A Maharatna Company

38TH ANNUAL REPORT 2013-14

Vision

"TO BE THE WORLD'S LARGEST AND BEST POWER PRODUCER, POWERING INDIA'S GROWTH"

Mission

"DEVELOP AND PROVIDE RELIABLE POWER, RELATED PRODUCTS AND SERVICES AT COMPETITIVE PRICES, INTEGRATING MULTIPLE ENERGY SOURCES WITH INNOVATIVE AND ECO-FRIENDLY TECHNOLOGIES AND CONTRIBUTE TO SOCIETY"

Core Values

- **B** Business Ethics
- **E** Environmentally & Economically Sustainable
- **C** Customer Focus
- **O** Organizational & Professional Pride
- **M** Mutual Respect & Trust
- **M** Motivating Self & Others
- **I** Innovation & Speed
- **T** Total Quality For Excellence
- **T** Transparent & Respected Organisation
- **E** Enterprising
- **D** Devoted

CORPORATE OBJECTIVES

To realise the vision and mission, eight key corporate objectives have been identified. These objectives would provide the link between the defined mission and the functional strategies:

Business portfolio growth

- To further consolidate NTPC's position as the leading thermal power generation company in India and establish a presence in hydro power segment.
- To broad base the generation mix by evaluating conventional and non-conventional sources of energy to ensure long run competitiveness and mitigate fuel risks.
- To diversify across the power value chain in India by considering backward and forward integration into areas such as power trading, transmission, distribution, coal mining, coal beneficiation, etc.
- To develop a portfolio of generation assets in international markets.
- To establish a strong services brand in the domestic and international markets.

Customer Focus

- To foster a collaborative style of working with customers, growing to be a preferred brand for supply of quality power.
- To expand the relationship with existing customers by offering a bouquet of services in addition to supply of power – e.g. trading, energy consulting, distribution consulting, management practices.
- To expand the future customer portfolio through profitable diversification into downstream businesses, inter alia retail distribution and direct supply.
- To ensure rapid commercial decision making, using customer specific information, with adequate concern for the interests of the customer.

Agile Corporation

- To ensure effectiveness in business decisions and responsiveness to changes in the business environment by:
  - Adopting a portfolio approach to new business development.
  - Continuous and co-ordinated assessment of the business environment to identify and respond to opportunities and threats.
- To develop a learning organisation having knowledge-based competitive edge in current and future businesses.
- To effectively leverage Information Technology to ensure speedy decision making across the organisation.

Performance Leadership

- To continuously improve on project execution time and cost in order to sustain long run competitiveness in generation.
- To operate & maintain NTPC stations at par with the best-run utilities in the world with respect to availability, reliability, efficiency, productivity and costs.
- To effectively leverage Information Technology to drive process efficiencies.
  - To aim for performance excellence in the diversification businesses.
  - To embed quality in all systems and processes.

Human Resource Development

- To enhance organisational performance by institutionalising an objective and open performance management system.
- To align individual and organisational needs and develop business leaders by implementing a career development system.
- To enhance commitment of employees by recognising and rewarding high performance.
- To build and sustain a learning organisation of competent world-class professionals.
- To institutionalise core values and create a culture of team-building, empowerment, equity, innovation and openness which would motivate employees and enable achievement of strategic objectives.

Financial Soundness

- To maintain and improve the financial soundness of NTPC by prudent management of the financial resources.
- To continuously strive to reduce the cost of capital through prudent management of deployed funds, leveraging opportunities in domestic and international financial markets.
- To develop appropriate commercial policies and processes which would ensure remunerative tariffs and minimise receivables.
- To continuously strive for reduction in cost of power generation by improving operating practices.

Sustainable Power Development

- To contribute to sustainable power development by discharging corporate social responsibilities.
- To lead the sector in the areas of resettlement and rehabilitation and environment protection including effective ash-utilisation, peripheral development and energy conservation practices.
- To lead developmental efforts in the Indian power sector through efforts at policy advocacy, assisting customers in reforms, disseminating best practices in the operations and management of power plants etc.

Research and Development

- To pioneer the adoption of reliable, efficient and cost-effective technologies by carrying out fundamental and applied research in alternate fuels and technologies.
- To carry out research and development of breakthrough techniques in power plant construction and operation that can lead to more efficient, reliable and environment friendly operation of power plants in the country.
- To disseminate the technologies to other players in the sector and in the long run generating revenue through proprietary technologies.

REFERENCE INFORMATION

Registered Office

NTPC Bhawan, SCOPE Complex ,
7, Institutional Area, Lodi Road,
New Delhi – 110 003

Phone No. : 011-2436 0100

Fax No. : 011-2436 1018

Email: info@ntpc.co.in

Web site : www.ntpc.co.in

CIN: L40101DL1975GOI007966

Subsidiaries

NTPC Electric Supply Company Ltd.

NTPC Vidyut Vyapar Nigam Ltd.

Kanti Bijlee Utpadan Nigam Ltd.

Bhartiya Rail Bijlee Company Ltd.

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.

17-24, Vittal Rao Nagar

Madhapur

Hyderabad – 500 081

Phone No. : 040-2342 0815-28

Fax No. : 040-2342 0814

E-mail : einward.ris@karvy.com

Shares listed at

National Stock Exchange of India Limited

Bombay Stock Exchange Limited

Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

Company Secretary

A. K. Rastogi

Bankers

Allahabad Bank

Andhra Bank

Bank of India

Canara Bank

Central Bank of India

Citi Bank, NA

Dena Bank

Indian Overseas Bank

ICICI Bank Ltd.

IDBI Bank Ltd.

Jammu & Kashmir Bank Ltd.

Punjab National Bank

Punjab & Sind Bank

State Bank of Bikaner & Jaipur

State Bank of Mysore

State Bank of Hydrabad

State Bank of India

State Bank of Patiala

State Bank of Travancore

UCO Bank

Union Bank of India

United Bank of India

Vijaya Bank

HDFC Bank

Auditors

M/s O. P. Bagla & Co.

M/s K. K. Soni & Co.

M/s PKF Sridhar & Santhanam

M/s V. Sankar Aiyar & Co.

M/s Ramesh C. Agrawal & Co.

M/s A. R. & Co.

CONTENTS

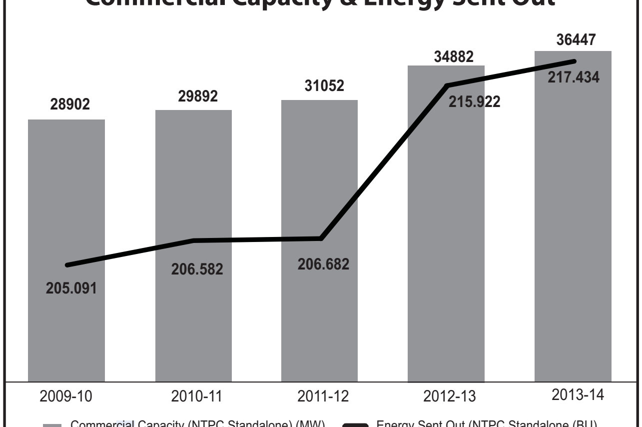
GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail addresses registered with Karvy Computershare Private Limited, RTA of the Company.

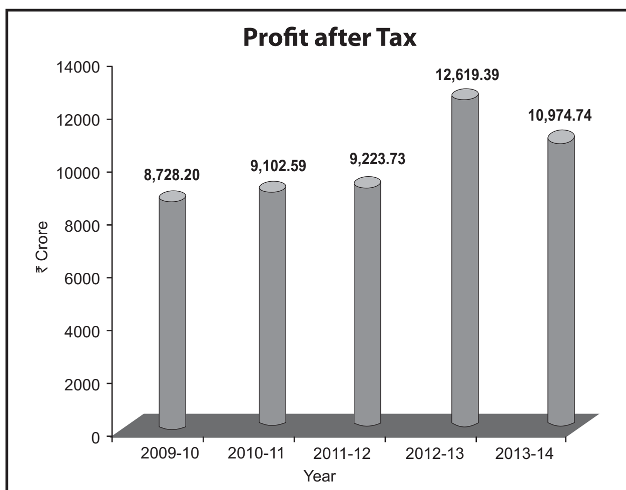
THE YEAR AT A GLANCE

		2013-14	2012-13
Gross Generation	Million Units	233284	232028
Commercial Generation	"	232996	230993
Energy sent out	"	217434	215922
Sale of Energy	₹ Crore	71490	64190
Profit before tax	"	13905	16579
Profit after tax	"	10975	12619
Dividend*	"	4741	4741
Dividend tax**	"	805	782
Retained Profit	"	5429	7096
Total Fixed Assets	"	117000	100046
Net Worth	"	85815	80388
Borrowings	"	67170	58146
Capital Employed	"	92892	84419
Net Cash From Operations	"	15732	15495
Value Added	"	25966	22999
No. of Employees #	Number	23411	23865
Value added per employee	₹ Crore	1.11	0.96
Debt to Equity	Ratio	0.78	0.72
Debt Service Coverage Ratio (DSCR)	Times	2.77	3.17
Interest Service Coverage Ratio (ISCR)	Times	8.62	10.39
Return on Capital Employed	%	14.37	15.95
Face Value Per share	₹	10.00	10.00
Dividend Per Share	"	5.75*	5.75
Book Value Per Share	"	104.08	97.49
Earnings Per Share	"	13.31	15.30

*including final dividend recommended by the Board
**including tax on final dividend recommended by the Board
excluding Joint Ventures and Subsidiary Companies



* Commercial capacity includes rating difference of 62.23 MW for NTPC gas stations, ESO includes Solar generation



LETTER TO SHAREHOLDERS

Dear Shareowners,

I feel extremely happy to share with you that the year 2013-14 was another great year marked with very impressive performance by your Company.

