Deposit work' basis, no losses are expected.
8. Balances shown under Material issued to contractors, claims recoverable (including from PGCIL) advance for Capital Expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposit/Earnest money from contractors are subject to reconciliation/confirmation and respective consequential adjustments. Accordingly, a sum of Rs.29 millions, Rs. 22 millions, Rs. 10 millions, Rs. 4 millions and Rs. 3 millions included in Material Issued to Contractors, Advance to Contractors, Hire charges recoverable, interest accrued on advances and claims recoverable from contractors/others, respectively, pertaining to Chamera-I & Tanakpur Projects, has been shown as recoverable, pending settlement of Contractors' claims.
9. Deemed export benefits, if any, availed/available to Contractors at Uri Project and payable to the Corporation, are not yet fully resolved with concerned Authorities and are still pending for completion of certain formalities. The same shall be accounted for at the time of actual receipt.
10. (a) Pending finalisation of terms of transfer, consideration thereof and its ultimate receipt in respect of Sawalkot & Baglihar H.E. Projects, assets whereof, have been agreed to be transferred to J&K Govt., are being treated as assets of the Corporation. Adhoc advance of Rs.54 millions received is shown under Current Liabilities. Adjustments, if any, arising out of the said transaction shall be carried out at the time of ultimate transfer and settlement.
- (b) Pending finalisation of terms of handing over regarding transfer of Assets/Liabilities of Sewa-II, Kishanganga & Uri-II Project's with Govt. of Jammu & Kashmir, the expenses incurred during the year on such projects are shown as part of Construction Work-in-Progress.
11. The operation of Employees Pension Scheme, 1995 is made applicable to relevant employees in terms of decision of Hon'ble High Court, Jammu and is subject to pending decision of Hon'ble Supreme Court. The arrears of contribution are to be recovered from employees or recoverable from their Provident Fund where the equivalent of pension contributions were deposited. Additional liability, if any, will be accounted for as and when settled.

12. (a) The effect of foreign exchange fluctuation during the year is as under:

(Rs.in millions)

	<u>2000-2001</u>
(i) Amount charged to Profit and Loss Account excluding depreciation	26
(ii) Net amount credited to profit and loss account for the year excluding depreciation	-
(iii) Amount charged to Incidental expenditure during construction	(335)
(iv) Amount charged to Capital work-in-progress	(36)
(v) Amount adjusted by addition to carrying amount of fixed assets	454
(vi) Amount adjusted by addition to monetary assets	14

(b) The amount of Borrowing cost capitalised during the year is Rs.1484 millions.

13. Pending receipt of completion certificate and demand notice from respective authorities, provision for property tax has not been made in respect of Faridabad, Office Complex.

14. Pay revision for Workmen is due w.e.f. 1.1.97. Based on MOU signed with Unions and negotiations held, an additional provision for wage revision of Rs.971 millions is made updating the available provision to Rs.1422 millions which is considered adequate to meet with liability arising on this account.

15. Pending creation of Investors' Education & Protection Fund by the Competent Authority in terms of Section 205 C of the Companies Act, 1956, the amount relateable to unclaimed and unpaid Bonds & interest accrued thereon is shown as part of Current Liabilities.

16. a) Income Tax amounting to Rs.408 millions is provided under section 115 JB of Income Tax Act, 1961 out of which Rs.371 millions is shown as recoverable from beneficiaries in terms of respective tariff notification.

b) On the basis of opinion obtained the Corporation does not have any taxable wealth hence no provision for wealth tax has been made.

17. Previous year's figures have been regrouped/re-arranged wherever necessary.

18. Quantitative details:-

	<u>2000-2001</u>	<u>1999-2000</u>
i) Licensed Capacity (M.W.)	- Not Applicable -	- Not Applicable -
ii) Installed Capacity (M.W.)	2149.20	2149.20
iii) Actual Generation (M.U.s.)	8773.93	8690.73 @
iv) Actual Sales (M.U.s.)	7632.08	7572.46 #
@ Including 3.8 M.U.s during trial runs.		
# Including 3.35 M.U.s during trial runs.		

