



## **23rd REPORT AND ACCOUNTS 1998-99**

**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED**

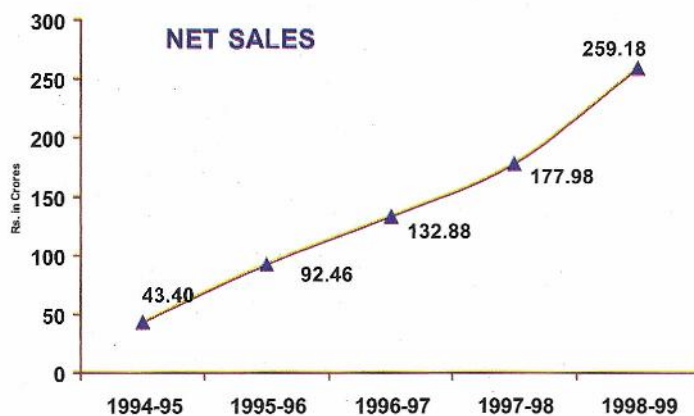
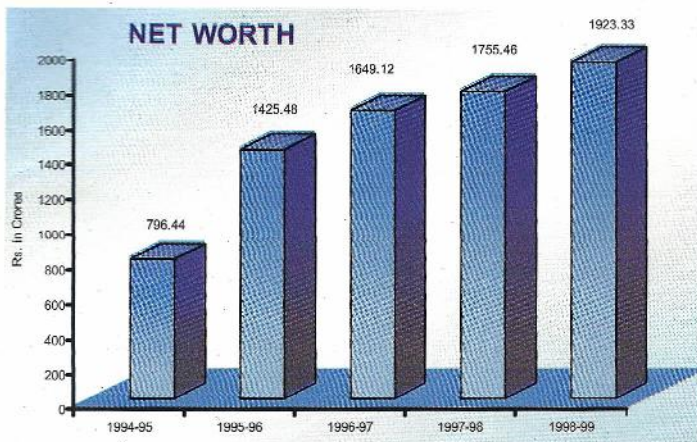
**( A Government of India Enterprise )**

**"Brookland Compound"**

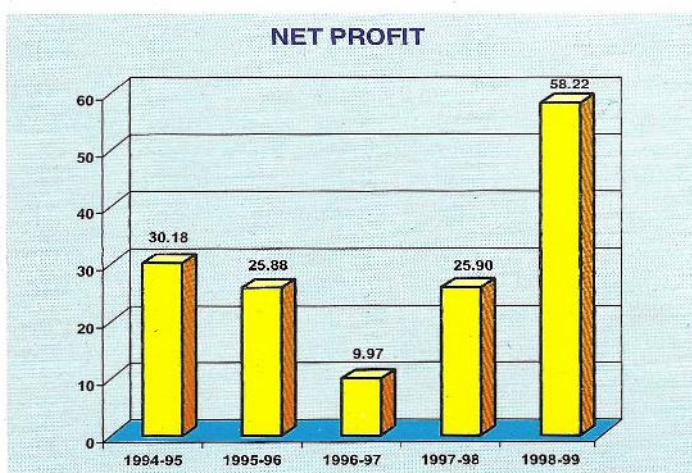
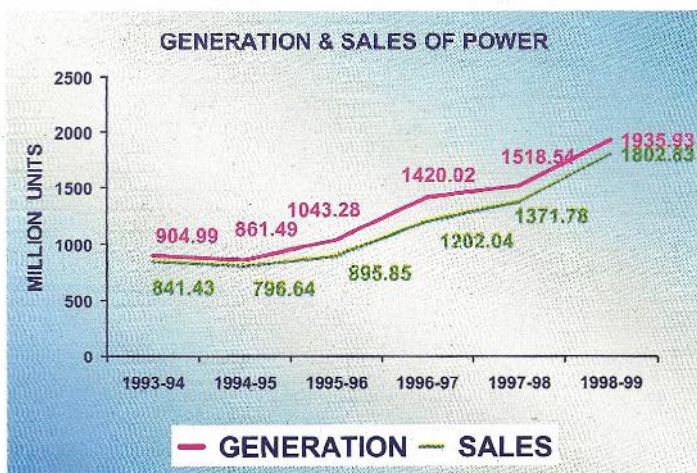
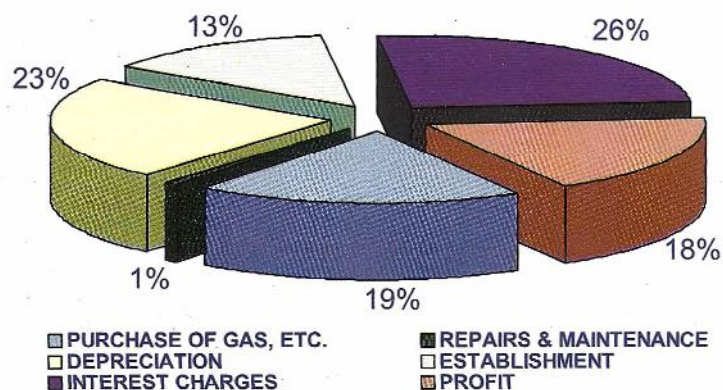
**Lower New Colony**

**Laitumkhrah, Shillong - 793003**





### DISTRIBUTION OF REVENUE



**23 rd**  
**REPORT AND ACCOUNTS**  
**1998-99**



**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED**  
**(A Government of India Enterprise)**





### Chairman & Managing Director

Sri P. K. Kotoky

### Directors

Sri P. K. Chatterjee	Sri N. N. Singh
Sri S. B. Dey	Sri J. Vasudevan
Sri P. S. Agarwal (Upto 15.7.99)	Sri S. R. Shivrain
Sri J. K. Yerra (From 16.7.99)	Sri N. D. George
Sri Ogam Apum (Upto 15.7.99)	Sri S. K. Srivastava (Upto 4.2.99)
Sri P. Kharkongar (From 5.2.99 Upto 15.7.99)	Sri G. S. Patnaik (From 16.7.99)
Sri C. D. Kynjing (From 16.7.99)	Sri P. K. Choudhury
Sri H. Sema	Sri S. K. Shashi Prakash (Upto 15.7.99)
Pu Liansanga (Upto 8.10.98)	Sri Sanjeev Ranjan (From 16.7.99)
Sri B. Lalrinliana (From 9.10.98)	

### Company Secretary

Sri D. N. Chakrabarty

### Bankers

State Bank of India	Canara Bank
Bank of India	Bank of Baroda
United Bank of India	Indian Overseas Bank
Central Bank of India	Punjab National Bank
Union Bank of India	Vijaya Bank

### Statutory Auditors

M/s. S. Ganguli and Associates  
Chartered Accountants  
Calcutta

Registered Office  
"Brookland Compound"  
Lower New Colony  
Laitumkhrah, Shillong - 793 003



## CHAIRMAN'S SPEECH



*Gentlemen,*

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors, to the 23rd Annual General Meeting of the North Eastern Electric Power Corporation Ltd. The Directors' Report and the Audited Statement of Accounts for the year ended

31st March, 1999 and also the Auditors' Report thereon, having been in your possession for some time now, I seek your permission to take them as read. I also take this opportunity to share with you the Corporation's performance during the year under review along with some thoughts on the challenges and opportunities thrown up by the approaching millennium.

### **Development of the N. E.**

#### **Region with emphasis on Power :**

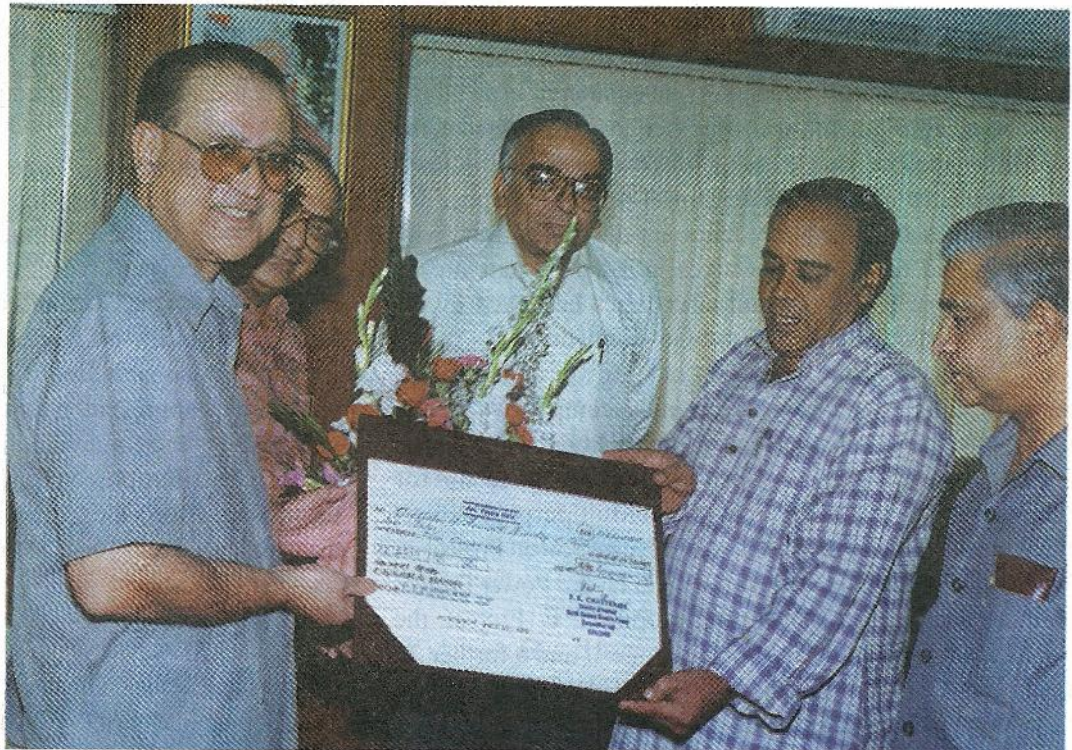
In spite of the abundance of power potential in the region, due to inadequate infrastructural facilities and socio-physical constraints, till today only a small percentage has been harnessed. It is imperative that alongside the measures taken for ensuring availability of quality power for the consumer, a prudent decision must be also taken to make greater use of this vast power potential with a view of not just the commercial aspects but also the other goal of fulfilling the power development programme inter alia bringing overall economic development to the North-East. In this process, NEEPCO has remained a driving force as a Central Sector Power

Utility with the vision of an organisation of the North-East, by the North-East, for the North-East.

### **The Past Year :**

The last 23 years have chronicled NEEPCO's vibrancy and the confidence to turn challenges into opportunities even in the most difficult situations. The past year remained no exception to this fact.

The concept of liberalisation both in terms of economics and management has touched almost every facet of Indian business. This fact dawned on NEEPCO, no sooner had its impacts begun to spread. Today, NEEPCO carries on with this concept firmly in place, with clarity of roles, dedication and no room for complacency. Consistent profitability is a reliable indicator and it is with pride that I inform you that your Corporation has established a consistency in its performance by registering a net profit of Rs. 58.22 crore, an increase of 124.79% over the previous year's performance. Out of this profit, we intend to pay a dividend of Rs. 4.00 crore as against Rs. 2.00 crore last year.



CMD, Neepeco presents the Dividend cheque of Rs. 4.00 crore for 1998-99 to the Hon'ble Minister of Power in presence of the Secretary, Special Secretary and Addl. Secretary.





The commissioned units of the Corporation have generated 1935.93 million units of power during the year. With a machine availability of 81% in hydro stations and a Plant Load Factor of 49.70% in gas based stations, NEEPCO has remained the most dependable power utility in meeting the power needs of the N. E. States. This exemplifies its concerted and vigorous efforts towards meeting all commitments. The works in respect of projects under execution have been and are progressing in a steady manner so as to deliver results within due time.

Despite a rapid growth rate in the scale of its business, NEEPCO has been able to restrict the size of its workforce to about 3200 people by introducing appropriate measures of rationalisation of facilities, operations thereby increasing the overall efficiency.

#### **The Future :**

Organisational evolution closely mirrors the economic environment and changing needs. It is important that we transcend our limitations in the anticipated emerging pattern and prepare ourselves well in advance to take on the new opportunities, opportunities that lie beyond the limitations of traditional concepts. These are unfolding even as I speak, in all spheres of life, in business and more specifically, in the power generation sector.

A growing share of our national economy is now entering the domain of the international economy. Accordingly, your Corporation is boldly evaluating and modifying its structure to support its economic growth and ambitions. Implementation of other system reforms for expediting the decision making process based on national standards have also been taken up. The basic purpose for these changes remains to redefine its mission in tune with the times and revise its objectives in order to reiterate its intention carrying out the faith and duties bestowed by the people, the shareholders and the Government.

We believe that the key to our growth as a regional company operating in an increasingly competitive power industry is the development of large hydropower projects. With this in mind, your Corporation has taken up for execution of the 1500 MW Tipaimukh Multipurpose Project in Manipur, the 600 MW Kameng Hydro Power Project in Arunachal Pradesh, the 210 MW Tuivai Hydro Power Project in Mizoram, the 150 MW Lower Kopili H. E. Project, the 100 MW Ranganadi H. E. Project, Stage-II and a further 25 MW Kopili H. E. Project Stage-II. Execution of these projects will be during the 9th and 10th Plan periods. With

the completion of these projects, your Corporation's generating capacity will approach the 3500 MW mark. Your Corporation has also embarked on an integrated mission for preparing a total sub-transmission and distribution plan for the region in collaboration with the State agencies keeping in view the load growth during the next 25 years. This will enable the states to decide upon the modalities of augmenting their own network thereby helping NEEPCO to plan and generate energy as per its optimum level with additional demand arising out of export possibilities in the future.

