



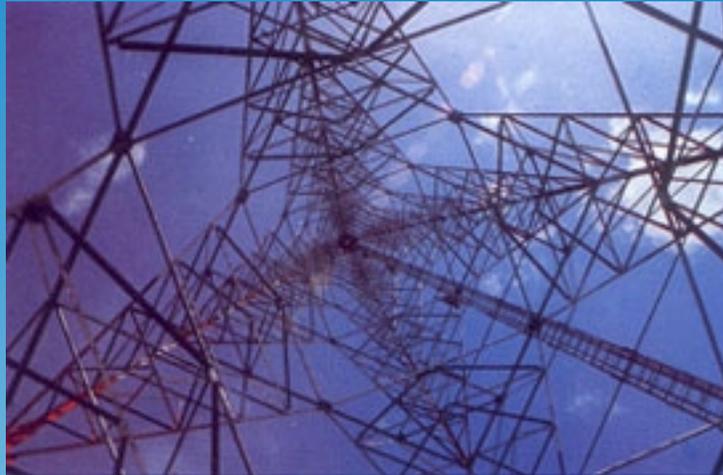
ANNUAL REPORT 1990-91



NATIONAL POWER TRANSMISSION CORPORATION LIMITED
(A Government of India Enterprise)



Highlights



- * **MANAGEMENT OF TRANSMISSION ASSETS TAKEN OVER FROM**
 - NTPC 16th August, 1991
 - NEEPCO 14th November 1991
 - NHPC 19th November, 1991
 - Transfer of assets of other organization viz. NPC, THDC, NLC, NJPC, DVC/BBMB are in the advanced stage
- * **Commissioning of Transmission Lines and Substations**
 - Kahalgaon-Biharshariff 400 KV D/C Line
 - Biharsharif 400 KV Sub-station
 - 400 KV Bays (I & II) at Itarsi
 - ICT-III at Mandaula
 - Agra-Ballabgarh 400 KV S/C Line
- * **Investment proposals in the Eighth Plan Rs. 12,500 crores**

OBJECTIVES

- Efficient Operation and Maintenance of Existing Transmission Systems
- On-time Commissioning of on-going Central Transmission Projects
- Identify and execute new Transmission Projects
- Strengthening Regional Grids
- Establish inter-regional links
- Establish National Power Grid
- Establish/Augment Regional Load Despatch Centres & Communication Facilities
- Introduction of Rational Tariff Structure for Exchange of Power
- Minimise cost of Power Transmission
- Bring about economies of scale in all facets of Power System
- Pool expertise and optimise manpower



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Board of Directors



R. K. Narayan



T. V. Subramanian



P.S. Bami



T. Sethumadhavan



Y. P. Gambhir



A. H. Jung



M. M. Goyal



Krishna Swarup



U. V. Bhar

R. K. Narayan
Chairman & Managing Director

T.V. Subramanian
Director (Finance)

P.S. Bami

T. Sethumadhavan
(From 11.7.1991)

Y.P. Gambhir
(From 11.7.1991)

A.H. Jung
(From 26.7.1991)

M.M. Goyal
(Till 26.6.1991)

Krishna Swarup
(Till 01.6.1991)

U.V. Bhat
(Till 27.3.1991)

Company Secretary
Shri P.D. Tuteja

Statutory Auditors
Prem Gupta & Co.,
Chartered Accountants

Principal Bankers
Canara Bank
Oriental Bank of Commerce
Indian Overseas Bank
Indian Bank
State Bank of Hyderabad

Registered Office
10th Floor,
Hemkunt Chambers,
89, Hehru Place,
New Delhi - 110 019

(This Report was adopted at the Second Annual General Meeting of the Company held on 24th September, 1991.)



Chairman's Statement for AGM

Gentlemen,

It gives me immense pleasure to extend you a warm and cordial welcome to the 2nd Annual General Body Meeting of NPTC. You already have the Directors' Report and the Audited Accounts for the year ended on March 31, 1991 and as such I presume, I have your permission to take them as read.

2. I would like to share with you the present status of taking over of the transmission assets from various central power generating organisations. You are aware, we have achieved a milestone by taking over the management of transmission systems from NTPC with effect from 16/8/91 in line with the Department of Power's direction vide letter dated 12/7/91. This take over followed the signing of Management Agreement on 13/8/91 between NTPC and NPTC. A Power of Attorney was executed in favour of NPTC authorising us to take measures essential to manage the operation, maintenance and construction of the transmission assets taken over from NTPC. As per this agreement, about 2500 employees associated with the NTPC transmission lines & sub-station works alongwith Corporate Engineering Department have been transferred and absorbed in NPTC with effect from 16/8/91. Actions have also been initiated to get the ownership of these assets formally transferred to NPTC which may take some more time as it involves legal formalities including concurrence from the various funding agencies like World Bank, IBJ, Exim Bank of Japan etc. Meanwhile, as you are aware NTPC's Executive Association and Staff Unions had taken up the issue of the take-over in various High Courts and all petitions were transferred to Delhi High Court vide Supreme Court order dated 8/8/91. The Hon'ble High court has permitted NPTC to take over the management of NTPC's transmission systems as well as absorb transferred employees in NPTC pending final disposition of the petition.





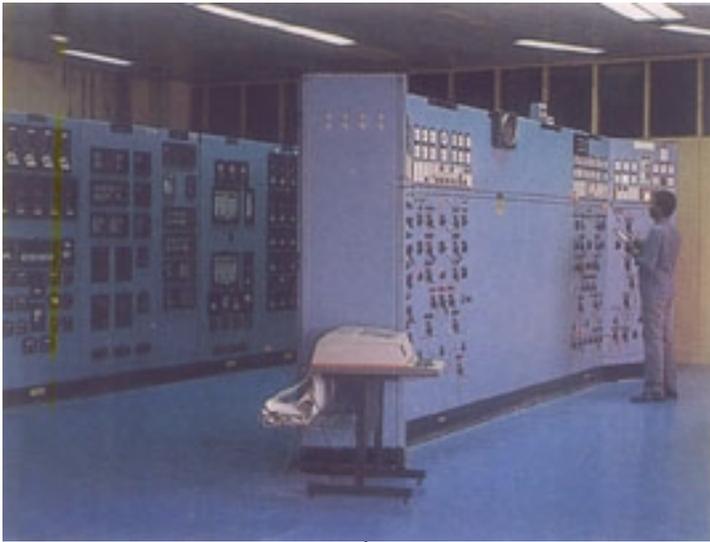
3. As per the Memorandum of Understanding signed with the Nuclear Power Corporation (NPC) on 28/8/91, their transmission system has also been taken over by NPTC. The various modalities for transfer of transmission systems and related man-power from NHPC, NEEPCO, THDC and NLC have already been finalised and the actual transfer is expected shortly. With these take overs, NPTC is expected to become fully operational in almost all areas of work originally envisaged to be assigned to it by the end of this financial year.

4. Construction of transmission systems by several central generating organisations and multiple ownership of regional power grid systems has been posing operational and commercial problems. Construction of transmission lines and sub-stations, not specifically associated with any central generating stations but required for formation/strengthening of the regional power grid and establishment of inter regional transmission lines required for development of the National Power Grid, has been extremely slow due to the absence of any commercial organisation specifically assigned for this role. With this background, formation of NPTC was considered necessary for coordination and ensuring integrated operation of regional grid systems in most optimal and economic manner. It was considered essential to pool all efforts for construction, operation & maintenance of transmission lines and sub-stations presently being handled by a number of different central generating organisations, under one single central transmission



organisation i.e. NPTC. This institutional arrangement will also help in establishment of modern load despatch and communication facilities at the state, regional and national level which are so essential for effective and efficient grid operations.

5. As you are well aware, the activities of this organisation are to be accomplished in three phases. In the first phase of these activities, NPTC has to take over transmission lines and associated sub-stations presently under construction and operation by various Central/Centre-State joint venture organisations, setting up/augmentation of load despatch & communication facilities and taking over of executives and staff engaged in related areas alongwith work of wheeling power from the participating power stations to the beneficiary states.