Rs. in Millions

19	a) Value of imported Plant and Machinery and Spares on CIF basis.	535	50
	b) Expenditure in Foreign Currency		
	i) Know - How	139	42
	ii) Interest	1178	1121
	iii) Other Misc. Matters	3033	892
	c) Value of spare parts and Components consumed in operating units.		
	i) Imported	4	44
	ii) Indigenous	67	85
	d) Earnings in foreign currency		
	Interest	-	3
	Others	-	10

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

3	2	5	6	4
---	---	---	---	---

State Code

0	5
---	---

Balance Sheet Date

3	1	0	3	2	0	0	1
---	---	---	---	---	---	---	---

II Capital Raised during the year (Rupees in millions)

Public Issue

N	I	L
---	---	---

Bond Issue

N	I	L
---	---	---

* Share Capital Deposit received from Govt. of India.

Right Issue

N	I	L
---	---	---

Private Placement *

7	4	2	0
---	---	---	---

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

Total Liabilities

1	4	1	5	8	9
---	---	---	---	---	---

Sources of Funds

Paid-up Capital #

5	1	8	8	2
---	---	---	---	---

Secured Loan

3	1	9	3	1
---	---	---	---	---

Includes share capital deposit Rs. 1480 millions and Govt. of India Fund adjustable to equity Rs. 4258 millions.

\$ Includes Income received in advance on account of Advance against Depreciation amounting to Rs. 5199 millions.

Application of Funds

Net Fixed Assets

1	0	9	3	6	4
---	---	---	---	---	---

 @

Net Current Assets

1	8	6	4	2
---	---	---	---	---

Accumulated Losses

N	I	L
---	---	---

@ Includes Capital Work-in-Progress Rs. 37108 millions and Construction Stores and Advances Rs. 6130 millions.

Total Assets

1	4	1	5	8	9
---	---	---	---	---	---

Reserves and Surplus \$

2	6	5	9	0
---	---	---	---	---

Unsecured Loans

2	4	5	0	0
---	---	---	---	---

Investments

6	7	9	9
---	---	---	---

Misc. Expenditure

9	8
---	---

IV Performance of Company (Rupees in millions)

Turnover

1 6 6 5 4 **

Profit Before Tax

4 4 7 1

Basic Earning per share in Rs.

1 0 2 . 2 2

** Excludes Other Income Rs. 2655 millions.

Total Expenditure

1 4 8 3 8

Profit After Tax

4 4 3 4

Dividend Amount

3 0 0

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

CASH FLOW STATEMENT

(PERSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(Rs. in million)

	<u>For the year ended 31st March,2001</u>		<u>For the year ended 31st March,2000</u>	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		4,471		4,012
ADD :				
Depreciation	2,387		2,199	
Interest Paid	4,868		4,497	
Insurance Reserve	382		358	
Deferred revenue Exp.	11		3	
Loss on Sale of Assets	10		1	
Exchange rate variation	26		13	
Advance against Dep.	1,338		1,406	
	<u>9,022</u>		<u>8,477</u>	
LESS : Profit on sale of assets	34	8,988	11	8,466
Operating Profit before Working Capital Changes				
Working Capital Changes				
Inventories	(74)		(62)	
Sundry Debtors	2,984		(6,116)	
Const. W.I.P. (contracts)	2,131		(1,570)	
Loans and Advances	(219)		232	
Other Current Assets	(279)		(26)	
Current Liabilities and Provisions	<u>(1,080)</u>	<u>3,463</u>	<u>1,698</u>	<u>(5,844)</u>
Cash generated from operations before tax		16,922		6,634
Corporate Tax		<u>(37)</u>		
Cash generated from operations after tax (A)		16,885		
B. CASH FLOW FROM INVESTING ACTIVITIES				
Fixed assets	1,400		6,622	
Add : Adjustment in Depreciation	6		106	
Loss on Sale of assets	<u>10</u>		<u>1</u>	
	1,416		6,729	
Less : Profit on Sale of Assets	<u>34</u>	1,382	<u>11</u>	6,718
Capital Work in Progress	9,422		1,927	
Less : Adjustment for Depreciation	<u>123</u>	9,299	<u>81</u>	1,846
Construction Stores & Advances		1,015		2,234
Investments	<u>6,799</u>		<u>-</u>	
Net cash used in Investing Activities (B)		(18,495)		(10,798)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of Share Capital	5,940		5,908
Proceeds from Share Capital Deposit	1,480		232
GOI Fund Adjustable to Equity	-		73
Proceeds from borrowings/Loans	594	2,759	
Less: Adjustment For Exchange rate Variation	26	13	2,746
Interest paid	(4,868)		(4,497)
CASH FLOW FROM FINANCING ACTIVITIES(C)		3120	4,462
D. Misc.Expenses (to the extenet not written off)	79		15
Add : Adj. For Deferred revenue Exp.	11		3
(D)		(90)	(18)
E. Dividend / Dividend Tax	(E)	(331)	(185)
Net Increase/Decrease in Cash and Cash equivalents (A+B+C+D+E)		1,089	95
Cash and cash equivalents (Opening balance)		1,117	1022
Cash and cash equivalents (Closing balance)		2,206	1117