During the year the Company crossed 43,000 MW capacity and the current installed capacity is 43,128 MW. Work was awarded for 4,150 MW capacity. Solar plants with 95 MW total capacity have been commissioned till date.

In the recent past, your Company has added around 11,000 MW (10,934 MW) in less than four years, which is a quantum jump in the capacity addition rate. While your Company took 10 years to build its first 10,000 MW capacity, 11 years to build the next 10,000 MW, 7 years to build the third block of 10,000 MW capacity, the last 10,000 MW has been added in a span of only 3.25 years.

Very importantly, your Company exceeded the capex target of ₹ 20,200 crore. The capex has been increasing steadily since 2011-12 with an exceptional and unprecedented feat of exceeding targets by about 7.5% in 2013-14. Your Company is poised for equally impressive performance during the new fiscal.

Strengthened by robust operational performance and sound fundamentals, your Company's financial numbers have been impressive during the year 2013-14. The adjusted profit increased by 16.44% reaching ₹ 10,562 crore and the total income by 8.5% reaching ₹ 74,708 crore.

Your Company has already paid 40% of interim dividend for the financial year 2013-14 and has recommended 17.5% as final dividend for your approval, taking the total to 57.5%.

Even amid the general downturn in the economy and market during the year, your Company continued to enjoy tremendous investor confidence. On the very first day of its launch i.e. 3-12-2013, NTPC's public issue of tax free bonds worth ₹ 1,000 crore was oversubscribed by 3.7 times and bonds worth ₹ 1,750 crore were issued. Subsequently, additional bonds of ₹ 500 crore were issued on private placement basis at a premium and were also oversubscribed by 1.2 times. Thus, total tax free bonds issued during the year amounted to ₹ 2,250 crore. Further, the Company placed, for the first time, taxable bonds amounting to ₹ 750 crore directly with Employees Provident Fund Organisation at a coupon rate of 9.34%, taking the total bonds issued during 2013-14 to ₹ 3,000 crore. The Company also raised several long term foreign currency loans from KfW, Japan Bank for International Cooperation (JBIC) and Sumitomo Mitsui Banking Corporation (SMBC) amounting to about USD 700 million.

Some other very significant achievements of your Company worthy of mention are:

(i) NTPC coal based stations recorded the highest PLF in the country with 81.5% PLF compared to national average PLF of 65.55%, 59% for state sector, 62% for private sector and 76% for other central sector companies.

(ii) Operation started on Inland Waterways for transportation of imported coal to Farakka station and till the end of June 2014, about 2.65 Lakh MT imported coal has been supplied through this mode to Farakka station.

(iii) ₹ 2520 crore finally realized against the outstanding DESU period dues.

(iv) ₹ 536.30 crore received by the Company towards interim settlement of claims recoverable in respect of expenditure incurred on Loharinag Pala Hydro Project.

(v) Coal Supply Agreements (CSAs) signed for 14,010 MW capacity commissioned / to be commissioned between April 2009 to March 2015.

(vi) 100% realization of dues amounting to about ₹ 71,000 crore from the customers.

To a certain extent, temporarily, the market price of your Company's share did suffer despite its strong fundamentals and impressive performance. The market conditions and the perception about the impact of CERC Regulations affected the share price. However, with the improving market conditions and with the resolve of your Company to turn every challenge into an opportunity, I can assure you that your Company is poised for a very good performance on all the parameters.

As one of the most admired companies in the country and in the world, your Company gives priority to all aspects related to sustainable development and follows the 'triple bottom line approach' encompassing economic, environmental and social criteria. A Board level Committee on corporate social responsibility (CSR) and sustainable development, headed by the CMD with two Independent Directors on it, guides the sustainability agenda.

Various projects for bio-diversity, energy conservation & management, waste management, water management and air emissions are undertaken under sustainable development initiatives, in addition to promotion of new renewable sources.

Your Company enhanced allocation for CSR and sustainable development activities to 1% of net profit after tax of the previous year. A total expenditure of ₹ 128.35 crore was incurred towards corporate social responsibility and sustainable development activities during the year 2013-14, which exceeded the target. Your Company covers a very large number of CSR areas, ranging from infrastructure development to vocational training and women empowerment etc.

Apart from contributing in such CSR areas, your Company was prompt in extending support for relief activities concerning natural calamities in Uttarakhand, Himachal Pradesh and Odisha.

The efforts of your Company in the field of corporate social responsibility-community development (CSR-CD) have been widely recognized, appreciated and awarded.

Your Company has once again been ranked as #1 IPP in the world in the Platts ranking of top 250 energy companies. It is the 424th largest company in the Forbes List of World's Largest Public Companies in terms of sales, profits, assets and market value.

With total confidence in the proven ability of Team NTPC, I assure you that your Company will continue to fulfill the expectations of all stakeholders and will create new benchmarks of excellence.

With best wishes,

Yours sincerely,

(DR. ARUP ROY CHOUDHURY)
CHAIRMAN & MANAGING DIRECTOR

NTPC Limited

CIN: L40101DL1975GOI007966

Regd. Office: NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003
Tel. no.: 011-24360100 **Fax:** 011-24361018
Email: info@ntpc.co.in **Website:** www.ntpc.co.in

NOTICE

NOTICE is hereby given that **Thirty Eighth Annual General Meeting** of the members of **NTPC Limited** will be held on **Wednesday, 27th August, 2014 at 10.30 a.m.** at Manekshaw Centre, Parade Road, New Delhi – 110 010 to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To confirm payment of interim dividend and declare final dividend for the year 2013-14.
3. To appoint a Director in place of Shri I.J. Kapoor (DIN: 02051043), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESSES:

5. To appoint Shri S.C. Pandey (DIN: 03142319), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri S.C. Pandey (DIN : 03142319), who was appointed as Director (Projects), by the President of India vide letter no. 8/4/2012-Th-I dated 5th August, 2013 and subsequently appointed as an Additional Director by the Board of Directors with effect from October 1, 2013 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri S.C. Pandey (DIN : 03142319) as a candidate for the office of a director of the Company, be and is hereby appointed as Director (Projects) of the Company, liable to retire by rotation, on terms & conditions determined by the Govt. of India."

6. To appoint Shri Kulamani Biswal (DIN: 03318539), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri Kulamani Biswal (DIN: 03318539), who was appointed as Director (Finance), by the President of India vide letter no. 8/6/2012-Th-I dated 5th December, 2013 and subsequently appointed as an Additional Director by the Board of Directors with effect from December 9, 2013 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Kulamani Biswal (DIN: 03318539) as a candidate for the office of a director of the Company, be and is hereby appointed as Director (Finance) and Chief Financial Officer of the Company, liable to retire by rotation, on terms & conditions determined by the Govt. of India."

7. To appoint Dr. Pradeep Kumar (DIN: 05125269), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "Resolved that pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013, Rules made thereunder, Dr. Pradeep Kumar (DIN: 05125269), who was appointed as a Government Nominee Director, by the President of India vide letter no. 8/7/2013-Th-I dated 9th September, 2013 & appointed as an Additional Director by the Board of Directors with effect from 17th September, 2013 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Pradeep Kumar (DIN: 05125269) as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company, not liable to retire by rotation."

8. To raise funds upto ₹ 13,000 Crore through issue of Bonds/Debentures on Private Placement basis and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolution as a **Special Resolution:**

   "Resolved that pursuant to Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable statutory provisions (including any statutory modification or re-enactments thereof) the Board of Directors of the Company (the "Board") be and are hereby authorized to make offer(s) or invitation(s) to subscribe to the secured/ unsecured, redeemable, taxable/tax-free, cumulative/non-cumulative, non-convertible debentures ("Bonds") upto ₹ 13,000 Crore or equivalent in one or more tranches/ series not exceeding twelve, through private placement, in domestic and/or in international markets i.e. in Indian rupees and/or in foreign currency, during the period commencing from the date of passing of Special Resolution till completion of one year thereof or the date of Annual General Meeting in the financial year 2015-16 whichever is earlier in conformity with rules, regulations and enactments as may be applicable from time to time, subject to the total borrowings of the company approved by the shareholders under Section 180(1) (c) of Companies Act, 2013.

Resolved further that the Board be and is hereby authorized to do or delegate from time to time, all such acts, deeds and things as may be deemed necessary to give effect to private placement of such Bonds including but not limited to determining the face value, issue price, issue size, tenor, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue of Bonds as they may, in their absolute discretion, deem necessary."

9. To ratify the remuneration of the Cost Auditors for the financial year 2014-15 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15, be paid the remuneration of ₹ 24,91,250/- (Twenty four lakh ninety one thousand two hundred fifty only) as set out in the Statement annexed to the Notice convening this Meeting.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

Regd. Office:
NTPC Bhawan, SCOPE Complex, 7 Institutional Area,
Lodi Road, New Delhi-110 003
CIN: L40101DL1975GOI007966

Date: 23rd July 2014

Notes:-

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. In order to be effective, the proxy form duly completed should be deposited at the registered office of the company not less than forty eight hours before the scheduled time of the annual general meeting. Blank proxy form is enclosed.**

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention to inspect is given to the company.

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. In compliance with provisions of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is offering E- voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting. User ID and Password including instructions for e-voting are given overleaf of Proxy form. All members are requested to read those instructions carefully before casting their e-vote. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting. Members who have not voted electronically can cast their vote at the venue.

5. Brief resume of the Directors seeking appointment or re-appointment, as required under Clause 49 of the Listing Agreement, is annexed hereto and forms part of the Notice.

6. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses, as set out above is annexed hereto.
7. The Company is separately seeking approval of shareholders under Section 180(1)(c) of the Companies Act, 2013 in respect of increasing borrowing powers of the company and under Section 180(1)(a) for creating charge/mortgage on the assets of the Company through postal ballot.
8. Members are requested to:-
   - i. note that copies of Annual Report will not be distributed at the Annual General Meeting.
   - ii. bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
   - iii. deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
   - iv. note that the attendance slip/ proxy form should be signed as per the specimen signature registered with the Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP).
   - v. note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
   - vi. quote their Folio / Client ID & DP ID Nos. in all correspondence.
   - vii. note that due to strict security reasons mobile phones, briefcases, eatables and other belongings are not allowed inside the Auditorium.
   - viii. note that no gifts/coupons will be distributed at the Annual General Meeting.
9. The Board of Directors, in its meeting held on January 28, 2014, had declared an interim dividend @ 40% (₹ 4.00 per share) on the paid-up equity share capital of the company which was paid on February 10, 2014. Members who have not encashed or not received their dividend warrants may approach RTA of the Company for revalidating the warrants or for obtaining duplicate warrants.
10. The Register of Members and Share Transfer Books of the Company will remain closed from August 15, 2014 to August 27, 2014 (both days inclusive). The Board of Directors, in its Meeting held on May 15, 2014, has recommended a final dividend @ 17.5% (₹ 1.75 per share) on the paid-up equity share capital of the company. The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Companies Act 2013, if declared at the Annual General Meeting, will be paid on September 9, 2014 to the Members whose names appear on the Company's Register of Members on August 27, 2014 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on August 14, 2014.
11. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2005-06 and interim dividend for the financial year 2006-07, on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 17, 2013 (date of last Annual General Meeting) on the website of the Company (www.ntpc.co.in) and also on the website of the Ministry of Corporate Affairs.

    Unclaimed final dividend for 2006-07 and Interim dividend for 2007-08 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on or before 10th November, 2014 & 2nd April 2015 respectively pursuant to the provisions of Section 205A of the Companies Act, 1956 (or Section 124 of the Companies Act, 2013, once notified).
12. Members, who have not registered their NECS Mandate, are requested to send their NECS Mandate Form to the Registrar / Investor Service Department of the Company or to their DP, as the case may be. For any change in bank particulars due to banker having migrated their operations to core banking solutions, members are requested to register a fresh NECS Mandate with the revised bank particulars.
13. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its RTA alongwith relevant Share Certificates.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their DP with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company / RTA.
15. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the Form-SH 13 as prescribed in the Companies (Share Capital & Debentures) Rule, 2014, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain from and send Form-SH 13 in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective DP.

16. Members are requested to notify immediately any change of address:
    i. to their DP in respect of shares held in dematerialized form, and
    ii. to the Company at its Registered Office or to its RTA in respect of their physical shares, if any, quoting their folio number.
17. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Shri G.K. Sadhu, Executive Director (Finance) and Public Spokesperson of the Company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
18. Annual listing fee for the year 2014-15 has been paid to all Stock Exchanges wherein shares of the Company are listed. Also, the Annual Custodian Fee for the year 2014-15 was paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited.
19. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Members of the Company, in 37th Annual General Meeting held on September 17, 2013, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2013-14. Accordingly, the Board of Directors has fixed audit fee of ₹ 1,06,42,500/- for the Statutory Auditors for the financial year 2013-14 in addition to applicable service tax, education cess and reimbursement of actual traveling and out-of-pocket expenses for visits to accounting units. The Statutory Auditors of the Company for the year 2014-15 are yet to be appointed by C&AG. Accordingly, the Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the year 2014-15.
20. None of the Directors of the Company is in any way related with each other.
21. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

Annexure to Notice

EXPLANATORY STATEMENT

Item No. 5

Shri S.C. Pandey was appointed as Director (Projects) of the Company by the President of India vide letter No. 8/4/2012-Th-I dated 5th August, 2013 issued by Ministry of Power for a period of five years and was accordingly appointed as an Additional Director w.e.f 1st October, 2013 to hold office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), signifying his intention to propose Shri S.C. Pandey for the office of Director (Projects). Shri S.C. Pandey, if appointed, will be liable to retire by rotation. The terms and conditions regulating the appointment of Shri S.C. Pandey is to be determine by the Government of India.

His brief resume, inter-alia, giving nature of expertise in specific functional area are provided elsewhere which forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri S.C. Pandey, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 6

Shri Kulamani Biswal was appointed as Director (Finance) of the Company by the President of India vide letter No. 8/6/2012-Th-I dated 5th December, 2013 issued by Ministry of Power for a period of five years and was accordingly appointed as an Additional Director w.e.f. 9th December, 2013 to hold office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying intention to propose Shri Kulamani Biswal for the office of Director (Finance). Shri Kulamani Biswal, if appointed, will be liable to retire by rotation. Pursuant to provisions of Section 203 of the Act & Rules made there under, he shall also be the Chief Financial Officer of the Company. The terms and conditions regulating the appointment of Shri Kulamani Biswal is to be determine by the Government of India.

His brief resume, inter-alia, giving nature of expertise in specific functional area are provided elsewhere which forms part of this notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Kulamani Biswal is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No.7

Dr. Pradeep Kumar was appointed as an a Government Nominee Director of the Company by the President of India vide letter no. 8/7/2013-Th-I dated 9th September, 2013 and was accordingly appointed as an Additional Director w.e.f 10th September, 2013 to hold office upto the date of previous Annual General Meeting. He was again appointed as an Additional Director w.e.f 17th September, 2013 to hold office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Dr. Pradeep Kumar for the office of Director (Government Nominee). Dr. Pradeep Kumar, if appointed, shall not be liable to retire by rotation.

His brief resume, inter-alia, giving nature of expertise in specific functional area are provided elsewhere which forms part of this notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Dr. Pradeep Kumar, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 8

The Company is the largest power producer in India with installed capacity of 37,107 MW (Standalone) as on 31st March 2014. The projects of the Company are to be finance by debt & equity in the ratio of 70:30. As the Company is under a rapid capacity expansion mode, major portion of capital expenditure requirement of the Company has to be funded by debt. The Company borrows in the form of non convertible bonds/ debentures, rupee term loans from banks and financial institutions, foreign currency borrowings, foreign currency bonds etc. The non convertible bonds/ debentures/ foreign currency bonds are issued by the Company under public issue route or through private placement basis.

As per Section 42 of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient, if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during the year.

In view of the above, approval of the Shareholders of the Company is being sought, to authorize the Board of Directors to make offer(s) or invitation(s) to subscribe to the secured/unsecured, redeemable, taxable/tax-free, cumulative/non-cumulative, non-convertible debentures ("Bonds") upto ₹ 13,000 Crore in one or more tranches/ series, through private placement, in domestic and/ or in international markets i.e. in Indian rupees and/or in foreign currency, during the period commencing from the date of passing of Special Resolution till completion of one year thereof or the date of Annual General Meeting in the financial year 2015-16 whichever is earlier, subject to ceiling approved by the shareholders under Section 180(1)(c).

The Board of Directors of the Company in its Meeting held on 11th July, 2014 has approved the proposal and recommends the passing of the proposed Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

Item No. 9

Based on recommendation of Audit Committee, the Board of Directors in its meeting held on 15th May, 2014 has approved the names of the six cost accountant firms for appointment and also authorized Director (Finance) to assign work to them and fix their remuneration. Accordingly, work was assigned to Cost Auditors and total fee of ₹ 24,91,250/- is payable for cost Audit for the Financial year 2014-15. The fee structure for cost audit is broadly based on station capacity and number of stations. The reimbursement of applicable statutory taxes like service tax and education cess were in addition to fees. The details of remuneration are as under.

S. No.	Name of Cost Auditors	Remuneration (in ₹)
1	M/s Bandyopadhyaya Bhaumik & Co.	4,05,000
2	M/s S. Dhal & Co	4,05,000
3	M/s Musib & Co.	4,05,000
4	M/s Narasimha Murthy & Co.	4,05,000
5	M/s Sanjay Gupta & Associates	3,98,750
6	M/s R.J.Goel & Co.	4,72,500
	Total	**24,91,250**

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

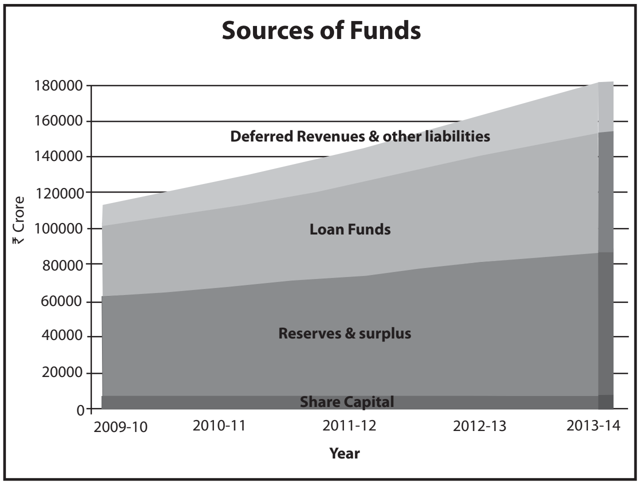
Regd. Office:
NTPC Bhawan, SCOPE Complex, 7 Institutional Area,
Lodi Road, New Delhi-110 003
CIN: L40101DL1975GOI007966