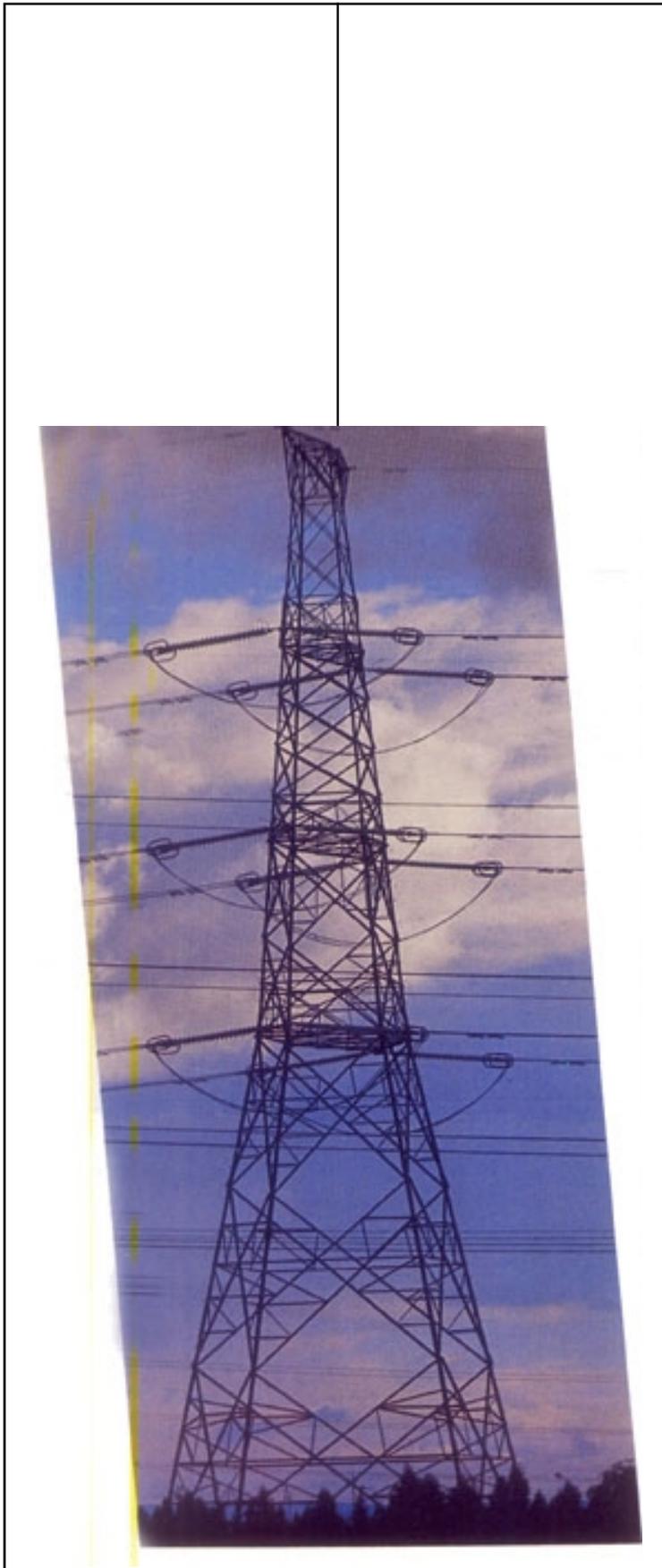
The participating organisations are NTPC, NHPC, NEEPCO, NPC, NLC, THDC, NJPC, DVC, BBMB and CEA. During the year under review, NPTC was mainly concentrating on preparation for these take overs. Approach papers and draft memorandum of understanding indicating various modalities involved for such transfers were circulated to all the central generating organisations. This was followed by several meetings at various forums including meetings with Administrative Ministries. In order to ensure smooth and time bound transfers organisation-wise, task forces were constituted to go into the minutest details of various aspects to be covered and modalities of transfer worked out before such transfers took place. On 9th March 1991, a meeting of Chairmen and Directors of all the major participating organisations was held under the chairmanship of Secretary (Power) to finalise the issues involved and evolve outlines for these transfers. The schedules and outlines of modalities for transfer of transmission works alongwith associated manpower from the major central generating organisations were finalised. Completion of the base work required for achieving smooth transfer of transmission assets and associated manpower from various Central/Centre-State joint venture organisations was the major area of activity of NPTC during 1990-91 which resulted in take over of management of transmission system from NTPC, taking over of transmission systems from NPC and achieving advance stage of take over of transmission business from other organisations like NHPC, NEEPCO, THDC, NLC etc.

6. I would also like to mention that conscious efforts were made to attract the attention of major international financing institutions. We started furnishing information on the role and responsibilities of NPTC, the benefits to be expected from and proposed action plan by way of meetings, presentations, deliberations etc., with almost all the major international financing institutions which included World Bank, OECF, Asian Development Bank and Exim Bank of Japan etc. As per the indications available, we have been able to make considerable impact and create favourable environment with these organisations and we expect to receive financial assistance from them in the near future.

7. Another important aspect under our active consideration has been the modification of existing inter-utility tariff structure to improve the system operation. Many of the present problems like frequency fluctuations and running disputes on backing down etc., between the central generating organisations and the beneficiary State Electricity Boards can be mainly attributed to improper tariff structure in existence. In accordance with the long-term recommendations of the K.P. Rao Committee, NPTC is proposing to provide the necessary infrastructure including time of the day (TOD) meters in all the five Regions of the country during the next 2-3 years, and a compatible tariff scheme. We are also developing an appropriate mechanism and tariff structure for inter regional transfer of power which is presently under discussion in various forums.

8. We are proposing to provide solid state meters of 0.2 class





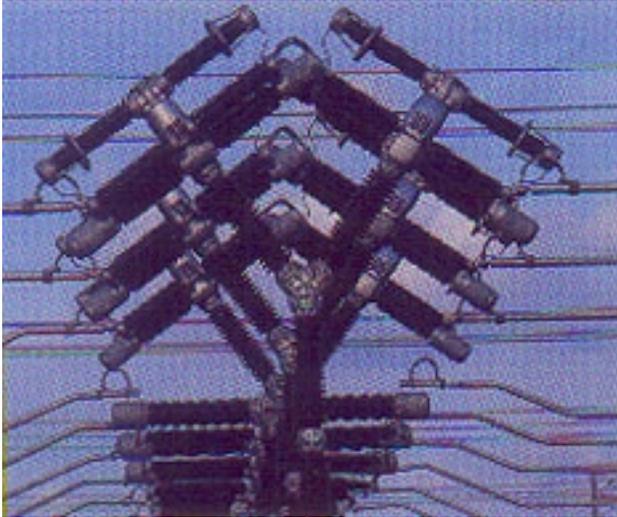
accuracy and are in the process of developing appropriate Indian vendors for the same. We are taking up a pilot project in three phases: firstly for developing a prototype, secondly for trial production of ten meters for field trials and type tests, and finally for manufacture and supply of 110 meters for installation in the North-Eastern Region. This would be followed up with orders for Southern and Eastern Regions. For the remaining two Regions i.e. Northern and Western, we propose to use the imported TOD meters already ordered by NTPC for the global accounting and implementation of the frequency-linked tariff for central generation. We have already presented this structure to various government agencies including Department of Power, Central Electricity Authority and the Regional Electricity Boards.

9. In this connection, you may like to know that Eastern and Western Regional Electricity Boards are already using frequency for distinguishing between surplus and deficit situations and a rebate/surcharge is applied for inter-state exchanges. We need to strongly advocate the same principle with all the generating companies and beneficiary State Electricity Boards. I need cooperation from all of you to make it a success.

10. Today, after taking over the management of transmission system from NTPC, we are in operation in all the four regions where NTPC transmission lines and sub-stations are located. Construction, operation & maintenance of the EHV network of this nature distributed throughout the country needs considerable managerial skills alongwith appropriate management information and control systems. To develop these in a systematic and scientific way, we have already started progress review meetings for all our projects located in four regions at regular intervals. In order to deliberate and take decision in respect of critical policy issues, the first Management Committee Meeting was also held earlier this month.

11. We are geared to take up consultancy services for the works within and outside the country in the areas of transmission and distribution based on our available expertise which will be further strengthened by pooling resources from various Central/Centre State joint venture power generating organisations. We have already undertaken some of such works with DESU and a number of other requests have already been received to undertake further consultancy works. A dedicated group of experts has already been constituted to take up such challenging assignments to diversify the activities of the organisation.

12. We are also poised to reduce the present high level of transmission and distribution losses and make improvements in the existing fragile system. In response to a request from the Government to undertake such activities, we have already submitted project proposals to the government for improving the distribution arrangements in the northern region by way of providing capacitors etc. As a model activity, a project to improve the local distribution system has also been taken up. Greater Kailash, a residential complex in south Delhi, has been identified for this purpose and a pilot report for the same is



expected to be submitted to DESU for consideration. If successful, similar projects in other urban areas can be taken up in future.

13. A comprehensive exercise for projecting the funds requirement during the 8th Five Year Plan has already been made and our proposals were forwarded to Central Electricity Authority and Government of India. Various categories of work considered with the total estimated fund requirements of about Rs. 17,212 crores for implementation during the 8th Plan period are :

- (i) The systems linked with generation addition.
- (ii) Grid strengthening schemes including inter-regional links.
- (iii) Load despatch and communication scheme.
- (iv) TOD Metering and instrumentation.
- (v) Infrastructural developments.

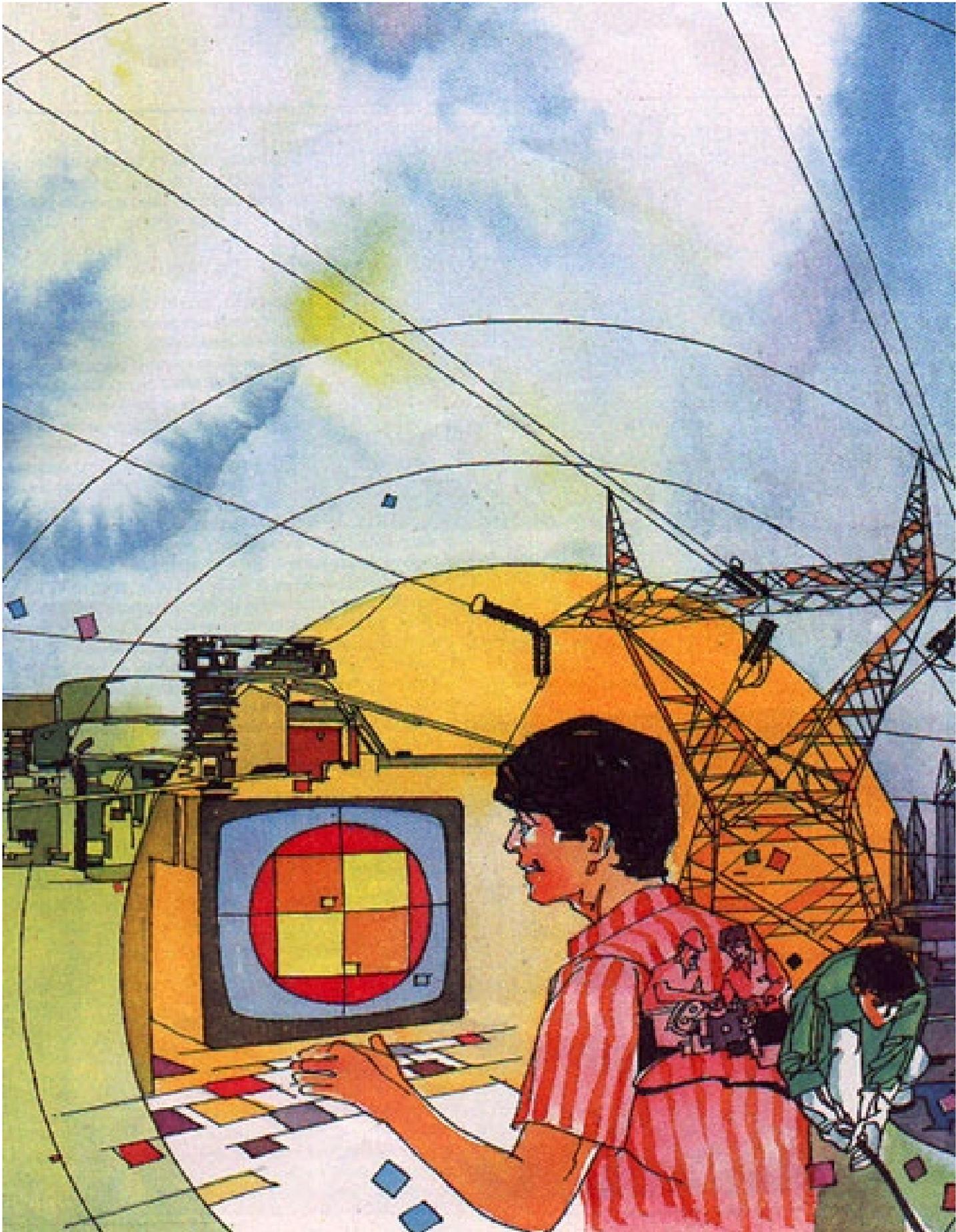
14. Emphasis has been given for regional grid strengthening schemes and inter regional links which will pave the way for formation of a National Power Grid to optimally utilise the country's power generation resources. Improvement in major sub-transmission networks has also been given due importance.