Having consistently emphasised these key factors in the past, your Corporation intends to continue the sustained self-improvement efforts in its tradition of being a Company characterised by strong endeavours towards appropriate corporate governance and leadership with a drive for excellence. Your Corporation is also very aware of the fact that the 21st Century will see an ever-increasing importance being attached to environment and other related issues arising out of a more wide spread socio-economic development.

We have much reason to be proud today considering the achievements of the Corporation throughout the years. It has adhered to the ideals of optimism and confidence while quietly achieving the tremendous volume of tasks entrusted upon it. Simultaneously, it has made an effort to show results commensurate with the demands made of it, keeping in mind always that it must do its share for promoting the country to greater prosperity. I am confident that these futuristic institutional strategies will provide your Corporation with the much-desired leading edge in the next millennium.

#### **Acknowledgements :**

The Board of Directors of your Corporation expresses its gratitude for the continued co-operation, guidance and support received from the various Ministries and Departments of the Govt. of India, the North Eastern Council, State Govt. of the N. E. Region, Financial Institutions and Investors. Also your Board of Directors is pleased to place on record its appreciation for the sincere and devoted services rendered by each individual employee of the Corporation whose contribution remains invaluable and with whose determined efforts the Corporation has been able to maintain its winning edge.

Thank you,

Dated, New Delhi  
10th September, 1999

**P. K. KOTOKY**  
Chairman & Managing Director



# DIRECTORS' REPORT

*To The Members,*

Your Directors have pleasure in presenting the 23rd Annual Report of the North Eastern Electric Power Corporation Limited, together with the statements of Accounts and Auditor's Report for the year ended 31st March, 1999.

## I. FINANCIAL PERFORMANCE :

NEEPCO earned a net profit after prior-period adjustment, of Rs. 58.22 crore during 1998-99 against Rs. 25.90 crore in the previous year, recording an increase of 124.79%.

The sales including other income have increased to Rs. 321.89 crore during 1998-99 as against Rs. 202.56 crore in the previous year, recording a growth of 58.91%.

Keeping in view the requirement of Security and Exchange Board of India's (SEBI's) Guidelines for Disclosure and Investor Protection" and also to make the NEEPCO BONDS more attractive to the investors, the major share of profit for the 1998-99 had to be transferred to the Bond Redemption Reserve. Out of the balance surplus available, the Board has approved a dividend of Rs. 4.00 crore to the Government of India for the year 1998-99.

The profit of Rs. 58.22 crore alongwith Rs. 6.41 crore of profit brought forward from last year has been appropriated in the accounts as under :-

	(Rs. in Crores)
I. Transfer to Bond Redemption Reserve	50.75
II. Transfer to General Reserve	9.47
II. Proposed dividend	4.00
III. Dividend tax	0.40
IV. Balance carried over to Balance Sheet	0.01

With the aforesaid transfers, the accumulated balance in "Reserve and Surplus" of the Company amounts to

Rs. 224.32 crore which includes Rs. 0.13 crore of Capital Reserve.

## II. PERFORMANCE HIGHLIGHTS :

### a) Capacity addition :

During the year 1998-99 all the 4 (four) Units i.e. 84 MW (21×4) of Agartala Gas Turbine Project were put into commercial operation as detailed below :-

<u>Unit</u>	<u>Capacity (MW)</u>	<u>Date of Commercial Operation</u>
Unit I, II & III (21 MW × 3)	63	1-4-98
Unit IV (21 MW)	21	1-8-98

### b) Generation :

The actual generation during the year 1998-99 was 1935.93 MUs including 15.03 MUs generated during Trial run as against 1518.54 MUs in the previous year (inclusive of 17.18 MUs generated during Trial Min)

Projectwise actual generation vis-a-vis Target were as follows :-

<u>Project</u>	<u>Target (MUs)</u>	<u>Actual Generation (MUs)</u>
I. Kopili Hydro Electric Project & Kopili Hydro Electric-1st. Stage Extension Project.	1214	995.17
II. Assam Gas Based Power Project.	950	743.39
III. Agartala Gas Turbine Project	250	197.37





The net earnings in terms of Sale of Power from Kopili H. E. Project including 1st Stage extension was Rs. 518.23 crore, from Assam Gas Based Power Project was Rs. 441.16 crore and that of Agartala Gas Turbine Project was Rs. 39.76 crore upto 31st March, 1999.

As reflected in the report of earlier years, realisation of outstanding dues against Sale of Power to A. S. EB, did not show any sign of improvement. Although an amount of Rs. 70.61 crore which was received during the year 1998-99 including collection of Rs. 51.86 crore through Central Plan Appropriation, the outstanding dues excluding interest stood at Rs. 248.53 crore as on 31-3-1999 as against Rs. 147.49 crore in the previous year. The total outstanding dues upto 31-3-99 against Sale of Power to the beneficiary States of N. E. Region stood at Rs. 443.06 crore as against Rs. 234.94 crore in the previous year.

### III. FINANCIAL REVIEW :

#### a) Capital Structure :

The authorised Share Capital of the Corporation has been increased to Rs. 2500 crore from Rs. 1500 crore as per approval conveyed by Govt. of India, Ministry of Power vide letter No. 6/4/97-Hydel-II dt. 22nd May, 1998. The paid-up share capital including amount received against share capital pending allotment, increased from Rs. 1612.13 crore at the end of the previous year to Rs. 1777.15 crore as at 31st March, 1999.

#### b) Borrowings :

The borrowings of the Corporation as at 31st March, 1999 was Rs. 1603.04 crore as against Rs. 1402.11 crore in the previous year.

#### c) Debt Servicing :

Debt servicing is regular for L. I. C. loan, Deutsche Bank loan and for Bonds. An amount of Rs. 52.05 crore was paid to the Government of India as interest on loan during the year as against Rs. 73.79 crore paid as interest on loan and repayment of loan in the previous years.

### IV. PROJECTS UNDER OPERATION :

#### KOPILI HYDRO ELECTRIC PROJECT (150 MW) :

Both the Power Stations under this project viz. Kopili Power Station and Khandong Power Station have been operational during the year 1998-99. Unit-1 of Kopili Power House which was under shut down w.e.f. 19-07-98 due to TGB problem. Actual generation from the project during 1998-99 was 556.4514 MUs against the target of 756.50 MUs. Cumulative generation since inception upto Mar'99 is 8324.4804 MUs.

#### KOPILI H. E. PROJECT - 1ST STAGE EXTENSION (100MW), ASSAM :

All the major works of the project had been completed and the units were synchronised on 05-03-97 and 17-06-97 respectively and were under operation during the year 1998-99. Actual generation from the project was 438.7240 MUs against the target of 458.50 MUs. Generation was less than the target due to low system demand in the grid. Cumulative generation since inception upto Mar'99 is 806.109 MUs.

No budgetary support are proposed for the project during the year 1998-99 & 1999-2000, as the whole fund has been received against the project till 31-03-98.

#### ASSAM GAS BASED COMBINED CYCLE POWER PROJECT (291MW), ASSAM :

All the 6 nos. of Gas Turbine Generating sets were commissioned by July'96. Although all the 3 nos. of Steam Turbine Generating sets were also synchronised by July'98, these units are still under stabilisation stage. Appropriate actions with BHEL have already been taken in hand for bringing these units under commercial operation as early as possible. Actual generation from the project was 743.3897 MUs against the target of 950.0000 MUs. Generation was less than the target due to low system demand in the grid. Cumulative generation since inception upto Mar'99 is 2311.7913 MUs.

Since the project will be completed in all respect by the year 1999-2000, the entire balance amount of Rs. 89.90 crore (with respect to the latest cost estimate of Rs. 1532.32 crore which has been submitted) has been proposed for the year 1999-2000. During the year 1998-99, an amount of Rs. 100 crore was received and Rs. 1442.42 crore has been



received till the financial year ending March '99.

#### AGARTALA GAS TURBINE PROJECT (84MW), AGARTALA :

All the 4 units of Gas Turbine Generating sets were commissioned by June '98 and were under operation during the year 1998-99. Actual generation from the project was 197.365 MUs against a target of 250.0000 MUs during the year 1998-99. Generation was less than the target due to modification of coupling flange. Cumulative generation since inception upto Mar '99 is 215.846 MUs.

In order to meet committed liabilities & progressive payment towards construction of DM plant etc., an amount of Rs. 21.21 crore has been proposed for the year 1999-2000 against the latest cost estimate of Rs. 322.30 crore. During the year 1998-99, an amount of Rs. 31.30 crore was received which included Budgetary support of Rs. 14.52 crore and Deutsche Bank Loan of Rs. 16.78 crore. An amount of Rs. 298.07 crore has been received till the financial year ending March '99 (including Foreign exchange variation as on 31-03-99).

#### V PRESENT POSITION OF ON-GOING PROJECTS :

##### (A) DOYANG HYDRO ELECTRIC PROJECT (3 × 25 MW), NAGALAND :

All the major works, both civil and electrical / mechanical are going on in full swing. Construction of Diversion Tunnel has been completed and river water was diverted through this tunnel on 23-12-96. Erection of diversion Tunnel gate completed. Work of Water Conductor System is progressing satisfactorily. As on 31-03-99, 100% boring of tunnel, fabrication and erection of Steel liners have been completed. Erection of Trash Rack and Stoplog gate is completed. Stoplog gate will be commissioned shortly. Work of Approach Channel and spillway are also progressing satisfactorily. 37% concreting of Approach Channel and Spillway is completed as on 31-03-99. 80% fabrication work of spillway gate is completed and erection work is yet to commence. Construction of Cofferdam upto EL. 306 M. has been completed and average achievement of Rock filling in main Dam, accelerated to nearly 1,00,000 cum per month. The Cofferdam which will be a part of main Dam. Construction of Power House as well as erection of Electrical/Mechanical equipment are in advance stage of completion. The Machine of U # 1 has already been boxed up. The pre-commissioning testing is also over and ready

for commissioning. For U # II, erection upto Spiral Casing completed and Barrel concreting upto EL. 254.61 M. completed. For U # III, erection upto Spiral Casing completed. Barrel concreting also completed & remaining works are in progress. Erection of GT Unit - I completed and remaining units are in progress. Construction of 33 KV Switchyard was completed in May '98 and 132 KV Switchyard completed in July '98 for U # I. Switchyard for remaining units will be completed as per schedule.

During the year 1998-99, an amount of Rs. 54.00 crore was received against the project as Budgetary support. For the year 1999-2000 an amount of Rs. 120.00 crore was proposed against which Rs. 60.00 crore has been allocated. While the anticipated cost of the project is Rs. 671.22 crore at June '98 price level, receipt of fund upto March '99 stands at Rs. 497.85 crore.

The revised commissioning schedule of the project is as under :-

Unit # I -	} 03/2000
Unit # II -	
Unit # III -	

##### (B) RANGANADI HYDRO ELECTRIC PROJECT (3 X 135 MW), ARUNACHAL PRADESH :

The construction of Doimukh-Hoz road required for transportation of heavy consignments has been entrusted to BRTF. Works of retaining walls and improvement of culverts started. All major works of the Project since been awarded and going on in full swing. The Diversion Tunnel was completed and river water diverted through this tunnel. Boring of 10.05 km. long Main Tunnel has been completed in June '99. Concreting of main tunnel completed upto 59%. Fabrication and Erection of steel liner has been completed upto 66% and 0.02% respectively. In regards to the Diversion Dam, the U/S & D/S Cofferdam were completed on 30-12-96 and 31-12-96 respectively and water is diverted through the Diversion Tunnel. 83% of excavation and 32% of concreting was completed till Mar '99. Efforts are being taken to gear up the progress of concreting works. Construction of P. H. Building has never been satisfactory due to the short coming of contractors. The contractors are being persuaded constantly to overcome the short coming.

During the year 1998-99 an amount of Rs. 121.00 crore was received which included Budgetary support of Rs. 88.00 crore and LIC Loan of Rs. 33.00 crore. For the year 1999-2000 Rs 200.00 crore was proposed for the project against which Rs. 153.00 crore is allocated, out of which 93.00 crore is Budgetary support and Rs. 60.00 crore is as





loan. The revised cost estimate of the project at Sept'98 price level stands at Rs. 1265.02 crore. As on Mar'99 a total of Rs. 820.65 crore has been received for the project. Considering the constraint faced in the execution of Main Tunnel, Diversion Dam, P. House and transportation of heavy consignment to the projects, the likely commissioning schedule of the project has been revised as follows :

U# I - 3/2001

U#II - 6/2001

U#III- 9/2001

**(C) TUIRIAL H. E. PROJECT (60MW) MIZORAM :**

This project has been taken up as Central Sector Scheme with 85% of the project cost being financed under loan assistance from OECF, Japan and balance 15% from Govt. of India's assistance. The CEA has cleared the project on 10th Aug'98 at an estimated cost of Rs. 359.66 crore including IDC and Financing charges which is Rs. 24.43 crore under loan assistance from OECF, the PIB clearance for the project was accorded on 27-01-98. CCEA clearance for the project has also been awarded on 07-07-98 with completion schedule of 8 (eight) years from the date of CCEA clearance. The work of review consultant for the project has been awarded on 10.12.98 to M/s. Electro Watt Engineering Ltd., Switzerland, Pre-construction Geological investigation have been completed for Dam, Tunnel and Power House. Final reports from GSI is expected very shortly. One more Geological investigation for Seismic evaluation of dam foundation is being taken up. Approach road widening and new formation cutting in parts are in progress. Temporary buildings (1st Phase) have been started. Water supply scheme has been initiated. Consultants have visited the site to take stock of the situation and ask for additional data/informations for finalising design parameter.