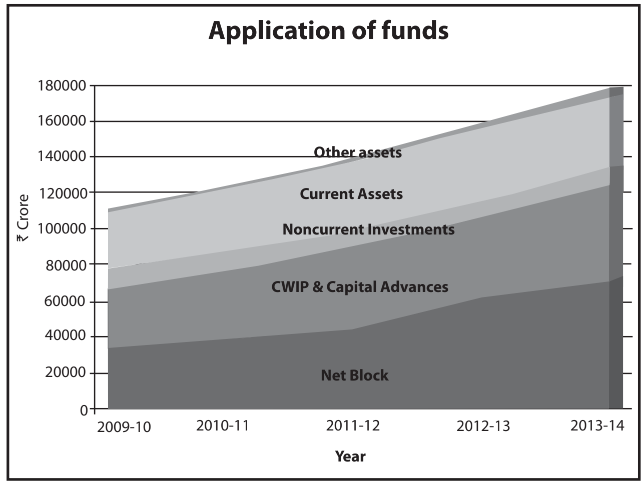
Date: 23rd July 2014

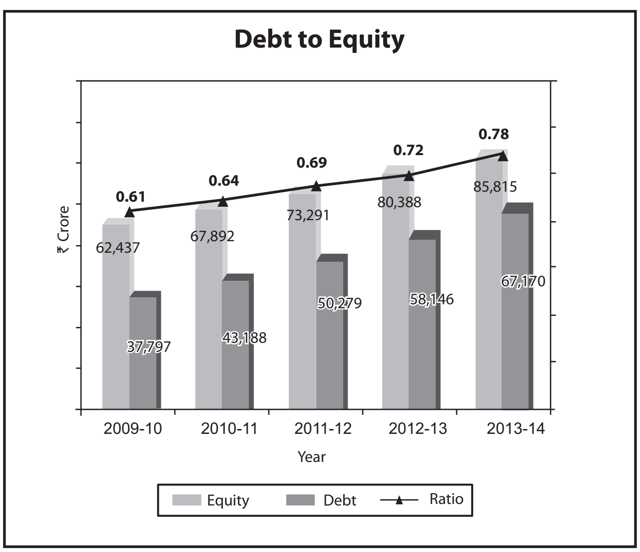
BRIEF RESUME OF THE DIRECTORS SEEKING ELECTION / RE-ELECTION AT 38TH AGM

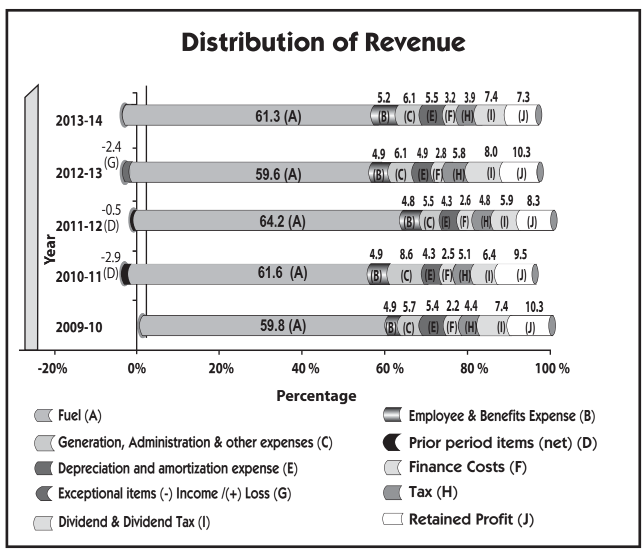
Name	**Shri I.J.Kapoor**	**Shri S.C.Pandey**	**Dr. Pradeep Kumar**	**Shri Kulamani Biswal**
Date of Birth & Age	5/10/1956, 58 Yrs	20/8/1957, 57 yrs	1/1/1961, 53 yrs	9/4/1961, 53 yrs.
Date of Appointment	26/12/2008	1/10/2013	10/9/2013	9/12/2013
Qualifications	Graduate in Mechanical Engineering and MBA (Marketing)	B.E. in Instrumentation	B.Tech, Electronics, MBA, Master Diploma in Public Administration and Governance and M. Phil in Social Sciences	Fellow member of the Institute of Cost Accountants of India, LL.B and MBA from New Port University, California, USA
Expertise in specific functional area	He joined NTPC in 1978 as 3rd batch Engineering Executive Trainee (EET) and is the first EET to be on the Board of the Company. He has a rich and varied experience of over 35 years in the areas of Commercial, Engineering, Contracts & Materials Management, Project Management, Consultancy, Cost Engineering, Station Engineering and Quality Assurance & Inspection. He is a Fellow of Institution of Engineers, India and Senior Member, IEEE, USA.	He joined NTPC as Executive Trainee in 1978. He brings with him about 34 years rich experience and exposure to areas of engineering, project construction and operations of power plants. He has strong background in managing operating and maintaining some of the largest power stations of the country.	He has more than 26 years of experience as IAS officer. He held various administrative positions in the areas of Revenue, Finance, Transport, Shipping, Inland Water Transportation, Water Resources, Irrigation, Food and Civil Supplies, Consumer Affairs, Environment and Forests. Prior to joining as Joint Secretary & Financial Adviser, Ministry of Power, he was Principal Secretary, Environment and Forest Department, Government of Kerala.	He has rich experience of 28 years both in coal and power sector. He was Director (Finance) in Mahanadi Coalfields Limited (MCL) since October 2010 managing finance, accounting and corporate governance functions of the Company. He played a pivotal role in making MCL as second largest coal company in India in terms of production and profitability. He was Chief (Finance) at Central Electricity Regulatory Commission and contributed to drafting of various regulations and policies for smooth functioning of the power sector from year 2004 to 2010.
Directorship held in other companies	**Part-time Chairman**	**Part-time Chairman**	**Govt. Nominee Director**	**Part-time Director**
	1. Aravali Power Company Private Limited **Part-time Director** 1. PTC (India) Limited 2. NTPC Vidyut Vyapar Nigam Limited 3. Meja Urja Nigam Private Limited 4. NTPC BHEL Power Projects Private Limited 5. Trincomalee Power Company Limited 6. Bangladesh- India Friendship Power Company Private limited	1. Bhartiya Rail Bijlee Company Limited **Part-time Director** 1. BF-NTPC Energy Systems Limited 2. International Coal Ventures Limited 3. Pan-Asian Renewables Private Limited	1. Power Grid Corporation of India Limited	1. Meja Urja Nigam Private Limited 2. NTPC Electric Supply Company Limited
Memberships/ Chairmanship of Committees across all Public Companies*	**Audit Committee:** **Chairman** Trincomalee Power Company Limited **Member** NTPC Vidyut Vyapar Nigam Limited		**Audit Committee** **Member:** 1. NTPC Limited. 2. Power Grid Corporation of India Limited **Stakeholders' Relationship Committee** NTPC Limited	**Stakeholders' Relationship Committee** **Member** NTPC Limited.
No. of Shares held in NTPC Limited	NIL	2304	NIL	NIL

*In line with Clause 49 of Listing Agreement, only the Audit Committee and Stakeholders' Relationship Committee have been taken into consideration in reckoning the number of committee memberships of Directors as Chairman and as Member.


Sources of Funds
180000
160000
140000
120000
100000
80000
60000
40000
20000
0
₹ Crore
Deferred Revenues & other liabilities
Loan Funds
Reserves & surplus
Share Capital
2009-10
2010-11
2011-12
2012-13
2013-14
Year


Application of funds
180000
160000
140000
120000
100000
80000
60000
40000
20000
0
₹ Crore
Other assets
Current Assets
Noncurrent Investments
CWIP & Capital Advances
Net Block
2009-10
2010-11
2011-12
2012-13
2013-14
Year


Debt to Equity
₹ Crore
0.61
0.64
0.69
0.72
0.78
62,437
67,892
73,291
80,388
85,815
37,797
43,188
50,279
58,146
67,170
2009-10
2010-11
2011-12
2012-13
2013-14
Year
Equity
Debt
Ratio


Distribution of Revenue
2013-14
61.3 (A)
5.2 (B) 6.1 (C) 5.5 (E) 3.2 (F) 3.9 (H) 7.4 (I) 7.3 (J)
2012-13
-2.4 (G)
59.6 (A)
4.9 (B) 6.1 (C) 4.9 (E) 2.8 (F) 5.8 (H) 8.0 (I) 10.3 (J)
2011-12
-0.5 (D)
64.2 (A)
4.8 (B) 5.5 (C) 4.3 (E) 2.6 (F) 4.8 (H) 5.9 (I) 8.3 (J)
2010-11
-2.9 (D)
61.6 (A)
4.9 (B) 8.6 (C) 4.3 (E) 2.5 (F) 5.1 (H) 6.4 (I) 9.5 (J)
2009-10
59.8 (A)
4.9 (B) 5.7 (C) 5.4 (E) 2.2 (F) 4.4 (H) 7.4 (I) 10.3 (J)
Year
-20%
0%
20%
40 %
60 %
80 %
100 %
Percentage
Fuel (A)
Employee & Benefits Expense (B)
Generation, Administration & other expenses (C)
Prior period items (net) (D)
Depreciation and amortization expense (E)
Finance Costs (F)
Exceptional items (-) Income /(+) Loss (G)
Tax (H)
Dividend & Dividend Tax (I)
Retained Profit (J)

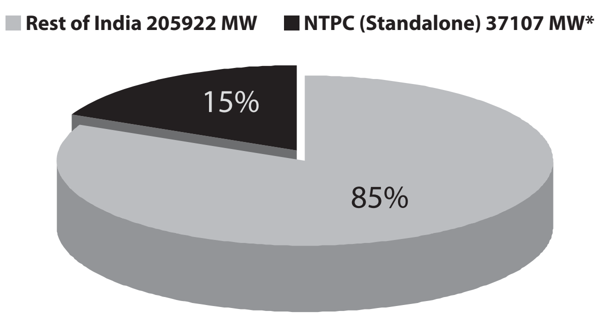
STATION-WISE GENERATION 2013-14

STATIONS	Fuel Type	*Capacity (MW)	Gen. (MU) Gross
Northern Region		**6490**	**46039**
Singrauli	Coal	2000	16045
Rihand	Coal	3000	18503
Unchahar	Coal	1050	7913
Tanda	Coal	440	3577
National Capital Region		**4869**	**26230**
Badarpur	Coal	705	4147
Dadri	Coal	1820	13194
Anta	Gas	419	1965
Auraiya	Gas	663	1792
Dadri	Gas	830	3400
Faridabad	Gas	432	1732
Western Region		**12154**	**72150**
Mouda	Coal	1000	821
Korba	Coal	2600	20653
Vindhyachal	Coal	4260	28796
Sipat	Coal	2980	19169
Kawas	Gas	656	1389
Jhanor Gandhar	Gas	657	1323
Eastern Region		**8560**	**53451**
Farakka	Coal	2100	13278
Kahalgaon	Coal	2340	14577
Barh	Coal	660	6
Talcher - Kaniha	Coal	3000	21762
Talcher - Thermal	Coal	460	3829
Southern Region		**4960**	**35399**
Ramagundam	Coal	2600	19746
Simhadri	Coal	2000	14685
Rajiv Gandhi CCP	Liquid Fuel	360	968
Total**		**37032**	**233269**