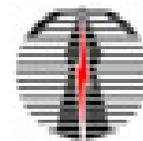
15. During the Power Ministers Conference held on 6th September, 1991, the Hon'ble Minister of State for Power and Non-Conventional Energy Sources (I/C), Shri Kalp Nath Rai, informed that the National Power Transmission Corporation has started functioning since January '91 to initiate the process of formation of National Power Grid in the country. He also informed the Power Ministers about the role and responsibilities of NPTC and requested them to extend their fullest cooperation to NPTC. The Power Ministers generally welcomed the formation of NPTC and assured their fullest support.

16. With the institutional arrangements provided by NPTC, we hope that the development of transmission and distribution system, which has so far not been given due attention, would now be receiving priority. As per the indications already available from government and the international financial institutions like the World Bank, the development of transmission and distribution system is now going to receive greater attention compared to the earlier emphasis on the development of generation capacity in the country. Optimised and coordinated development of the power system in the whole country with the overall guidance of the Central Electricity Authority (CEA) and early installation of missing inter and intra state links and removal of system weaknesses would ultimately make way for establishment of a cohesive National Power Grid. It is, therefore, evident that there will be substantial work ahead for us and I have no doubt that with collective and dedicated efforts of executives and staff, we will be able to meet the high expectations placed on us by all concerned in the context of development of transmission and distribution system in the country.

New Delhi
24th September, 1991.

(R. K. Narayan)
Chairman & Managing Director





Directors' Report

To the Members,

I have pleasure in presenting to you on behalf of the Board of Directors, the Second Annual Report on the operations of National Power Transmission Corporation Ltd., together with the Audited Statement of Accounts for the year 1990-91.

Background

In the pre-independence era, the power supply industry was mainly in the private sector and small power supply undertakings were concentrated in urban areas catering to the local power demands. Since independence, considerable progress has been achieved towards development of power sector. With the rapid growth in demand for electricity, large hydro-electric and pithead thermal power stations alongwith associated transmission systems had been established to further strengthen the regional power grids based on the concept of regional self-sufficiency. Economic exchange of power between the regions, however, could not be achieved, due to lack of proper grid discipline, inadequacy in transmission capability etc. Tariff of inter system exchanges has also defied a rational and acceptable solution for promoting healthy regional integration and optimisation. To overcome the above difficulties the Government of India decided to constitute NPTC in August, 1989 under central sector for construction of EHV AC and HVDC transmission lines, sub-stations, Load Despatch Centres and Communication facilities in a co-ordinated and efficient manner to move large blocks of power from central generating stations to load centres within and across the region with reliability, security and economy. As a result of this decision National Power Transmission Corporation was incorporated on 23rd October, 1989 with an authorised capital of Rs. 5000 crores (wholly owned by Govt. of India). Certificate of commencement of business was granted on 8th November, 1990 by the Registrar of Companies.

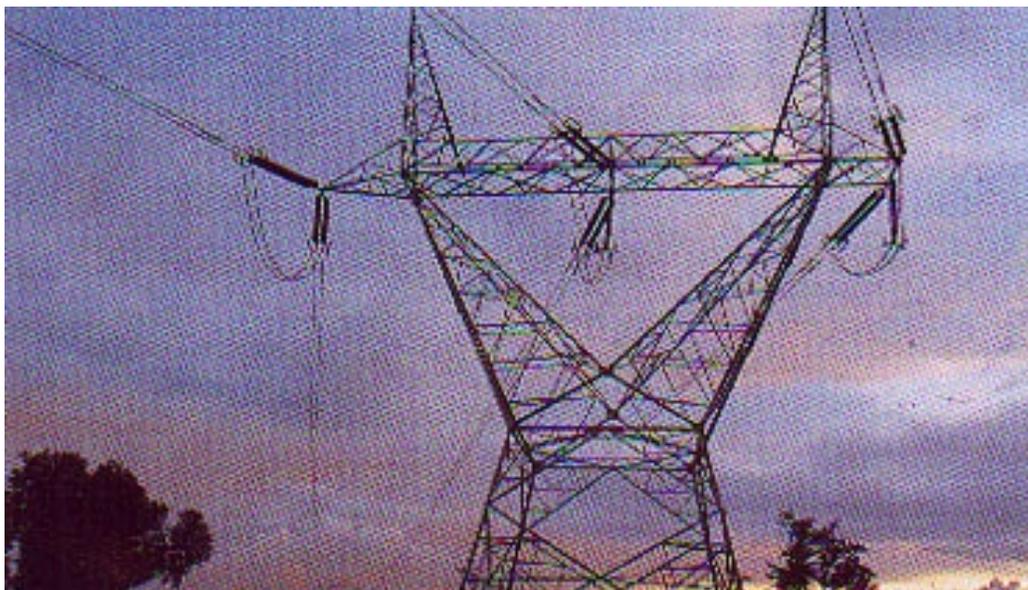
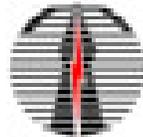
During the year 1990-91, I joined the Company on 1st November, 1990 and Shri T.V. Subramanian joined as Director (Finance) on 28th September, 1990. Director (Projects) is expected to be appointed shortly. Efforts are being made to recruit other full-time Directors.

Phased activities

According to the decision of Govt. of India, NPTC is required to start operation in phased manner as under :-

(a) First Phase - Take over of commissioned/under construction and planned transmission lines and sub-stations from the Central/Centre-State joint venture organisations, viz. NTPC, NHPC, NEEPCO, Nuclear Power Corporation, Tehri Hydro Development Corporation, Neyveli Lignite Corporation, DVC, BBMB, augmentation of load despatch and communication facilities transfer of related manpower and wheeling of power from the participating power stations to the beneficiary States.





(b) Second Phase -Transfer of existing REBs/RLDCs for integrated operation and co-ordination.

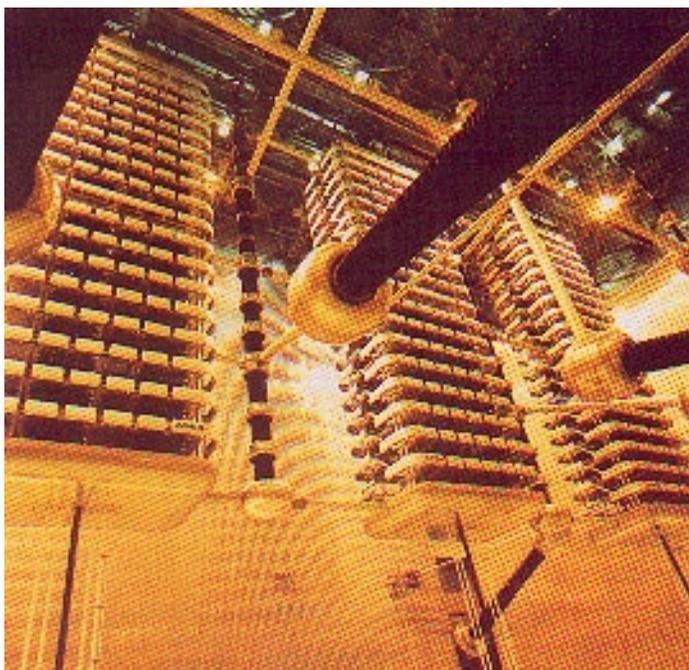
(c) Third Phase - Buying power from central generating organisations as also any surplus generation of SEBs to pool and sell the same to various States.

NPTC : An Amalgamating Force

NPTC cannot really be considered a new organisation but it is merely a reorganisation of the power sector to facilitate adequate attention to the development of bulk transmission system in the country. All the expertise available in the bulk transmission area in the country will be pooled together in NPTC. This will give a fillip for further development of this area. Optimised and co-ordinated development of the power system in the whole country, under the overall guidance of the Central Electricity Authority (CEA), early installation of missing links and removal of system weaknesses will result in early establishment of an effective National Power Grid. The need for specialised organisation for development and management of grid has been recognised in UK with the formation of National Grid Company and in many European countries as well as in Canada & New Zealand.