NOTE : Cash and Cash equivalents consist of Cash in hand and balance with banks.

VIJAY GUPTA
Secretary

R.NATARAJAN
Director (Finance)

YOGENDRA PRASAD
Chairman & Managing Director

As per our report of even date attached
For **JAIN CHOPRA & COMPANY**
Chartered Accountants

ASHOK CHOPRA
Partner

Place : Delhi
Dated : 24th July, 2001

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, 2001 and the Profit & Loss Account for the year ended on that date annexed thereto, in which are incorporated the accounts of branches audited by other auditors appointed by the Company Law Board.

1. As required by the Manufacturing and Other Companies (Auditors' Report) order, 1988 we annex herewith a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b) In our opinion, proper books of accounts as required by law have been kept by the corporation so far as appears from our examination of such books;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d) The reports on accounts of branches audited by other auditors have been forwarded to us and we have considered the same in preparing our report;
 - e) On the basis of confirmations obtained from the respective companies as at 31st March 2001 and to the best of our information none of the directors of the Corporation are disqualified u/s 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of Section 211 of The Companies Act, 1956 except to the extent hereinafter contained.
3. We report that:
 - I *Sales include a sum of **Rs. 593.1 millions** on account of **Exchange Rate Variation (ERV)** claimed by the Corporation in respect of Chamera-I & URI projects from its beneficiaries. Out of the above amount a sum of **Rs. 447.5 millions** is on account of ERV claimed on installments paid towards foreign debts during the year 2000-2001 in respect of Chamera-I and URI projects. The increase in liability on account of ERV on foreign debt having been added to the carrying cost of the fixed assets at the end of each year, the amount on reimbursement towards ERV on such foreign debts should have been, in our opinion, reduced from carrying cost of the fixed assets. However, the Corporation contends that the claim of such ERV on installments is part of its sale proceeds. The effect on assets and profit of the corporation for the year is **Rs. 447.5 millions** excluding effect on depreciation, estimated at **Rs. 20 millions** for the year, could not be precisely ascertained in absence of complete information in this regard.*
 - II The effect of non-adjustment of **Rs. 51.6 millions**, **Rs. 156.6 millions** and **Rs. 52.8 millions** at Bairasiul, Salal and Loktak respectively being depreciation charged during construction period in gross assets and accumulated depreciation of the projects, on determination of Tariff, which is yet to be notified in respect of Bairasiul, Loktak and up to 1992 in case of Salal, and its consequent effect on turnover and profit up to the year 2000-2001 has not been determined and as such no adjustment could be carried out in the accounts up to 31st March, 2001.
 - III The Corporation has made investments without obtaining the consent of the President of India as required by the Articles of Association of the Corporation in shares of Indian Overseas Bank amounting to **Rs. 4 millions**, in Bonds of Govt. of Uttar Pradesh and Haryana Vidyut Prasaran Nigam Ltd. amounting to **Rs. 6000 millions** and in shares of Narmada Hydro Development Corporation Ltd. amounting to **Rs. 795 millions**.

- IV In absence of complete details and the basis of provision for doubtful debts and further in view of pending differences in reconciliation of respective accounts with beneficiaries, we are unable to comment on the adequacy or otherwise of the provision for doubtful debts retained at a sum of **Rs. 758 millions** by the Corporation. *However no separate provision has been made in respect of debtors amounting to Rs. 56.89 millions which remain outstanding for a number of years.*

We are unable to express the extent and impact on state of affairs/profitability in view of the amounts involved therein in respect of:

- V. a) Note No. (4) of schedule 16

Regarding: Final Settlement of purchase consideration in respect of land at various projects and execution of title deeds in favour of the Corporation.