* as on 31st March, 2014

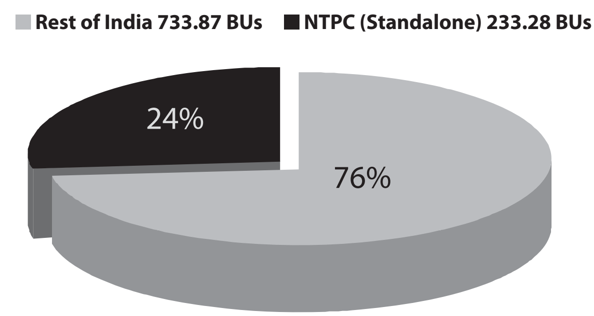
** Excludes **14.95 MU** Solar Power Generation and **75 MW** Capacity.

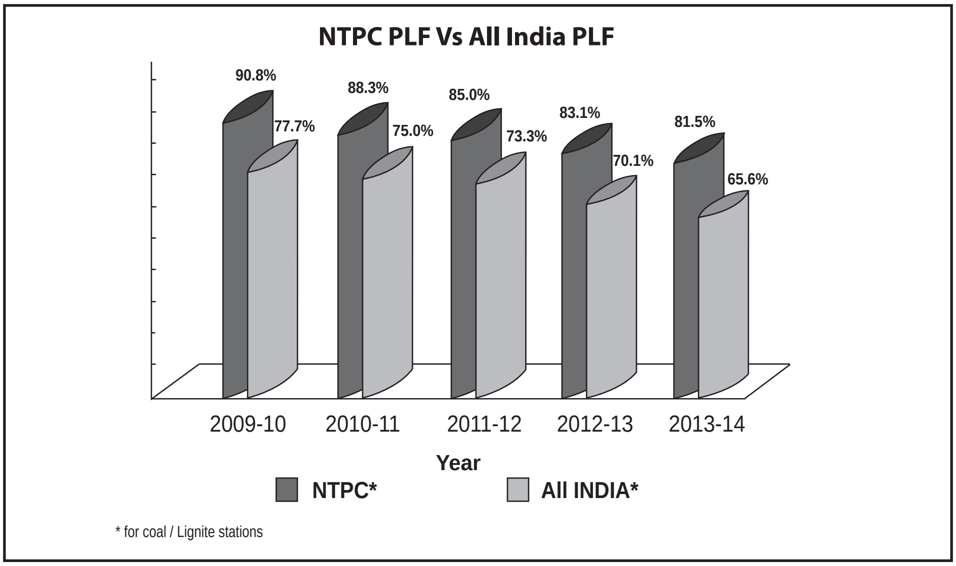
Share of Installed Capacity
(as on 31st March 2014)

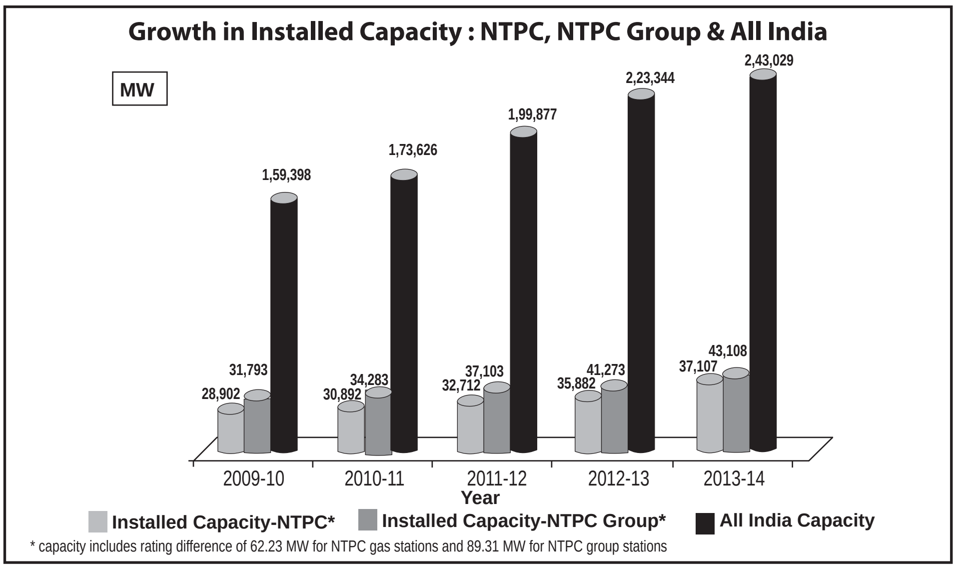


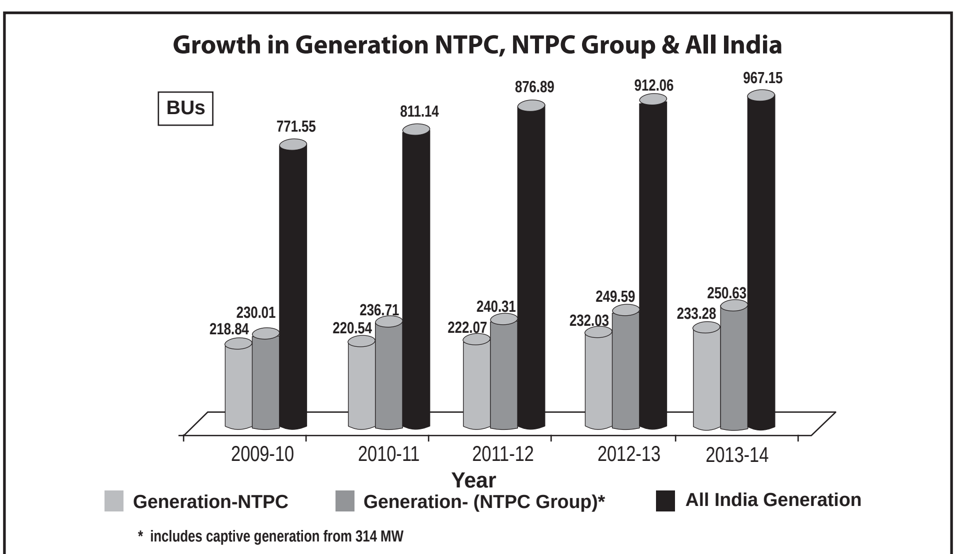
* includes rated capacity difference (62.23 MW) of gas stations

Share of Electricity Generated
(as on 31st March 2014)




NTPC PLF Vs All India PLF
90.8%
77.7%
88.3%
75.0%
85.0%
73.3%
83.1%
70.1%
81.5%
65.6%
2009-10
2010-11
2011-12
2012-13
2013-14
Year
NTPC*
All INDIA*
* for coal / Lignite stations


Growth in Installed Capacity : NTPC, NTPC Group & All India
MW
28,902
31,793
1,59,398
30,892
34,283
1,73,626
32,712
37,103
1,99,877
35,882
41,273
2,23,344
37,107
43,108
2,43,029
2009-10
2010-11
2011-12
2012-13
2013-14
Year
Installed Capacity-NTPC*
Installed Capacity-NTPC Group*
All India Capacity
* capacity includes rating difference of 62.23 MW for NTPC gas stations and 89.31 MW for NTPC group stations


Growth in Generation NTPC, NTPC Group & All India
BUs
218.84
230.01
771.55
220.54
236.71
811.14
222.07
240.31
876.89
232.03
249.59
912.06
233.28
250.63
967.15
2009-10
2010-11
2011-12
2012-13
2013-14
Year
Generation-NTPC
Generation- (NTPC Group)*
All India Generation
* includes captive generation from 314 MW