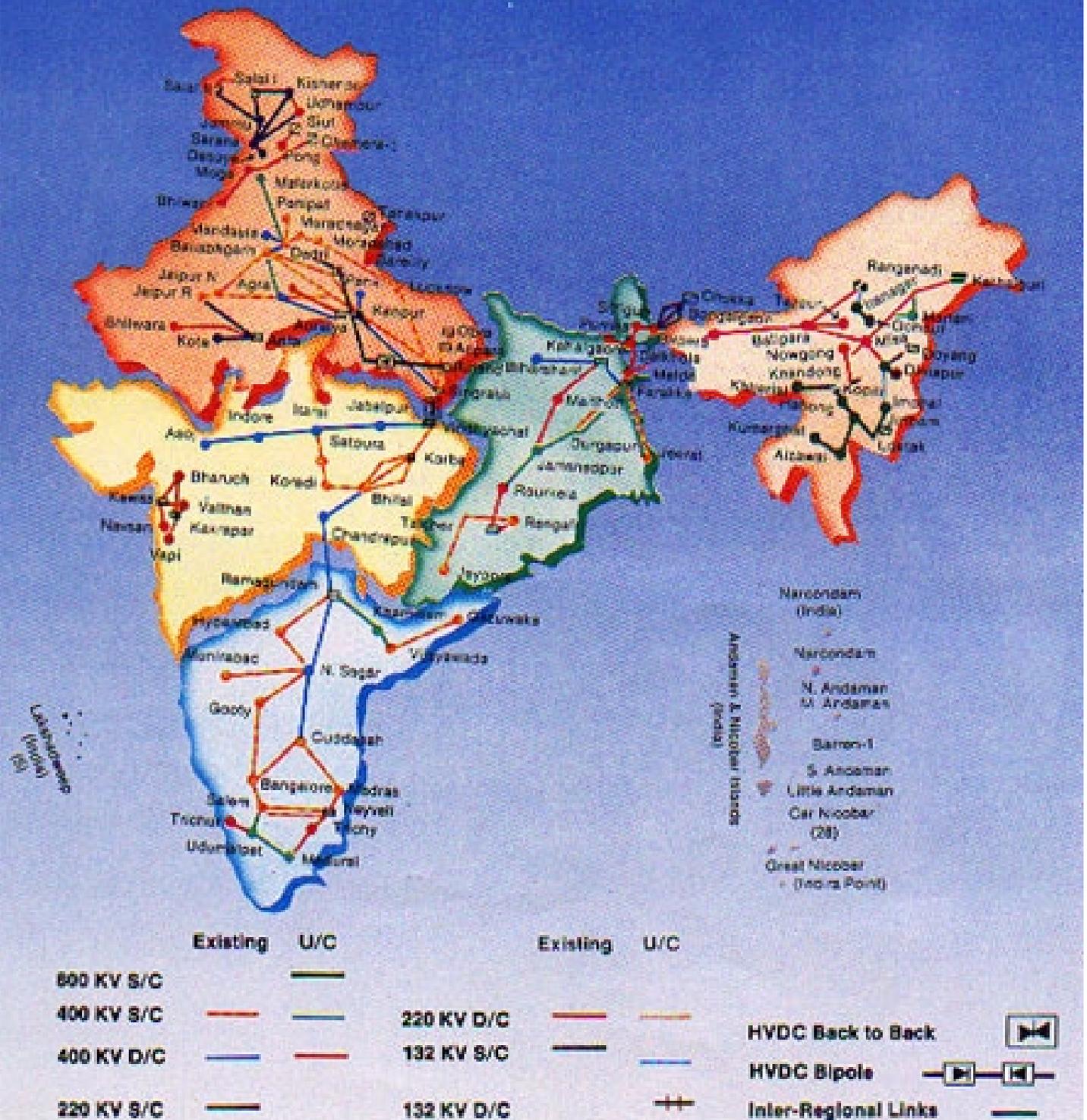
Present status of transfer of transmission works from NTPC

The NPTC has taken up the management of transmission lines/sub-stations work along with associated staff of NTPC w.e.f. 16.8.1991 in pursuance of the Deptt. of Power letter dated 12.7.1991. The transmission systems include extra high voltage AC transmission grid under construction as well as in operation for a total of about 17500 cct Kms. involving an investment of about Rs. 4000 crores. About 2500 employees from NTPC TL establishments and Power System Engineering Group have now joined NPTC. All new transmission projects originally conceived by NTPC have been entrusted for implementation



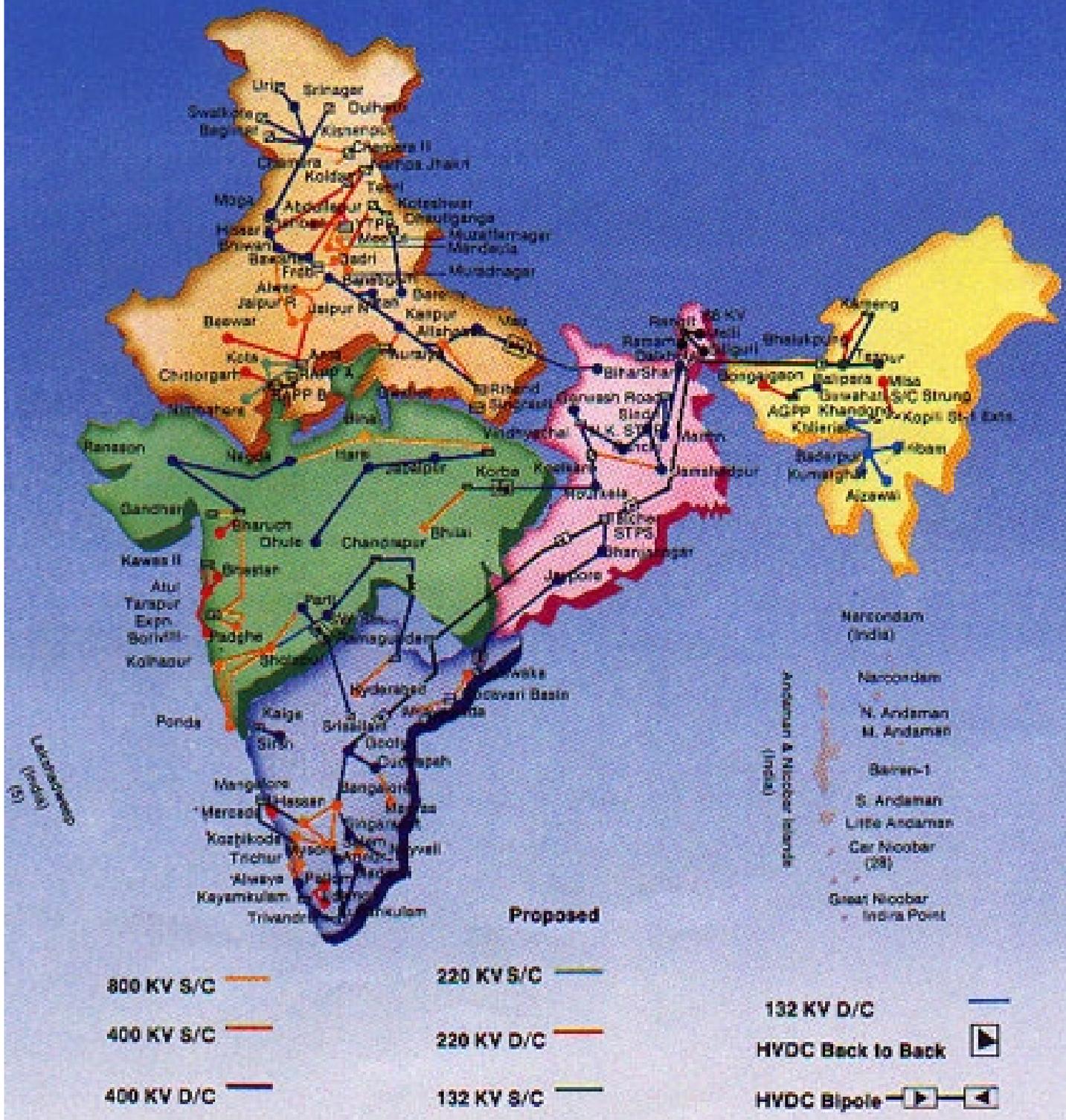


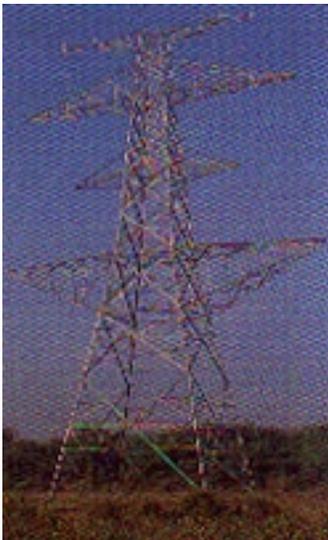
NPTC Transmission system (Existing/Under Construction)





NPTC Transmission system (Proposed)





to NPTC, along with Chandrapur HVDC back-to-back inter-regional link earlier for implementation by NTPC directly sanctioned by Govt. of India.

