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24th REPORT AND ACCOUNTS

1999-2000

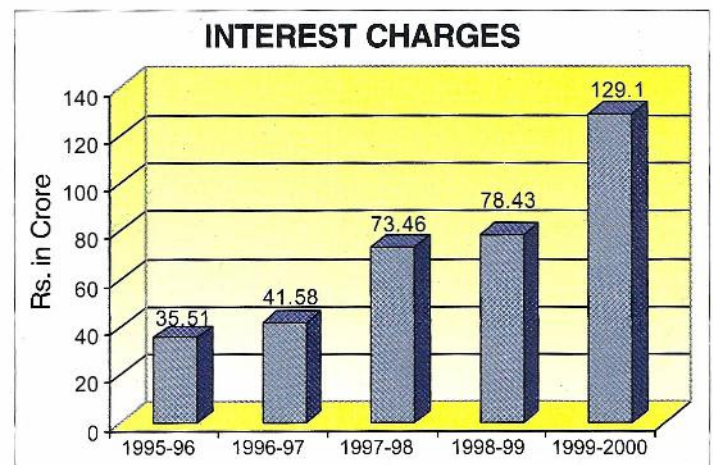
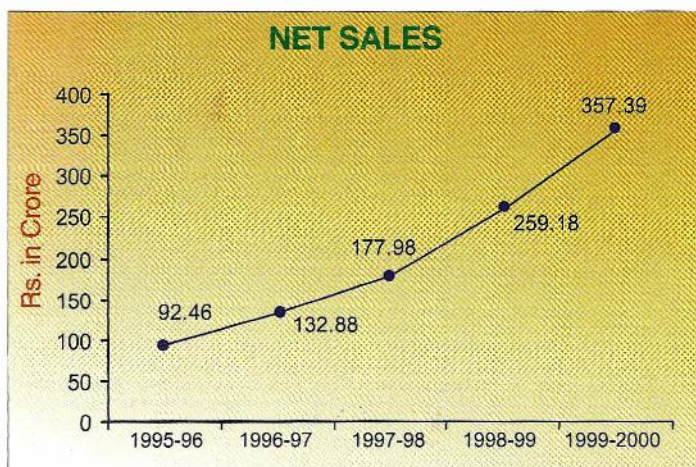
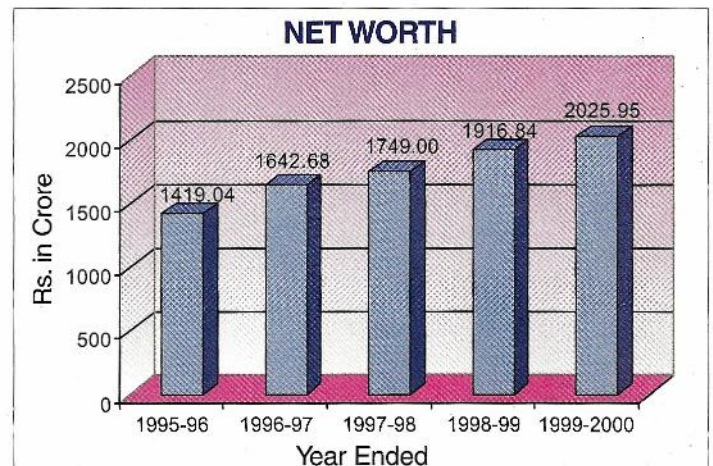
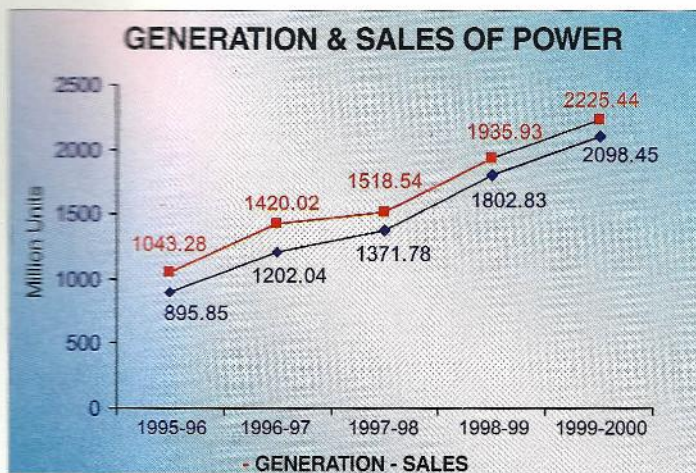
NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(A Government of India Enterprise)

"Brookland Compound"

Lower New Colony

Laitumkhrah, Shillong - 793003



24 th
REPORT AND ACCOUNTS
1999-2000



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 (Upto 14.9.99)
Sri J. K. Yerra	Sri S. R. Shivrain
Sri N. D. George (Upto 21.6.2000)	Sri G. S. Patnaik
Sri C. D. Kynjing	Sri P. K. Choudhury
Sri H. Sema	Sri Sanjeev Ranjan (Upto 28.9.99)
Sri B. Lalrinliana	Sri Ajay Shankar (From 14.9.99 to 27.12.99)
Sri Sailesh (From 27.12.99)	Sri D. K. Sing (From 21.6.2000)
Sri Ajeer Vidya (Upto 21.6.2000)	Sri Shashi Prakash (From 28.9.99 to 21.6.2000)

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;

On behalf of the Board of Directors and employees of the Corporation, it gives me great pleasure to welcome you all to the 24th Annual General Meeting of your Corporation.

The Annual Accounts along with the Report of the Auditors and the Report of

the Board of Directors for the year 1999-2000 is already with you and with your permission, I take them as read. The Report of Directors, which I have the pleasure of presenting before you on behalf of the Board, indicates the achievements of the Corporation on the various work fronts during the year and hence apart from a very brief summary, I do not intend to repeat the same.

Performance Highlights

	1999-2000 (Rs./Cr.)	Increase/Decrease (-) (Rs./Cr.) in comparison to 98-99	Increase/Decrease (-) % in comparison to 98-99
Sales	357.39	98.21	37.89
Total Income	440.60	118.71	36.87
Cost of Sales	180.73	70.32	63.69
Gross Margin	259.87	48.39	22.88
Depreciation	102.84	28.00	37.41
Gross Profit	157.03	20.39	14.92
Interest	129.10	50.67	64.61
Net Profit	27.93	(-) 30.29	(-) 52.03
Value Addition	263.78	66.50	33.71
Borrowing	2213.26	610.22	38.07
Gross Block	2223.08	681.16	44.18
Current Assets	1031.90	443.99	75.52
Current Liabilities	366.07	126.72	52.94

In two and half decades, as we retrospect on our achievements, the dreams that all of us have sustained and the milestones that we have crossed - we can be justifiably proud of our efforts. It is a note-worthy fact that within less than 6 (six) years' time, we have added 550 MW to our generating capacity totalling to 700 MW up-to-date. However, it is not the time for us to rest on our laurels but to forge ahead with renewed vigour, enthusiasm and innovative ideas. We are at a particularly challenging crossroads of our

existence as a Corporation when the policies of liberalization and opportunities and threats of globalisation combine to create an environment of immense possibilities for those who are prepared to exploit them with both courage and caution.

During the year the Corporation generated 2225.44 MU of energy (last year 1935.98 MU) with an average machine availability of 76% (last year 69%) and a Plant Load factor of 46% (last year 35%). These achievements and the efforts of your Corporation translated into financial terms would amply display the continued growth of sales revenue, asset creation and value addition. The Corporation has registered a total income of Rs. 440.60 crores on which the gross profit earned was Rs. 157.03 crores and the net profit stood at Rs. 27.93 crores. While there has been increase on all fronts, the net profit has shown a decline over the previous year primarily due to the impact of depreciation in respect of the Agartala Gas Turbine Project put into commercial operation during 1998-99 and the impact of interest in respect of the steam turbine units of the Assam Gas Based Power Project put into commercial operation during the year.

There is perhaps no other better indicator of the capability and credibility of your Corporation than the decision of the Government to entrust to it the execution of such new projects as the 1500 MW Tipaimukh HE Project, the 600 MW Kameng HE Project, the 210 MW Tuivai HE Project and the 500 MW Agartala Gas Turbine Project. These projects are large and complex particularly in the hydel sector and they require competence, expertise and experience which your Corporation possesses in its employees across functions and cadres. Such a wealth of knowledge and capacity cannot be acquired easily but through dedicated and concerted efforts and commitment.

One of the greatest milestones to be achieved by your Corporation during the year is the commissioning of the 75 MW Doyang Hydro Electric Project in Nagaland. There can be no doubt that this success will be engraved in the annals of your Corporation as a hallmark of pride, inspiration and encouragement. It was generally believed that the completion of the Doyang Project would be an impossibility under the given circumstances. Your Corporation through the untiring efforts of its personnel in



the most adverse of situations made this impossibility into a glowing reality. Their contribution will always be a beacon of hope for development in the North East and a worthy example for the State of Nagaland, the North East and the country at large.

Recognising that the economic survival and sustained growth of your Corporation lies in its ability to expand its horizons beyond the regional limitations of the North East, a beginning has been made in selling surplus power to the State of West Bengal from May 2000. Efforts are also on to further explore the possibilities of selling power to other regions of the country after meeting the requirements of the North Eastern States as it is a fact that the power that will be produced both from the existing and future projects far exceeds the requirements of this Region. The nation needs the power of the North East and your Corporation can make it available if it is given the freedom and the opportunity to do so.

With the ambitious plans of adding around 14000 MW by the end of the XIIth Plan period and the challenges of survival in a fiercely competitive world, your Corporation is also restructuring its systems and equipping its human resources with the needed skills and tools to live up to the requirements of the coming years. The vision alone would

not suffice without the resources adopted to the changing environment. The management of your Corporation is particularly committed to human resources development which it believes is an on-going and dynamic process and it spares no effort to ensure that this most vital of resources is nurtured and nourished with relevant training and required updation. With this in mind, a total overhauling and restructuring of the entire corporate system is being gradually taken up with only one single direction of thought - **COMMERCIAL PRUDENCE AND PROFITABILITY.**

Before I conclude, I would like to place on record, on your behalf and on my own, our gratitude to the various Ministries / Departments of the Government of India, the NEC and the State Governments of this region, the investors and to the committed and motivated employees of the Corporation without whom the achievements of your Corporation would not have been possible. I am sure that we can always rely on their unstinted support and dedication in all the years to come.

Thanking you,

Dated, New Delhi
28th August, 2000

P. K. KOTOKY
Chairman & Managing Director

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 24th Annual Report of the North Eastern Electric Power Corporation Limited, together with the statement of Accounts and Auditors' Report for the year ended 31st March, 2000.

I. FINANCIAL PERFORMANCE :

NEEPCO earned a net profit after prior period adjustment of Rs. 27.93 crore during 1999-2000 against Rs. 58.22 crore in the previous year, recording a decrease of 52%. The Sale including other income have increased to Rs. 440.60 crore during 1999-2000 as against Rs. 321.89 crore in the previous year recording a growth of 36.88%. The fall in Profit can be mainly attributed to two factors.

The increase in depreciation arising from capitalisation of assets of the Agartala Gas Turbine Project which was put into commercial operation during 1998-99.