SELECTED FINANCIAL INFORMATION*

₹ Crore

		2013-14	2012-13	2011-12	2010-11#	2009-10#
A	**Revenue**					
	Revenue from operations (net)	72,018.93	65,673.93	62,052.23	55,062.65	46,450.40
	Other income	2,688.89	3,101.58	2,778.42	2,344.65	2,796.25
	Total revenue	**74,707.82**	**68,775.51**	**64,830.65**	**57,407.30**	**49,246.65**
B	**Expenses**					
	Fuel	45,829.71	41,018.25	41,635.46	35,373.78	29,462.74
	Employee benefits expense	3,867.99	3,360.12	3,090.48	2,789.71	2,412.36
	Generation, administration & other expenses	4,543.85	4,211.22	3,588.79	4,926.28	2,808.71
	Prior period items (net)	12.84	(29.72)	(313.58)	(1,638.72)	(77.83)
	Profit before depreciation, finance cost and tax	**20,453.43**	**20,215.64**	**16,829.50**	**15,956.25**	**14,640.67**
	Depreciation and amortization expense	4,142.19	3,396.76	2,791.70	2,485.69	2,650.06
	Profit before finance cost and tax	**16,311.24**	**16,818.88**	**14,037.80**	**13,470.56**	**11,990.61**
	Finance costs	2,406.59	1,924.36	1,711.64	1,420.96	1,105.15
	Profit before exceptional items and tax	**13,904.65**	**14,894.52**	**12,326.16**	**12,049.60**	**10,885.46**
	Exceptional Items (+) income/ (-) loss	-	1,684.11	-	-	-
	Profit before tax	**13,904.65**	**16,578.63**	**12,326.16**	**12,049.60**	**10,885.46**
	Tax (Net)	2,929.91	3,959.24	3,102.43	2,947.01	2,157.26
	Profit after tax	**10,974.74**	**12,619.39**	**9,223.73**	**9,102.59**	**8,728.20**
	Dividend	4,741.15	4,741.16	3,298.19	3,133.27	3,133.27
	Dividend tax	804.74	781.87	527.92	514.77	527.62
	Retained profit	**5,428.85**	**7,096.36**	**5,397.62**	**5,454.55**	**5,067.31**
C	**Assets**					
	Fixed assets (net block)					
	Tangible assets	71,865.86	62,687.42	45,046.47	39,029.07	34,722.79
	Intangible assets	244.97	248.68	211.89	206.89	35.85
	Capital work-in-progress	44,886.74	37,109.42	41,827.82	35,495.30	28,699.86
	Intangible assets under development	1.93	-	0.04	0.03	0.55
	Total Fixed Assets (Net block)	116,999.50	100,045.52	87,086.22	74,731.29	63,459.05
	Investments (Non-current)	8,120.90	9,137.64	9,583.92	10,532.84	11,212.14
	Long-term loans and advances	12,776.22	9,633.45	3,883.26	3,901.96	6,539.41
	Other non-current assets	1,786.77	1,132.77	1,371.88	459.15	365.17
	Current assets	39,870.79	41,167.08	38,912.52	36,113.64	31,280.32
	Total Assets	**179,554.18**	**161,116.46**	**140,837.80**	**125,738.88**	**112,856.09**
D	**Liabilities**					
	Borrowings					
	Long-term borrowings	62,405.75	53,253.66	45,908.27	39,735.68	33,804.81
	Current maturities of long-term borrowings	4,764.47	4,892.64	4,371.10	3,452.56	3,992.21
	Total borrowings	67,170.22	58,146.30	50,279.37	43,188.24	37,797.02
	Other Long-term liabilities and provisions	4,443.43	3,621.21	2,969.66	3,215.43	2,307.55
	Current liabilities	25,279.80	22,610.03	17,238.64	14,041.04	12,715.55
	Less: Current maturities of long-term borrowings	4,764.47	4,892.64	4,371.10	3,452.56	3,992.21
	Net Current liabilities	20,515.33	17,717.39	12,867.54	10,588.48	8,723.34
	Deferred Revenue	1,609.88	1,244.05	1,430.06	854.48	1,590.76
E	**Net-worth**					
	Share capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
	Reserves & surplus	77,569.86	72,142.05	65,045.71	59,646.79	54,191.96
	Net-worth	85,815.32	80,387.51	73,291.17	67,892.25	62,437.42
	Total Liabilities	**179,554.18**	**161,116.46**	**140,837.80**	**125,738.88**	**112,856.09**
F	**Capital employed**	92,891.91	84,419.44	75,136.67	71,374.57	69,572.54
G	**Value added**	25,965.88	22,998.93	19,737.80	19,139.99	17,331.30
H	**Number of shares**	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400
I	**Number of employees**	23,411	23,865	24,011	23,797	23,743
J	**Ratios**					
	Return on capital employed (%)	14.37	15.95	14.23	14.30	13.97
	Return on net worth (%)	17.72	19.73	16.88	16.92	16.35
	Book value per Share (₹)	104.08	97.49	88.89	82.34	75.72
	Earnings per share	13.31	15.30	11.19	11.04	10.59
	Current ratio	1.58	1.82	2.26	2.57	2.46
	Debt to equity	0.78	0.72	0.69	0.64	0.61
	Value added/ employee (₹ crore)	1.11	0.96	0.82	0.80	0.73

Figures regrouped as per revised Schedule VI of Companies Act, 1956

* Standalone

DIRECTORS' PROFILE

Dr. Arup Roy Choudhury
Chairman & Managing Director

Dr. Arup Roy Choudhury (58 years), (DIN: 00659908), A firm believer in achieving team-excellence through transformational change and shift to proactive, positive and personalized approach, Dr. Arup Roy Choudhury believes in the dictum, ***"Sankalpa Shuddha Hi Siddha"*** i.e. if your intentions are pure, you are bound to succeed. He has an illustrious career of more than 36 years during which he has been holding the position of CMD of Navratna and Maharatna Companies for over 13 years. He is a graduate from Birla Institute of Technology-Mesra and a Post graduate and Doctorate from IIT-Delhi. Some highlights of his career are:

- Became the youngest CMD of a Central Public Sector Enterprise in India (NBCC) at the age of 44 years.
- Honoured with "Eminent Engineer Award" by Institution of Engineers (I) for remarkable and valuable contribution, both national and international, in the field of engineering, particularly in civil engineering and construction sector.
- Awarded for the best organizational turnaround from Hon. President of India.
- Received the Top Ten PSU and Turnaround Award from Hon. Prime Minister of India.
- Received the Top Ten Central Public Sector Undertaking Award from Hon. Prime Minister of India.
- Elected Chairman of Standing Conference of Public Enterprises, the apex body of over 240 Central Public Sector Enterprises in India, in 2009 and re-elected unanimously in 2011 for a term of two-years.
- Received the award as the Best Individual Leader of a Public Sector Enterprise from Hon. Prime Minister of India.
- Received the Award for CSR and Responsiveness from Hon. President of India.
- Appointed CMD of NTPC, one of the ten largest power companies in the world and the largest power generator in India since September 1, 2010.
- Elected Vice Chair (Asia-Pacific & South-Asia) of World Energy Council, the largest multi-energy organization in the world with nearly 100 member countries.
- Received as CMD, the Gold Trophy for NTPC for best performance, from Hon. Prime Minister of India.
- Honoured with the 'Asian CEO of the Year' Award by Terrapinn, a Singapore-based business media company with presence in five continents doing significant work in Energy dialogue.
- Figured at # 40 among India Inc's 100 Most Powerful CEOs, 2013 listing by The Economic Times.
- Honoured with the "Outstanding Engineer Award" by The Institution of Engineering and Technology (IET) UK, Delhi Network, for life-long contribution to "Excellence in Project Management in India".
- Honoured with "Eminent Engineering Personality" recognition by The Institution of Engineers (I).
- Honoured as a 'Jewel Alumnus' by St Michael's High School, Patna.
- Appointed Member of the Board of Governors of BIT-Mesra.
- Honoured with 'Distinguished Xaverian Award' by St. Xavier's Alumni Association for outstanding services and contribution to the Building Construction and Power sectors.
- Became Member of the TERI Advisory Board.
- Authored a well received book with the unusual title 'Management by Idiots', published by the prestigious McGraw Hill, India.

Shri I.J. Kapoor
Director (Commercial)

Sh. I.J. Kapoor, (about 58 years), (DIN: 02051043), is a Graduate in Mechanical Engineering and Masters in Business Administration. He joined NTPC in 1978. He has a rich and varied experience of over 35 years in the areas of Commercial, Engineering, Contracts & Materials Management, Consultancy, Cost Engineering, Project Services, Quality Assurance & Inspection and Power Station Management. Prior to his elevation as Director (Commercial), he was Regional Executive Director (National Capital), NTPC, responsible for operational management of generating capacity along with project implementation activities. As Director (Commercial), he is responsible for formulation & implementation of policies & strategies to ensure marketing of NTPC's entire electrical output, appropriate pricing from regulatory authority and entire payment realization from customers, thereby generate adequate internal resources for the company to meet the future challenge of capacity addition. In addition, he is the Director In- charge of Consultancy and Business Development activities. He is also part time Chairman on the Board of Aravali Power Company Private Limited (1,500 MW) and part time Director on the Board of PTC India Limited, Meja Urja Nigam Private Limited (1,320 MW), NTPC-BHEL Power Projects Private Limited, Trincomalee Power Company Limited, Bangladesh – India Friendship Power Company Private Limited and NTPC Vidyut Vyapar Nigam Limited. He is a Fellow of Institution of Engineers, India and Senior Member, IEEE, USA.

Shri N.N. Misra
Director (Operations)

Shri N.N. Misra, (about 60 years), (DIN: 00575501), graduated in Electrical Engineering with Honours from Regional Engineering College, Rourkela, in the year 1977. Shri Misra joined NTPC in 1977 as Executive Trainee (2nd Batch). He has experience of 36 years in NTPC out of which 29 years were in the Design Department looking after the various functions of Electrical Design and Project Engineering beginning with the first project of NTPC. He is actively associated with BIS. Shri Misra represents India in CIGRE (International Conference on Large High Voltage Electric System) for High voltage equipment and has contributed in many Study committees and Working groups of CIGRE. He was involved in selecting and successfully implementing the first 765KV sub-station of India at Sipat. He has a rich and varied experience having worked as Executive Director of National Capital Region, Executive Director looking after Corporate Contracts & Materials, Executive Director looking after Human Resources and lastly as Executive Director looking after Operation Services. Shri Misra represents NTPC as Part-time Director in a number of Joint Ventures and Subsidiaries of NTPC.

Shri A.K. Jha
Director (Technical)

Shri A.K. Jha (57 Years), (DIN: 03590871), is a graduate in Mechanical Engineering from BIT Sindri, Ranchi University and has done LLB from Delhi University. He joined NTPC in 1977 as Executive Trainee (2nd Batch). He was directly associated with the NTPC's flagship Project i.e. Singrauli (5x200 MW) as part of erection team. He has rich and varied experience of 37 years in NTPC in all the areas of Power Project that is Design & Engineering, Project Planning & Monitoring and Project Construction & Management.