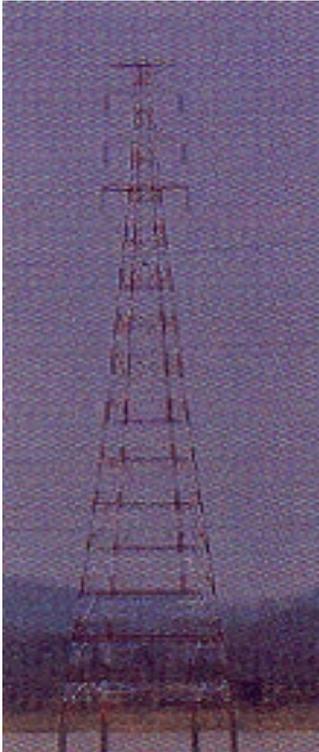
You are aware that NTPC staff unions/associations had filed writ petitions in various High Courts against the order of transfer. On a petition filed by NPTC along with the Govt. of India and others, the Supreme Court transferred all the petitions to Delhi High Court. After hearing the representations of the employees, NPTC management, Central Govt. Counsel and others the Delhi High Court decided not to grant an interim stay in the matter and gave certain directions to NPTC and other respondents during the period of pendency of writ petition. Further action is being taken by the Company in respect of the writ petition.

Highlights of Management Agreement entered into between NPTC & NTPC

All transmission lines and sub-stations along with associated facilities and other related assets identified/to be identified except those forming integral part of the generation stations (such as switchyard at generating stations, start-up power system, HVDC back-to-back terminal stations along with associated links, short length transmission line connecting NTPC generating stations, Singrauli-Vindhyachal) as running business were transferred to NPTC w.e.f. 16.8.1991. The ownership of the assets is to be passed on to us by 30.9.1991, after completion of all the requisite formalities.

Rihand-Dadri HVDC station along with bipole will continue with the NTPC along with the associated staff for a short period until both the poles are put into commercial operations. The above assets will thereafter be transferred to NPTC on mutually agreed terms.



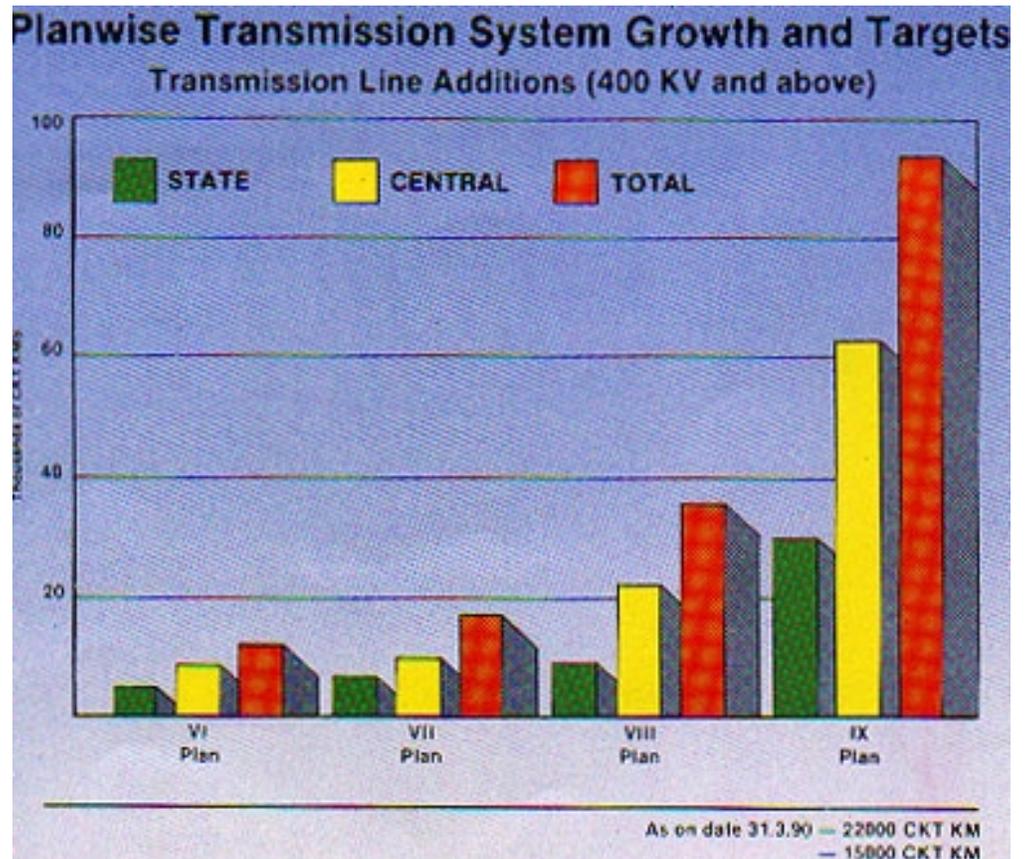


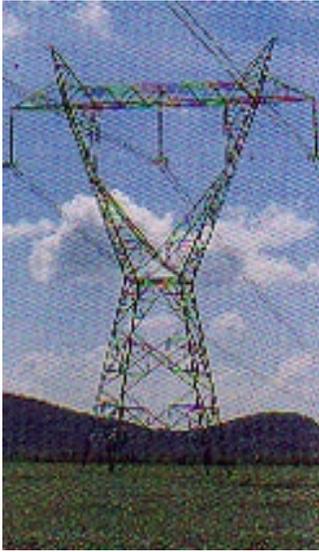
Memorandum of Understanding with Nuclear Power Corporation

NPTC signed the MOU with the Nuclear Power Corporation on 28.8.91 for transfer of the transmission work of NPC currently under various stages of implementation. The MOU enable the NPTC to supervise the implementation of transmission lines of Kakrapar Atomic Power Project, being executed as deposit work by the Gujarat Electricity Board. Power evacuation Projects of Rajasthan Atomic Power Project Unit 3 & 4 (470 MW), Kaiga (470 MW), Tarapur (470 MW) and Kudankulam (2x100 MW) Atomic Power Projects will now be implemented by NPTC.

Take over of work from other Corporations

Modalities for transfer of transmission business of other central generating organisations like NHPC, NEEPCO and NLC have already been finalised and the transfer is expected to take place shortly. In the case of NJPC, the associated transmission system has so far been implemented by NHPC and the same will be implemented by NPTC after the transfer of transmission line business from NHPC to NPTC is effected. In the case of THDC, which is a Centre-State joint venture with UP Govt., the transfer of the associated transmission system to NPTC is also expected shortly as the consent of the UP Govt. has recently been received.





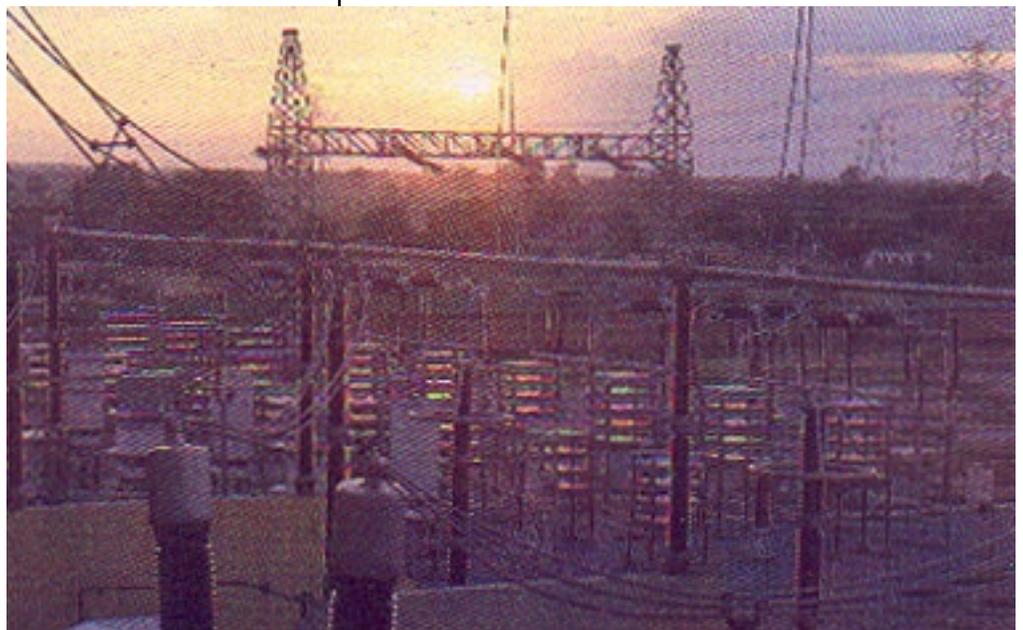
Budget Outlay for Transmission Lines and Eighth Five Year Plan Projections

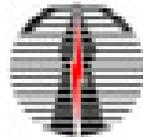
According to the Govt. of India decision, the Budget outlay for the year 1991-92 earmarked for Transmission Lines in the name of transferee organisations are to be transferred as and when the works are passed on to us. From the details of the Transmission Lines budget for the year 1991-92, it may be observed that the total central plan outlay for transmission line works already transferred or being transferred to NPTC is Rs. 544 crores.

New Project and System Improvements

So far generating organisations in the central sector apart from setting up power stations were also planning, constructing, operating and maintaining transmission lines and sub-stations mostly associated with evacuation of power from the respective power stations upto certain grid points. Construction of transmission lines has accordingly to keep pace with construction expansion of individual power plants. Such steps, however, have not always been optimal from overall power system angle. This approach has resulted in multiplicity of central govt. organisation handling similar jobs parallelly in the same geographical area. Transmission lines not connected with the power evacuation from any generating plant and inter and intra state/regional links have not received adequate attention.

NPTC will be making all our efforts in this direction and a number of inter-regional links are proposed to be commissioned during 8th Five Year Plan. NPTC has already started preparatory works on Chandrapur and Jeypore-Gazuwaka HVDC back-to-back schemes. HVDC back-to-back links will also be established linking the Western and Eastern, Northern and Eastern, Northern and Western and Western with Southern regions.





Further to improve the quality of power and voltage profile, NPTC is planning to take up installation of additional transformers, and reactors and static VAR compensators.

NPTC will also be assisting in establishment/augmentation of the RLDCs and communication facilities in all the five power regions.