Interest on Govt. of India Loans for the Assam Gas Based Power Project charged to the Profit & Loss Account as the three Steam Turbine units were put into commercial operation during the year.

In view of the decreased profit, much stresses and strains on the liquidity of fund arising out of huge outstanding dues remaining unpaid and to fulfil the requirement to build up Free Reserves as much as possible to show a better net-worth for attracting sizeable loans from the market for Corporation's CAPEX needs, your Board has recommended a token dividend of Rs. 1.00 crore this year.

The profit of Rs. 27.93 crore along with Rs. 0.01 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	10.40
II.	Transfer to General Reserve	16.00
III.	Proposed dividend	1.00
IV.	Dividend tax	0.20
V.	Balance carried over to Balance Sheet	0.34

With the aforesaid transfer the accumulated balance in "Reserves and Surplus" of the Company amounts to

Rs. 246.87 Crore which includes Rs. 0.13 Crore of Capital Reserve.

II. PERFORMANCE HIGHLIGHTS :

a) Capacity additions :

During the year 1999-2000 all the 3 (three) Steam Turbine units i.e. 90MW (30 × 3) of Assam Gas Based Power Project were put into commercial operation from 01.04.99.

b) Generation :

The actual Generation during the year 1999-2000 was 2225.44 MU as against 1935.93 MU in the previous year. Project-wise actual generation vis-a-vis the Target were as follows :-

Project	Target (MU)	Actual Generation (MU)	Cumulative Generation upto 31.03.2000 (MU)
I. Kopili Hydro Electric Project including 1st. Stage Extension Project.	1214	752.79	9884.63
II. Assam Gas Based Power Project.	1120	1106.75	3418.56
III. Agartala Gas Turbine Project	350	365.90	581.74

The cumulative billing in terms of sale of power from Kopili H.E. Project including 1st Stage Extension was Rs. 562.94 crore, from Assam Gas Based Power Project was Rs.684.41 crore and that of Agartala Gas Turbine Project was Rs.107.79 crore up to 31.03.2000.

Since May this year a modest beginning of supply of power to the W.B.S.E.B has been made after obtaining necessary clearances from the North East beneficiary states. At present 50 MW of power during peak load and 20 MW during off-peak load is being sold to the W.B.S.E.B., after meeting the requirements of the North Eastern States.

As in the earlier years, realization of outstanding dues against Sale of power did not show any sign of improvement during this year too. The total outstanding dues up to 31.03.2000 against Sale of Power to beneficiary states of the N. E. Region stood at Rs. 798.69 crore with interest as against Rs. 443.06 crore up to the previous year.



III. FINANCIAL REVIEW :

a) Capital Structure :

The authorised Share Capital of the Corporation is Rs. 2500 crore. The paid up Share Capital including amount received against share capital pending allotment increased from Rs. 1777.15 crore at the end of the previous year to Rs. 1869.84 crore as on 31st March, 2000.

b) Borrowings :

The borrowing of the Corporation as at 31st March, 2000 was Rs.2213.26 crore as against Rs. 1603.04 crore in the previous year.

During the financial year 1999-2000, the Corporation had borrowed in excess of the borrowing powers as provided under Section 293 (i) (d) of the Companies' Act, 1956 after obtaining the necessary approval of the Board and the Shareholders. This includes funds released as loan by the Govt. of India pending approval of the revised cost estimates for the Doyang H.E. Project and Ranganadi H.E. Project. These funds were used to meet a part of the capital expenditure for projects entering their final stages of completion. The pattern of financing for these projects will be in conformity with a debt-equity ratio of 1:1 after due rescheduling of debt and equity is done.

c) Debt Servicing :

Debt Servicing has been regular for the L.I.C. Loan, Deutsche Bank Loan and Bonds. An amount of Rs. 60.29 crore was paid to the Government of India as interest on loan during the year 1999-2000 (last year Rs. 52.05).

IV. PROJECTS UNDER OPERATION :

KOPILI HYDRO ELECTRIC PROJECT (150 MW), N. C. HILLS, ASSAM :

Both the Power Stations under this project have been operational during 1999-2000. Actual generation from the project during the year was 361.4647 MU against a target of 806 MU due to shutdown of Khandong Unit-II for capital maintenance (145 days) and Kopili Unit - II for TGB problems (257 days). Cumulative generation since inception

up to 31.03.2000 was 8687.1971 MU.

KOPILI HYDRO ELECTRIC PROJECT - 1st STAGE EXTN. (100 MW), N.C. HILLS, ASSAM :

The project has been operational during 1999-2000. Actual generation during the year was 391.3228 MU against a target of 408 MU due to low grid demand. Cumulative generation since inception up to 31.03.2000 was 1197.4326 MU.

ASSAM GAS BASED POWER PROJECT (291 MW), ASSAM :

All 9 units of the project are under commercial operation. Generation during 1999-2000 was 1106.7539 MU against a target of 1120 MU. The cumulative generation upto 31.03.2000 was 3418.5559 MU.

The entire amount of Rs. 1532.32 crore as per the latest revised cost estimate submitted has been received against this project as on 31.03.2000. No budgetary support is proposed for the year 2000-2001.

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

Unit IV had developed a defect which is under warranty repair by the manufacturer. However, due to non-completion of the transmission lines, generation from the project has been affected. Generation during the year was 365.8974 MU against a target of 350 MU.

Cumulative generation since inception up to 31.03.2000 was 581.7434 MU.

The entire amount of Rs. 322.55 crore as per the latest RCE submitted has been received as on 31.3.2000.

V PRESENT POSITION OF ON-GOING PROJECTS :

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

All major works both Civil and Electrical/Mechanical have been completed. The Unit III machine was synchronised on 29.06.2000 at 20.10 hours and Unit I & II machines were synchronised on 8.7.2000 at 18.50 hours and 5.7.2000 at 19.50 hours respectively. Commercial generation commenced from 8.7.2000.

During the year an amount of Rs. 190 crore was received against the project. For the year 2000-2001, an amount of Rs. 110.84 crore was proposed against which

Rs. 71.06 crore has been allocated. While the latest RCE of the project is Rs. 758.70 crore at July, 1999 price levels, receipt of funds upto March, 2000 stands at Rs. 687.85 crore.

**(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 the BRTF as deposit work which is in progress. All major works of the project have since been awarded and currently in progress. The Diversion Tunnel was completed and river water diverted through this tunnel. Boring of 10.13 km Main Tunnel has been completed in June, 1999. Concreting of the Main Tunnel has been completed up to 85%. Fabrication and erection of steel liner has been completed up to 69% and 35% respectively. 95% of excavation and 78% of concreting was completed till March, 2000. Concreting works are progressing satisfactorily.

During the year 1999-2000 an amount of Rs. 228.18 crore was received which included Budgetary Support of Rs. 93 crore, LIC loan of Rs. 39.60 crore and PFC loan of Rs. 95.58 crore. For 2000-2001 Rs. 200 crore was proposed for the project against which Rs. 183.88 crore has been allocated. While the latest RCE of the project is Rs. 1479.63 crore at July, 1999 price levels, receipt of funds up to March, 2000 stands at Rs. 1048.83 crore. Considering the constraint faced in the execution of the Main Tunnel, Diversion Dam, Power House and transportation of heavy consignment to the project, the likely commissioning schedule of the project has been revised as follows :

Unit I :	03/2001
Unit II :	06/2001
Unit III :	09/2001

**(C) TUIRIAL HYDRO ELECTRIC PROJECT,
(2 x 30 MW), MIZORAM :**

This project has been taken up as a Central Sector Scheme with 85% of the project cost being financed under Loan Assistance from Japan Bank for International Cooperation (formerly OECF), Japan and the balance 15% from the Govt. of India's assistance. The CEA has cleared the project on 10.08.98 at an estimated cost of Rs. 359.66 crore including IDC and financing charges which is Rs. 24.43 crore under loan assistance from JBIC. The PIB clearance for the project was accorded on 27.01.98. CCEA clearance for the project has also been awarded on 7.7.98 with a completion schedule of 8 (eight) years from the date of CCEA clearance. The work of Review Consultants for the project has been awarded on 10.12.98 to Electrowatt

Engineering Ltd., Switzerland.

The project is in its pre-construction stage. The Dam foundation has been taken up. Widening of the approach road and new formation cutting in parts are in progress. Temporary buildings have been started. A Water Supply Scheme has been initiated. The Consultants have visited the site to take stock of the situation and ask for additional data/information for finalising the design parameters.

The allocation for the year 2000-2001 is Rs. 90 crore. As on March, 2000 an amount of Rs.98.65 crore has been received.

**(D) KOPIL HYDRO ELECTRIC PROJECT,
2nd STAGE (25 MW), NC HILLS, ASSAM :**

The project has been taken up as a Central Sector Scheme. CCEA clearance for this project has been obtained on 27.7.99 with a cost estimate of the project as Rs. 76.09 crore at September, 1998 price levels and a completion schedule of 4 (four) years from the date of CCEA clearance. Based on pre-construction and investigation, the design of various structures have been finalised in consultation with technical experts. It was decided to execute the entire work of the project with two nos. of Civil packages and one no. of Electrical/Mechanical package. The Work order for package I has already been issued to GSJ Envo Ltd. on 06.10.99 and LOI for package II has been issued to P. Das & Co. on 24.03.2000. Works of package I are in progress.

The allocation for the year 2000-2001 is Rs. 15 crore. As on March, 2000 an amount of Rs. 45.86 crore has been received.

**VI. NEW PROJECTS UNDER EXECUTION
BY NEEPCO :**

**(A) TUIVAI HYDRO ELECTRIC PROJECT,
(3 x 70 MW), MIZORAM :**

Tuivai HE Project is located in the Champhai District of Mizoram near Ngopa, Sub-Divisional Headquarter. Techno-economic clearance for the project was awarded by the CEA in February, 1999 for an estimated cost of Rs. 964.22 crore including IDC of Rs. 47.31 crore at March, 1997 price levels. The debt-equity ratio is 80:20 with an estimated completion cost of Rs. 1258.84 crore. However, as per the latest circular of the Govt. of India, the revised financial package has been prepared considering a debt-equity ratio of 70:30. A Memorandum of Understanding has been concluded in May, 1996 between the Govt. of Mizoram and NEEPCO Ltd. for execution of the project by NEEPCO under Central Sector. Proposal for diversion of



1600 hectare of forest land including compensatory afforestation plan has already been submitted to the MOEF for necessary clearance. EIA & EMP has been prepared and submitted. Forest and Environmental clearances are expected shortly. However, pre-construction work is in progress.

**(B) KAMENG HYDRO ELECTRIC PROJECT,
(4 x 150 MW), ARUNACHAL PRADESH :**

Kameng HE Project is located in the Kameng District of Arunachal Pradesh. The Techno-economic clearance for the project was awarded by the CEA in April, 1991 at an estimated cost of Rs. 1160.60 crore including IDC of Rs. 186.38 crore at November, 1990 price levels. The cost estimate was further up-dated considering a debt-equity ratio of 1:1 at Rs. 2447.83 crore at June, 1999 price levels excluding IDC. A Memorandum of Understanding has been signed between the Govt. of Arunachal Pradesh and NEEPCO Ltd. for execution of this project under Central Sector on 31.03.99. Studies for EIA & EMP are in progress after which the application for Environmental Clearance will be submitted to the MOEF. However, the pre-construction work has already been taken up.