He has served as Regional Executive Director (North) where he was responsible for entire portfolio management i.e 04 nos generating stations (5490 MW), 02 nos ongoing projects (1008 MW) and 04 nos upcoming new projects (4460 MW) in Northern region of NTPC. As Executive Director (Project Planning & Monitoring), he has looked after the Planning & Monitoring of entire portfolio of NTPC's Capacity addition program.

He is part time Chairman on the Board of NTPC Alstom Services Pvt. Ltd. (NASL) and Pan-Asian Renewables Pvt. Ltd. (PARL).

He is nominee director in the Board of Anushakti Vidhyut Nigam Ltd (ASHVINI), Bangladesh-India Friendship Power Company Ltd. (BIFPCL), Transformers And Electricals Kerala Limited (TELK). He is Board Member in International Electric Research Exchange (IERE) where NTPC is executive member and member in Excellence Enhancement Centre (EEC) - An initiative of Indo-German Energy Co-operation.

He Joined NTPC Board in July'2012 as Director (Technical). He is responsible for Engineering division - Concept to Commissioning of power projects, induction of environment friendly technologies like Ultra Super Critical, Advance Ultra super Critical and IGCC (Integrated Gasification Combined Cycle), R&M Engineering of old units, R & D through NETRA (NTPC Energy Technology and Research Alliance), Renewable Energy & Distributed generation through induction of Solar, Wind, Small Hydro, Geo-Thermal and implementation of decentralized distributed generation scheme, Information Technology initiatives including Enterprise Resource Planning (ERP) and Environmental Engineering. During his tenure on NTPC Board, he has given special thrust to renewable energy and till date NTPC has commissioned 95 MW solar projects and another 15 MW is under construction.

Shri U.P. Pani
Director
(Human Resources)

Shri U.P. Pani, (about 58 years), (DIN: 03199828), Director (Human Resources) is a Graduate in Electrical Engineering from BITS PILANI (1978) and joined NTPC in November, 1978 as (3rd batch) Executive Trainee. He has worked in Erection, Rehabilitation and Resettlement, Technical Services Deptt. of Korba STPS (3x200+3x500MW) and Talchar STPS, (6x500MW). He worked as Business Unit Head (BUH) of NSPCL (joint Venture of NTPC & SAIL) at Bhilai and Durgapur. He was Head of NTPC Kahalgaon (4x210 MW+3x500MW) Project. During his tenure, all three 500 MW Units of Kahalgaon Stage-II were commercialised. He was Head of Project of NTPC's biggest plant, i.e. Vindhyachal STPP (4260MW). On 15th March 2010, Sh. Pani took over as Regional Executive Director (Eastern Region-I) and was responsible for overall functioning of various regional projects of NTPC and projects of various subsidiaries and joint venture of NTPC.

As BUH in the capacity of GM & RED at various locations and regions, he has also been responsible for HR functions and has steered numbers of HR initiatives.

As Director (HR), Shri Pani is responsible for the entire Human Resource functions of the organization. He is also responsible for the Power Management Institute (PMI) of NTPC and other corporate functions such as Resettlement & Rehabilitation, Land Acquisition, Corporate Social Responsibility, Medical Services and Corporate Security & Coordination.

S.C. Pandey
Director (Projects)

Shri S.C. Pandey, (about 57 years) (DIN: 03142319), is B.E. in Instrumentation. He joined NTPC in November, 1978 as (3rd batch) Executive Trainee. He has about 34 years of comprehensive experience in management of large size power projects in the areas of engineering, project construction and power plant operation and maintenance. He has a strong background in managing, operating and maintaining few of the largest stations of the country and has a rich experience and exposure of entire life cycle from concept to commissioning of Greenfield project. He has also worked in capacity of Regional Executive Director (East-II), Executive Director (Engg) & Regional Executive Director(West-I)

Prior to joining NTPC Board he was Executive Director(PP&M) at Corporate Centre and was responsible for Project Planning & Monitoring of entire capacity addition business of NTPC covering Thermal, Hydro, International JVs, Renewable, (Solar, Wind & small Hydro).

He joined NTPC Board in Oct'2013 as Director(Projects). He is also the Chairman of Bhartiya Rail Bijlee Company Ltd. and representing on the board of BF-NTPC Energy System Ltd. & PAN-Asian Renewable Private Ltd.

As Director (Projects), he is responsible for project planning, Execution and implementation of over 22,000 MW projects under construction at 23 different locations across the country and planning for new capacity addition.

Shri Kulamani Biswal
Director (Finance)

Shri Kulamani Biswal, aged 53 years, (DIN: 03318539), a Commerce Graduate from Utkal University is a fellow in Cost Accountancy along with having distinct professional qualifications of MBA from New Port University, California, USA; LLB from Sambalpur University and Diploma in Financial Management from IGNOU.

The most attributable features of Shri Biswal having been bestowed upon the present responsibilities are his flair in financial fundamentals; updated knowledge base and knack in business networking. Prior to joining NTPC, he was Director (Finance) in Mahanadi Coalfields Limited (MCL) from Oct' 2010 to Dec' 2013. He played a key role in making MCL as second largest coal company in India in terms of production and profitability. In MCL, he was also responsible for diversification of business into Power Generation, Solar Power, Transmission of electricity etc., for gainful utilisation of surplus funds. He has exposure in entire value chain of power business right from Supply, Distribution to Generation and Regulatory affairs.

Shri Kulamani Biswal
Director (Finance)

With rich and varied experience of 29 years in Coal & Power Sectors, Sh. Biswal took over the charge of Director (Finance), NTPC Limited on 9th December 2013. In NTPC, he plays a pivotal role in providing valuable inputs to the Board for taking various strategic decisions to enable the company to achieve its Vision. He is responsible for the entire gamut of financial management of the organisation including financial resource mobilisation from domestic & global sources, optimum utilization of funds, budgetary controls, investment decisions and compilation of Accounts and Audit of the same by Statutory and Govt. Auditors. As CFO, he is responsible for establishing adequate internal control systems and adherence by the Company to sound Corporate Governance practices. He plays an active role in the decisions involving mergers and acquisitions including backward & forward integration of business. He is a vital link between the investing community and the management of the company.

Within a period of 6 months of joining, he has been instrumental in resolving long pending disputes with Coal India Limited, achieving the ambitious capex target of NTPC by incurring capex of ₹21,705 crore in FY 14, raising Tax Free Bonds amounting to ₹2,250 crore, raising Foreign currency Loans of USD 350 million, Closing of Accounts of NTPC for FY 14 within tight scheduled timeline with 'Nil' comments from CAG and successful completion of employee OFS.

Sh. Biswal has been recently recognised as the 'Best CMA-CFO' in Public Sector (Manufacturing) category by The Institute of Cost Accountants of India for application of innovative cost and management accounting techniques in work place.

Dr. Pradeep Kumar
Govt. Nominee Director

Dr. Pradeep Kumar, (about 53 years), (DIN: 05125269), an Indian Administrative Service Officer of Kerala Cadre, is B. Tech in Electronics, MBA, Master Diploma in Public Administration and Governance and Ph.D. in the area of Integrated Freight Transport Planning.

During his illustrious career of 27 years as IAS officer, he has held various administrative positions in the areas of Revenue, Finance, Transport, Shipping, Inland Water Transportation, Water Resources, Irrigation, Food and Civil Supplies, Consumer Affairs, Environment and Forests. Prior to joining as Joint Secretary & Financial Adviser, Ministry of Power, he was Principal Secretary, Environment and Forest Department, Government of Kerala.

Shri S. B. Ghosh Dastidar
Independent Director

Shri S. B. Gosh Dastidar, (67 years), (DIN: 00145886), B.E. (Mech), is Former Member Traffic/ Railway Board (MT) & Ex-officio Secretary to Govt. of India, Ministry of Railways, New Delhi. Shri Dastidar joined the Indian Railway Traffic Service in 1969 after completing his Bachelor of Engineering (Mech.) from Calcutta University. During distinguished career of almost four decades, Shri Dastidar oversaw the introduction of many new ideas and innovations in Railways. Shri Dastidar retired as Member Traffic / Railway Board & Ex-officio Secretary to Govt. of India, Ministry of Railways, New Delhi. As Chairman of Container Corporation of India Ltd. (CONCOR), Indian Railways Catering & Tourism Corporation Ltd (IRCTC), Pipavav Railway Corporation Ltd., and Executive Committee of Centre for Railway Information System (CRIS), he has vast experience in area of Planning, Human Resource Development, Marketing, Project Management, Operations, Management, Finance and Industrial Relationship. Over 37 years of experience on Indian Railways, he held various prestigious posts including Member Traffic, General Manager, Chief Operational Manager, Divisional Railway Manager etc. He played a pivotal role in the Indian Railway. He is also Independent Director of Bharat Coking Coal Limited (BCCL).

Currently, he is a Member of Adhoc Task Force of Performance Management Division of Cabinet Secretariat.

He was awarded "Padam Shri" by Government of India for his outstanding contribution in Indian Railways.

Shri Rajib Sekhar Sahoo
Independent Director

Shri Rajib Sekhar Sahoo, (52 years), (DIN: 02708503), is a practicing Chartered Accountant born on 1st July, 1962. He qualified as CA in the year 1987. He is one of the Principal partner of M/s SRB & Associates, Chartered Accountants.

At present, he is an Independent Director in NTPC Limited, a Maharatna Company of Govt. of India, Hindustan Zinc Limited, Rashtriya Ispat Nigam Limited, THDC India Limited (Tehri Hydro Development Corporation India Limited) and Bank of Baroda.

He was a member of Task Force on MoU Deptt. of Public Enterprise, Govt. of India for the year 2011-12 and 2012-13. He is a member of Sri Jagannath Temple Managing Committee, Puri appointed by Govt. of Odisha as an Independent Member. He is an Independent Trustee of Odisha Urban Infrastructure Development Fund (OUIDF) appointed by Govt. of Odisha. He is a member of Fee Structure Committee for Professional Educational Institutions of Odisha appointed as per the direction of Supreme Court of India chaired by a Retd. High Court Judge since 2007.