- b) Note No. (6) of schedule 16

Regarding: Provisional booking of sales in respect of changes in Foreign Exchange Rates, and sale of power at Rangit project including non-accountal for incentives/disincentives

- c) Note No. (8) of schedule 16

Regarding: Non-reconciliation/Non-confirmation of balances lying against materials issued to contractors, advances to contractors, sundry creditors including dues to and from foreign suppliers, material in transit/under inspection, deposit/earnest money from contractors, claims recoverable including dues from PGCIL which includes a sum of Rs. 147.88 millions, which remains unpaid and unconfirmed for a number of years, advances for capital expenditure and balances with the banks in some offices.

We further report that, without considering items mentioned at paragraph 3 II and V (a) to (c) above, the effect of which could not be determined and had the observations made by us in paragraph I and IV above been considered, the profit for the year would have been **Rs. 3987 millions** (as against the reported figure, before tax, of **Rs. 4471 millions**), Reserves & Surplus would have been **Rs. 21238 millions** (as against the reported figure of **Rs. 21722 millions**);

Subject to our comments in para 3 II and V (a) to (c) and adjustments that may arise in respect of matters referred to therein and its consequential effect on the profit for the year and other items of assets and liabilities, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the Accounting Policies and Notes forming part thereof give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) in the case of the Balance Sheet of the state of affairs of the Corpn. as at 31st March, 2001 and;
b) in the case of the Profit & Loss Account, of the profit of the Corpn. for the year ended on that date.

For **JAIN CHOPRA & COMPANY**
Chartered Accountants

(**ASHOK CHOPRA**)
PARTNER

Place: Delhi.

Dated : 24th July 2001

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The Corporation 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. No serious discrepancies have been reported during the year where verification and reconciliation has been completed.
2. None of the fixed assets have been revalued during the year.
3. Physical verification of stores, spare parts, raw material 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. *Materials lying with third parties have been confirmed/verified only in a few cases except that at one of the Corporation's projects explosives worth Rs. 3.3 million reported to have been issued to one of the Contractor is not corroborated by any confirmatory documentary evidence.*
4. According to the information and explanation given to us, the procedure of physical verification of stocks, spares, etc. followed by the management needs to be further strengthened as pointed out at one of its projects keeping in view the size of the Corporation and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and records have been dealt with in the books of account. The stores lying with contractors are subject to reconciliation/confirmation in some cases.
6. On the basis of our examination of stocks records, we are of the opinion that the valuation of stocks is fair and proper, in accordance with normally accepted accounting principles and is on the same basis as in the previous year, except that stock lying at the sites at Operation & Maintenance projects, is valued on the basis of engineering estimates.
7. According to the information given to us, the Corporation has not taken any loans, secured or unsecured during the year from companies, firms or other parties listed in the registers 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 the information given to us, the Corporation has granted interest free unsecured loan to its subsidiary company.
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 a few cases, as reported in two of its projects the advances and interest, wherever applicable, are outstanding since long and matters in some cases are pending in arbitration/courts. The terms on which such loans/advances were given were not prejudicial to the interest of the Corporation.
10. In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regards to purchase of Plant and Machinery, equipment and other assets and for the sale of goods. *However the Corporation needs strengthening in the areas of budgeting and borrowing of funds in areas like purchases of stores, adjustment of old unreconciled debits and credits in banks, materials and equipment issued to contractors, follow up of debtors and contractors' advances, disposal of old plant and machinery and slow moving stores.*
11. According to the information and explanation 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 the Corporation has a regular procedure for determination of unserviceable or damaged stores/raw materials in most of the projects. Provisions for losses are made whenever such items are determined.
13. The Corporation has not accepted any deposits from the public to which the provisions of section 58A of The Companies Act, 1956 and the rules framed there under apply.