**(C) TIPAIMUKH HYDRO ELECTRIC
(MULTIPURPOSE) PROJECT,
(6 x 250 MW), MANIPUR :**

Tipaimukh HE (Multipurpose) Project is located on the Manipur-Mizoram border 500 metres down stream of the confluence of River Tuivai with River Barak. The project has been cleared by TAC. The estimated cost of the project at July, 1995 price levels stands at Rs. 2889 crore without IDC. The revision of DPR and the project cost estimate is under process. The MOU for execution of the project by NEEPCO Ltd. with the Govt. of Manipur and Mizoram are in an advanced stage. Further investigation works for preparing revised DPR for obtaining statutory clearances is being taken up.

**(D) TRIPURA GAS BASED POWER PROJECT,
(500 MW), TRIPURA :**

NEEPCO has taken up the work of preparing the detailed project report which is in its final stages and will be submitted to the CEA by the end of August 2000. The final site selection is almost over with the consent of the Power Department, govt. of Tripura. Other clearances, viz. forest clearance, Environmental clearance and other miscellaneous statutory clearances are also in the process.

VII. SURVEY AND 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 2000-2001, an amount of Rs. 5.00 Crore has been allocated to continue the following investigation works :

- a) Lower Kopili H. E. Project (150 MW).
- b) Tuivai H. E. Project (210 MW)
- c) Dikrong H. E. Project (100 MW)
- d) Ranganadi H. E. Project-Stage II (100 MW)
- e) Kameng H. E. Project (600 MW)
- f) Tipaimukh H. E. Project (1500 MW)
- g) Khangteng Mini Hydel Project (7.5 MW)

VIII. ORGANISATION :

(A) The total number of employees in the corporation on 31.03.2000 was 3245 as against 3124 on 31.03.1999. 4 Nos. of SC and 25 Nos. of ST, 16 Nos. of OBC, one Ex. SM & one PH posts have been filled up by recruitment during the year.

(B) TRAINING AND DEVELOPMENT :

As in the previous years, Human Resource Development continued to receive special attention of the management during the year under report i.e. 1999-2000.

The major thrust area on HRD front during the year 1999-2000 was that of training the employees on Computer application to keep pace with the current trend. A total of 246 Executives and Supervisors of different levels were imparted training on Computer applications paving the way for quick and smooth induction of Information Technology in Corporation.

In order to fill the gap between the skills available and the required skills and to strengthen the Organisation, the HRD Department organised the following Skill Development Programmes of 90 days duration covering 15 participants.

1. E.O.T. Crane Operator Training Course.
2. Lineman Training Course.

In addition, three employees were deputed to undergo the Basic Fire Fighting Training course of 175 days duration at the State Elementary Fire fighting Training School at North Guwahati, Assam.

In addition, in order to help the employees to acquire and sharpen their capabilities to perform various functions

associated with their present and expected future roles, twelve number of short-term training programmes and Workshops were organised during the year 1999-2000 participated by 245 number of employees. While organising in-house training programmes, eminent faculties in the field were also engaged.

Total 509 number of employees i.e., 15.68% (comprising 11405 number of training man-days) were imparted in-house training and 110 employees i.e., 3.38% were deputed to attend Conference, Seminars, Workshops and training programmes conducted by different Institutions of repute within the Country and abroad.

(C) INDUSTRIAL RELATIONS :

Throughout the year the industrial relations in the corporation remained cordial and harmonious. Not a single Manday was lost on account of Industrial relations. Various issues were discussed with the representatives of the Trade Unions and Associations across the table from time to time and resolved amicably.

In terms of the GOI's O.M NO.2(49)/98/DPE(WC) dated 25th June'99, the revision of pay scales, allowance and perks for non-unionized Supervisors and Executives are also on the verge of finalization following receipt of certain clarification from GOI, DPE vide O.M.NO.2(15)/2000-DPE(WC)-GL XIX dated 27th March, 2000.

(D) WELFARE ACTIVITIES :

Following major welfare activities have been undertaken by the Corporation during the year 1999-2000.

(i) Summer training / project work facilities have been provided in the Corporation for students from various Engineering Colleges and Management Institutions.

(ii) An Industrial Canteen has started functioning in NEEPCO Complex, Corporate Office, Shillong on contract.

(iii) HOSPITAL :

Three more Hospitals at Guwahati namely Sankar Dev Netralaya, Guwahati, Neurological Research Centre and Good Health Hospital have been added in the list of recognised hospitals by the Corporation for treatment of NEEPCO employees and their family members.

(iv) SCHOOL :

Following Schools are working satisfactorily at the various Projects/Sites as mentioned against each :-

(a) At Kopili Hydro Electric Project, Vivekananda Vidyalaya upto Standard XII (Science and Arts) following CBSE Courses.

(b) At Ranganadi Hydro electric Project, Vivekananda Vidyalaya upto Standard X following CBSE courses.

(c) At Assam Gas Based Power Project, Vivekananda Vidyalaya upto Standard IV.

(d) At Agartala Gas Turbine Power Project, Vivekananda Vidyalaya having only K. G. classes.

Following Schools have been started during the year :-

(e) Vivekananda Kendra Siksha Prasas Vibhag has taken over from Kendriya Vidyalaya Sangathan the School at Doyang Hydro electric Project and has started School upto Class X from April, 2000.

(f) The NEEPCO KG school at Kopili Hydro Electric Project is taken over by vivekananda Kendra Siksha Prasas Vibhag from April, 2000.

(E) SPORTS ACTIVITIES :

The NEEPCO Cricket Team has participated in the 7th Inter CPSU Cricket tournament organised by Power Grid at Nagpur from 15th to 19th February, 2000 and has emerged as RUNNERS-UP in the tournament for third consecutive year.

NEEPCO has hosted the 4th Inter CPSU Table Tennis Tournament at Shillong during November, 1999 in which prizes were distributed by Hon'ble Minister of State for Power, Smt. Jayawanti Mehta. NEEPCO was placed runner-up in the individual (singles) event.

(F) USE OF RAJBHASHA (HINDI) :

The Corporation has been implementing the Official Language Policy of the Government of India at its Corporate Office as well as Projects and Subordinate Offices. Efforts were made to issue bilingual office orders and correspondence referred to in Section 3(3) of the Official Language Act. Employees were sent for Hindi training under the Hindi Teaching Scheme, Shillong. Employees of the Project Sites were nominated to undergo Hindi Language and Hindi Typewriting Training through the Correspondence course. Cash awards were granted to employees for passing various Hindi examination as per the Government of India's Scheme.

Rajbhasha (Hindi) Pakhwara and Hindi Diwas were celebrated at the Corporate Office, Shillong as well as at all Projects and subordinate Offices during the year. Different competitions were organised and prizes were awarded to the participants to encourage the use of Hindi in the official works. Hindi computer software was also introduced during the Pakhwara.

Rajbhasha Karyashapa (Hindi Workshop) were organised to facilitate the employees for doing their official work in Hindi. Necessary guidance were provided to these offices for the proper implementation of the Official



Language Policy of the Government of India. Programmes like displaying every day "today's word" of Hindi with English translation are being implemented successfully in various offices in order to increase the working vocabulary of Hindi words of the employees.

IX. AUDITORS' REPORT :

M/s. S. Ganguly and Associates, Chartered Accountants, Calcutta were appointed as Statutory Auditors for the year 1999-2000. The Report of the Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon are enclosed in Annexure-I & II. The Management's views on the CAG's comments are enclosed in Annexure-III.

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 are furnished in Annexure - IV.

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 C. S. R. 752 (B) dt. 17.10.1994 for the year ended 31.03.2000 - Nil.

XI. VIGILANCE ACTIVITIES :

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

XII. DIRECTORS :

Shri J. Vasudevan, Shri N.D. George and Shri Sanjeev Ranjan have since ceased to be Directors of the Corporation. Shri Ajay Shankar who was appointed Director in place of Shri J. Vasudevan ceased to be a Director during the year. Shri Shashi Prakash who was appointed Director in place of Shri Sanjeev Ranjan also ceased to be a Director during the year. The Board of Directors places on record its deep appreciation for the valuable services rendered by all the directors.

Shri Sailesh, Shri D.K. Sing and Shri Ajeer Vidya were appointed as Part-time Directors of the Corporation.

XIII. CONSERVATION OF ENERGY :

Particulars required under the Companies (Disclosure 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 1999-2000 is enclosed in Annexure-V.

NEEPCO is very meticulous in observing the requirements of the provision of Environment (Protection) Act, 1986 and Forest (Conservation) Act, 1980 and all the stipulations given in the specific clearance orders of the Ministry of Environment and forest, Government of India, for different hydro and thermal projects during construction, as well as, operation and maintenance stage. The implementation of Compensatory Afforestation are normally done through the State Government agencies and by NEEPCO. Besides, plantations within the project area are taken up by NEEPCO arranging saplings from the State forest Departments or creating nurseries. Restoration of the quarry area, borrow area and dumping area is done through suitable plantation after completion of construction. NEEPCO is also opening LPG Depots at project sites from the IOC for supplying fuel to the staff and the officers of the project. Provision is also kept for providing kerosene oil to the construction labourers at subsidised rates.

For Gas Based Power Projects both Combined Cycle and Open Cycle for NOX control, steam from de-mineralised water or D/M water injection is done in the Gas Turbine. Further, height of the chimney is also suitably designed for this purpose. Besides this, a green belt is created around the project area by suitable plantation.

XIV. ACKNOWLEDGEMENT :

The Directors are grateful to the various Ministries of the government 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 cooperation and assistance.

The Directors express their sincere gratitude to the governments of Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura and Arunachal Pradesh for the cooperation and help extended by them.

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

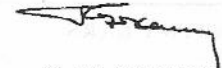
The Directors are also grateful to the Bankers, the Statutory Auditors, the Commercial Audit Wing of the Comptroller and Auditor General of India and the Registrar of Companies.