Prospects for the Eighth Plan

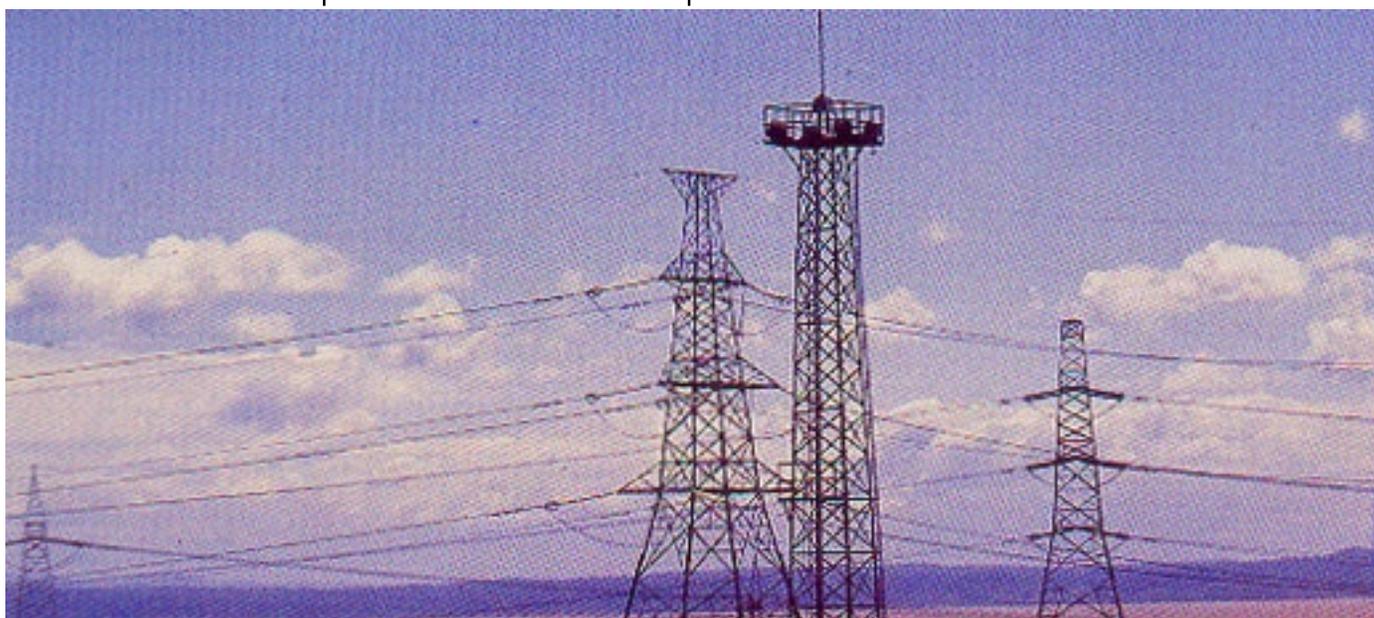
For the 8th Plan, NPTC have requested for Rs. 17,212 crores for the various schemes to be taken up in the 8th Plan including preliminary work for the schemes to be taken up in the 9th Plan. Out of these Rs. 9180 crores are proposed to be utilised for construction of transmission work associated with various generation schemes and Rs. 6390 crores for system augmentation. Rs. 1440 crores have been asked for establishment/augmentation of load despatch centres and communication facilities, Rs. 126 crores for infrastructural development, Rs. 60 crores for installation of TOD meters and Rs. 10 crores for survey and investigation work.

Organisation Structure of NPTC

Efforts have been made to provide form and content to an appropriate organisational configuration in tune with the priorities of the organisation. Organisation structure proposed to be adopted by NPTC for its Corporate Office & regions is enclosed as Annexure-I.

Human Resources Management

The basic challenge for NPTC is the management of its human resources (HRM), The primary thrust of HRM at NPTC is to integrate, synthesize, homogenize and unify the diverse organisational, structural and cultural characteristics inherited from





the Central Sector power generating organisations from where personnel are getting transferred for absorption. NPTC is the outcome of reorganization of the Indian power sector enabling the pooling of expertise and resources for power transmission systems under the umbrella of a single organisational outfit.

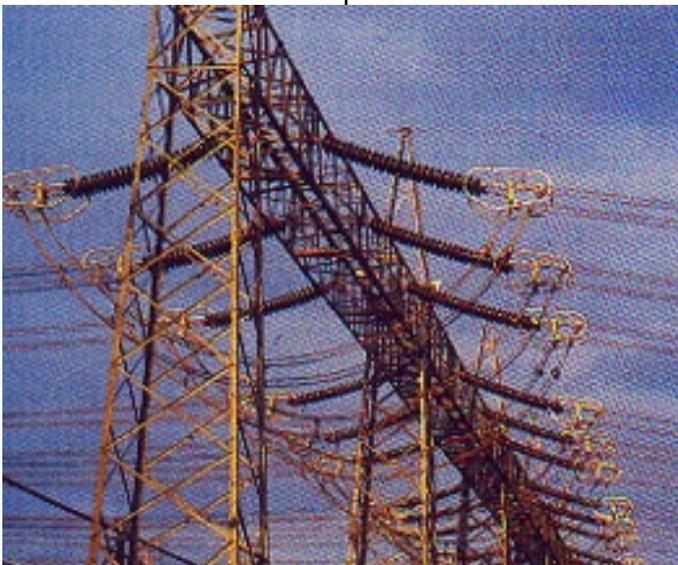
Elaborate exercises were undertaken during the year under review for giving shape to the terms and conditions of absorption of personnel getting transferred from other organisations. The personnel package incorporating these terms and conditions which had since been concurred by the Department of Public Enterprises were communicated to the personnel slated to be transferred. The personnel from NTPC numbering around 2500 have already been absorbed w.e.f. 16.8.1991. The absorption of personnel from NHPC, NEEPCO, THDC, NLC, etc. is in the offing.

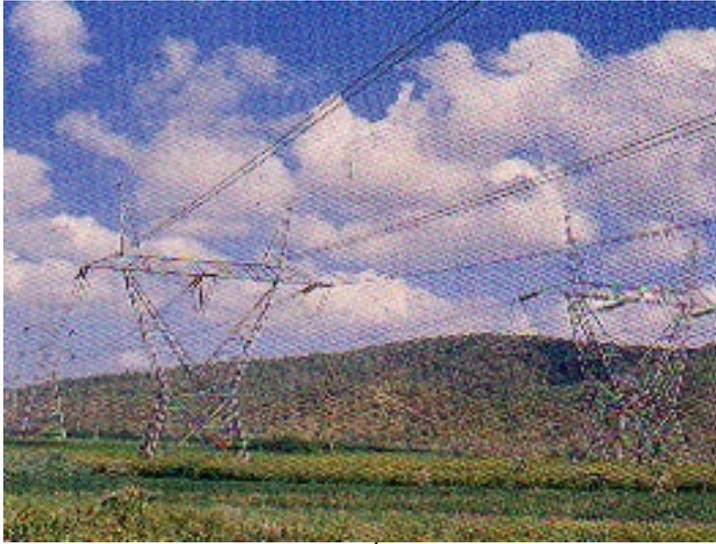
NPTC is committed to synchronise the development aspirations of its people with the corporate growth plans. NPTC will constantly review its organisational structure, management systems, decision-making processes and will attempt re-design wherever necessary to create self-sustaining and self-renewing capabilities for coping with the changes in the internal and external environment.

NPTC attaches a lot of importance to the evolution of a work ethic which will impart time-sensitivity and task-sensitivity to its personnel. Enriching the quality of life of its people will be top on the agenda for action.

Accounts and Audit for the year 1990-91

The accounts for the year 1990-91 mainly deal with expenses for setting up of the corporate office and the accounts have





been audited by statutory auditors, M/s. Prem Gupta and Co. There is no qualification in the Statutory Auditors' Report and the Comptroller and Auditors General of India has also given a "nil" comments report. The auditors' reports are annexed with the accounts.

Particulars of Employees

Pursuant to Section 217 (2A) of the Companies Act, 1956 particulars of employees drawing Rs. 12,000, and above per month are given in the Annexure-II to this Report.

Board of Directors

Since the Ist AGM NPTC Sh. U. V. Bhat, Jt. Secy. & Fin. Adviser, Deptt. of Power, Sh. Krishna Swarup, Member (PS), CEA and Sh. M.M. Goyal, Jt. Secy. (System), Deptt. of Power, who were the Directors from the beginning of the Corporation, retired from directorship of NPTC and the Board has placed on records deep appreciation for the valuable advice and guidance given by them at all times and their active contribution in the making of the Corporation.

Shri T. Sethumadhavan, JS & FA, Deptt. of Power, Sh. Y.P. Gambhir, Member (PS), CEA and Shri A.H. Jung, Jt. Secy. (Systems), Deptt. of Power upon joining their respective posts were appointed as Directors of NPTC.

Acknowledgements

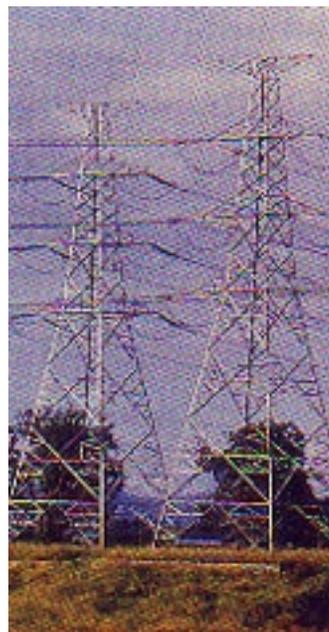
The Board places on record its appreciation of the invaluable assistance rendered by the Government of India, particularly the Ministry of Power & Non-conventional Energy Sources, Ministry of Finance, Planning Commission, Ministry of Project Implementation, Department of Public Enterprises, Regional/ State Electricity Boards, Central Electricity Authority and Central generating organisations.