14. According to information and explanation given to us, the Corporation is maintaining reasonable records for the sale and disposal of the realisable scrap. The Corporation has no by-products.
15. In our opinion, the internal audit system of the Corporation is commensurate with the size of the Corporation's business, the quality and periodicity, the scope, coverage are being constantly reviewed.
16. We have been informed that maintenance of cost records has not been prescribed by the Central Government under section 209(i)(d) of the Companies Act, 1956.
17. According to the records of the Corporation, Provident Fund dues have been deposited in time with the appropriate authorities. We have been informed that Employees' State Insurance Act 1948 is not applicable to the Corporation.
18. As per explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty and excise duty as on 31st March, 2001 were outstanding for a period of more than six month from the date they became payable.
19. According to information and explanation given to us, and on examination of the books of accounts, 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 corporation 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 Corporation has a reasonable system of recording receipts, issues, consumption of materials and stores and allocation of materials consumed to relative jobs;
 - ii) the Corporation has a reasonable system of allocation of man-hours consumed on the respective activities;
 - iii) there exists a reasonable system of authorization at proper levels and adequate system of internal control on issue and allocation of stores and labour commensurate with the size of the Corporation and nature of its business.

For **JAIN CHOPRA & COMPANY**
Chartered Accountants

(ASHOK CHOPRA)
PARTNER

Place: Delhi.

Dated : 24th July 2001

REPLIES TO AUDITOR'S REPORT

ANNEXURE - I

- I. Sales include a sum of **Rs. 593.1 millions** on account of **Exchange Rate Variation (ERV)** claimed by the Corporation in respect of **Chamera-I & URI** projects from its beneficiaries. Out of the above amount a sum of **Rs. 447.5 millions** is on account of ERV claimed on instalments paid towards foreign debt during the year 2000-01 in respect of **Chamera-I & URI** projects. The increase in liability on account of ERV on Foreign debt having been added to the carrying cost of the Fixed Assets at the end of each year, the amount on reimbursement towards ERV on such foreign debt should have been, in our opinion, reduced from the carrying cost of the Fixed Assets. However, the Corporation contends that the claim of such ERV on instalments is part of its sale proceeds. The effect on assets and profit of the Corporation for the year is Rs.447.5 millions excluding effect on depreciation, estimated at Rs.20 millions for the year, could not be precisely ascertained in absence of complete information in this regard.
- II. The effect of non adjustment of **Rs. 51.6 millions, Rs. 156.6 millions and Rs. 52.8 millions at Baira Siul, Salal & Loktak** respectively being depreciation charged during construction period in gross assets and accumulated depreciation of the projects, on determination of tariff, which is yet not notified in respect of Baira Siul, Loktak and up to 1992 in case of Salal, and its consequent effect on turnover and profit up to the year 2000-01 has not been determined and as such no adjustment could be carried out in the accounts up to 31st March, 2001.
- III. The Corporation has made investments without obtaining the consent of the President of India as required by the Articles of Association of the Corporation in shares of Indian Overseas Bank amounting to Rs.4 million, in Bonds of Govt. of Uttar Pradesh and Haryana Vidyut Prasaran Nigam Ltd. Amounting to Rs.6000 millions and in shares of Narmada Hydro Development Corporation Ltd. Amounting to Rs.795 millions.
- IV. In absence of complete details and the basis of provision for doubtful debts and further in view of pending differences in reconciliation of respective accounts with beneficiaries, we are unable to comment on the adequacy or otherwise of the provision for doubtful debts retained at a sum of Rs.758 millions by the Corporation. However no separate provision has been made in respect of debtors amounting to Rs.56.89 millions which remain outstanding for a number of years.

The amount of ERV has been claimed as part of the tariff for the project in accordance with the tariff principles notified under the Electricity Supply Act and as per the opinion expressed by The Institute of Chartered Accountants of India in Vol. XI query No. 1.11. The treatment, in the opinion of the Management, is correct and is being followed consistently.

The stated adjustment pertains to the Baira Siul, Loktak & Salal Projects, which were commissioned in 1982, 1985 and 1987 respectively. In the opinion of the Management, adjustment need not be carried out.

The Presidential Approval from Government of India is received except for Narmada Hydro Development Corporation Ltd. for which matter is under consideration with Government of India.

In our opinion, the provision created is adequate.

REPLIES TO ANNEXURE TO AUDITORS' REPORT

1. The Corporation 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. No serious discrepancies have been reported during the year where verification and reconciliation has been completed.