Last but not the least, the Directors wish to place on record their high appreciation of 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,
28th August, 2000



P. K. KOTOKY
Chairman & Managing Director



BALANCE SHEET AS AT 31ST MARCH, 2000

(Rs. in Thousands)

PARTICULARS	Schedule No.	As at 31st March, 2000	As at 31st March, 1999
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Capital	1	1869,84,20	1777,15,20
Reserves and Surplus	2	<u>246,86,88</u>	<u>224,32,08</u>
		2116,71,08	2001,47,28
LOAN FUNDS			
Secured Loans	3	875,69,18	615,18,57
Unsecured Loans		<u>1337,56,85</u>	<u>987,84,82</u>
		2213,26,03	1603,03,39
TOTAL		<u>4329,97,11</u>	<u>3604,50,67</u>

APPLICATION OF FUNDS

FIXED CAPITAL EXPENDITURE

FIXED ASSETS

	4		
Gross Block		2223,08,62	1541,91,84
Less Depreciation		<u>381,44,29</u>	<u>269,08,30</u>
Net Block		1841,64,33	1272,83,54
Advance towards Land		11,38,94	7,05,82
Capital Work-in-progress	5	1564,40,37	1736,21,63
Construction stores and advances	6	<u>237,49,45</u>	<u>230,53,62</u>
Carried over		3654,93,09	3246,64,61

BALANCE SHEET AS AT 31ST MARCH, 2000

(Rs. in Thousands)

PARTICULARS	Schedule No.	As at 31st March, 2000	As at 31st March, 1999
<i>Brought forward</i>		3654,93,09	3246,64,61
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories	75,41,67		77,12,21
Sundry Debtors	798,69,37		443,06,42
Cash & bank balances	137,28,52		51,31,53
Loans and advances	20,50,35		16,41,29
		1031,89,91	587,91,45
Less :			
CURRENT LIABILITIES AND PROVISIONS	8		
Liabilities	352,88,77		226,50,20
Provisions	13,18,50		12,84,58
		366,07,27	239,34,78
NET CURRENT ASSETS		665,82,64	348,56,67
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	9	9,21,38	9,29,39
TOTAL		4329,97,11	3604,50,67

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)

M. D. ROY
DGM
(Finance
& ITS)

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, 2000



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

(Rs. in Thousands)

PARTICULARS	Schedule No.	For the year ended 31st March, 2000	For the year ended 31st March, 1999
INCOME			
SALES			
Energy		363,55,03	267,45,85
Less Free Supply of Energy		<u>6,16,31</u>	<u>8,27,71</u>
Net Sales		357,38,72	259,18,14
Other Income	10	<u>83,21,18</u>	<u>62,71,39</u>
TOTAL INCOME		<u>440,59,90</u>	<u>321,89,53</u>
EXPENDITURE			
Purchase of Gas		83,61,54	52,39,93
Lubricants, oil etc		70,75	47,26
Transportation charges of Gas		8,47,29	8,18,51
Electricity duty		12,40	4,28
Employees remuneration and benefits		20,84,09	15,99,98
Generation & Administration expenses	11	43,01,68	29,52,57
Depreciation		102,63,26	74,69,19
Interest & Finance charges			
Interest on :			
i) Loans from Government of India		108,35,67	62,15,28
ii) Loans from Life Insurance Corporation of India		1,50,34	2,10,66
iii) Bonds		14,19,97	9,78,79
iv) Loans from Deutsche Bank		3,80,20	3,17,21
v) Finance charges :			
i) Guarantee fees		1,20,38	1,18,38
ii) Commitment fees		<u>3,36</u>	<u>3,03</u>
		129,09,92	78,43,35
Carried over		388,50,93	259,75,07

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

(Rs. in Thousands)

PARTICULARS	Schedule No.	For the year ended 31st March, 2000	For the year ended 31st March, 1999
<i>Brought forward</i>		388,50,93	259,75,07
Deferred revenue expenditure written off		20,80	14,39
TOTAL EXPENDITURE		388,71,73	259,89,46
Profit for the year		51,88,17	62,00,07
Prior Period Adjustment (Net)	12	(23,95,18)	(3,78,32)
Profit before Tax		27,92,99	58,21,75
Provision for Taxation		-	-
Profit after Tax	27,92,99		58,21,75
Balance of profit from last year	59		6,40,84
		27,93,58	64,62,59
Transferred to Bond Redemption Reserve		10,40,00	50,75,00
Transferred to General Reserve		16,00,00	9,47,00
Proposed Dividend		1,00,00	4,00,00
Dividend tax		20,00	40,00
Balance carried over to Balance Sheet		33,58	59

D. N. CHAKRABARTY
Secretary cum
Legal Adviser

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(Finance)

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P. K. CHATTERJEE
Director (Finance)

P. K. KOTOKY
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For & on behalf of
S. GANGULI & ASSOCIATES
Chartered Accountants
D. P. SAHA
Partner
3rd August, 2000



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

3	1
---	---

0	3
---	---

0	0
---	---

Date Date Month Year

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

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

	4	6	9	6	0	4	3	8
--	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

	1	8	6	9	8	4	2	0
--	---	---	---	---	---	---	---	---

Secured Loans

8	7	5	6	9	1	8
---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

3	6	5	4	9	3	0	9
---	---	---	---	---	---	---	---

Net Current Assets

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

Accumulated Losses

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

Total Assets

	4	6	9	6	0	4	3	8
--	---	---	---	---	---	---	---	---

Reserves and Surplus

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

Unsecured Loans

1	3	3	7	5	6	8	5
---	---	---	---	---	---	---	---

Investments

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

Misc. Expenditure

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

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

Turnover (including other income)

4	4	0	5	9	9	0
---	---	---	---	---	---	---

+ - Profit / (Loss) Before Tax

✓				2	7	9	2	9	9
---	--	--	--	---	---	---	---	---	---

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

Earnings Per Share (Rs.)

1	5		3	9
---	---	--	---	---

Total Expenditure

3	8	8	7	1	7	3
---	---	---	---	---	---	---

+ - Profit / (Loss) After Tax

✓				2	7	9	2	9	9
---	--	--	--	---	---	---	---	---	---

Dividend Rate (%)

0		0	5	5
---	--	---	---	---

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
Secretary cum
Legal Adviser

A. G. WEST
Sr. Manager
(Finance)

M. D. ROY
DGM
(Finance
& ITS)

P. K. CHATTERJEE
Director (Finance)

P. K. KOTOKY
Chairman &
Managing
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For & on behalf of
S. GANGULI & ASSOCIATES
Chartered Accountants
D. P. SAHA
Partner
3rd August, 2000



INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31ST MARCH, 2000

(Rs. in Thousands)

PARTICULARS	Annexure No.	Schedule No.	For the year ended 31st March, 2000	For the year ended 31st March, 1999
A. GENERAL ADMINISTRATION				
Salaries, wages, allowances & benefits			17,68,09	15,05,50
Travelling expenses			1,21,88	77,08
Rent			31,09	32,83
Rates & taxes			5,74	30,64
General expenses	1		6,81,48	6,23,89
Repairs & maintenance			37,93	42,48
Audit fees & expenses	2		3,17	2,46
Legal expenses			6,60	4,90
Insurance charges			9,90	8,31
Contribution to Provident fund & other welfare expenses			1,08,50	1,04,63
Entertainment expenses			1,80	2,51
Advertisement expenses			4,98	93
Publicity expenses			17,96	10,14
Board meeting expenses			1,72	1,21
Filing fees			-	2
Depreciation			96,13	81,39
Wealth tax			1	1
Interest on Loan from Rural Electrification Corporation			2,89,14	-
Deferred Revenue expenditure written off			20,84	19,32
Prior period adjustment (Net)		13	10,05	6
			32,17,01	25,48,31
Less: Non operating receipts :				
i) Interest on Investment		5,62,21		3,74,38
ii) Others		<u>11,25</u>		<u>1,46</u>
			5,73,46	3,75,84
Net expenditure			26,43,55	21,72,47
Expenditure charged to :				
a) Profit & Loss Account			10,73,24	10,75,84
b) General Administration (Projects under Construction)			15,70,31	10,96,63

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For & on behalf of
S. GANGULI & ASSOCIATES
Chartered Accountants
D. P. SAHA
Partner
3rd August, 2000

INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31ST MARCH, 2000

(Rs. in Thousands)

PARTICULARS	Annexure No.	Schedule No.	For the year ended 31st March, 2000	For the year ended 31st March, 1999
B. GENERAL ADMINISTRATION (PROJECT UNDER CONSTRUCTION)				
Salaries, wages, allowances & benefits			19,95,03	16,85,47
Travelling expenses			76,41	62,85
Rents			3,37	2,34
Rates & taxes			20	44
General expenses	1		19,25,43	10,72,77
Repairs & Maintenance			2,72,80	2,99,08
Depreciation			3,76,27	4,95,74
Legal expenses			5	2
Insurance charges			1,03,45	1,27,52
Prior period adjustment (Net)		14	55,08	6,53
Tender expenses			7,82	11,06
Compensation for afforestation			-	4,19,86
Pre-operative income			-	3,15,80
Less : Expenses			-	1,16,78
Net income			-	(1,99,02)
INTEREST & FINANCE CHARGES :				
a) Interest on :				
i) Loans from Govt. of India			61,43,53	74,77,34
ii) Loans from Govt. of India (J.B.I.C)			10,12	-
iii) Loans from Life Insurance Corp. of India			20,36,07	16,93,00
iv) Bonds			31,06,96	33,45,56
v) Loans from Deutsche Bank			-	1,82,07
vi) Loans from Power Finance Corporation Ltd.			5,61,92	-
			118,58,60	126,97,97
FINANCE CHARGES :				
a) Management fees			5,10	-
b) Guarantee fees			60,46	60,91
c) Commitment charges			51,89	1,15
d) Loan expenses			26,91	20,73
			1,44,36	82,79
Wealth tax			20	26
Entertainment expenses			4,95	1,17
Brokerage, commission on SLR Bonds			2,99	-
Contribution to Provident Fund etc.			1,07,47	1,35,27
Share of General Administration expenses			15,70,31	10,96,63
			185,04,79	179,98,75
Less : Non-operating receipts :				
i) Interest on advances from Suppliers / Contractors			1,32,80	2,14,71
ii) Others			4,00	1,90
			1,36,80	2,16,61
Net Expenditure			183,67,99	177,82,14
Expenditure transferred to Capital work-in-progress			183,67,99	177,82,14

D. N. CHAKRABARTY Secretary cum Legal Adviser	A. G. WEST Sr. Manager (Finance)	M. D. ROY DGM (Finance & ITS)	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, 2000
--	---	---	---	---	---

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

(Rs. in Thousands)

	As at 31st March, 2000	As at 31st March, 1999
AUTHORISED CAPITAL		
2,50,00,000 (Previous year 2,50,00,000) Equity Shares of Rs. 1,000/- each	<u>2500,00,00</u>	<u>2500,00,00</u>
ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL		
181,43,904 (Previous year 155,75,738)Equity Shares of Rs. 1,000/- each	1814,39,04	1557,57,38
Amount received towards Share Capital pending allotment	55,45,16	219,57,82
TOTAL	1869,84,20	1777,15,20

RESERVES & SURPLUS
SCHEDULE - 2

(Rs. in Thousands)

	As at 31st March, 1999	Additions	Adjustments	As at 31st March, 2000
Capital Reserve	13,22	-	-	13,22
General Reserve	148,98,00	16,00,00	-	164,98,00
Bond Redemption Reserve	50,75,00	10,40,00	-	61,15,00
Grant-in-Aid	24,45,27	-	(4,18,19)	20,27,08
Surplus as per Profit & Loss A/C	59	32,99	-	33,58
TOTAL	224,32,08	26,72,99	(4,18,19)	246,86,88



LOAN FUNDS

SCHEDULE - 3

(Rs. in Thousands)