The allocation for the year 1999-2000 is Rs. 59.00 crore. As on Mar'99 an amount of Rs. 42.08 crore has been received.

**(D) KOPILI H. E. PROJECT STAGE - II  
(25 MW), ASSAM :**

The Project has been taken up as a Central sector scheme. Administrative approval for pre-construction works and development of infrastructure facilities of the project as an advance action pending investment decision on the scheme was received on 03-11-98 with allocation of 1st instalment of Rs. 12.00 crore. CCEA clearance for this

project has been obtained on 27-07-99 with completion schedule of 4(four) years from the date of CCEA clearance. Based on preconstruction, investigation the design of various structures have been finalised in consultation with Technical expert. It was decided to execute the entire work of the project with 2(two) nos. of Civil Packages and 1(one) no. of Electrical/Mechanical Package. LOI for Package-I has been issued on 13-07-99 and Tender for Package-II has been floated.

The cost estimate of the project is Rs. 76.09 crore at Sept'98 price level. An amount of Rs. 25.00 crore has been received as on Mar'99 which includes Rs. 12.00 crore as given earlier. For the year 1999-2000, an amount of Rs. 25.00 crore has been allocated. Commissioning schedule of the project is July'2003.

**VI. NEW SCHEMES :**

The following new projects have been given to NEEPCO for development/execution, for which initial works such as MOEF clearance, HM data collection, CEA clearance and signing of MOUs with respective State Govt. are being taken up.

- (1) Kameng H. E. Project (600 MW) - Arunachal Pradesh.
- (2) Tuivai H. E. Project (210 MW) - Mizoram.
- (3) Tipaimukh H.E. Project (1500 MW) - Manipur.
- (4) Lower Kopili H.E. Project (150 MW) - Assam.

**VII. INVESTIGATION SCHEMES :**

With a view to have new projects for execution in future, it is proposed to continue/take up the following survey and investigations. In 1999-2000, a provision of Rs. 2.00 crore has been kept to continue with the work of following investigation works.

- a) Papumpam H. E. Project (100 MW).
- b) Dikrong H. E. Project (100 MW)
- c) Kolodyne H.E. Project (90 MW)
- d) Ranganadi H. E. Project Stage - II (100 MW)

**VIII. ORGANISATION :**

(A) The total number of employees as on 31.03.99 was 3124 against 3060 as on 31.03.98.

6 Nos. of SC, 37 Nos. of ST and 12 Nos. of OBC posts have been filled up by recruitment during the year.



**(B) TRAINING AND DEVELOPMENT :**

As in previous years, Human Resource Development continued to receive special attentions of the Management during the year under report i.e. 1998-99.

Keeping the philosophy to strive to inculcate professionalism in Management, skill development and to enhance the effectiveness of the organisation in mind, NEEPCO has started its own Human Resources Development Institute with effect from 29.05.98.

The major thrust area on HRD front during the year 1998-99 was that of educating the employees on Computer Applications to keep pace with the current trend. A total of 888 employees of different levels including Board level Officers were imparted trainin on Computer Applications paving the way for quick and smooth induction of computer technology in day to day works of the Corporation.

In order to fill the gap between the skills available and the required skills and to strengthen the Organisation, skill development training programmes for Boiler Attendants and Electricians of 40 to 180 days duration were organized during the year 1998-99 covering 19 participants.

In addition, 3 employees were deputed to undergo the basic Fire Fighting Training Course of 175 days duration at the State Elementary Fire Fighting Training School, North Guwahati, Assam.

In order to help the employees to perform their role effectively, 5 Nos. short duration in-house training programmes were organized during the year 1998-99. In addition, 4 Nos. Seminars and Workshops on work related issues were also organized during the year participated by large number of employees.

The Corporation also organized 4 Short Term of in-house training programmes for Executives in order to update their professional knowledge with the help of renowned faculties.

The Corporation while recognising the benefit and advantages of in-house training programmes also places equal emphasis on external training so that the organisation can be strengthened by learning from external sources. In line with this, a total of 64 employees were deputed to attend Conferences, Seminars, Workshops and Training programme conducted by different Insitutions of repute within the country and abroad.

On the whole, a strategic approach was adopted in developing the Human Resources in line with the organisational requirement. During the year 1998-99, the Corporation organised training programmes covering 1712 employees i.e. 55% or the total work force involving 9381 training man-days.

**(C) INDUSTRIAL RELATIONS :**

Industrial Relations in the Corporation remained healthy and cordial throughout the year and no manday was lost on account of industrial relations problem. Various issues concerning the interest of the employees were discussed with the representatives of the employees across the table from time to time and resolved amicably.

Interim relief has been granted to all employees who are governed by the Industrial Dearness Allowance (IDA) Scales of pay pattern pending pay revision with effect from 01.01.97.

Wage negotiation for revision of pay scale and other allowances under IDA pattern scales of pay for workmen will commence based on DPE's O.M.No.2(ii)/96-DPE(WC) dated 14.1.99. Actions are being taken for revision of pay scales (IDA) and other allowances in respect of Executives and non-unionised Supervisors in terms of DPE's O.M. No.2(49)/98-DPE(WC) dated 25.06.99.

**(D) WELFARE ACTIVITIES :**

Following major welfare activities have been undertaken by the Corporation during this year 1998-99.

(i) NEEPCO Women Welfare Association (NWWA) members were nominated for the National Meet of Women in Public Sector (WIPS) held at Calcutta on 12th & 13th Feb'99. In addition, NEEPCO Women Welfare Association (NWWA) members were nominated for strategy management programme and quality and performance improvement programme conducted at Shillong. The NEEPCO Women Welfare Association (NWWA) awarded merits scholarship to meritorious children of NEEPCO Employees. Eastern Chapter of WIPS organized a Seminar at Shillong on 29th Oct. '98 on "Women in Public Sector".

(ii) NEEPCO Re-creation Club of AGTP added facilities for yoga, dance and other cultural training through Adarsh Kala Kendra.

**(iii) SCHOOLS :**

(a) Vivekananda Kendra Shiksha Prasara Vivag has taken over from Kendriya Vidyalaya Sangathan (KVS), the School at Kopili Hydro Electric Project (KHEP) and has started School upto Class - XII (Both Science and Arts Section) from April'99.

(b) Higher Secondary School at RHEP and Primary School at AGBPP are being run through Vivekananda Kendra Shiksha Prasara Vivag successfully. A KG School is being run at AGTP through Maharshi Vidyamandir.

**(D) SPORTS ACTIVITIES :**

NEEPCO Cricket Team emerged runners up in the





6th Inter Power Sector Cricket Tournament at Dadri (UP) hosted by NTPC from 5th - 9th December, 1998.

**(E) USE OF RAJBHASHA (HINDI) :**

The Corporation has been implementing the Official Language Policy of the Govt. of India at its Corporate Office as well as Projects and subordinate offices. Efforts were made to issue papers referred to in Section 3 (3) of the Official Language Act in bilingual. Annual Report was prepared in Hindi and English. Memorandum of Association and Articles of Association of NEEPCO and other rules have been translated into Hindi. Employees were sent for Hindi training under the Hindi Teaching Scheme, Shillong. Employees of the Project sites were nominated to undergo Hindi training through correspondence courses. Cash awards were granted to employees for passing Hindi Examination.

During the year Project as well as other offices were inspected to assess the progress made in the use of Hindi in the offices. Necessary guidance were provided to these offices for the proper implementation of the Official Language Policy of the Govt. of India. Programmes like displaying every day a "today's words" of Hindi with English translation are being implemented successfully in order to increase the working vocabulary of Hindi words of the employees.

"Rajbhasha Pakhwara" was observed and "Hindi Diwas" was celebrated at the Corporate Office during the year. Different competitions were organised and prizes were awarded to the winning participants to encourage the use of Hindi in the official works. "Hindi Diwas" was celebrated in projects and sub-ordinate offices also. "Rajbhasha (Hindi) Karyashala" were also organized to facilitate the employees for doing their official works in Hindi.

**IX. AUDITORS' REPORT :**

M/s. S. Ganguli and Associates, Chartered Accountants, Calcutta was appointed as Statutory Auditors for the year 1998-99. The Report of the Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon are enclosed as Annexure - I & II.

The review of the Comptroller and Auditor General of India on the Accounts of North Eastern Electric Power Corporation Ltd., under Section 619 (4) of the Companies Act is enclosed as Annexure - III.

**X. PARTICULARS OF EMPLOYEES :**

Information as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars

of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 1994 vide Notification G. S. R. 752 (B) dt. 17.10.1994 for the year ended 31.3.99 - NIL.

**XI. VIGILANCE ACTIVITIES :**

As per directives and the guidelines of the Central Vigilance Commission, action plan on anti-corruption and vigilance measures have been taken. Complaints received are regularly monitored and where prima facie evidence were found, investigations have been carried out. Also, emphasis is given on the aspect of preventive vigilance.

**XII. DIRECTORS :**

S/Shri Pu Liansanga, Ogam Apum, P. S. Agarwal, S. K. Shashi Prakash, S. K. Srivastava and P. Kharkongor have since ceased to be the Directors of the Corporation. The Board of Directors placed on record the deep appreciation for the valuable services rendered.

S/Shri Lalrinliana, G. S. Patnaik, J. K. Yerra, Sanjeev Ranjan and C. D. Kynjing were appointed as Part-time Directors of this Corporation.

**XIII. CONSERVATION OF ENERGY :**

Particulars required under Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report regarding Conservation of Energy / Technology absorption and foreign exchange earnings and outgo during the financial year 1998-99 is enclosed as Annexure - IV.

**XIV. ACKNOWLEDGEMENTS :**

The Directors are grateful to the various Ministries of the Govt. of India, particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Environment and Forest, Department of Public Enterprises, Department of Economic Affairs, North Eastern Council, Central Electricity Authority, Central Water Commission, Central Soil and Material Research Station, Geological Survey of India, Survey of India and the North Eastern Regional Electricity Board for their continued co-operation and assistance.

The Directors expressed their sincere gratitude to the Governments of Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, Arunachal Pradesh for the co-operation



# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

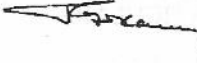
and help extended by them.

Thanks are also due to the Bankers, the Statutory Auditors, the commercial Audit Wing of the Comptroller and Auditor General of India and the Registrar of Companies.

Last but not the least, the Directors wish to place on record their high appreciation for the dedicated efforts made by all sections of employees of the Corporation to achieve

the goals set for the Corporation.

For and on behalf of the Board of Directors



Dated, New Delhi,  
10th September, 1999

**P. K. KOTOKY**  
Chairman & Managing Director





## BALANCE SHEET AS AT 31ST MARCH, 1999

(Rs. in Thousands)

PARTICULARS	Schedule No.	As at 31st March, 1999	As at 31st March, 1998
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Capital	1	1777,15,20	1612,13,20
Reserves and Surplus	2	<u>224,32,08</u>	<u>170,50,33</u>
		2001,47,28	1782,63,53
<b>LOAN FUNDS</b>			
Secured Loans	3	615,18,57	590,86,10
Unsecured Loans		<u>987,84,82</u>	<u>811,24,24</u>
		1603,03,39	1402,10,34
<b>TOTAL</b>		<u><b>3604,50,67</b></u>	<u><b>3184,73,87</b></u>

## APPLICATION OF FUNDS

### FIXED CAPITAL EXPENDITURE

#### FIXED ASSETS

	4		
Gross Block		1541,91,84	1244,88,43
Less Depreciation to date		<u>269,08,30</u>	<u>188,61,21</u>
Net Block		1272,83,54	1056,27,22
Advance towards Land		7,05,82	9,24,07
Capital work-in-progress	5	1736,21,63	1550,45,79
Construction stores and advances	6	<u>230,53,62</u>	<u>288,35,00</u>
		3246,64,61	2904,32,08
<i>Carried over</i>		3246,64,61	2904,32,08



## BALANCE SHEET AS AT 31ST MARCH, 1999

(Rs. in Thousands)

PARTICULARS	Schedule No.	As at 31st March, 1999	As at 31st March, 1998
<i>Brought forward</i>		3246,64,61	2904,32,08
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		77,12,21	29,13,99
Sundry Debtors		443,06,42	234,93,56
Cash & bank balances		51,31,53	135,08,76
Loans and advances		16,41,29	17,99,32
		<u>587,91,45</u>	<u>417,15,63</u>
Less :			
CURRENT LIABILITIES AND PROVISIONS	8		
Liabilities		226,50,20	137,31,00
Provisions		<u>12,84,58</u>	<u>8,47,59</u>
		<u>239,34,78</u>	<u>145,78,59</u>
NET CURRENT ASSETS		348,56,67	271,37,04
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	9	9,29,39	9,04,75
<b>TOTAL</b>		<b>3604,50,67</b>	<b>3184,73,87</b>