Necessary action to record the location and identification mark in the fixed assets register in left out few cases will be taken in 2001-02.
3. Physical verification of stores, spare parts, raw material 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. Materials lying with third parties have been confirmed/verified only in a few cases except that at one of the Corporation's projects explosives worth Rs.3.3 million reported to have been issued to one of the Contractor is not corroborated by any confirmatory documentary evidence.

Necessary action will be taken in 2001-02, as reconciliation is under process.
4. According to the information and explanation given to us, the procedure of physical verification of stock, spares, etc. followed by the management needs to be further strengthened as pointed out at one of its projects keeping in view the size of the Corporation and the nature of its business.

In our opinion, adequate physical verification procedure exists in the Company.
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 a few cases, as reported in two of its projects the advances and interest, wherever applicable, are outstanding since long and matters in some cases are pending in arbitration/courts. The terms on which such loans/advances were given were not prejudicial to the interest of the Corporation.

Generally recoveries from employees are made regularly, however, it will be further strengthened.
10. In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regards to purchase of Plant and Machinery, equipment and other assets and for the sale of goods. However the Corporation needs strengthening in the areas of budgeting and borrowing of funds in areas like purchases of stores, adjustment of old unreconciled debits and credits in banks, Materials and equipment issued to contractors, follow up of debtors and contractors' advances, disposal of old plant and machinery, slow moving stores.

In our opinion, adequate control procedures exist in the Company in respect of areas mentioned in the comment.

ANNEXURE -II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF THE NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED, FARIDABAD, FOR THE YEAR ENDED 31 MARCH 2001.

COMMENTS

MANAGEMENT REPLIES

Balance Sheet

1. Current Assets, Loans and Advance (Schedule 8)

Other Current Assets

Other – Rs.297 million

This includes Rs.15.70 million being the claim of insurance lodged in August 1994 on account of damage to switchgear. As the claim has not been decided so far, this should have been provided for in the accounts.

This has resulted in overstatement of Current Assets- Claim recoverable from insurance Company and overstatement of profit by Rs.15.70 million.

Insurance Company has informed vide letter dated 01.02.2001 that this claim is under consideration at their Head Quarter and is being pursued vigorously by Corporation. Accordingly, Management is of the view that no provision is required to be made in this regard.

2. Current Liabilities and Provision (Schedule 9)

Current Liabilities – Rs.3206 million

This does not include Rs.45.40 million on account of completion of supply of the equipment in respect of Dulhasti Project.

This has resulted in understatement of Current Liabilities as well as Capital Work-in-Progress by Rs.45.40 million.

Noted. Necessary accountal carried out in current year.

GENERAL

3. The Company has incurred expenditure of Rs.481 million on Koel Karo Project since 1980. The project has not been approved by the Government of India. The fact has not been disclosed in the accounts.

Suitable disclosure is made in Director's Report.

Sd/-
(REVATHI BEDI)
PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT AND EX-OFFICIO MEMBER, AUDIT
BOARD-III, NEW DELHI

Place : New Delhi

Dated : 26th September, 2001

ANNEXURE - III

REVIEW OF ACCOUNTS OF NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED, FARIDABAD, FOR THE YEAR ENDED 31 MARCH, 2001 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.

FINANCIAL POSITION

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

(Rs. in Crores)