	As at 31st March, 2000	As at 31st March, 1999
A. SECURED LOANS		
I. BONDS : MARKET BORROWING PROGRAMME :		
(Guaranteed by the Govt. of India)		
FIRST SERIES		
12.5% (Taxable) Non cumulative, redeemable at par on 19th December, 2004	50,00,00	50,00,00
SECOND SERIES		
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
THIRD SERIES		
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
FOURTH SERIES :		
12.3% (Taxable) Non Cumulative, Redeemable at par on 10th November, 2007	50,00,00	50,00,00
PRIVATE PLACEMENT		
FIRST ISSUE :		
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 the Kathalguri Gas Based Power Project, Assam ranking pari-passu)	43,50,00	43,50,00
SECOND ISSUE :		
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 Bonds are secured by equitable mortgage by deposit of Title Deeds of fixed assets of the Kathalguri Gas Based Power Project, Assam ranking pari-passu)	78,80,00	78,80,00
<i>Carried Over</i>	322,30,00	322,30,00

LOAN FUNDS

SCHEDULE - 3

(Rs. in Thousands)

	As at 31st March, 2000	As at 31st March, 1999
<i>Brought forward</i>	322,30,00	322,30,00
(A) SECURED LOANS PRIVATE PLACEMENT		
THIRD ISSUE :		
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
FOURTH ISSUE :		
9.25% (Tax free) (1st Tranche) Non cumulative secured Non Convertible Bonds of Rs 100,000 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. 100,000 each redeemable at par on 27th March, 2005 & 30th March, 2005 with a put & call option 27th March, 2001 & 30th March, 2001	20,50,00	20,50,00
	24,50,00	24,50,00
(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)		
FIFTH ISSUE		
9.75% (Tax Free) Secured Non Convertible Redeemable Tax free Bonds of Rs. 100,000 each, redeemable at par on 1st January 2007 Convertible bonds of Rs. 100,000 each redeemable at par on 1st January, 2007 (To be secured on execution of trust Deed. Security in the form of negative lien on the fixed assets of Agartala Gas Turbine Project, Tripura, ranking pari-passu)	50,00,00	-
	399,30,00	349,30,00
III Loan from Deutsche Bank (Guaranteed by the Govt. of India)	99,76,47	107,74,57
IV Loans from Power Finance Corporation Ltd.	135,58,26	-
V Loans from Japan Bank for International Co-operation	8,71,46	-
VI Loan from Rural Electrification Corporation Ltd.	50,00,00	-
VII Loans from Life Insurance Corporation of India (secured through mortgage against related fixed assets)	182,32,99	158,14,00
TOTAL Secured Loans (A)	875,69,18	615,18,57
B. UNSECURED LOANS		
Loans from Government of India	1278,44,67	964,93,67
Interest accrued and due thereon	59,12,18	22,91,15
TOTAL Unsecured Loans (B)	1337,56,85	987,84,82
GRAND TOTAL (A+B)	2213,26,03	1603,03,39



FIXED ASSETS **SCHEDULE- 4**

	GROSS BLOCK			
	As at 1st April , 1999	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 2000
A) ASSETS :				
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :				
Building and Civil engineering works containing generation plant & equipment, main plant	105,20,79	22,78,49	4,26,91	132,26,19
Hydraulic works including Dams, Dykes, Reservoirs & Tunnels	170,04,61	3,21	-	170,07,82
Plant & Machinery in Generating Stations	106,19,32	15,24	-	106,34,56
Transformer having a rating of 100 K.V. ampere and above	12,12,75	10,47	6,20	12,29,42
Sub-station equipment and other fixed apparatus	4,36,36	-	3,76	4,40,12
Switchgear including cable connections	30,47,99	8,80,16	38,38	39,66,53
Transmission Lines	1,60,07	-	-	1,60,07
II. GAS PLANT :				
Gas Turbine	824,48,15	3,75	18,18,03	842,69,93
Gas Booster Station	141,50,05	-	9,71,30	151,21,35
Gas Pipeline	31,60	-	14	31,74
Gas Steam Turbine	-	528,35,42	-	528,35,42
Gas Cooling Tower	-	32,92,23	-	32,92,23
Make-up Water System	-	27,22,90	-	27,22,90
	1396,31,69	620,41,87	32,64,72	2049,38,28

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs. in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1999	Depreciation for the year including adjustment	Upto 31st March, 2000	As at 31st March, 2000	As at 31st, March, 1999
17,67,46	7,16,09	24,83,55	107,42,64	87,53,33
27,55,64	3,79,06	31,34,70	138,73,12	142,48,97
16,29,65	3,58,06	19,87,71	86,46,85	89,89,67
3,60,38	97,51	4,57,89	7,71,53	8,52,37
1,87,33	37,28	2,24,61	2,15,51	2,49,03
5,59,02	2,43,62	8,02,64	31,63,89	24,88,97
1,18,71	12,55	1,31,26	28,81	41,36
120,03,55	72,78,16	192,81,71	649,88,22	704,44,60
27,21,63	13,33,54	40,55,17	110,66,18	114,28,42
7,80	2,65	10,45	21,29	23,80
-	-	-	528,35,42	-
-	-	-	32,92,23	-
-	-	-	27,22,90	-
221,11,17	104,58,52	325,69,69	1723,68,59	1175,20,52



FIXED ASSETS
SCHEDULE - 4

	GROSS BLOCK			
	As at 1st April, 1999	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 2000
GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)				
Buildings	9,83,65	72,31	13,53,60	24,09,56
Furniture & Fixtures	82,58	10,64	58,73	1,51,95
Roads, Bridges, Culverts & Helipads	3,94,63	1,47	1,50,60	5,46,70
Vehicles	1,04,57	2,90	44,94	1,52,41
Railway Siding	10,65	-	-	10,65
Electrical Installation	83,61	46,79	93,14	2,23,54
Temporary Buildings/ Erections	1,41,43	-	21,82	1,63,25
Hospital equipment	2,69	32	1,60	4,61
Tools & plants	3,34,92	43,63	92,19	4,70,74
Office equipment	61,03	11,24	21,09	93,36
EDP equipment	57,21	9,54	-	66,75
Other equipment	1,49,16	26,60	46,80	2,22,56
Water supply, sewerage & drainage	41,32	-	21,18	62,50
Plant & machinery in Generating station (Diesel Power house)	7,80	-	-	7,80
Communication equipment	6,24	26,69	2,04	34,97
Lightning Arrestor (Pole Type Magazine Building)	41	2,18	1,05,51	1,08,10
Telephone Line	39,27	-	-	39,27
Plantation	12,94	46,94	-	59,88
Land & Land Rights	1,42,96	1,61,33	1,06,98	4,11,27
	26,57,07	4,62,58	21,20,22	52,39,87
TOTAL - A	1422,88,76	625,04,45	53,84,94	2101,78,15

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1999	Depreciation for the year including adjustment	Upto 31st March, 2000	As at 31st March, 2000	As at 31st March, 1999
1,78,81	1,76,68	3,55,49	20,54,07	8,04,84
27,98	36,64	64,62	87,33	54,60
99,30	23,31	1,22,61	4,24,09	2,95,33
94,11	36,46	1,30,57	21,84	10,46
4,32	33	4,65	6,00	6,33
65,91	33,91	99,82	1,23,72	17,70
1,26,40	19,97	1,46,37	16,88	15,03
2,29	43	2,72	1,89	40
2,20,13	35,93	2,56,06	2,14,68	1,14,79
19,64	19,71	39,35	54,01	41,39
-	7,31	7,31	59,44	57,21
37,62	31,88	69,50	1,53,06	1,11,54
15,77	4,39	20,16	42,34	25,55
6,89	1	6,90	90	91
2,27	1,36	3,63	31,34	3,97
37	13,47	13,84	94,26	4
35,10	8	35,18	4,09	4,17
-	-	-	59,88	12,94
-	-	-	4,11,27	1,42,96
9,36,91	4,41,87	13,78,78	38,61,09	17,20,16
230,48,08	109,00,39	339,48,47	1762,29,68	1192,40,68



FIXED ASSETS
SCHEDULE 4

	GROSS BLOCK			
	As at 1st April, 1999	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 2000
B) ASSETS (FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)				
Buildings	20,64,14	5,76,80	(2,89,35)	23,51,59
Furniture & fixtures	2,64,06	18,56	(58,33)	2,24,29
Roads, Bridges, Culverts & Helipads	4,93,88	20,62	(9,46)	5,05,04
Vehicles	2,84,76	9,25	(42,21)	2,51,80
Electrical Installations	2,20,02	-	(56,23)	1,63,79
Temporary Buildings/ Erections	12,69,87	-	(21,82)	12,48,05
Hospital equipment	2,27	7	(1,60)	74
Tools & plants	34,98,20	2,46	(92,19)	34,08,47
Office equipment	3,68,58	27,25	(61,80)	3,34,03
EDP & WP Equipments	-	73,96	41,11	1,15,07
Water supply, sewerage & drainage	55,27	-	(21,18)	34,09
Plant & machinery in Generating station (Diesel Power house)	2,47,01	2,45,09	-	4,92,10
Communication equipment	62,86	-	(2,04)	60,82
Plant & machinery	1,37	-	-	1,37
Transmission Lines	88,71	-	-	88,71
Transformer having a rating of 100 K.V. ampere and above	8,05	-	-	8,05
Land & Land rights	27,27,35	-	(1,06,98)	26,20,37
Telephone line	12,78	-	-	12,78
Other equipment	2,33,90	21,43	(46,02)	2,09,31
TOTAL B	119,03,08	9,95,49	(7,68,10)	121,30,47
GRAND TOTAL (A+B)	1541,91,84	634,99,94	46,16,84	2223,08,62
PREVIOUS YEAR	1244,88,43	296,25,44	77,97	1541,91,84

Depreciation for the period is allocated as given below :

	Current Year	Previous Year
Profit and Loss Account	102,63,26	74,69,19
Incidental Expenditure during Construction	4,72,40	5,77,13
TOTAL	107,35,66	80,46,32

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs. in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1999	Depreciation for the year including adjustment	Upto 31st March, 2000	As at 31st March, 2000	As at 31st, March, 1999
2,61,91	19,31	2,81,22	20,70,37	18,02,23
1,54,53	2,19	1,56,72	67,57	1,09,53
91,68	19,06	1,10,74	3,94,30	4,02,20
2,46,54	(24,21)	2,22,33	29,47	38,22
71,82	(13,75)	58,07	1,05,72	1,48,20
11,42,89	(19,65)	11,23,24	1,24,81	1,26,98
72	(11)	61	13	1,55
13,96,21	2,53,02	16,49,23	17,59,24	21,01,99
1,16,13	27,09	1,43,22	1,90,81	2,52,45
-	4,74	4,74	1,10,33	-
7,81	(1,55)	6,26	27,83	47,46
1,80,54	47,28	2,27,82	2,64,28	66,47
32,16	5,74	37,90	22,92	30,70
1,00	10	1,10	27	37
35,91	6,96	42,87	45,84	52,80
18	63	81	7,24	7,87
-	-	-	26,20,37	27,27,35
7,27	1,63	8,90	3,88	5,51
1,12,92	7,12	1,20,04	89,27	1,20,98
38,60,22	3,35,60	41,95,82	79,34,65	80,42,86
269,08,30	112,35,99	381,44,29	1841,64,33	1272,83,54
188,61,21	80,47,09	269,08,30	1272,83,54	1056,27,22



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

(Rs. in Thousands)