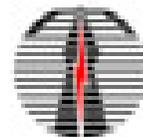
The achievements of the Company are really a measure of the dedicated and strenuous efforts put in by the employees of the Company, the directors appreciate their contribution.

For and on behalf of the
Board of Directors

(R. K. Narayan)
Chairman & Managing Director

New Delhi
Dated : 20.9.1991





BALANCE SHEET

As at 31st March, 1991

(Rupees)

	Schedule No.	As at 31.3.1991	As at 31.3.1990
SOURCES OF FUNDS			
Shareholders Funds			
Capital	1	<u>5,10,00,000</u>	<u>60,00,000</u>
Total		<u>5,10,00,000</u>	<u>60,00,000</u>
APPLICATION OF FUNDS			
Fixed Capital Expenditure			
Fixed Assets			
Gross Block			
	2	23,62,431	4,63,764
Less : Depreciation to date		<u>96,399</u>	---
Net Block		22,66,032	4,63,764
Current Assets, Loans and Advances			
Cash and Bank Balances			
	3	3,98,99,147	14,46,259
Other Current assets		1,50,527	---
Loans and Advances		<u>22,79,719</u>	---
		4,23,29,393	14,46,259
Less : Current Liabilities and Provisions			
Liabilities			
	4	<u>10,10,877</u>	3,77,689
Net Current assets		4,13,18,516	10,68,570
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Incorporation expenses		40,13,880	40,13,880
Unallocated Incidental expenditure for commencement of business (net)		<u>34,01,572</u>	4,53,786
		<u>74,15,452</u>	<u>4,53,786</u>
Total	5	<u>5,10,00,000</u>	<u>60,00,000</u>
Notes on Accounts			

(P. D. TUTEJA)
SECRETARY

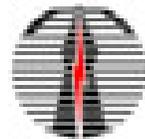
(T.V. SUBRAMANIAN)
DIRECTOR (FINANCE)

(R. K. NARAYAN)
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date
for Prem Gupta & Co.
Chartered Accountants

(P. B. GUPTA)
PARTNER

Place : New Delhi
Dated : 4th September, 1991



STATEMENT OF INCIDENTAL EXPENDITURE FOR COMMENCEMENT OF BUSINESS

For the year ended 31st March, 1991

(Rupees)

	For the year ended 31.3.1991	For the year ended 31.3.1990
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, allowances and benefits	7,92,904	10,962
Contribution to provident and other funds	63,164	
Welfare expenses	<u>37,697</u>	10,962
REPAIRS & MAINTENANCE		
Buildings	56,225	
Others	<u>3,359</u>	59,584
		7,651
Power charges		2,600
Water charges		
Training & Recruitment Expenses	4,45,237	3,90,625
Less : Application Fee Received	<u>2,812</u>	<u>1,616</u>
		4,42,425
		3,89,009
ADMINISTRATION EXPENSES		
Professional charges & Consultancy fee	1,13,015	752
Communication expenses	2,29,388	
Travelling expenses	93,820	620
Payment to Auditors (previous year subject to approval of company law board)	3,000	5,000
Advertisement and Publicity	34,490	
Printing and Stationery	1,31,185	4,739
EDP hire and other charges	21,650	4,015
Entertainment expenses	9,543	610
Rent	6,62,884	
Furnishing expenses	2,00,639	30,665
Miscellaneous	1,91,939	7,414
Rates and taxes	3,200	
Insurance	2,464	
Depreciation	<u>96,399</u>	<u>17,93,616</u>
		31,99,641
		4,53,786
Less : OTHER INCOME		
Interest from Indian Bank	2,44,587	
Interest from Others	1,543	
Miscellaneous Income	3,725	
Excess Provision written back	<u>2,000</u>	<u>2,51,855</u>
		29,47,786
		4,53,786
Excess of expenses over income		<u>4,53,786</u>
Balance from last year's account		<u>34,01,572</u>
		4,53,786

Transferred to Balance Sheet

(P. D. TUTEJA)
SECRETARY

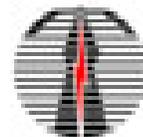
(T.V. SUBRAMANIAN)
DIRECTOR (FINANCE)

(R. K. NARAYAN)
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date
for Prem Gupta & Co.
Chartered Accountants

(P. B. GUPTA)
PARTNER

Place : New Delhi
Dated : 4th September, 1991



**CAPITAL
SCHEDULE-I**

(Rupees)

	As at 31.3.1991	As at 31.3.1990
AUTHORISED		
5,00,00,000 (Previous year 5,00,00,000) equity shares of Rs. 1000/- each	<u>5000,00,00,000</u>	<u>5000,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
16,000..... (Previous year 11)		
equity shares of Rs. 1000/- each fully paid up	1,60,00,000	11,000
Share capital deposit	<u>3,50,00,000</u>	<u>59,89,000</u>
	<u>5,10,00,000</u>	<u>60,00,000</u>

**FIXED ASSETS
SCHEDULE-2**

(Rupees)

	Gross Block				Depreciation upto 31.3.1991	Net Block	
	As at 1.4.90	Additions during the year	Adjustment during the year	As at 31.3.1991		As at 31.3.91	As at 31.3.90
Vehicles	2,83,714	2,04,676	---	4,88,390	36,486	4,51,904	2,83,714
Furniture, fixture & other equipments	1,04,250	14,01,060	---	15,05,310	17,154	14,88,156	1,04,250
EDP & WP Machines	75,800	2,92,931	---	3,68,731	42,759	3,25,972	75,800
Total	<u>4,63,764</u>	<u>18,98,667</u>	---	<u>23,62,431</u>	<u>96,399</u>	<u>22,66,032</u>	<u>4,63,764</u>
Previous year	---	4,63,764	---	4,63,764	---	4,63,764	---

**CURRENT ASSETS, LOANS AND ADVANCES
SCHEDULE-3**

(Rupees)

	As at 31.3.1991	As at 31.3.1990
Cash & Bank Balances		
Cash, drafts, stamps and imprest Remittance in Transit	15,154	2,692
Short Term Deposits		
Indian Banks	1,50,00,000	
Balance with scheduled banks on current accounts	<u>2,48,83,993</u>	<u>14,43,567</u>
	<u>3,98,99,147</u>	<u>14,46,259</u>
Other Current Assets		
Interest accrued	1,50,527	
Loans and Advances		
LOANS		
Employees	1,08,537	



CURRENT ASSETS, LOANS AND ADVANCES
SCHEDULE-3 (Contd.)

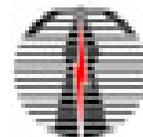
		(Rupees)	
		As at	As at
		31.3.1991	31.3.1990
Advances			
Advances recoverable in cash or in kind or for value to be received from			
Employees	23,541		
Others	<u>20,21,991</u>		
	20,45,532		
Less : Provision for bad and doubtful advances and claims	---		
	<u>20,45,532</u>		
Deposits with customs, port trust and other authorities	<u>1,25,650</u>		
		<u>21,71,182</u>	
		<u>22,79,719</u>	---
		<u>4,23,29,393</u>	<u>14,46,259</u>
Particulars of Loans and Advances			
Secured	1,08,537		
Unsecured considered good	21,71,182		
Considered doubtful and provided for	---		
		22,79,719	
Due from Directors & Officers of the Company			
	As at	As at	Maximum
	31st March	31st March	Amount
	1991	1990	(1990-91)
Directors	---	---	---
Officers	1,20,374	---	1,20,374

CURRENT LIABILITIES AND PROVISIONS
SCHEDULE-4

		(Rupees)	
		As at	As at
		31.3.1991	31.3.1990
Current Liabilities			
Sundry Creditors			
For capital expenditure	87,962		3,77,689
Deposits, retention money from Contractors and others	14,774		---
Other Liabilities	<u>9,08,141</u>	<u>10,10,877</u>	---
		<u>10,10,877</u>	<u>3,77,689</u>

NOTES ON ACCOUNTS
SCHEDULE-5

1. Since the Company has not commenced business during the year, a Statement of Incidental Expenditure for commencement of business has been prepared in lieu of Profit and Loss Account.



2. Depreciation on fixed assets is provided from the year following that in which the assets become available for use at the rates determined taking into account the prescribed period as per the Electricity (Supply), Act, 1948. In respect of assets, where prescribed period has not been laid down under the aforesaid Act, depreciation is provided on straight line method at rates corresponding to the rates laid down under the Income Tax Act. Depreciation of Rs. 35,476/- has been provided on assets transferred from Power Engineers Training Society during the year.
3. During the year Company has provided depreciation in the books of account as per Electricity (Supply) Act, Rs. 96,399/- (previous year Nil) and the depreciation in terms of Section 205 (2) (b) of the Companies, Act, 1956, works out to Rs. 65,318/- (previous year Rs. 12,311/-)
4. a) Breakup of expenditure on employees in receipt of remuneration in aggregate at the rate of not less than Rs. 1,44,000/- per year if employed for full year or not less than Rs. 12,000/- p.m., if employed for the part of the year :-

	Current Year		Previous Year	
	Employed throughout the year	Employed for part of the year	Employed throughout the year	Employed for part of the year
No. of employees (Nos.)	Nil	1	Nil	Nil
Salaries & Allowances (Rs. /000)	Nil	55.06	Nil	Nil
Contribution to Provident & other funds (Rs. /000)	Nil	5.44	Nil	Nil
Other benefits (Rs. /000)	Nil	18.51	Nil	Nil

- b) Employees remuneration and benefits include the following for the Directors including Chairman and Managing Director.