1. Liabilities	1998-99	1999-2000	2000-2001
a) Paid-up capital			
i) Government (including Government funds adjustable to equity)	3,825.00	4,446.20	5,188.20
ii) Others	-	-	-
b) Reserves and surplus			
i) Free reserves and surplus	1,272.00	1,690.50	2,139.00
ii) Share premium account	-	-	-
iii) Capital reserves	0.10	0.10	0.10
c) Borrowings			
i) from Government of India	5,49.00	484.50	439.70
ii) from Financial institutions	957.90	1,885.20	2,142.40
iii) foreign currency loans	1,837.40	1856.00	1,935.30
iv) Cash credit	329.70	365.90	518.60
v) Others	1,587.90	991.80	607.10
vi) Interest accrued and due	45.80	0.30	0.00
d) i) Current liabilities and provisions	562.24	723.73	608.50
ii) Provision for gratuity	44.56	52.87	60.10
e) Income received in Advance			
i) Advance against depreciation	245.50	386.10	519.90
TOTAL	11,257.10	12,883.20	14,158.90
Assets			
f) Gross block	7,090.40	7,752.70	7,892.70
g) Less : Cumulative depreciation	811.10	1,029.00	1,280.10
h) Net block	6,279.30	6,723.70	6,612.60
i) Capital work-in-progress including construction stores & advances	2,898.80	3,280.10	4,323.80
j) Investments	-	-	679.90
k) Current assets, loans and advances	2,078.60	2,877.50	2,532.80
l) Miscellaneous expenditure not written off	0.40	1.90	9.80
m) Accumulated loss	-	-	-
TOTAL	11,257.10	12,883.20	14,158.90
n) Working capital {k-d(i)-c(vi)}	1,470.56	2,153.47	1,924.30
o) Capital employed (h+n)	7,749.86	8,877.17	8,536.90
p) Net worth {a+b(i)+b(ii)-l-m}	5,096.60	6,134.80	7,317.40
q) Net worth per rupee of paid-up capital(in Rupees)	1.33	1.38	1.41

2. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs.1904.60 crores from internal and external sources were realised and utilised during the year as follows:

(Rs. in crores)

Sources of funds

Funds generated from operation

a) Profit for the year	443.40
Add : Depreciation during the year	251.10
Add : Increase in Self Insurance Reserve	38.20
	<u>732.70</u>
b) Increase in paid up capital	742.00
c) Increase in borrowed funds	59.70
d) Increase in provision for Gratuity	7.23
e) Increase in Advance against Depreciation	133.80
f) Decrease in working capital	229.17

TOTAL

1,904.60

Utilisation of funds

a) Increase in Fixed assets	140.00
b) Increase in Capital work-in-progress including construction stores and advances	1,043.70
c) Proposed dividend	33.10
d) Misc Expenditure written off	7.90
e) Investment	679.90

TOTAL

1,904.60

3. WORKING RESULTS

The working results of the Company in the last three years ended 31st March 2001 are given below :

(Rs. in crores)

	1998-99	1999-2000	2000-2001
i) Sales	1194.40	1,075.70	1,142.80
ii) Less : Excise Duty	-	-	-
iii) Net Sales	1194.40	1,075.70	1,142.80
iv) Other or Misc Income	39.10	202.60	788.10
v) Profit before tax and prior period adjustments	260.60	398.00	455.50
vi) Prior period adjustments Prior period adjustments	44.70	3.20	-8.40
vii) Profit before Tax	305.30	401.20	447.10
viii) Tax Provisions	-	-	3.70
ix) Profit after tax	305.30	401.20	443.40
x) Proposed Dividend(including Dividend Tax)	16.50	18.30	33.10

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 2001 are as follows :

	1998-99	1999-2000	2000-2001
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)}	3.42	3.97	4.16
b) Debit equity ratio Long term debit to Net worth {c(i to v but excluding short term loans)/p}	0.97	0.85	0.70
c) Profitability ratios Profit (before tax) to			(In Percentages)
(i) Capital employed	3.94	4.52	5.24
(ii) Net worth	5.99	6.54	6.11
(iii) Sales	25.56	37.30	39.12
(iv) Equity	7.98	9.02	8.62
d) Earnings per share (in Rupees)	79.82	90.23	86.18

5. INVENTORY LEVELS

The inventory levels at the close of the last three years ended 31st March, 1999 are as follows:

	1998-99	1999-2000	2000-2001
Stores, spares and loose tools	42.00	83.00	90.40

6. SUNDRY DEBTORS

The sundry debtors and Sales in the last three years ended 31st March, 2001 are as follows :

As on 31st March	SUNDRY DEBTORS			SALES (including excise duty)	Percentage of Sundry Debtors to Sales
	Considered good	Considered doubtful	Total		
1999	1,669.40	82.40	1,751.80	1,194.40	146.67
2000	2,280.90	82.60	2,363.50	1,075.70	219.72
2001	1,982.50	77.50	2,060.00	1,142.80	180.26

The agewise break up of sundry debtors at the end of 2000-2001 is as under:

	Amount (Rs. in Crores)
Debtors outstanding for less than 1 year	988.45
1- 2 years	522.10
2 -3 years	317.35
3 years and above	232.10
TOTAL	2,060.00

Place : New Delhi
Dated : 26th September, 2001

Sd/-
(REVATHI BEDI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

A. CONSERVATION OF ENERGY

- (a) Energy measures taken and on hand.