	As at 1st April, 1999	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March, 2000
Building	18,81,95	7,73,16	(86)	(13,22,67)	13,31,58
Temporary Buildings/Erections	6,71,41	34,90	(94)	-	7,05,37
Roads, Bridges, Culverts & Helipads	34,32,25	3,21,58	3,34	(1,40,24)	36,16,93
Electrical Installation	4,36,47	44,83	35,29	(1,80,53)	3,36,06
Sub-station & other fixed apparatus	1,95,53	-	(44,96)	(5,77)	1,44,80
Water supply, sewerage & drainage	3,13,80	1,21,55	(8,58)	-	4,26,77
Hydraulic works including Dams, Dykes etc.	441,03,37	222,02,80	-	-	663,06,17
Other civil works	89,58,90	4,97,67	(25,59)	(91,14,11)	3,16,87
Power house	79,04,30	20,92,12	(16,68,12)	(33,94,82)	49,33,48
Switch yard including cable connection	3,29,56	3,12,97	4,23	(29,30)	6,17,46
Plant & machinery in Generating Station (Diesel power house)	2,29,34	1,00,07	(21,98)	(2,03,39)	1,04,04
Plantation	60,68	3,01	(10,93)	(12,88)	39,88
Transmission Lines	2,95,17	1,47,25	(13,27)	-	4,29,15
Transformer having a rating of 100KV ampere and above	96,77	5,44,76	(15,44)	(5,86)	6,20,23
Survey & Investigation	1,70,39	3,27,88	(23,81)	-	4,74,46
Telephone Line	34,37	4	-	-	34,41
Weigh bridge under installation	12,74	-	-	(12,74)	-
Communication system Plant etc. in Generating Station.	30,26	10	-	(19,59)	10,77
Incidental expenditure during Construction	428,80,60	23,04,53	14,55,70	(320,05,77)	146,35,06
	615,83,77	183,67,99	(23,67)	(185,71,21)	613,56,88
TOTAL	1736,21,63	481,97,21	(3,59,59)	(650,18,88)	1564,40,37
PREVIOUS YEAR	1550,45,79	457,43,22	(21,35)	(271,46,03)	1736,21,63

CONSTRUCTION STORES & ADVANCES
SCHEDULE - 6

(Rs in Thousands)

As at 31st
March, 2000

As at 31st
March, 1999

A) CONSTRUCTION STORES
(at cost as certified by the Management)

i) General Stores	52,62,19	42,74,68
ii) Stores at Sites	<u>3,06,08</u>	<u>4,50,07</u>
	55,68,27	47,24,75

B) ADVANCE FOR CAPITAL EXPENDITURE

Unsecured considered good

1. Advance to Suppliers & Contractors

i) Against bank Guarantee	38,12,08	13,76,38
ii) Others	<u>139,00,01</u>	<u>164,38,60</u>
	177,12,09	178,14,98

2. Advance against Steel & Cement

4,69,09	5,13,89
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TOTAL

237,49,45 **230,53,62**



CURRENT ASSETS, LOANS & ADVANCES **SCHEDULE - 7**

(Rs. in Thousands)

	As at 31st March, 2000	As at 31st March, 1999
A. CURRENT ASSETS (at cost as certified by the Management)		
1. Inventories		
a) Components, spare-parts, mandatory and other spares	75,14,41	76,44,76
b) Consumable Stores	<u>27,22</u>	<u>67,45</u>
	75,41,67	77,12,21
2. Sundry Debtors (Unsecured considered good)		
Debts outstanding for a period exceeding 6 months, considered good	515,36,15	260,18,85
Considered doubtful	86,25	86,25
Other debts	<u>283,33,22</u>	<u>182,87,57</u>
	799,55,62	443,92,67
Less Provision for doubtful debts	<u>86,25</u>	<u>86,25</u>
	798,69,37	443,06,42
3. Cash & Bank Balance		
a) Short term deposits with Scheduled Banks	72,00,00	34,00,00
b) Balance with Scheduled Banks	65,09,38	17,22,78
c) Cash, Drafts, Stamps & Imprest	6,14	3,75
d) Remittances in transit	<u>13,00</u>	<u>5,00</u>
	137,28,52	51,31,53
B. LOANS & ADVANCES : (Unsecured considered good unless stated otherwise by the Management)		
Advances recoverable in cash or in kind or for value to be received		
a) Accounts receivable considered good	5,56,34	2,28,33
Considered doubtful	<u>2,02</u>	<u>2,02</u>
	5,58,36	2,30,35
Less : provision for bad & doubtful debts	<u>2,02</u>	<u>2,02</u>
	5,56,34	2,28,33
b) Advance to staff	4,63,64	4,19,72
c) Prepaid expenses	5,48,94	5,27,25
d) Deposits with other authorities	3,20,62	3,19,61
e) Other advances	85	1,42
f) Advance tax	15,43	15,43
g) Tax deducted at source	1,44,53	1,29,53
h) Fixed Assets destroyed by fire	13,84	13,84
Less : Provision for loss of assets	<u>(13,84)</u>	<u>(13,84)</u>
	20,50,35	16,41,29
TOTAL	1031,89,91	587,91,45

CURRENT LIABILITIES & PROVISIONS

SCHEDULE - 8

(Rs. in Thousands)

As at 31st March, 2000

As at 31st March, 1999

A. CURRENT LIABILITIES

Sundry Creditors		
For Capital Expenditure	97,88,37	68,55,82
Operation & Maintenance	72,85,76	37,21,86
Bank Overdraft	-	1,00,00
Other Liabilities	2,36,07	4,24,98
	173,10,20	111,02,66
Deposits, retention money from Contractors & others	8,27,03	12,40,26
Interest accrued but not due on :		
a) Loans from Govt. of India	151,47,63	87,03,64
b) Loans from Life Insurance Corporation of India	4,63,00	3,85,15
c) Bonds	12,17,33	10,87,72
d) Loans from Japan Bank for International Co-operation	2,00	-
e) Loans from Deutsche Bank	1,21,39	1,30,77
f) Loans from Power Finance Corpo. Ltd.	1,98,30	-
g) Loans from Rural Electrification Corpo.	1,89	-
	171,51,54	103,07,28

TOTAL (A)	352,88,77	226,50,20
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B. PROVISIONS

For Gratuity	8,06,90	5,96,35
For Ex-gratia	1,01	1,01
For Wealth tax	36	34
For Guarantee fees	4,89	3
For Leave encashment	3,51,84	2,27,04
For Medical benefits for retired employees	33,50	19,81
For Proposed Dividend	1,00,00	4,00,00
For Income tax on proposed Dividend	20,00	40,00

TOTAL (B)	13,18,50	12,84,58
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GRAND TOTAL (A+B)	366,07,27	239,34,78
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MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

SCHEDULE - 9

(Rs. in Thousands)

	As at 1st April, 1999	Additions	Adjustments	Deductions	As at 31st March, 2000
A. Preliminary expenses	38,07	18,09	-	-	56,16
B. Deferred revenue expenditure	2,42,66	18,24	-	(41,64)	2,19,26
C. Deposit works :					
1. Dikrong Inv. Scheme	2,05,52	-	(1,23)	-	2,04,29
2. Damwee Inv. Scheme	2,54,60	-	-	-	2,54,60
3. Kameng Inv. Scheme	46,04	-	(31)	-	45,73
4. Papumpam Inv. Scheme	68,93	-	-	-	68,93
5. RHEP (Stage - II)	38,87	-	(7)	-	38,80
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)	-	-
TOTAL	9,29,39	36,33	(2,70)	(41,64)	9,21,38

OTHER INCOME
SCHEDULE - 10

	(Rs. in Thousands)	
	For the year ended 31st March, 2000	For the year ended 31st March, 1999
Miscellaneous receipts	21,90	79
Interest on sale of power	78,81,09	62,70,60
Other Income (Grant-in-aid)	4,18,19	-
TOTAL	83,21,18	62,71,39

GENERATION AND ADMINISTRATION EXPENSES
SCHEDULE - 11

	(Rs. in Thousands)	
	For the year ended 31st March, 2000	For the year ended 31st March, 1999
GENERATION EXPENSES :		
1. Repairs & maintenance		
a) Roads & buildings	66,89	1,18,20
b) Power house	8,01,66	53,80
c) Hydraulic works	57,19	24,05
d) Line & sub-stations	5,88	4,51
e) Others	74,15	69,45
f) Stores & spare (against Grant-in-aid)	4,18,19	-
	14,23,96	2,70,01
ADMINISTRATION EXPENSES :		
2. Travelling expenses	55,58	52,57
3. Advertisement expenses	9,34	8,96
4. Contribution to Provident Fund	1,48,66	1,31,84
5. Insurance charges	7,28,73	7,31,35
6. Rents	-	1,61
7. Rates & taxes	4,89	30
8. Entertainment expenses	3,84	2,32
9. General expenses	8,30,65	6,76,71
10. Publicity expenses	2,22	91
11. Wealth tax	15	7
12. Legal charges	42	8
13. Filing fees to CERC	20,00	-
13. Share of General Establishment	10,73,24	10,75,84
(as per statement of Incidental Expenditure during Construction)	28,77,72	26,82,56
TOTAL	43,01,68	29,52,57



PRIOR PERIOD ADJUSTMENT (OPERATION & MAINTENANCE)
SCHEDULE - 12

(Rs. in Thousands)

	For the year ended 31st March, 2000	For the year ended 31st March, 1999
A. INCOME :		
Salary & allowances	11	-
TOTAL INCOME	11	-
B. EXPENDITURE :		
Transport expenses	-	5,47
Electricity duty	13,72	-
Maintenance of others	93	3,51
Interest on Sundry Debtors	10,86	3,54,42
Interest on G. O. I. Loans	18,79,50	14,92
Depreciation	4,41,48	-
Sale of energy	48,80	-
TOTAL EXPENDITURE	23,95,29	3,78,32
NET EXPENDITURE	23,95,18	3,78,32

PRIOR PERIOD ADJUSTMENT (GENERAL ADMINISTRATION)

SCHEDULE - 13

(Rs. in Thousands)

	For the year ended 31st March, 2000	For the year ended 31st March, 1999
A. INCOME :		
TOTAL INCOME	-	-
B. EXPENDITURE :		
Transport expenses	-	6
Salary & allowances	2,58	-
Medical expenses	4,96	-
Depreciation	2,51	-
TOTAL EXPENDITURE	10,05	6
NET EXPENDITURE	10,05	6

PRIOR PERIOD ADJUSTMENT (GENERAL ADMINISTRATION - Project under construction)

SCHEDULE - 14

(Rs. in Thousands)

	For the year ended 31st March, 2000	For the year ended 31st March, 1999
A. INCOME :		
Hire charges	-	41
Telephone expenses	10,98	-
TOTAL INCOME	10,98	41
B. EXPENDITURE :		
Depreciation	56,44	4,37
Energy charges	9,40	-
Interest on conveyance advance	22	-
Interest on advances to contractors	-	2,57
TOTAL EXPENDITURE	66,06	6,94
NET EXPENDITURE	55,08	6,53



GENERAL EXPENSES

ANNEXURE : 1

(Rs. in Thousands)