	Current Year (Rs. /000)	Previous Year (Rs. /000)
Salaries & Allowances	102.72	Nil
Contribution to PF and other funds	10.16	Nil
Other Benefits	23.00	Nil

- c) The remuneration of employees and Directors mentioned in Clauses (a) and (b) above are exclusive of contribution under Group Insurance and Gratuity Scheme, the amount of 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 journeys on payment of Rs. 400/- per month, as may be applicable in accordance with the provisions of the Ministry of Finance (BPE) Circular No. 2 (18) pc/64, dated 20.11.1964 as amended from time to time.
5. Estimated amount of contracts remaining to be executed on Capital account and not provided is Rs. 21,73,087 (previous year Nil).
6. Previous year's figures have been regrouped/re-arranged wherever considered necessary.

(P. D. TUTEJA)
SECRETARY

(T.V. SUBRAMANIAN)
DIRECTOR (FINANCE)

(R. K. NARAYAN)
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date
for Prem Gupta & Co.
Chartered Accountants

(P. B. GUPTA)
PARTNER

Place : New Delhi
Dated : 4th September, 1991



Auditors' Report

To the Members of "National Power Transmission Corporation Ltd."

We have audited the attached Balance Sheet of National Power Transmission Corporation Limited as at 31st March, 1991 and also statement of Incidental Expenditure for commencement of business in the nature of pre-operative expenses for the year ended on that date annexed thereto. As Company is governed by the Electricity (Supply) Act, 1948 the provisions of the said Act read with rules thereunder have prevailed, wherever the same have been inconsistent with the provisions of the Companies Act, 1956.

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of the Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :
 - (a) We have obtained all the information and explanations which to be best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books.
 - (c) The Balance Sheet and Statement of Incidental Expenditure for commencement of Business dealt with by this Report are in agreement with the books of account.

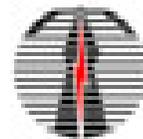
In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes, given in schedule 5, give the information required by the Companies Act, 1956 in the manner so required as applicable to Electricity generating companies and give a true and fair view :

- (a) in case of Balance Sheet of the state of affairs as at 31st March, 1991 and
- (b) in case of Incidental Expenditure for commencement of business, for the year ended on that date.

For Prem Gupta & Company
Chartered Accountants

(P. B. Gupta)
Partner

Place : New Delhi
Dated : 4th Sept. 1991



ANNEXURE TO THE AUDITORS' REPORT

1. The Company has maintained proper records showing full particulars including quantitative details of situation/location so far as practicable of fixed assets. The management carried out physical verification of fixed assets and no material discrepancy has been noticed on such verification. In our opinion, frequency of verification is reasonable having regard to the size of operation of the Company.
2. None of the fixed assets have been revalued during the period.
3. The Company has not commenced the commercial activities during the period under audit, hence, the clause relating to the physical verification of stocks is not applicable.
4. The clauses No. 4, 5 and 6 relating to the physical verification of stocks and of valuation are not applicable as the Company has not commenced business.
5. The Company has not taken any loan from the companies, firms, or other parties, listed in register maintained under Sec. 301 of the Companies Act, 1956. There are no companies under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
6. The Company has not granted any loan, secured or unsecured to companies, firms or other parties, listed in register maintained under Sec. 301 of the Companies Act, 1956. There are no companies under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
7. The loans and advances in the nature of loans have been given to the employees who are repaying the principal amount as stipulated and are also regular in payment of the interest.
8. Since the Company has not commenced the business during the period under audit, clause No. 9, 10 and 11 relating to the internal control procedure for the purchase and determination of stocks are not applicable.
9. The Company has not accepted any deposit from the public under Section 58A of the Companies (Acceptance of Deposit) Rules, 1975.
10. The Clause, relating to the maintenance of records, for the sale and disposal of scrap and by-products is not applicable.
11. Since the paid-up capital of the Company does not exceed Rs. 25 lakhs as at the commencement of the financial year concerned and not having an average annual turn-over exceeding Rs. 2 crores for a period of three consecutive financial years, the Company is not required to have an internal audit system.
12. Maintenance of cost records has not been prescribed by the Central Govt. under Section 209(1) (d) of the Companies Act, 1956.
13. The Company is regular in depositing Provident Fund dues with the appropriate authority. As per information made available to us, E.S.I. Act is not applicable to the Company.
14. According to the information and explanations given to us, there were no undisputed amounts payable in respect of income-tax-wealth-tax, sales-tax, custom-duty and excise-duty outstanding as at the last date of the financial year concerned for a period of more than six months from the date they become payable.
15. 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 the generally accepted business practice.
16. The clauses relating to system of recording receipts, issues and consumption of materials and stores and off allocating man-hours to the relating jobs are not applicable to the Company.

For Prem Gupta & Company
Chartered Accountants

(P. B. Gupta)
Partner

Place : New Delhi
Dated : 4th September, 1991



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF NATIONAL POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1991

The Comptroller and Auditor General of India has decided not to review the report of the Auditors on the accounts of National Power Transmission Corporation Ltd. for the year ended 31st March, 1991 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956.

(KANWAL NATH)

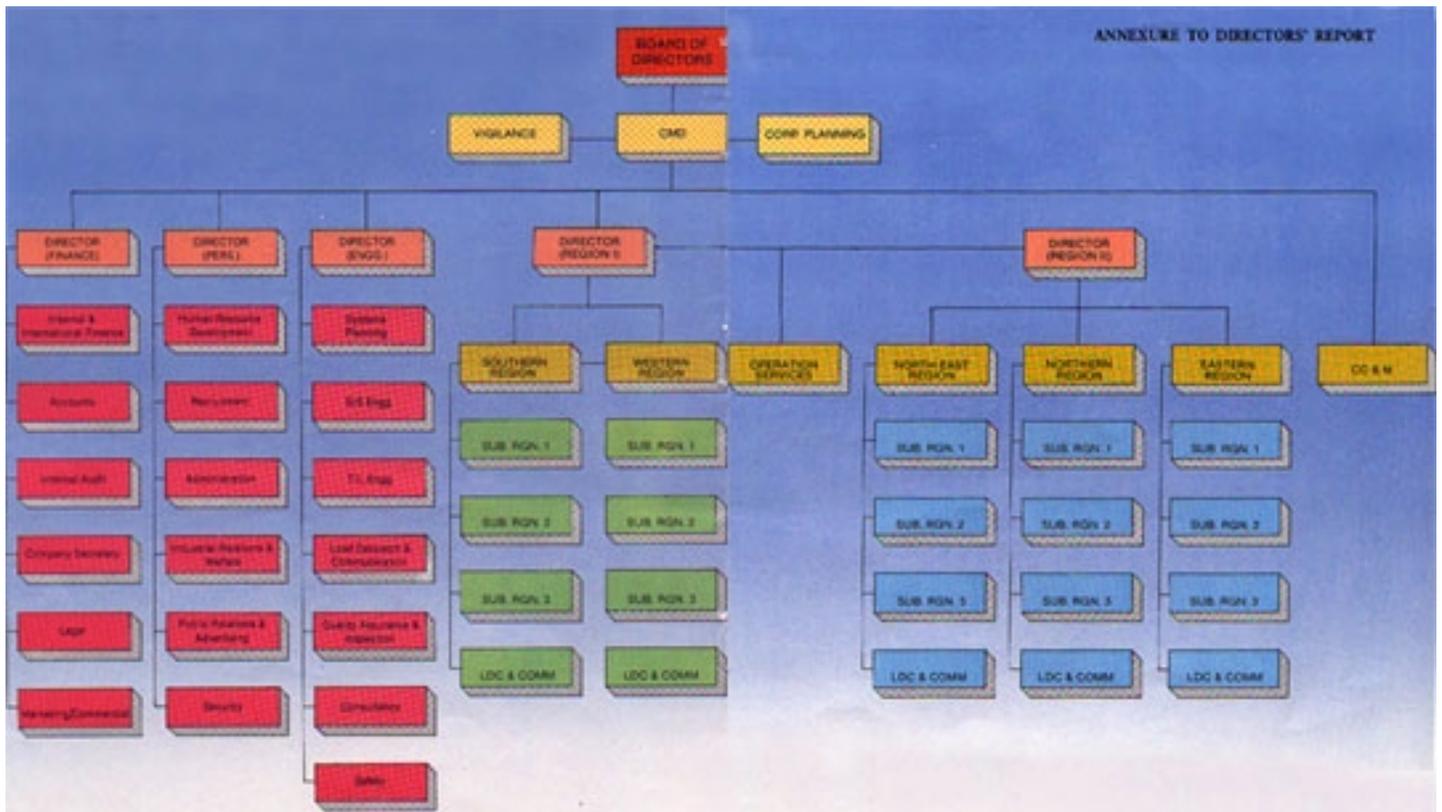
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER AUDIT BOARD
NEW DELHI

Place : New Delhi
Dated : 18 Sept. 91



PROPOSED ORGANISATIONAL STRUCTURE

ANNEXURE-1





ANNEXURE-II

ANNEXURE TO DIRECTORS' REPORT

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956

Name	Designation and nature of duties	Remuneration (Rs.)	Qualifications	Experience (years)	Date of commencement of employment	Age (Yrs.)	Last employment held.
1.	2	3	4	5	6	7	8
Employed for the part of the year							
Sh. Subramanian T.V.	Director (Finance)	79,010	B.A. (Hons.), FICWA, AMIIA (USA)	31	28.09.90	54	Executive Director (Finance) National Thermal Power Corporation Ltd.
Notes :- Remuneration includes salary, allowances, payment for subsidised leased accommodation, reimbursement of medical expenses to employees and employer's contribution to provident fund and other funds. The whole time directors have been allowed the use of staff car including for private journey on payment of Rs. 400/- PM as may be applicable in accordance with the provisions of the BPE Circular No. 2 (18) / PC/64 dated 20.11.64 as amended from time to time.							



Business Mission

Establishment and Operation of Regional and National Power Grids to facilitate transfer of power within and across the regions with reliability, security & economy.