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

- (b) Additional investment and proposals if any, being implemented 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.

FORM-B

1. Specific areas in which R&D carried out by the company

- Prolongation of service life of underwater turbine components
- Improvement in instrumentation of generating units
- Condition monitoring of generating units and transformers
- High performance concrete

2. Benefits derived as a result of the above R&D

The benefits occurring from the implementation of the results of the R&D projects would be tremendous but they cannot be quantified. By extending the rebuilding/rehabilitation of Salal and BairaSiul runner and guide vanes, even by one year, would afford huge saving in cost and down time. By monitoring the health of generating units and transformers, faults can be detected in the incipient stage itself which can result in avoiding of major faults and costly repairs in addition to saving in generation loss. Placement of high performance concrete can deliver variety of benefits such as less material, fewer beams, reduced maintenance and extended life cycle etc.

3. Future plan of action 2001-2002

The above R&D activities are proposed to be continued.

4. Expenditure on R&D

Total : 1997-98 to 2000-01: Rs. 2.21 Crores

2001-2002 : Rs. 2.00 Crores for R&D activities and Rs. 10 Crores for R&D in connection with Development of Geothermal power.

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation

Due to presence of huge quantity of abrasive silt in river waters, particularly during monsoon months, the underwater turbine components get eroded very fast. Most of the rivers originate from Himalayas which, in geological terms, are quite young and unstable. Therefore, during monsoons the top cover soil travels along with the water in the shape of silt. American and **European countries do not experience the ill-effects of silt** because neither monsoon type of rainfall nor unstable mountains like Himalayas exist there. Therefore, the technology to elongate the operational life of turbine components has to be developed indigenously.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. are as under :

Sl.No.	Technology adoption/innovation	Cost-Saving/Product-improvement
1.	Hydro suction silt exclusion system at Salal and Tanakpur Projects for desilting of the reservoir/ channel.	Tanakpur Project in the last 7 years prior to 2000 spent about Rs. 4.0 crores on desilting of canal. With the use of hydro-suction arrangement, which is not costing more than 10% of the above cost, the problem was solved to a great extent. Further substantial amount of silt is being removed from Salal at practically negligible cost and thereby increasing capacity of the reservoir and flow of less silt through the turbines.
2.	De-scaling of cooler tubes of cooling water system.	De-scaling of the cooler tubes resulted in effective cooling system which in turn avoided the forced outage of Generating Units at Tanakpur HEP.

Technology imported during last five years :

Being a premier organisation for hydro power development, NHPC is providing cheap and clean power to nation. NHPC has been making all out efforts to study and adopt imported technology also. As a result, silt removal system from reservoir through hydro suction widely used by China in Hydro Electric Power Stations, is being adopted at Salal and Tanakpur Projects.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

OUTGO

Rs. In million

1.	Value of imported Plant & Machinery	535
2.	Know-how	139
3.	Misc (outgo)	3033
4.	Interest	1178
5.	Value of spare parts & components consumed in	
	Operating units	
-	Imported	4
-	Indigenous	67

INCOME

6.	Interest Income	-
7.	Others	-

ANNEXURE - V

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT,1956

National Hydroelectric Power corporation Ltd is holding 7,95,512 shares out of 7,95,513 shares of Rs.1000/- each issued by its subsidiary Company i.e Narmada Hydroelectric Development Corporation Ltd (NHDC).

The Accounts of the Narmada Hydroelectric Development Corporation Ltd is still under finalisation. Therefore the Corporation has got the exemption for not attaching documents under Section 212(8) of the Companies Act,1956.

Sd/-
(VIJAY GUPTA)
COMPANY SECY

sd/-
(R. NATARAJAN)
DIRECTOR (FINANCE)

sd/-
(YOGENDRA PRASAD)
CHAIRMAN & MANAGING DIRECTOR



A view of Siang Basin project site – Arunachal Pradesh



National Hydroelectric Power Corporation Ltd.

(A Government of India Enterprise)

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

Website : <http://www.nhpcindia.com>