	Operation and Maintenance		Incidental Expenditure during construction				Total	
			General Administration		Project (Construction)			
	For the year ended		For the year ended		For the year ended		For the year ended	
	31st March 2000	31st March, 1999	31st March, 2000	31st March, 1999	31st March, 2000	31st March 1999	31st March, 2000	31st March, 1999
Leave travel concession	22,14	75,03	21,97	62,90	25,70	64,45	69,81	2,02,38
Leave encashment	68,93	42,93	70,97	52,19	62,11	35,83	2,02,01	1,30,95
Transport expenses	1,67,74	1,46,96	1,44,31	1,21,85	1,76,22	1,71,94	4,88,27	4,40,75
Printing & stationery	16,52	13,11	33,35	33,44	22,67	25,85	72,54	72,40
Postage & telegram	1,04	99	2,90	2,50	71	73	4,65	4,22
Medical expenses	72,52	68,86	69,41	65,21	74,22	68,95	2,16,15	2,03,02
Licence & registration	1,61	2,38	-	31	1,68	3,57	3,29	6,26
Paper & periodicals	90	48	2,44	2,23	89	82	4,23	3,53
Uniform & liveries	5,44	3,59	2,22	3,02	2,86	3,96	10,52	10,57
Honorarium	54	1	51	3,20	-	2	1,05	3,23
Electric & water charges	94,99	1,09,51	27,71	25,01	2,13,76	2,20,05	3,36,46	3,54,57
Bank charges	7,09	19,50	5,41	4,23	3,64	8,70	16,14	32,43
Social welfare	75,50	70,26	4,48	9,91	38,68	49,88	1,18,66	1,30,05
Consultancy charges	5,27	7,23	10,02	14,68	9,88,11	1,24,34	10,03,40	1,46,25
Security arrangement	2,34,92	47,66	2,56	3,84	2,92,21	2,58,61	5,29,69	3,10,11
Training expenses	80	55	20,67	50,64	7	33	21,54	51,52
Staff recruitment expenses	24	7	15	4,81	-	-	39	4,88
Hospital facilities	16,16	24,42	-	-	2,80	3,19	18,96	27,61
Subscription & membership fees	-	2	1,24	8,80	-	-	1,24	8,82
Communication expenses	23,62	27,95	63,93	61,20	3,77	13,01	91,32	1,02,16
Office furnishing	2,62	2,66	1,87	4,28	3	2,00	4,52	8,94
Miscellaneous expenses	7,17	9,45	83,17	44,30	8,61	11,36	98,95	65,11
I.B. expenses	4,29	2,48	2,35	2,08	6,55	3,54	13,19	8,10
Laboratory & meter testing charges	27	23	3,45	2,22	2	1,58	3,74	4,03
Photographic records	33	38	-	50	12	6	45	94
Interest on overdraft	-	-	93,47	40,54	-	-	93,47	40,54
Loss on sale of assets	-	-	2	-	-	-	2	-
Workmen Compensation	-	-	-	-	-	-	-	-
EDP Expenses	-	-	12,90	-	-	-	12,90	-
TOTAL	8,30,65	6,76,71	6,81,48	6,23,89	19,25,43	10,72,77	34,37,56	23,73,37

AUDIT FEES & EXPENSES

ANNEXURE : 2

	For the year ended 31st March, 2000	For the year ended 31st March, 1999
Audit fees	50	50
Tax audit fees	7	7
Other services	12	-
Other expenses	2,48	1,89
TOTAL	3,17	2,46

NOTES ON ACCOUNTS

1. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs 107,99.08 lakhs (previous year Rs. 307,36.88 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, Japan Bank for International Co-operation, Power Finance Corporation Ltd., Rural Electrification Corporation Ltd., 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) During the year 1999-2000 and previous year 1998-99, none of the employees were in receipt of remuneration in the aggregate at the rate of not less than Rs. 6,00,000/- per year if employed for full year or not less than Rs. 50,000/- per month, if employed for part of the year.
- (B) Employees' remuneration and benefits include the following for the Directors including the Chairman & Managing Director.

	(Rupees in lakhs)	
	<u>Current year (1999-2000)</u>	<u>Previous year (1998-1999)</u>
Salary and allowances	12.32	12.58
Contribution to Provident Fund and other funds	1.06	1.03
Other benefits	4.08	4.51

- (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. 1138.94 lakhs (Previous year Rs. 705.82 lakhs) spent in connection with acquisition of land including land compensation and rehabilitation expenses has been 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. 558.00 lakhs approx (Previous year Rs. 230.00 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 States as per the Govt. of India decision), from Kathalguri Gas Based Power Project



and Agartala Gas Turbine Power Project to the different beneficiary states as based on average tariff rate of Rs. 1.70p per unit (previous year Rs. 1.459p).

(b) Sales include Rs. 81.92 lakh (previous year Rs. 84.44 lakh) being the cost of internal consumption of electricity.

10. A sum of Rs. 78.81 crore approx (Previous year Rs. 45.99 crore approx) was provided under "Other Income" being the interest charged on the over-dues on outstandings from different beneficiary states as per the Bulk Power Purchase Agreement with the states.

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

	<u>Current year (1999-2000)</u>	<u>Previous year (1998-1999)</u>
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity :		
Commercial Units	625.00 MW	535.00 MW
Reteable Energy	3464.00 MU	2924.00 MU
Actual Generation	2225.4388 MU	1935.93 MU
Sales including internal consumption but excluding free supply of Power, auxiliary consumption and transmission losses	2098.4515 MU	1802.83 MU

12. Capital Reserve of Rs. 13.22 lakhs, carried forward from previous years, represents excess of sale price of assets sold/discarded.

13. Contingent liabilities :

	<u>(Rs. in Lakh)</u>	
	<u>As at 31. 3. 2000</u>	<u>As at 31.3. 1999</u>
Claims against the Company not acknowledged as debt -	2892.58	2733.39

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

	<u>(Rupees. in lakhs)</u>	
	<u>Current year (1999-2000)</u>	<u>Previous year (1998-1999)</u>
(a) Capital equipment	-	1761.02
(b) Expenditure in foreign currency		
i) Spares	-	4279.06
ii) Consultancy	-	82.90
iii) Interest	389.58	499.17
iv) Others	1.98	36.62

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. 23.48 lakh (previous year Rs. 192.18 lakh).

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 to 31.3.99 and Rs. 3000/- per month

from 1.4.99 to 31.3.2000 in addition to the interim relief.

18. The Company has made a provision for proposed dividend amounting to Rs.1.00 crore for the year 1999-2000 (previous year Rs. 4.00 crore).
19. 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 crore has been given during the year 1998-99 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.
20. During the year Bond Redemption Reserve has been created for Rs. 10,40.00 lakh in accordance with the Security and Exchange Board of India's (SEBI) "Guidelines for Disclosures and Investors' Protection".
21. The effect of foreign exchange fluctuations during the year is as under :-

The amount of exchange difference adjusted by decrease of loan liability of M/s Deutsche Bank, Germany with corresponding decrease in the carrying amount of Fixed Asset is Rs. 9,05.82 lakh in respect of Agartala Gas Turbine Project.
22. Spares purchased out of Grant-in-aid received from the Central Govt. have been utilised during the current year, i.e. FY 1999-2000. To represent the above, Repairs & Maintenance has been debited and Stock of Spares has been credited by an amount of Rs. 4,18.19 lakh. Again, the same amount has been transferred from Govt. Grant to Profit & Loss Account (credit).
23. During the year penal interest on Govt. Loan has been re-calculated taking into consideration the penal rate of interest over and above the normal rate of interest on the defaulted Interest and Principal as per repayment schedule. Earlier, penal interest was provided on the rate of penal interest only on the defaulted Interest and Principal. Accordingly, an amount of Rs. 18,79.50 lakh has been shown in the prior period account.
24. Provision has been made for gratuity, leave encashment and post retirement medical benefits on actuarial valuation as on 31.03.2000.
25. The MATFIN and PIS software and the associated hardware on which these applications are functioning together with the networking components are Y2K compliant.
26. The company has borrowed in excess of the limit laid down by Section 293 (1) (d) of the Companies' Act, 1956 during the year after complying with the provisions of the said Act.
27. The Accounting Policy No. 13 as appeared in previous Annual Report has been withdrawn as the Interest during Construction is calculated on the basis of actual release of Loan.
28. 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)

M. D. ROY
DGM
(Finance
& ITS)

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, 2000



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, leave encashment and post-retirement medical benefits 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 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., are 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. Claims for price variation / Bonus in case of contracts/supply/consultancy etc., are accounted for on acceptance of the bills.
14. Arbitration award for and against the Corporation is accounted for in the year of final settlement.
15. Capital expenditure not represented by assets and capital expenditure on land not belonging to the Corporation is allocated to other capital assets that are directly or indirectly benefited by such expenditure.
16. Value of scrap is adjusted in the account as and when sold.
17. Stores and spares are valued at or under cost.
18. Contingent liabilities are generally not provided in the accounts and are separately shown in the Notes of Accounts.
19. (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 and in case of Current Assets is adjusted against Profit & Loss/I.E.D.C.

(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
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For & on behalf of
S. GANGULI & ASSOCIATES
Chartered Accountants
D. P. SAHA
Partner
3rd August, 2000



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, 2000 and 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, and on the basis of such checks as we considered appropriate and as per information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments 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 accounts as required by Law have been kept by the Company so far as appear 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) Balances shown under certain Institutional Loans, Sundry Creditors, Advances, 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 lakh and with Meghalaya State Electricity Board for Rs. 2.37 lakh remain unadjusted in absence of detailed accounts (refer note No. 6 of Notes on Accounts).
4. Subject to observations referred in point no. 3(e) (i) & (ii) 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, 2000 and
 - b] In the case of Profit and Loss Account of the Profit for the year ended on that date.

Dated : Calcutta
the 3rd August, 2000

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

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 subject to the observation that it needs regular updation in certain locations. The Fixed Assets were, as explained to us, physically verified by the management at the year-end and no serious discrepancies were noticed.
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, particularly in the case of fast moving items needs to be further strengthened.
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. However, in course of verification it was found that the difference in stock balances also exist between Price Stores Ledger and Financial Ledger pending reconciliation and subsequent adjustment.
6. In our opinion, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles, and on the same basis as in the preceding year.
7. According to information given to us, the company has not taken loans from companies, firms or 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 (1B) of Section 370 of the Companies Act, 1956.
8. According to information given to us, 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 (1B) of section 370 of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loan to parties including 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 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 transaction 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. 50,000/- or more in respect of each party.
12. As explained to us, unserviceable or damaged stores and spares whenever determined by the Company provision for loss is made in the books. However, in our opinion the system for such activity should be more regular.



13. The company has not accepted any deposit from the Public U/S 58 A of the Companies Act, 1956.
14. In our opinion, reasonable records were maintained for sale and disposal of scrap. As explained to us, during the year, there was no such occasion for sale and disposal of scrap. The Company has no by-product.
15. In our opinion, the internal audit system of the Company needs further strengthening particularly in the context of running both operational and construction activities simultaneously in wide spread areas.
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 generally 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 become 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 with 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 : Calcutta the 3rd, August, 2000.

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, 2000.

BALANCE SHEET

(a) The Company has not given specific disclosure regarding accounting policy adopted in financial statements in respect of grants received from the Government of India towards import/purchase of spares as required under Accounting Standard-12 (Accounting Policy No. 11 and Notes on Accounts No. 22 refer).