*Schedules 1 to 14, Balance Sheet abstract and Company's General Business Profile, Annexure 1 & 2, Notes on Accounts and Accounting Policies form an integral part of the Accounts.*

D. N. CHAKRABARTY  
Secretary cum  
Legal Adviser

A. G. WEST  
Sr. Manager  
(Finance)

P. K. CHATTERJEE  
Director (Finance)

P. K. KOTOKY  
Chairman &  
Managing  
Director

For & on behalf of  
S. GANGULI & ASSOCIATES  
Chartered Accountants  
D. P. SAHA  
Partner  
3rd August, 1999





## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

( Rs. in Thousands )

PARTICULARS	Schedule No.	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>INCOME</b>			
<b>SALES</b>			
Energy		267,45,85	184,48,53
Less Free Supply of Energy		<u>8,27,71</u>	<u>6,50,99</u>
Net Sales		259,18,14	177,97,54
Other Income	10	<u>62,71,39</u>	<u>24,58,28</u>
<b>TOTAL INCOME</b>		<u>321,89,53</u>	<u>202,55,82</u>
<b>EXPENDITURE</b>			
Purchase of Gas		52,39,93	19,45,62
Lubricants, oil etc		47,26	33,70
Transportation charges of Gas		8,18,51	89,50
Electricity duty		4,28	4,33
Employees remuneration and benefits		15,99,98	9,19,41
Generation & Administration expenses	11	29,52,57	18,60,69
Depreciation		74,69,19	54,30,28
<b>Interest &amp; Finance charges</b>			
Interest on :			
i) Loans from Government of India		62,15,28	60,91,10
ii) Loans from Life Insurance Corporation of India		2,10,66	2,77,33
iii) Bonds		9,78,79	9,75,44
iv) Deutsche Bank		3,17,21	-
v) Finance charges :			
i) Bonds		-	1,74
ii) Guarantee fees		1,18,38	-
iii) Commitment fees		<u>3,03</u>	<u>-</u>
		78,43,35	73,45,61
<i>Carried over</i>		259,75,07	176,29,14



## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

(Rs. in Thousands)

PARTICULARS	Schedule No.	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<i>Brought forward</i>		259,75,07	176,29,14
Deferred revenue expenditure written off		14,39	3
<b>TOTAL EXPENDITURE</b>		<u>259,89,46</u>	<u>176,29,17</u>
Profit for the year		62,00,07	26,26,65
Prior Period Adjustment (Net)	12	(3,78,32)	(36,53)
Profit before Tax		58,21,75	25,90,12
Provision for Taxation		-	-
Profit after Tax	58,21,75		25,90,12
Balance of profit from last year	<u>6,40,84</u>		<u>10,72</u>
		64,62,59	26,00,84
Transferred to Bond Redemption Reserve		50,75,00	-
Transferred to General Reserve		9,47,00	17,40,00
Proposed Dividend		4,00,00	2,00,00
Dividend tax		40,00	20,00
Balance carried over to Balance Sheet		59	6,40,84

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P. K. KOTOKY  
Chairman &  
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For & on behalf of  
S. GANGULI & ASSOCIATES  
Chartered Accountants  
D. P. SAHA  
Partner  
3rd August, 1999





## STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

### Balance Sheet Abstract and Company's General Business Profile

#### I REGISTRATION DETAILS

Registration No. 

				1	6	5	8
--	--	--	--	---	---	---	---

State Code 

1	3
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

9	9
---	---

  
Date Month Year

#### II CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue

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

Bonus Issue

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

Rights Issue

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

Private Placement

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

#### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities

	3	8	4	3	8	5	4	5
--	---	---	---	---	---	---	---	---

Total Assets

	3	8	4	3	8	5	4	5
--	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

	1	7	7	7	1	5	2	0
--	---	---	---	---	---	---	---	---

Reserves and Surplus

2	2	4	3	2	0	8
---	---	---	---	---	---	---

Secured Loans

6	1	5	1	8	5	7
---	---	---	---	---	---	---

Unsecured Loans

9	8	7	8	4	8	2
---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

3	2	4	6	6	4	6	1
---	---	---	---	---	---	---	---

Investments

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

Net Current Assets

3	4	8	5	6	6	7
---	---	---	---	---	---	---

Misc. Expenditure

9	2	9	3	9
---	---	---	---	---

Accumulated Losses

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



# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

## IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover (including other income)

3	2	1	8	9	5	3
---	---	---	---	---	---	---

+   -   Profit / (Loss) Before Tax

✓				5	8	2	1	7	5
---	--	--	--	---	---	---	---	---	---

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share (Rs.)

3	7	.	3	8
---	---	---	---	---

Total Expenditure

2	5	9	8	9	4	6
---	---	---	---	---	---	---

+   -   Profit / (Loss) After Tax

✓				5	8	2	1	7	5
---	--	--	--	---	---	---	---	---	---

Dividend Rate (%)

0	.	2	5	7
---	---	---	---	---

## V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS) - GENERATION OF ELECTRICITY

Item Code No. (ITC Code)

		N	A			
--	--	---	---	--	--	--

Item Code No. (ITC Code)

		N	A			
--	--	---	---	--	--	--

Item Code No. (ITC Code)

		N	A			
--	--	---	---	--	--	--

Product Description

		N	A			
--	--	---	---	--	--	--

Product Description

		N	A			
--	--	---	---	--	--	--

Product Description

		N	A			
--	--	---	---	--	--	--

**D. N. CHAKRABARTY**  
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Legal Adviser

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(Finance)

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Director (Finance)

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For & on behalf of  
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Chartered Accountants  
**D. P. SAHA**  
Partner  
3rd August, 1999





# INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31ST MARCH, 1999

(Rs. in Thousands)

PARTICULARS	Annexure No.	Schedule No.	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>A. GENERAL ADMINISTRATION EXPENSES</b>				
Salaries, wages, allowances & benefits			15,05,50	9,85,92
Travelling expenses			77,08	99,43
Rent			32,83	32,19
Rates & taxes			30,64	7,65
General expenses	1		6,23,89	4,99,08
Repairs & maintenance			42,48	25,55
Audit fees & expenses	2		2,46	1,41
Legal expenses			4,90	2,55
Insurance charges			8,31	5,06
Contribution to Provident fund & other welfare expenses			1,04,63	67,75
Entertainment expenses			2,51	1,64
Advertisement expenses			93	3,24
Publicity expenses			10,14	14,31
Board's meeting expenses			1,21	1,84
Filing fees			2	3
Depreciation			81,39	77,58
Wealth tax			1	1
Deferred Revenue expenditure written off			19,32	-
Prior period adjustment (Net)		13	6	-
			<u>25,48,31</u>	<u>18,25,24</u>
Less: Non operating receipts :				
i) Interest on Investment		3,74,38		6,55,39
ii) Others		<u>1,46</u>		<u>1,28</u>
			<u>3,75,84</u>	<u>6,56,67</u>
Net expenditure			<u>21,72,47</u>	<u>11,68,57</u>
Less: Expenditure charged to :				
a) Profit & Loss Account			10,75,84	5,08,56
b) Generation expenses (Construction)			10,96,63	6,60,01

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**D. P. SAHA**  
Partner  
3rd August, 1999



## INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31ST MARCH, 1999

(Rs. in Thousands)

PARTICULARS	Annexure No.	Schedule No.	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>B. GENERATION EXPENSES (CONSTRUCTION)</b>				
Salaries, wages, allowances & benefits			16,85,47	11,34,73
Travelling expenses			62,85	67,68
Rent			2,34	2,85
Rates & taxes			44	37
General expenses			10,72,77	10,40,66
Repairs & Maintenance			2,99,08	3,18,28
Depreciation			4,95,74	4,00,38
Legal expenses			2	6
Insurance charges			1,27,52	1,83,18
Prior period adjustment (Net)		14	6,53	2,63,43
Tender expenses			11,06	11,21
Compensation for afforestation			4,19,86	-
Pre-operative income		3,15,80		3,29,89
Less : Expenses		<u>1,16,78</u>		<u>2,78,06</u>
Net income			(1,99,02)	(51,83)
<b>INTEREST &amp; FINANCE CHARGES :</b>				
a) Interest on :				
i) Loans from Govt. of India		74,77,34		48,69,91
ii) Loans from Govt. of India (O.E.C.F.)		-		24
iii) Loans from Life Insurance Corpn. of India		16,93,00		14,12,32
iv) Bonds		33,45,56		27,19,07
v) Loans from Deutsche Bank		<u>1,82,07</u>		<u>3,91,11</u>
			126,97,97	93,92,65
<b>OTHER FINANCE CHARGES :</b>				
a) Management fees		-		3,57
b) Guarantee fees		60,91		1,65,38
c) Commitment charges		1,15		9,02
d) Loan expenses		<u>20,73</u>		<u>64,70</u>
			82,79	2,42,67
Wealth tax			26	27
Entertainment expenses			1,17	5,91
Brokerage, commission on SLR Bonds			-	22,00
Contribution to Provident Fund etc.			1,35,27	98,72
Share of General Administration expenses			<u>10,96,63</u>	<u>6,60,01</u>
			179,98,75	137,93,23
Less : Non-operating receipts :				
i) Interest on advances from Suppliers / Contractors		2,14,71		2,43,02
ii) Others		<u>1,90</u>		<u>2,19</u>
			2,16,61	2,45,21
Net Expenditure			<u>177,82,14</u>	<u>135,48,02</u>
Less Expenditure transferred to Capital work-in-progress			177,82,14	135,48,02

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For & on behalf of  
S. GANGULI & ASSOCIATES  
Chartered Accountants  
D. P. SAHA  
Partner  
3rd August, 1999





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

(Rs. in Thousands)

	As at 31st March, 1999	As at 31st March, 1998
<b>AUTHORISED CAPITAL</b>		
2,50,00,000 ( Previous year 1,50,00,000 ) Equity Shares of Rs. 1,000/- each	<u>2500,00,00</u>	<u>1500,00,00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL</b>		
155,75,738 ( Previous year 84,03,038)Equity Shares of Rs. 1,000/- each	1557,57,38	840,30,38
Amount received towards Share Capital pending allotment	219,57,82	771,82,82
<b>TOTAL</b>	<b>1777,15,20</b>	<b>1612,13,20</b>

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

**RESERVE & SURPLUS**  
**SCHEDULE - 2**

(Rs. in Thousands)

	As at 31st March, 1998	Additions	Adjustments	As at 31st March, 1999
Capital Reserve	13,22	-	-	13,22
General Reserve	139,51,00	9,47,00	-	148,98,00
Bond Redemption Reserve	-	50,75,00	-	50,75,00
Grant-in-Aid	24,45,27	-	-	24,45,27
Surplus as per Profit & Loss A/C	6,40,84	-	(6,40,25)	59
<b>TOTAL</b>	<b>170,50,33</b>	<b>60,22,00</b>	<b>(6,40,25)</b>	<b>224,32,08</b>





**LOAN FUNDS**  
**SCHEDULE - 3**

(Rs. in Thousands)

	As at 31st March, 1999	As at 31st March, 1998
<b>A. SECURED LOANS</b>		
<b>I. BONDS : MARKET BORROWING PROGRAMME :</b> (Guaranteed by the Govt. of India)		
<b>FIRST SERIES</b>		
12.5% (Taxable) Non cumulative, redeemable at par on 19th December, 2004	50,00,00	50,00,00
<b>SECOND SERIES</b>		
14% (Taxable) Non cumulative redeemable at par on		
- 1st November, 2005	18,25,60	18,25,60
- 17th January, 2006	20,01,10	20,01,10
- 12th March, 2006	<u>11,73,30</u>	<u>11,73,30</u>
	50,00,00	50,00,00
<b>THIRD SERIES</b>		
13.85% (Taxable) (1st Tranche) Non Cumulative, redeemable at par on 19th August, 2006	23,32,40	23,32,40
13.75% (Taxable) (2nd Tranche) Non Cumulative, redeemable at par on 20th January, 2007	<u>26,67,60</u>	<u>26,67,60</u>
	50,00,00	50,00,00
<b>FOURTH SERIES :</b>		
12.3% (Taxable) Non Cumulative, redeemable at par on 10th November, 2007	50,00,00	50,00,00
<b>PRIVATE PLACEMENT</b>		
<b>FIRST ISSUE :</b>		
15% (Taxable) Non Cumulative Secured Non-Convertible Bonds of Rs 1000 each redeemable at par on 31st March, 2001 with a put & call option after 31st March, 1997 to the extent of 50% of the bond issued.	23,00,00	23,00,00
10.5% (Tax Free) Non Cumulative Secured Non-Convertible Bonds of Rs 1000 each redeemable at par on 31st March, 2001 with a put & call option after 31st March, 1997 to the extent of 50% of the bond issued.	<u>20,50,00</u>	<u>20,50,00</u>
(Both Bonds are secured by equitable mortgage by deposit of Title Deeds of fixed assets of Kathalguri Gas Based Power Project, Assam ranking pari-passu)	43,50,00	43,50,00
<i>Carried Over</i>	<b>243,50,00</b>	<b>243,50,00</b>

# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

## LOAN FUNDS SCHEDULE - 3

(Rs. in Thousands)

	As at 31st March, 1999	As at 31st March, 1998
<i>Brought forward</i>	243,50,00	243,50,00
<b>SECOND ISSUE :</b>		
13.5% (Taxable) Non cumulative secured Non Convertible Bonds of Rs 1000 each redeemable at par on 31st December, 2001	9,80,00	9,80,00
10.5% (Tax free) Non cumulative secured, Non Convertible Bonds of Rs 1000 each redeemable at par on 31st December, 2001	<u>69,00,00</u>	<u>69,00,00</u>
(Both these Bonds are secured by equitable mortgage by deposit of Title Deeds of fixed assets of Kathalguri Gas Based Power Project, Assam ranking pari-passu)	78,80,00	78,80,00
<b>THIRD ISSUE :</b>		
10.5% (Tax free) Non cumulative secured Non Convertible Bonds of Rs 1000 each redeemable at par on 19th November, 2002 (Secured by negative lien on fixed assets of the Doyang Hydro Electric Project, Nagaland ranking pari-passu)	2,50,00	2,50,00
<b>FOURTH ISSUE :</b>		
9.25% (Tax free) (1st Tranche) Non cumulative secured Non Convertible Bonds of Rs 100000 each redeemable at par on 5th February, 2005 with a put & call option after 5th February, 2001. (To be secured on execution of Trust Deed. Security in the form of negative lien on the fixed assets of Doyang Hydro Electric Power Project, Nagaland ranking pari-passu)	4,00,00	4,00,00
10.5% (Tax Free) (2nd Tranche) Non cumulative Secured Non Convertible bonds of Rs. 100000 each redeemable at par on 27th March, 2005 & 30th March, 2005 with a put & call option 27th March, 2001 & 30th March, 2001	<u>20,50,00</u>	<u>20,50,00</u>
(To be secured on execution of Trust Deed. Security in the form of negative lien on the fixed assets of Doyang Hydro Electric Power Project, Nagaland ranking pari-passu)	24,50,00	24,50,00
	<u>349,30,00</u>	<u>349,30,00</u>
II Loan from Deutsche Bank (Guaranteed by Govt. of India)	107,74,57	102,51,10
III Loans from Life Insurance Corporation of India (secured through mortgage against related fixed assets)	158,14,00	139,05,00
<b>TOTAL Secured Loans ( A )</b>	<u>615,18,57</u>	<u>590,86,10</u>
<b>B. UNSECURED LOANS</b>		
Loans from Government of India	964,93,67	803,26,67
Interest accrued and due thereon	<u>22,91,15</u>	<u>7,97,57</u>
<b>TOTAL Unsecured Loans (B)</b>	<u>987,84,82</u>	<u>811,24,24</u>
<b>GRAND TOTAL (A+B)</b>	<u>1603,03,39</u>	<u>1402,10,34</u>





# **FIXED ASSETS** **SCHEDULE- 4**

	GROSS BLOCK			
	As at 1st April, 1998	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 1999
<b>A) ASSETS :</b>				
<b>I. HYDRAULIC POWER PLANT, GAS PLANT &amp; TRANSMISSION LINES :</b>				
Building and Civil engineering works containing generation plant & equipment, main plant	81,75,28	23,46,41	(90)	105,20,79
Hydraulic works including Dams, Dykes, Reservoirs & Tunnels	169,48,28	58,79	(2,46)	170,04,61
Plant & Machinery in Generating Stations	106,39,21	-	(19,89)	106,19,32
Transformer having a rating of 100 K.V. ampere and above	12,12,56	19	-	12,12,75
Sub-station equipment and other fixed apparatus	4,34,60	1,76	-	4,36,36
Switchgear including cable connections	21,82,33	8,65,66	-	30,47,99
Transmission Lines	1,60,07	-	-	1,60,07
<b>II. GAS PLANT :</b>				
Gas Turbine	568,46,02	256,08,82	(6,69)	824,48,15
Gas Booster Station	141,52,55	4	(2,54)	141,50,05
Gas Pipeline	31,60	-	-	31,60
	1107,82,50	288,81,67	(32,48)	1396,31,69

# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs. in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1998	Depreciation for the year including adjustment	Upto 31st March, 1999	As at 31st March, 1999	As at 31st March, 1998
13,05,65	4,61,81	17,67,46	87,53,33	68,69,63
23,78,86	3,76,78	27,55,64	142,48,97	145,69,42
12,71,47	3,58,18	16,29,65	89,89,67	93,67,74
2,65,32	95,06	3,60,38	8,52,37	9,47,24
1,53,26	34,07	1,87,33	2,49,03	2,81,34
3,87,92	1,71,10	5,59,02	24,88,97	17,94,41
1,06,16	12,55	1,18,71	41,36	53,91
73,19,44	46,84,11	120,03,55	704,44,60	495,26,58
15,55,46	11,66,17	27,21,63	114,28,42	125,97,09
5,20	2,60	7,80	23,80	26,40
147,48,74	73,62,43	221,11,17	1175,20,52	960,33,76





**FIXED ASSETS**  
**SCHEDULE - 4**

	GROSS BLOCK			
	As at 1st April, 1998	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 1999
<b>GENERAL ASSETS</b> <b>(FOR PROJECT UNDER OPERATION)</b>				
Buildings	3,77,71	92,97	5,12,97	9,83,65
Furniture & Fixtures	26,08	19,55	36,95	82,58
Roads, Bridges, Culverts & Helipad	3,42,00	27,12	25,51	3,94,63
Vehicles	1,04,57	-	-	1,04,57
Railway Siding	10,65	-	-	10,65
Electrical Installation	79,07	4,54	-	83,61
Temporary Buildings/ Erections	1,40,45	98	-	1,41,43
Hospital equipment	2,69	-	-	2,69
Tools & plants	3,00,47	11,30	23,15	3,34,92
Office equipment	23,80	17,57	19,66	61,03
EDP equipment	-	57,21	-	57,21
Other equipment	47,13	49,38	52,65	1,49,16
Water supply, sewerage & drainage	41,32	-	-	41,32
Plant & machinery in Generating station ( Diesel Power house )	7,65	15	-	7,80
Communication equipment	1,72	54	3,98	6,24
Lightning Arrestor (Pole Type Magazine Building )	41	-	-	41
Telephone Line	39,27	-	-	39,27
Plantation	11,87	1,07	-	12,94
Land & Land Rights	40	1,42,56	-	1,42,96
	15,57,26	4,24,94	6,74,87	26,57,07
<b>TOTAL -A</b>	<b>1123,39,76</b>	<b>293,06,61</b>	<b>6,42,39</b>	<b>1422,88,76</b>

# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1998	Depreciation for the year including adjustment	Upto 31st March, 1999	As at 31st March, 1999	As at 31st March, 1998
1,46,66	32,15	1,78,81	8,04,84	2,31,05
18,69	9,29	27,98	54,60	7,39
87,43	11,87	99,30	2,95,33	2,54,57
94,11	-	94,11	10,46	10,46
4,00	32	4,32	6,33	6,65
63,60	2,31	65,91	17,70	15,47
1,26,40	-	1,26,40	15,03	14,05
2,25	4	2,29	40	44
2,07,71	12,42	2,20,13	1,14,79	92,76
12,95	6,69	19,64	41,39	10,85
-	-	-	57,21	-
39,81	(2,19)	37,62	1,11,54	7,32
14,52	1,25	15,77	25,55	26,80
6,89	-	6,89	91	76
1,55	72	2,27	3,97	17
37	-	37	4	4
33,48	1,62	35,10	4,17	5,79
-	-	-	12,94	11,87
-	-	-	1,42,96	40
8,60,42	76,49	9,36,91	17,20,16	6,96,84
156,09,16	74,38,92	230,48,08	1192,40,68	967,30,60





# **FIXED ASSETS** **SCHEDULE 4**

	GROSS BLOCK			
	As at 1st April, 1998	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 1999
B) ASSETS ( FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES )				
Buildings	24,88,01	69	(4,24,56)	20,64,14
Furniture & fixtures	2,68,34	32,33	(36,61)	2,64,06
Roads, Bridges, Culverts & Helipad	4,93,88	-	-	4,93,88
Vehicles	2,75,58	9,18	-	2,84,76
Electrical Installations	2,20,02	-	-	2,20,02
Temporary Buildings/ Erections	12,69,87	-	-	12,69,87
Hospital equipment	1,53	74	-	2,27
Tools & plants	35,07,82	7,92	(17,54)	34,98,20
Office equipment	3,12,03	85,63	(29,08)	3,68,58
Water supply, sewerage & drainage	55,27	-	-	55,27
Plant & machinery in Generating station (Diesel Power house )	2,47,01	-	-	2,47,01
Communication equipment	62,67	4,17	(3,98)	62,86
Plant & machinery	1,37	-	-	1,37
Transmission Lines	88,71	-	-	88,71
Transformer having a rating of 100 K.V. ampere and above	2,28	5,77	-	8,05
Land & Land rights	26,02,67	1,24,68	-	27,27,35
Telephone line	10,29	2,49	-	12,78
Other equipment	2,41,32	45,23	(52,65)	2,33,90
<b>TOTAL B</b>	<b>121,48,67</b>	<b>3,18,83</b>	<b>(5,64,42)</b>	<b>119,03,08</b>
<b>GRAND TOTAL (A+B)</b>	<b>1244,88,43</b>	<b>296,25,44</b>	<b>77,97</b>	<b>1541,91,84</b>
<b>PREVIOUS YEAR</b>	<b>922,40,49</b>	<b>316,83,96</b>	<b>5,63,98</b>	<b>1244,88,43</b>

Depreciation for the period is allocated as given below :

	Current Year	Previous Year
Profit and Loss Account	74,69,19	54,30,28
Incidental Expenditure during Construction	5,77,13	4,77,96
<b>TOTAL</b>	<b>80,46,32</b>	<b>59,08,24</b>

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

( Rs. in Thousands )

DEPRECIATION			NET BLOCK	
As at 1st April, 1998	Depreciation for the year including adjustment	Upto 31st March, 1999	As at 31st March, 1999	As at 31st, March, 1998
1,99,59	62,32	2,61,91	18,02,23	22,88,42
1,28,99	25,54	1,54,53	1,09,53	1,39,35
76,76	14,92	91,68	4,02,20	4,17,12
2,36,25	10,29	2,46,54	38,22	39,33
60,03	11,79	71,82	1,48,20	1,59,99
10,33,86	1,09,03	11,42,89	1,26,98	2,36,01
53	19	72	1,55	1,00
11,23,53	2,72,68	13,96,21	21,01,99	23,84,29
83,66	32,47	1,16,13	2,52,45	2,28,37
6,22	1,59	7,81	47,46	49,05
1,56,32	24,22	1,80,54	66,47	90,69
26,26	5,90	32,16	30,70	36,41
93	7	1,00	37	44
28,96	6,95	35,91	52,80	59,75
-	18	18	7,87	2,28
-	-	-	27,27,35	26,02,67
5,96	1,31	7,27	5,51	4,33
84,20	28,72	1,12,92	1,20,98	1,57,12
32,52,05	6,08,17	38,60,22	80,42,86	88,96,62
188,61,21	80,47,09	269,08,30	1272,83,54	1056,27,22
128,80,42	59,80,79	188,61,21	1056,27,22	-





# **CAPITAL WORK-IN-PROGRESS** **SCHEDULE - 5**

(Rs. in Thousands)

	As at 1st April, 1998	Additions during the year	Capitalised during the year	Capitalised during the year	As at 31st March, 1999
Buildings	13,91,55	6,74,78	(17,30)	(1,67,08)	18,81,95
Temporary Buildings/Erections	6,05,23	65,25	93	-	6,71,41
Roads, Bridges, Culverts & Helipads	30,22,84	4,58,50	(80)	(48,29)	34,32,25
Electrical Installation	3,30,95	1,02,41	7,67	(4,56)	4,36,47
Sub-station & other fixed apparatus	1,95,53	-	-	-	1,95,53
Water supply, sewerage & drainage	2,71,48	43,60	(1,28)	-	3,13,80
Hydraulic works including Dams, Dykes etc.	281,32,71	159,84,62	(13,96)	-	441,03,37
Other civil works	102,46,40	10,39,09	(1,07,82)	(22,18,77)	89,58,90
Power house	55,86,55	22,56,69	61,06	-	79,04,30
Switch yard including cable connection	7,44,96	1,26,10	86	(5,42,36)	3,29,56
Plant & machinery in Generating Station ( Diesel power house )	1,15,37	1,77,80	10,60	(74,43)	2,29,34
Plantation	39,07	21,61	-	-	60,68
Transmission Lines	2,66,28	28,89	-	-	2,95,17
Transformer having a rating of 100KV ampere and above	5,46,09	78,95	1,73,57	(7,01,84)	96,77
Survey & Investigation	2,23,23	18,30	(24,96)	(46,18)	1,70,39
Telephone Line	31,91	2,46	-	-	34,37
Weigh bridge under installation	13,61	-	(87)	-	12,74
Railway siding	1	-	(1)	-	-
Communication system Plant etc. in Generating Station.	10,67	19,59	-	-	30,26
Incidental expenditure during Construction	567,04,50	68,62,44	61,44	(207,47,78)	428,80,60
	465,66,85	177,82,14	(1,70,48)	(25,94,74)	615,83,77
<b>TOTAL</b>	<b>1550,45,79</b>	<b>457,43,22</b>	<b>(21,35)</b>	<b>(271,46,03)</b>	<b>1736,21,63</b>

## CONSTRUCTION STORES &amp; ADVANCES

## SCHEDULE - 6

(Rs in Thousands)

	As at 31st March, 1999	As at 31st March, 1998
<b>A) CONSTRUCTION STORES</b> (at cost as certified by the Management)		
i) General Stores	42,74,68	49,27,26
ii) Stores at Sites	<u>4,50,07</u>	<u>2,13,55</u>
	47,24,75	51,40,81
<b>B) ADVANCE FOR CAPITAL EXPENDITURE</b>		
Unsecured considered good		
1. Advance to Suppliers & Contractors		
i) Against bank guarantee	13,76,38	21,76,26
ii) Others	<u>164,38,60</u>	<u>209,32,96</u>
	178,14,98	231,09,22
2. Advance against Steel & Cement	5,13,89	5,84,97
<b>TOTAL</b>	<b>230,53,62</b>	<b>288,35,00</b>





## CURRENT ASSETS, LOANS & ADVANCES SCHEDULE - 7

(Rs. in Thousands)

	As at 31st March, 1999	As at 31st March, 1998
<b>A. CURRENT ASSETS (at cost as certified by the Management)</b>		
1. Inventories		
a) Components, spare-parts, mandatory and other spares	76,44,76	28,60,45
b) Consumable Stores	67,45	44,56
	<u>77,12,21</u>	<u>29,05,01</u>
c) Work-in-progress	-	8,98
	77,12,21	29,13,99
2. Sundry Debtors (Unsecured considered good) Debts outstanding for a period exceeding 6 months, considered good	260,18,85	111,58,46
Considered doubtful	86,25	86,25
Other debts	182,87,57	123,35,10
	<u>443,92,67</u>	<u>235,79,81</u>
Less Provision for doubtful debts	86,25	86,25
	443,06,42	234,93,56
3. Cash & Bank Balance		
a) Short term deposits with Scheduled Banks	34,00,00	61,67,81
b) Balance with Scheduled Banks	17,22,78	69,37,28
c) Cash, Drafts, Stamps & Imprest	3,75	8,77
d) Remittances in transit	5,00	3,94,90
	51,31,53	135,08,76
<b>B. LOANS &amp; ADVANCES : (Unsecured considered good unless stated otherwise by the Management)</b>		
Advances recoverable in cash or in kind or for value to be received		
a) Accounts receivable considered good	2,28,33	3,20,43
Considered doubtful	2,02	2,02
	<u>2,30,35</u>	<u>3,22,45</u>
Less : provision for bad & doubtful debts	2,02	2,02
	2,28,33	3,20,43
b) Advance to staff	4,19,72	3,98,50
c) Prepaid expenses	5,27,25	6,41,02
d) Deposits with other authorities	3,19,61	3,34,02
e) Other advances	1,42	1,99
f) Advance tax	15,43	15,43
g) Tax deducted at source	1,29,53	87,93
h) Fixed Assets destroyed by fire	13,84	13,84
Less : Provision for loss of assets	(13,84)	(13,84)
	16,41,29	17,99,32
<b>TOTAL</b>	<b>587,91,45</b>	<b>417,15,63</b>

**CURRENT LIABILITIES & PROVISIONS**  
**SCHEDULE - 8**

(Rs. in Thousands)

As at 31st March, 1999

As at 31st March, 1998

**A. CURRENT LIABILITIES**

Sundry Creditors		
For Capital Expenditure	68,55,82	34,60,68
Operation & Maintenance	37,21,86	22,24,76
Bank Overdraft	1,00,00	-
Other Liabilities	4,24,98	3,49,49
	111,02,66	60,34,93
Deposits, retention money from Contractors & others	12,40,26	11,00,71
Interest accrued but not due on :		
a) Loans from Govt. of India	87,03,64	50,98,61
b) Loans from Life Insurance Corporation of India	3,85,15	3,32,89
c) Bonds	10,87,72	10,33,19
d) Loans from Deutsche Bank	1,30,77	1,30,67
	103,07,28	65,95,36

<b>TOTAL (A)</b>	<b>226,50,20</b>	<b>137,31,00</b>
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**B. PROVISIONS**

For Gratuity	5,96,35	4,58,34
For Ex-gratia	1,01	1,13
For Wealth tax	34	35
For Guarantee fees	3	4,89
For Leave encashment	2,27,04	1,62,88
For Medical benefits for retired employees	19,81	-
For Proposed Dividend	4,00,00	2,00,00
For Income tax on proposed Dividend	40,00	20,00

<b>TOTAL (B)</b>	<b>12,84,58</b>	<b>8,47,59</b>
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<b>GRAND TOTAL (A+B)</b>	<b>239,34,78</b>	<b>145,78,59</b>
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**MISCELLANEOUS EXPENDITURE**  
*(To the extent not written off or adjusted)*

**SCHEDULE - 9**

(Rs. in Thousands)

	As at 1st April, 1998	Additions	Adjustments	Deductions	As at 31st March, 1999
A. Preliminary expenses	23,81	14,26	-	-	38,07
B. Deferred revenue expenditure	2,34,96	1,35,84	(94,43)	(33,71)	2,42,66
C. Deposit works :					
1. Dikrong Inv. Scheme	2,04,31	1,21	-	-	2,05,52
2. Damwee Inv. Scheme	2,54,60	-	-	-	2,54,60
3. Kameng Inv. Scheme	45,73	31	-	-	46,04
4. Papumpam Inv. Scheme	68,93	-	-	-	68,93
5. RHEP (Stage - II)	38,80	7	-	-	38,87
6. Tuivai Inv. Scheme	15,01	-	-	-	15,01
7. Papu Inv. Scheme	18,60	-	-	-	18,60
8. Lower Kopili	-	71	-	-	71
9. Numaligarh GTP	-	14	-	-	14
10. Tipaimukh	-	20	-	-	20
11. KHEP Stage II	-	4	-	-	4
<b>TOTAL</b>	<b>9,04,75</b>	<b>1,52,78</b>	<b>(94,43)</b>	<b>(33,71)</b>	<b>9,29,39</b>

**OTHER INCOME**  
**SCHEDULE - 10**

	(Rs. in Thousands)	
	For the year ended 31st March, 1999	For the year ended 31st March, 1998
Miscellaneous receipts	79	1,01
Interest on sale of power	62,70,60	24,57,27
<b>TOTAL</b>	<b>62,71,39</b>	<b>24,58,28</b>

**GENERATION AND ADMINISTRATION EXPENSES**  
**SCHEDULE - 11**

		(Rs. in Thousands)	
	Annexure No.	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>GENERATION EXPENSES :</b>			
1. Repairs & maintenance			
a) Roads & buildings		1,18,20	1,07,42
b) Power house		53,80	2,11,87
c) Hydraulic works		24,05	28,45
d) Line & sub-station		4,51	11,97
e) Others		69,45	16,69
		<b>2,70,01</b>	<b>3,76,40</b>
<b>ADMINISTRATION EXPENSES :</b>			
2. Travelling expenses		52,57	36,34
3. Advertisement expenses		8,96	3,33
4. Contribution to Provident Fund		1,31,84	82,76
5. Insurance charges		7,31,35	4,42,01
6. Rent		1,61	2,21
7. Rates & taxes		30	1,61
8. Entertainment expenses		2,32	1,12
9. General expenses	1	6,76,71	4,06,21
10. Publicity expenses		91	7
11. Wealth tax		7	7
12. Legal charges		8	-
13. Share of General Establishment		10,75,84	5,08,56
(as per statement of Incidental Expenditure during Construction)		<b>26,82,56</b>	<b>14,84,29</b>
<b>TOTAL</b>		<b>29,52,57</b>	<b>18,60,69</b>





**PRIOR PERIOD ADJUSTMENT (OPERATION & MAINTENANCE)**  
**SCHEDULE - 12**

( Rs. in Thousands )

	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>A. INCOME :</b>		
Interest on G.O.I. Loan	-	4,63
Depreciation (excess charge written back)	-	6
Ex-gratia (excess provision written back)	-	2,95
Maintenance of Plant and machinery	-	21
<b>TOTAL INCOME</b>	-	7,85
<b>B. EXPENDITURE :</b>		
Transport expenses	5,47	1,06
Maintenance of Plant and machinery	-	48
Maintenance of others	3,51	33
Interest on Sundry Debtors	3,54,42	-
Interest on G. O. I. Loan	14,92	-
Depreciation	-	41,86
Land revenue	-	65
<b>TOTAL EXPENDITURE</b>	3,78,32	44,38
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-
<b>NET INCOME</b>	-	-
<b>NET EXPENDITURE</b>	3,78,32	36,53

# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

## PRIOR PERIOD ADJUSTMENT ( GENERAL ADMINISTRATION )

### SCHEDULE - 13

( Rs. in Thousands )

	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>A. INCOME :</b>		
TOTAL INCOME	-	-
<b>B. EXPENDITURE :</b>		
Transport expenses	6	-
TOTAL EXPENDITURE	-	-
PRIOR PERIOD ADJUSTMENT	-	-
NET INCOME	-	-
NET EXPENDITURE	6	-

## PRIOR PERIOD ADJUSTMENT (GENERATION & CONSTRUCTION)

### SCHEDULE - 14

( Rs. in Thousands )

	For the year ended 31st March, 1999	For the year ended 31st March, 1998
<b>A. INCOME :</b>		
Hire charges	41	-
TOTAL INCOME	41	-
<b>B. EXPENDITURE :</b>		
Depreciation	4,37	33,45
Interest on G.O.I. Loan	-	2,28,73
Insurances	-	51
Rent	-	51
Repairs & maintenance	-	23
Interest on advances to contractors	2,57	-
TOTAL EXPENDITURE	6,94	2,63,43
PRIOR PERIOD ADJUSTMENT	-	-
NET INCOME	-	-
NET EXPENDITURE	6,53	2,63,43





## GENERAL EXPENSES

### ANNEXURE : 1

(Rs. in Thousands )

	Operation and Maintenance		Incidental Expenditure during construction			
	For the year ended		General Administration		Generation (Construction)	
	31st March,	31st March,	For the year ended		For the year ended	
	1999	1998	31st March,	31st March,	31st March,	31st March,
			1999	1998	1999	1998
Leave travel concession	75,03	40,20	62,90	47,46	64,45	39,01
Leave encashment	42,93	23,80	52,19	32,99	35,83	30,00
Transport expenses	1,46,96	81,17	1,21,85	1,13,61	1,71,94	1,83,78
Printing & stationery	13,11	14,94	33,44	34,15	25,85	29,78
Postage & telegram	99	39	2,50	2,51	73	95
Medical expenses	68,86	21,17	65,21	58,58	68,95	68,77
Licence & registration	2,38	1,40	31	-	3,57	1,07
Paper & periodicals	48	45	2,23	1,30	82	96
Uniform & liveries	3,59	2,42	3,02	16,14	3,96	5,28
Honorarium	1	36	3,20	5,19	2	77
Electric & water charges	1,09,51	44,22	25,01	27,23	2,20,05	2,42,00
Bank charges	19,50	81	4,23	10,09	8,70	16,39
Social welfare	70,26	28,23	9,91	1,90	49,88	32,13
Consultancy charges	7,23	2,34	14,68	53,12	1,24,34	1,44,05
Security arrangement	47,66	70,15	3,84	2,59	2,58,61	2,08,77
Training expenses	55	84	50,64	9,45	33	41
Staff recruitment expenses	7	5	4,81	76	-	2
Hospital facilities	24,42	45,40	-	-	3,19	35
Subscription & membership fees	2	-	8,80	1,01	-	-
Communication expenses	27,95	17,72	61,20	56,74	13,01	17,18
Office furnishing	2,66	29	4,28	2,49	2,00	1,82
Miscellaneous expenses	9,45	4,75	44,30	17,31	11,36	10,85
I.B. expenses	2,48	4,35	2,08	1,29	3,54	4,74
Laboratory & meter testing charges	23	40	2,22	1,33	1,58	1,42
Photographic records	38	36	50	38	6	16
Interest on overdraft	-	-	40,54	1,24	-	-
Loss on sale of assets	-	-	-	22	-	-
<b>TOTAL</b>	<b>6,76,71</b>	<b>4,06,21</b>	<b>6,23,89</b>	<b>4,99,08</b>	<b>10,72,77</b>	<b>10,40,66</b>

## AUDIT FEES & EXPENSES

### ANNEXURE : 2

(Rs. in Thousands )

	For the year ended 31st March, 1999	For the year ended 31st March, 1998
Audit fees	50	30
Tax audit fees	7	7
Other services	-	5
Other expenses	1,89	99
<b>TOTAL</b>	<b>2,46</b>	<b>1,41</b>

**NOTES ON ACCOUNTS**

1. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs 307,36.88 lakhs( previous year Rs. 268,35.53 lakhs ).
2. In the opinion of the management, the value on realisation of current assets, loans and advances in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
3. In the absence of taxable income, no provision has been made for taxation.
4. Balance shown under Loans from Life Insurance Corporation of India; Deutsche Bank, Government of India, Advances, Staff Advances, Debtors, Creditors, Materials in transit / with contractors / issued on loan are subject to confirmation / reconciliation and consequential adjustment, if any.
- 5.(A) Break up of expenditure on employees in receipt of remuneration in the aggregate at the rate of not less than Rs. 6,00,000/- (Previous year Rs. 3,00,000/-) per year if employed for full year or not less than Rs. 25,000/- ( Previous year Rs. 25,000/-) per month, if employed for part of the year.