(b) The Company received Rs. 83.00 lakh from the Government of India during 1980-81 to 1983-84 towards share capital for execution of Garo Hills Thermal Power Project. Out of Rs. 83 lakh, the Company paid advance of Rs. 78 lakh to Border Road Development Board during 1980-81 to 1983-84 for construction of road etc. The project has not yet been taken up and the advance is still being shown under "Construction Stores & Advances" (Schedule-6).

Dated : Calcutta
The 25th August, 2000

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

**ANNEXURE - III**

to the

Directors' Report

**COMMENTS OF THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE
COMPANIES ACT 1956 ON THE
ACCOUNTS OF NORTH EASTERN
ELECTRIC POWER CORPORATION
LIMITED, SHILLONG FOR THE YEAR
ENDED 31ST MARCH, 2000.**

MANAGEMENT'S VIEW

- a) The Company has not given specific disclosure regarding accounting policy adopted in financial statements in respect of grants received from the Government of India towards import/purchase of spares as required under Accounting Standard- 12 (Accounting Policy No. 11 and Notes on Accounts No. 22 refer).
- b) The Company received Rs. 83.00 lakh from the Government of India during 1980-81 to 1983-84 towards share capital for execution of Garo Hills Thermal Power Project. Out of Rs. 83 lakh, the Company paid advance of Rs. 78 lakh to Border Road Development Board during 1980-81 to 1983-84 for construction of road etc. The project has not yet been taken-up and the advance is still being shown under "Construction Stores & Advances"(Schedule-6).

It is the considered opinion of the Management that the Requirements of the Accounting Standard-12 of the ICAI for the disclosure of the Government Grants are fully complied with by disclosure made for capital nature in Accounting Policy-11 and for revenue nature in Notes on Accounts - 22.

The successive payments were released (Rs. 50.00 lakh and Rs. 28.00 lakh totalling to Rs. 78.00 lakh) to BRDB as per the progress of the infrastructure works. Appropriate accounting treatment would be made on due receipt of the Utilization Certificate.

For and on behalf of NEEPCO Ltd.,

**P. K. KOTOKY**

Chairman and Managing Director

Dated : New Delhi
28th August, 2000

ANNEXURE - IV

to the

Directors' Report

REVIEW OF ACCOUNTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED, SHILLONG FOR THE YEAR ENDED 31ST MARCH, 2000 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 :-

	1997-98	1998-99	1999-2000
(Rupees in crore)			
LIABILITIES :			
a) Paid up Capital - Government	1,612.13	1,777.15	1,869.84
b) Reserves & Surplus :			
i) Free Reserves & Surplus	145.92	148.99	165.32
ii) Capital Reserve	0.13	0.13	0.13
iii) Other Reserve	24.45	75.20	81.42
c) Borrowings :			
i) From Govt. of India	803.27	964.94	1,278.45
ii) From Financial Institutions	139.05	158.14	317.91
iii) Foreign Currency Loans	102.51	107.75	108.48
iv) From Rural Electrification Corporation	—	—	50.00
v) Others (Bonds)	349.30	349.30	399.30
vi) Interest accrued and due	7.98	22.91	59.12
d) Current Liabilities and Provisions	145.79	239.35	366.07
Total :	3,330.53	3,843.86	4,696.04
ASSETS :			
e) Gross Block	1,244.88	1,541.92	2,223.09
f) Less : Depreciation	188.61	269.08	381.44
g) Net Block (e - f)	1,056.27	1,272.84	1,841.65
h) i) Other capital expenditure	297.59	237.60	248.88
ii) Capital work-in-progress	1,550.46	1,736.22	1,564.40
i) Current Assets, Loans & Advances	417.16	587.91	1,031.90
j) Miscellaneous Expenditures not written off	9.05	9.29	9.21
Total :	3,330.53	3,843.86	4,696.04



	(Rs. in crore.)		
	1997-98	1998-99	1999-2000
k) Working Capital [i - d - c (vi)]	263.39	325.65	606.71
l) Capital Employed (g + k)	1,319.66	1,598.49	2,448.36
m) Net Worth [a + b (i) - j]	1,749.00	1,916.85	2,025.95
n) Net Worth per Rupee of Paid up Capital (in Rs.)	1.08	1.08	1.08

2. Working Results

i) Sales	177.98	259.18	357.39
ii) Profit before tax	25.90	58.22	27.93
iii) Provision for taxation	—	—	—
iv) Profit after tax	25.90	58.22	27.93
v) Dividend incld. Dividend Tax	2.20	4.40	1.20

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 :

A. Liquidity Ratio :

Current ratio (Current assets to Current Liabilities and Provisions including interest accrued and due)

	1997-98	1998-99	1999-2000
Current Ratio [i/d + c(vi)]	280%	224%	243%

B. Debt Equity Ratio :

Long term debt to Equity

[c (i) + c(ii) + c(iii) + c(iv)/m]	0.80:1	0.82:1	1.04:1
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C. Profitability Ratios :

a) Profit before tax to

i) Capital employed	1.96%	3.64%	1.14%
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ii) Net Worth	1.48%	3.04%	1.38%
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iii) Sales	14.55%	22.46%	7.81%
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b) Profit after tax to Equity capital	1.61%	3.28%	1.49%
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c) Earning per Share (In Rupees)	16.07	32.76	14.94
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4. Sources and Utilisation of Fund :

Funds amounting to Rs. 807.07 crore from internal and external sources were generated and utilised during the year as given below :-

Sources of funds :

(Rs. in crore)

(a) Fund from operation :

Profit after tax 27.93

Add : Depreciation 112.36

140.29

(b) Increase of share capital including pending allotment

92.69

(c) Increase in borrowed fund

574.01

(d) Decrease in Misc. Expenditure

0.08

Total

807.07

Utilisation of Fund :

(Rs. in crore)

(a)	Increase in Gross Block CWIP and other capital expenditure	520.63
(b)	Increase in working capital	281.06
(c)	Decrease in Grant-in-aid	4.18
(d)	Dividend (Including Dividend Tax)	1.20
	Total	807.07

5. Inventory

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

(Rs. in crore)

	1997-98	1998-99	1999-2000
Stores and Spares	29.05	77.12	75.42
Work-in-progress	0.09	-	-
	<u>29.14</u>	<u>77.12</u>	<u>75.42</u>

6.

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		
1997-98	234.94	0.86	235.80	177.98	132
1998-99	443.06	0.86	443.92	259.18	171
1999-2000	798.69	0.86	799.55	357.39	224

Dated : Calcutta
The 25th August, 2000

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



ANNEXURE - V

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 :

- a) 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.
- b) Introduction of high voltage distribution system for supply of construction power in the ongoing projects.
- c) Proper utilisation of the available water at Umrang 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 :

- a) With a view to reduce energy loss in the distribution system, steps have been taken to improve the distribution by introducing more service transformers.
- b) 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 :

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans :- NIL
2. Total foreign exchange used during 19

(Rs. in Lakh)

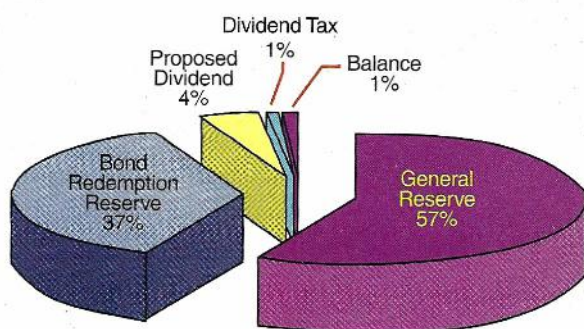
a) Consultancy	—	742.71	—
b) Capital Equipment	—	—	—
c) Spares	—	1549.41	—
d) Interest	—	468.58	—
e) Others	—	6.21	—

For and on behalf of the Board of Directors

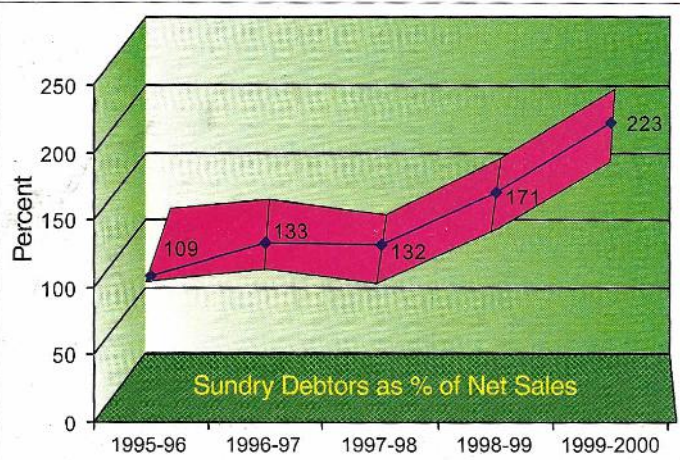
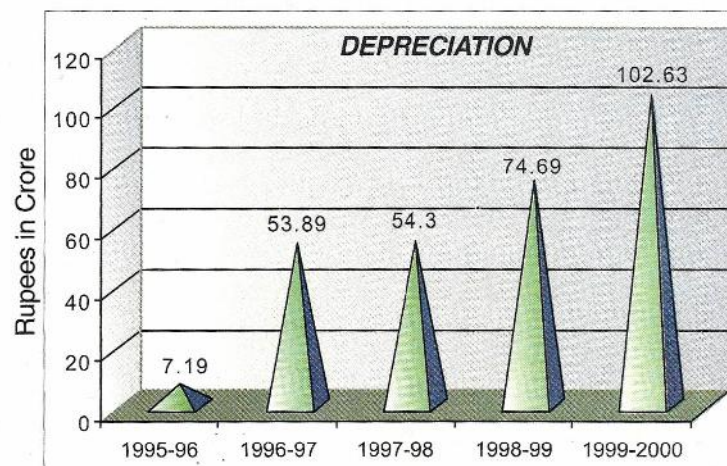
Dated, New Delhi
th August, 200

Chairman & Managing Director

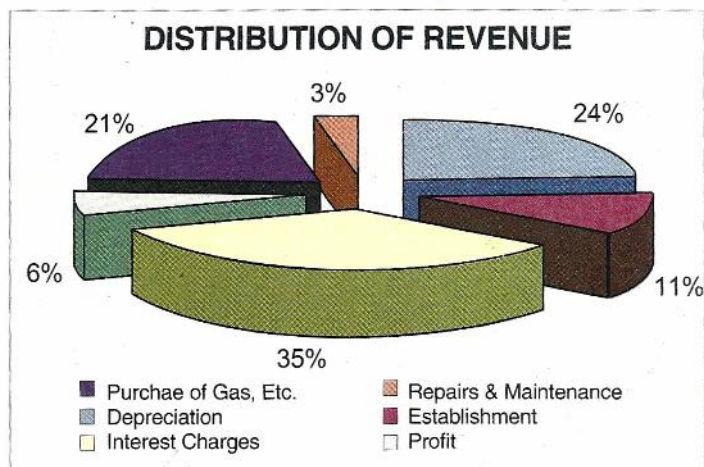
ALLOCATION OF PROFIT



DEPRECIATION



DISTRIBUTION OF REVENUE



Gift by