( Rupees in lakhs )

	Current year (1998-99)		Previous year (1997-98)	
	Employed throughout the year	Employed for part of the year	Employed throughout the year	Employed for part of the year
Number of Employees	-	-	27	1
Salary and allowances	-	-	75.53	2.21
Contribution to Provident Fund and other funds	-	-	6.50	0.08
Other benefits	-	-	7.20	0.33

- (B) Employees' remuneration and benefits include the following for the Directors including Chairman & Managing Director.

( Rupees in lakhs )

	Current year (1998-99)	Previous year (1997-98)
Salary and allowances	12.58	8.35
Contribution to Provident Fund and other funds	1.03	0.83
Other benefits	4.51	3.92

- (C) The remuneration of Employees and of Directors are exclusive of contribution under Group Insurance Scheme which is not ascertainable separately. In addition to the above remuneration, the whole time Directors have been allowed the use of staff car including for private journey on payment of Rs. 250/- per month in accordance with the provisions of B.P.E.'s Circular No. 2(18) PC/64 dated 20th November, 1964 as amended from time to time.
6. The accounts of the Corporation regarding Preliminary expenditure with Assam State Electricity Board for Rs 10.50 Lakhs and with Meghalaya State Electricity Boards for Rs. 2.37 Lakhs remain un-adjusted due to non receipt of detailed accounts from the respective Boards. The amount has been shown under "Others" under the broad head of "Advance to Contractors, Suppliers & Others" in Schedule No. 6.





7. A sum of Rs. 7,05.82 lakhs (Previous year Rs. 9,24.07 lakhs) spent in connection with acquisition of land including land compensation and rehabilitation expenses booked in accounts under "Advance towards land" and has been exhibited under "Fixed Assets" under separate sub-head pending completion of legal formalities. The land is in the possession of the Corporation.
8. Loans and Advances Rs. 230.00 lakhs approx (Previous year Rs. 320.00 lakhs approx.) could not be classified into more than six months and other dues but they are considered good, excepting provision for bad and doubtful already made.
9. (a) Sale of power (Bulk Supply) from Kopili Hydro Electric Project and Kopili 1st Stage Extension Project (after 12% free supply of power to the Home State as per the Govt. of India decision), Kathalguri Gas Based Power Project and Agartala Gas Turbine Power Project to the different beneficiary states are based on average tariff rate of Rs. 1.459 p per unit (previous year Rs. 1.2955 p).
- (b) Sales include Rs. 84.44 lakhs (previous year Rs. 36.55 lakhs) being the cost of internal consumption of electricity.
10. A sum of Rs. 45.99 crores approx (Previous year Rs. 24.57 crores approx) was provided under "Other Income" being the interest charged on the overdues on outstanding from different beneficiary states as per the Bulk Power Purchase Agreement with the states.

11. Quantitative information in respect of generation & sales :-

	Current year (1998-99)	Previous year (1997-98)
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity :		
Commercial Units	535.00 MW	451.00 MW
Reteable Energy	2924.00 MU	2420.00 MU
Actual Generation	1935.93 MU	1518.54 MU
Sales including internal consumption but excluding free supply of Power, auxiliary consumption and transmission losses	1802.83 MU	1371.78 MU

12. Capital Reserve of Rs. 13.22 lakhs, carried forward from previous years, represent excess of slae price over written down value of assets sold/discarded.

13. Contingent liabilities :	(Rs. in Lakhs)	
	As on 31. 3. 99	As on 31.3. 98
a) Claims against the Company not acknowledged as debt -	2733.39	746.10

14. Value of imports calculated on C.I.F. basis

	(Rupees. in lakhs)	
	Current year (1998-99)	Previous year (1997-98)
(a) Capital equipment	1761.02	2247.65
(b) Expenditure in foreign currency		
i) Spares	4279.06	2034.25
ii) Consultancy	82.90	131.05
iii) Interest	499.17	358.87
iv) Others	36.62	26.37

15. The difference between physical stores and stores ledger balances and the same with the financial ledgers are under process of continuous reconciliation and due effect, if any, would be given progressively.
16. Stores include stores in transit Rs. 192.18 lakhs (previous year Rs. 169.18 lakhs).
17. For the employees covered under the I.D.A. pattern of pay scales the revision of scales and allowances are due from 1.1.97 Interim relief has been granted to all eligible employees covered under IDA pay-scales pending revision. On receipt of orders from Govt. of India the revision will take place in respect of non-unionized supervisors and executives below the Board level. For unionized workmen, negotiations will commence as soon as some clarification is received from the Govt. of India. However a provision has been made towards salary revision at the rate of Rs. 1000/- per month for the employees covered under the IDA scale of pay w.e.f. 01.01.97 in addition to the interim relief.

The disputed cases under the I.D.A. pattern of pay scales which was sub-judice had since been implemented based on the judgement of the Honourable High Court, Guwahati which had not been opposed by the Management in its affidavit.

18. The Authorised Share Capital of the Corporation has since been increased from Rs.1500.00 crores to Rs.2500.00 crores as per the approval conveyed by the Govt. of India, Ministry of Power vide letter No.6/4/97 Hydel II dtd. May22,1998.
19. The Company has made a provision for proposed dividend amounting to Rs.4.00 crores for the year 1998-99 (previous year Rs. 2.00 crores).
20. For transfer of ownership of Transmission System to P.G.C.I.L. and in part satisfaction of the sales consideration thereof, due effect for reduction of Paid-up Share Capital of the Company to the tune of Rs. 30.98 crores has been given during the year as per approval conveyed by the Government of India, Ministry of Law, Justice and Company Affairs, Department of Company Affairs vide order no 40/02/97-III dated 20.5.98.
21. During the year Bond Redemption Reserve is created for Rs. 5075.00 lakhs in accordance with the Security and Exchange Board of India's (SEBI) "Guidelines for Disclosures and Investors' Protection".
22. The effect of foreign exchange fluctuations during the year is as under :-
  - a) The amount of exchange difference adjusted by reduction in the carrying amount of fixed assets is Rs.10.36 lakhs in respect of Assam Gas based Power Project.
  - b) The amount of exchange difference adjusted by increase of Loan Liability of M/s Deutsche Bank, Germany with corresponding increase in the carrying amount of Fixed Asset is Rs. 915.78 lakhs in respect of Agartala Gas Turbine Project.
23. Provision has been made for gratuity, leave encashment and post retirement medical benefits on actuarial valuation as on 31.03.99.
24. All officers and staffs of the corporation are being trained in computer operations. The expenditure of Rs. 70.79 lakhs on the same is treated as Deferred Revenue Expenditure to be written off in five years including the years in which the expenditure is incurred. In case of projects, which are in construction stage, the expenditure will be written off after the plant, start commercial operation.





25. During the year, a sum of Rs. 8.98 lakhs which was appearing under the head "Inventories – Work-in-Progress" in Schedule 7 has been adjusted in full by debiting to transport expenses (prior period) for Rs. 5.47 lakhs and debiting Repairs and Maintenance (prior period) for Rs. 3.51 lakhs as the expenditure accumulated under work-in-progress from year to year mainly due to unabsorbed wages of muster-roll and work-charged employees engaged in the workshop.
26. The MATFIN and PIS software and the associated hardware on which these applications are functioning together with the networking components are Y2K compliant.
27. Previous year's figures have been regrouped, recast and re-arranged wherever possible and considered necessary.

**D. N. CHAKRABARTY**  
Secretary cum  
Legal Adviser

**A. G. WEST**  
Sr. Manager  
(Finance)

**P. K. CHATTERJEE**  
Director (Finance)

**P. K. KOTOKY**  
Chairman &  
Managing  
Director  
Partner

For & on behalf of  
**S. GANGULI & ASSOCIATES**  
Chartered Accountants  
**D. P. SAHA**  
3rd August, 1999

## ACCOUNTING POLICIES

1. The Accounts are prepared on Historical Cost basis.
2. Income and Expenses are accounted for on Mercantile basis.
3. In the case of commissioned assets, where final settlement of bill with contractors is yet to be effected, capitalisation is made on provisional basis subject to necessary adjustment in the year of final settlement.
4. Fixed assets are stated at cost. Cost includes purchase price and any directly attributable costs of bringing the assets to working condition for the intended use. Assets and systems common to more than one generating unit are capitalised in the ratio of installed capacity.
5. The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production, is capitalised as an indirect element of the construction cost. However after commencement of commercial production, the expenditure incurred is charged to Revenue expenditure although the contract stipulation provides for final taking over of the plant after satisfactory completion of the guarantee period.
6. (a) Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.  
 (b) Net expenditure common to operation and construction including Corporate office expenses and depreciation on General Assets are allocated to Operating expenses and Incidental expenditure during construction in proportion to sales to capital outlay during the year. Common expenditure of an Operating project and its extension is being apportioned on the basis of the cost as provided in the approved Project Cost estimate.  
 (c) Common expenditure of a project which is partially in operation and partially under construction is being apportioned on the basis of the installed capacity.  
 (d) Incidental expenditure during construction including depreciation and interest are allocated / apportioned to the project / works forming part of work-in-progress on the basis of accretion thereto during the year.
7. Provision for gratuity and leave encashment are made on actuarial basis.
8. Expenses on training, recruitment etc. are charged to revenue in the year of incurrence. Expenses on training for Plant Operations prior to the commissioning of a Project are treated as Deferred Revenue Expenditure to be written off to Revenue within 5 (five) years after commissioning of the Project.
9. Depreciation is being provided at the rates as per the Electricity (Supply) Act, 1948 as notified from time to time, from the year following that in which the assets became available for use. Where prescribed rate has not been laid down under the aforesaid Act, depreciation is being provided at the rates followed by the Electricity Boards/other PSUs Power Utilities on straight line method.
10. (a) Interest on advances to contractors and interest from Debtors on account of sale of electricity as per agreement with the beneficiary States are accounted for on due basis.  
 (b) Claims, liquidated damage, interest on advance to staff, co-operative societies etc., accounted for on receipt basis.
11. Grant-in-Aid received from Central Government through North Eastern Council towards capital expenditure on survey and investigation, for setting up seismological observatories, for training in diamond core drilling, etc. are being shown as Grant-in-Aid under Reserves & Surplus.





12. Expenditure on remedial and strengthening of units which were under operation are being treated as deferred revenue expenditure to be written off in five accounting years.
13. The approved pattern of financing of Government of India is 1:1 for equity and debt, the element of equity being released first. Interest during construction is also capitalised in the same approved pattern. The interest on loan for capital works chargeable to Profit and Loss account is ascertained on the same basis of approved debt equity ratio.
14. Claims for price variation / bonus in case of contracts/supply/consultancy etc. are accounted for on acceptance of the bills.
15. Arbitration award for and against the Corporation is accounted for in the year of final settlement.
16. Capital expenditure not represented by assets and capital expenditure on land not belonging to the Corporation is allocated to other capital assets which are directly or indirectly benefited by such expenditure.
17. Value of scrap is adjusted in the account as and when sold.
18. Stores and spares are valued at or under cost.
19. Contingent liabilities are generally not provided in the accounts and are separately shown in the Notes to the Accounts.
20. (a) Transactions in foreign currency related to assets and corresponding liabilities are accounted for at the prevailing year-end exchange rate. The difference if any arising out of Foreign Exchange rate fluctuation between the actual transaction date and the year-end rate is adjusted to the concerned assets and liabilities accordingly.  
(b) The capitalisation of assets procured under foreign exchange contracts is effected by applying an average exchange rate to the foreign exchange value of individual assets. The average exchange rate is derived from the actual foreign exchange rates applicable on the dates of transactions together with the year-end rate of exchange applicable for the purpose of providing outstanding liabilities. The difference arising out of the foreign exchange rate fluctuation on the outstanding liabilities is adjusted to the concerned assets together with adjustment towards depreciation and other consequential impact, if any.  
(c) The depreciation as a result of the foreign exchange gain/loss adjusted to the assets is charged prospectively as per Accounting Standard 11 of the Institute of Chartered Accountants of India.
21. Prepaid expenses and prior period expenses/income of items of Rs 5000/- and below are charged to natural head of accounts.

**D. N. CHAKRABARTY**  
Secretary cum  
Legal Adviser

**A. G. WEST**  
Sr. Manager  
(Finance)

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Director (Finance)

**P. K. KOTOKY**  
Chairman &  
Managing  
Director

For & on behalf of  
**S. GANGULI & ASSOCIATES**  
Chartered Accountants  
**D. P. SAHA**  
Partner  
3rd August, 1999

**ANNEXURE - I**

# AUDITORS' REPORT

## to the Directors' Report

### TO THE MEMBERS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

We have audited the attached Balance Sheet of NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED as at 31st March, 1999 also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report as under :

1. As the Company is governed by the Electricity (Supply) Act, 1948, the provisions of the said Act read with the rules thereunder have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
2. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comment in the Annexure referred in paragraph 2 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 audit.
  - b] In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of these books.
  - c] The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
  - d] In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account, dealt with by this Report, are prepared in compliance with the applicable Accounting Standards, referred in the Section 211(3C) of the Companies Act, 1956.
  - e] (i) Balance shown under certain Institutional Loans, Sundry Creditors, Advances and Debtors are subject to confirmation/reconciliation and consequential adjustment, if any (refer note No. 4 of Notes on Accounts).  
(ii) Preliminary expenditure with Assam State Electricity Board for Rs. 10.50 lakhs and with Meghalaya State Electricity Board for Rs. 2.37 lakhs remain unadjusted in absence of detailed accounts (refer note No. 6 of Notes on Accounts).
4. Subject to observations referred in para 3(e) above and their consequent effect on the accounts, if any, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes in Notes on Accounts and Accounting Policies give the information required by the Companies Act, 1956 in the manner so required as applicable to Electricity generating companies and give true and fair view :
  - a] In the case of Balance Sheet, of the affairs of the Company as at 31st March, 1999 and
  - b] In the case of Profit and Loss Account of the Profit for the year ended on that date.

For S. Ganguli & Associates  
Chartered Accountants  
D. P. SAHA  
Partner

Dated : the 3rd August, 1999





## ANNEXURE TO THE AUDITORS' REPORT

1. The company has generally maintained proper records including quantitative details and situation/location, as far as practicable of fixed assets. The fixed assets were, as explained to us, physically verified by the management at the year end and no serious discrepancies were noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. As explained to us, the stocks have been physically verified by the management at the year end.
4. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stocks followed by the management are reasonable except in the case of fast moving items where increased checking is desirable.
5. As explained to us, the discrepancies noticed during physical verification of stocks were not material and are under process of continuous reconciliation between the books and physical balances.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and on the same basis as in the preceding year.
7. The company has not taken loans from companies, firms or other parties, listed in the register maintained under Section 301 of the Companies Act, 1956 and companies under the same management as defined under sub-section (IB) of Section 370 of the Companies Act, 1956.
8. The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to companies under the same management as defined under sub section (IB) of section 370 of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loan to employees, where repayment terms have been stipulated, the repayment of principal and payment of interest have generally been made as per stipulation.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of stores, plant and machinery, equipment and other assets and for the sale of energy.
11. In our opinion and according to the information and explanations given to us there were no transactions of purchase of goods and materials and sale of services made in pursuance of contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50000/- or more in respect of each party.
12. As explained to us, unserviceable or damaged stores and spares are generally determined by the company and provision is made in books when such occasion arises.
13. The company has not accepted any deposit from the public.

14. In our opinion, reasonable records were maintained for sale and disposal of scrap. However, during the year, there was no such occasion of sale and disposal of scrap. The Company has no by-product.
15. The company has an overall internal audit system. In our opinion, this system needs to be further strengthened and enlarged so to make it commensurate with the size and nature of its business.
16. Maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
17. The Company has been regular in depositing Provident Fund dues with appropriate authorities. The provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.
18. According to the information and explanations given to us there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and Excise duty outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.

For and on behalf of  
S. Ganguli and Associates  
Chartered Accountants  
D. P. SAHA  
Partner

Dated : the 3rd August, 1999





**ANNEXURE - II**

to the

**Directors' Report**

Comments of the Comptroller & Auditor General of India under Section 619 (4), of the Companies Act, 1956 on the accounts of North Eastern Electric Power Corporation Ltd., Shillong for the year ended 31st March, 1999.

I have to state that the Comptroller & Auditor General of India has no comment upon or supplement to the Auditor's Report, under Section 619 (4) of the Companies Act, 1956 on the accounts of North Eastern Electric Power Corporation Limited for the year ended 31st March, 1999.

Dated : Calcutta  
The 1st September, 1999

**Smt. A. Pattanayak**  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board - I  
Calcutta.

**ANNEXURE - III**

to the

**Directors' Report**

REVIEW OF ACCOUNTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED, SHILLONG FOR THE YEAR ENDED 31ST MARCH, 1999 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

(Review of Accounts has been prepared without taking into account comments under Section 619 (4) of the Companies Act, 1956 and qualifications contained in the Statutory Auditor's Report.)

**1. FINANCIAL POSITION :**

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

	1996-97	1997-98	1998-99
	( Rupees in crore )		
<b>LIABILITIES :</b>			
a) Paid up Capital - Government	1,528.35	1,612.13	1,777.15
b) Reserves & Surplus :			
i) Free Reserves & Surplus	122.22	145.92	148.99
ii) Capital Reserve	0.13	0.13	0.13
iii) Other Reserve	8.29	24.45	75.20
c) Borrowings :			
i) From Govt. of India	625.57	803.27	964.94
ii) From Financial Institutions	124.33	139.05	158.14
iii) Foreign Currency Loans	88.86	102.51	107.75
iv) Others (Bonds)	274.80	349.30	349.30
v) Interest accrued and due	7.72	7.98	22.91
d) i) Current Liabilities and Provisions	110.06	145.79	239.35
Total :	2890.33	3330.53	3843.86

<b>ASSETS :</b>			
c) Gross Block	922.40	1244.88	1541.92
f) Less : Depreciation	128.80	188.61	269.08
g) Net Block (c - f)	793.60	1056.27	1272.84
h) i) Other capital expenditure	343.52	297.59	237.60
ii) Capital work-in-progress	1,479.52	1550.46	1736.22
j) Current Assets, Loans & Advances	265.80	417.16	587.91
j) Miscellaneous Expenditure not written off	7.89	9.05	9.29
Total :	2,890.33	3330.53	3843.86





		(Rs. in crore)		
	1996-97	1997-98	1998-99	
k) Working Capital (i - d (i) - c (v))	148.02	263.39	325.65	
l) Capital Employed (g + k)	941.62	1319.66	1598.49	
m) Net Worth [ a + b (i) - j ]	1,642.68	1749.00	1916.85	
n) Net Worth per Rupee of Paid up Capital (in Rs.)	1.07	1.08	1.08	

## 2. Working Results

i) Sales	132.88	177.98	259.18
ii) Profit before tax	9.97	25.90	58.22
iii) Provision for taxation	-	-	-
iv) Profit after tax	9.97	25.90	58.22
v) Dividend incld. Dividend Tax	1.10	2.20	4.40

## 3. Ratio Analysis

Some important financial ratios on the financial health and working of the Company at the end of last three years are as under :

	1996-97	1997-98	1998-99
<b>A. Liquidity Ratio :</b>			
Current ratio (Current assets to Current Liabilities and Provisions including interest accrued and due)			
Current Ratio [ i/d (i)+c(v)]	231%	280%	224%
<b>B. Debt Equity Ratio :</b>			
Long term debt to Equity			
[c (i) + c(ii) + c(iii) + c(iv)/m]	0.68:1	0.80:1	0.82:1
<b>C. Profitability Ratios :</b>			
a) Profit before tax to			
i) Capital employed	1.06%	1.96%	3.64%
ii) Net Worth	0.60%	1.48%	3.04%
iii) Sales	7.51%	14.55%	22.46%
b) Profit after tax to Equity capital	0.65%	1.61%	3.28%
c) Earning per Share (In Rupees)	6.52	16.07	32.76

## 4. Sources and Utilisation of Fund :

Funds amounting to Rs. 489.70 crores from internal and external sources were generated and utilised during the year as given below :-

Sources of funds :	(Rs. in crore)
(a) Increased of share capital including pending allotment	165.02
(b) Increase in borrowed fund	185.99
(c) Fund from operation :	
Profit after tax	58.22
Add : Depreciation	80.47
<b>Total</b>	<b>489.70</b>

# NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

## Utilisation of Fund :

( Rs. in crore )

(a)	Increase in Gross Block CWIP and other capital expenditure	422.79
(b)	Increase in working capital	62.26
(c)	Increase in Misc. expenditure not written off.	0.25
(d)	Dividend (Including Dividend Tax)	4.40
	Total	<u>489.70</u>

## 5. Inventory

The Inventory levels at the close of the last three years are given below :-

( Rs. in crore )

	1996-97	1997-98	1998-99
Stores and Spares	3.54	29.05	77.12
Work-in-progress	0.10	0.09	-
	<u>3.64</u>	<u>29.14</u>	<u>77.12</u>

## 6. Sundry Debtors :

The Sundry Debtors and Sales in the last three years are given below :-

( Rs. in crore )

As at the end of/during the year	Sundry Debtors			Sales during the year	Percentage of total debtors to sales
	Considered good	Considered doubtful	Total		
1996-97	177.38	0.86	178.24	132.88	133
1997-98	234.94	0.86	235.80	177.98	132
1998-99	443.06	0.86	443.92	259.18	171

Dated : Calcutta  
The 1st September, 1999

**Smt. A. Pattanayak**  
Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board - I  
Calcutta.





## ANNEXURE - IV

to the

# Directors' Report

PARTICULARS AS REQUIRED UNDER THE COMPANIES ( DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS ) RULES 1988.

### A. CONSERVATION OF ENERGY

#### 1. Energy conservation measures taken :

- Adoption of combined cycle power system for gas power station at Kathalguri incorporating Waste Heat Recovery Boilers. An average of 10% improvement in efficiency will be achieved thereby saving fuel gas in large quantity.
- Introduction of high voltage distribution system for supply of construction power in the ongoing projects.
- Proper utilisation of the available water at Umrong and Khandong reservoirs are made by regulating and co-ordinating the operation of the Power Station to meet the grid-demand.

#### 2. Additional investment and proposal for reduction of consumption energy :

- With a view to reduce energy loss in the distribution system, steps have been taken to improve the distribution by introducing more service transformers.
- Actions are also in progress to reduce auxiliary consumption by regular maintenance of the electrical equipments.

#### 3. Impact of the above measures :

In addition to the overall economy to the Company, the regulated operation of the Power Station at Kopili and Khandong has resulted in achieving high energy generation than the designed generation parameters.

### B. TECHNOLOGY ABSORPTION :

NIL

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans :- NIL
- Total foreign exchange used during 1998-99 :-

(Rs. in Lakhs)

a) Consultancy	82.90
b) Capital Equipment	1761.02
c) Spares	4279.06
d) Interest	499.17
e) Others	36.62

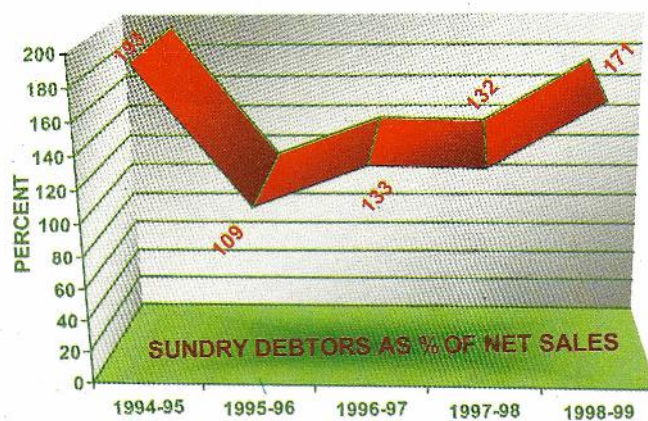
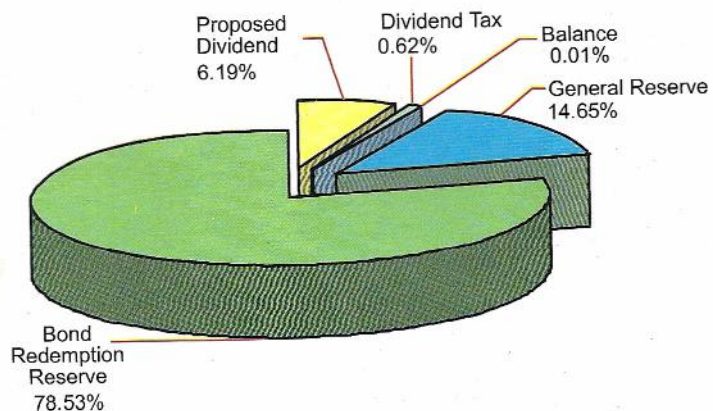
For and on behalf of the Board of Directors.

P. K. KOTOKY

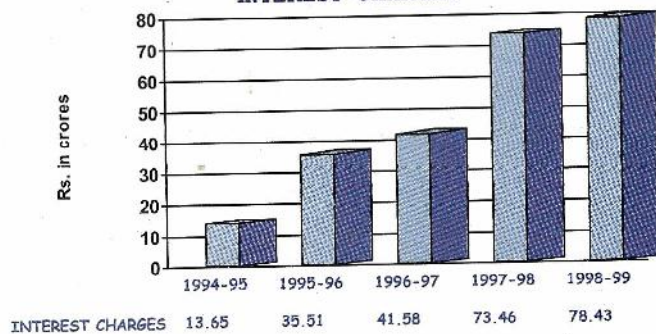
Chairman & Managing Director

Dated, New Delhi  
10th September '99

### ALLOCATION OF PROFIT



### INTEREST CHARGES



### DEPRECIATION