He was Trustee in Paradip Port Trust from the year 2008-10. He was Director in Andhra Bank from July, 2008 to July,2011. During his tenure in Andhra Bank, he was Chairman of the Audit Committee and Member of Risk Management Committee. He was the chairman of Indo-American Chamber of Commerce for the year 2008-10.

Shri Ajit M. Nimbalkar
Independent Director

Shri Ajit M. Nimbalkar (70 years), (DIN: 02749940), is a retired Indian Administrative Service Officer of 1967 Batch, Maharashtra Cadre. He is M.A. in Political Science & Public Administration. He has over 37 years of experience in IAS and has held several positions at the District, State and Central Levels. He worked in different fields which included sugar industry of Maharashtra, upliftment of Labour at State and Central Level, generation & distribution of power, gas distribution, infrastructure in Mumbai. He retired as Chief Secretary, Maharashtra in May 2004. Subsequently, after retirement, in order to utilise his services for infrastructure development, he was appointed as Advisor to the State Government from June 2004 to March 2005. From August 2005 and till August 2011, he served as the first Chairman of the newly enacted Maharashtra Water Resources Regulatory Authority, a qausi-judicial post.

Shri S.R. Upadhyay
Independent Director

Shri S.R. Upadhyay (about 64 years), (DIN: 00841288), is B.Sc (Hons.) (Mining) from Indian School of Mines, Dhanbad. He has obtained 1st Class Mines Managership Certificate of Competency (Coal), 1975. He has retired as Chairman & Managing Director, Mahanadi Coalfields Limited. He has wide experience in the area of coal mining. He has contributed a lot in introducing systems of working and capacity utilisation through use of new and technology-savvy techniques. He was pioneer in making turnaround of productivity from stagnant or low productivity/ profits to highest ever production or huge profits. He has published papers on Use of Long Wall Method of work at shallow depth at Jhanra and on Dealing with fire in Long Wall face. He is recipient of Award of Excellence & Safety by Ministry of Coal presented by Vice President of India and D.D. Thakkar Gold Medal Award by Mining, Geological & Metrological Institute of India (MGMI). He is Independent Director on the Board of Northern Coalfields Limited and a consultant of Power Finance Corporation Consulting Limited. He is life Member of IMMA, MGMI and was also member of prestigious Board of Mining Examinations of the Director General of Mines Safety, GOI, while in service.

Ms. Homai A. Daruwalla
Independent Director

Ms. Homai A. Daruwalla (about 66 years), (DIN: 00365880), has reached pinnacle of Banking career with varied experience of working in three large Public Sector Banks namely Union Bank of India, Oriental Bank of Commerce and Central Bank of India. Ms. H.A. Daruwalla is the second woman Professional Banker and the first woman from minority Zoroastrian community who has reached topmost position in PSU Banks in the country purely on the strength of work ethics, with no relevance to gender whatsoever.

Ms. H. A. Daruwalla, a qualified Chartered Accountant was at the helm of affairs of Central Bank of India as Chairperson and Managing Director overseeing the entire operations of the Bank from 30th June 2005 till 31st December 2008. At the time of taking over the reins of the Bank, the Bank was sailing through rough waters with stunted business growth and the financial performance of the Bank was not comparable with other peer group Banks' performance. Ms. H. A. Daruwalla rejuvenated the working of the Bank through a series of bold initiatives which yielded positive results for the Bank. In fact, there has been total turnaround in the Bank's fortune during her stewardship of the 3 ½ years which was clearly evident from the overwhelming response to the Bank's Initial Public Offer which was over-subscribed 62 times which is the highest ever subscription, received by any other Bank and it has created history in the Banking Industry.

Ms. H. A. Daruwalla was associated with many important positions and in recognition of her excellent contribution in the field of Banking, she has been conferred with many prestigious awards.

Ms. H. A. Daruwalla also handled prestigious assignment as Region of India Director on Board of The Institute of Internal Auditors (IIA), Florida, USA for a term of two years commencing 1st October 1995 to 30th September 1997. The Institute of Internal Auditors, Florida is an international renowned body having audit luminaries from all over the world as its members.

Post retirement, Ms. H. A. Daruwalla is an Executive Advisor / Consultant, her forte being Financial sector and is presently on the Board of number of prestigious companies as an Independent Director.

Shri Anol Nath Chatterji
Independent Director

Shri Anol Nath Chatterji (64 years), (DIN: 05219334), graduated from Presidency College, University of Calcutta, with a Bachelor of Science (Hons) degree in Chemistry. He is a Fellow of the Canadian Comprehensive Audit Foundation, Ottawa.

Shri Chatterji now serves as a member of the Independent Advisory and Oversight Committee of the World Intellectual Property Organisation, Geneva. He was a member of the Quality Review Board constituted by the Ministry of Corporate Affairs under the Chartered Accountants Act.

Shri Chatterji joined the Indian Audit and Accounts Service in 1974 and retired in 2010 as Deputy Comptroller and Auditor General of India. In this capacity, he was responsible for the administration of the whole Indian Audit and Accounts Department. He was also responsible for all Professional Practices in the Department and was Chairman of the Govt. Accounting Standards Advisory Board.

Shri Chatterji has been actively engaged in the development of professional practices in Performance Auditing and has contributed to the development of Performance Auditing Standards both in his department and internationally. He is invited to participate in seminars organised by the World Bank as an expert in this field.

His experience includes audit of such important departments as Atomic Energy, Space, Ordnance Factories and Railways.

In the field of training, Shri Chatterji has headed the National Academy of Audit and Accounts at Shimla and the National Institute of Financial Management at Faridabad.

Prof. Sushil Khanna, (63 years), (DIN: 00115364), a Faculty Member in Economics and Strategic Management departments at IIM Calcutta since 1984.He is a Fellow of Indian Institute of Management, Calcutta (IIM-C). Prof Khanna has been visiting Professor in various Universities and institutes abroad and has been a Chair Professor at Copenhagen Business School during 2011-12. He was a Member, Board for Reconstruction of Public Sector Enterprises from 2004-14, and Independent Director on the Boards of Nicco Ventures Limited and The Information Company Limited. His past positions include Chairman, Kerala Financial Corp., Task Force on New Industrial Policy, Govt. of Kerala, etc. He has published several articles and chapters in the books on the topics relating to Industrial Policy, Industrial Economics, Strategic Management and Management of Services. His recent studies/ Consultancy assignments include study of Government/ Public Sector, Private Sector and Civil Society.

Prof. Sushil Khannal
Independent Director

Dr. Alwyn Didar Singh, IAS (about 63 years), (DIN: 00275577), is Masters in Social Science and M.A. in History, Political Thought. He also holds Ph.D. in Policy and Strategy of Electronic Commerce. He retired as Secretary to the Government of India in the Ministry of Overseas Indian Affairs Association. During his career in Government, he held various posts including as Additional Secretary, Member (Finance), National Highways Authority of India, Department of Road Transport and Highways; and Joint Secretary in the Ministry of Heavy Industries and in Ministry of Commerce (Foreign Trade). Dr. Singh has hands-on-experience in the area of e-commerce and management, having been Managing Director of two Information Technology enterprises in Punjab i.e. Punjab Electronics and ESPL and also MD of MCCL (Meghalaya Cement) and MD of Meghalaya Tourism. He has also been Nominee Director on the Boards of BHEL, HMT, EPI, HEC, Cement Corporation of India, Andrew Yule. He is an expert in e-commerce and ICT development; trade and PPP. He has presented a number of papers and authored books on e-commerce and trade. He is currently the Secretary General of FICCI (Federation of Indian Chambers of Commerce and Industry), a 'not for profit' Industry Association.

Dr. Alwyn Didar Singh
Independent Director

Shri Prashant Mehta, (about 63 years), (DIN: 02284299), an Indian Administrative Service Officer of Madhya Pradesh Cadre, is a graduate in Science and post-graduate in Physics from University of Jabalpur, Madhya Pradesh. He retired as Director General, Academy of Administration, Bhopal, Government of Madhya Pradesh in November 2011. During his illustrious career of 36 years as IAS officer, he had held various administrative positions in Madhya Pradesh Government departments including education, civil aviation, railways, revenue, mines, forests, etc. He had been actively associated with MP Cricket Association and had been Chairman, Organising Committee for One-day International Cricket matches from 1996 to 2011 at Gwalior. Presently, he is Vice-President of Madhya Pradesh Cricket Association, Executive President of the Gwalior Division Cricket Association, President of the Chambal Division Cricket Association and also the Chairman of WWF (Madhya Pradesh and Chattisgarh). He had been Managing Director of Kailaras Sugar Factory Morena and Government Nominee Director on the Board of NALCO, BALCO, Hindustan Zinc Limited and Hindustan Diamonds Limited.

Shri Prashant Mehta
Independent Director

Shri M.R.P Rao, aged 51 years, is an Indian Forest Services of Uttar Pradesh Cadre. He graduated in Mining Engineering from Osmania University, Hyderabad in 1983 with Gold Medal. After graduation, he works as production incharge of Mines in The Singareni Collieries Company Ltd. (SCCL) for about 4 years. Thereafter, he joined Indian Forest Service, 1986 batch and has held various important positions in Forest Deptt., Uttar Pradesh upto to rank of Chief Conservator. He has taken over as the Chief Vigilance Officer in NTPC Limited w.e.f. 27th Feb., 2013.

Shri M.R.P. Rao
Chief Vigilance Officer

SENIOR MANAGEMENT TEAM

S. No.	Executive Directors S/Shri
1	G J Deshpande
2	A K Ahuja
3	A C Chaturvedi
4	Sharad Anand
5	V K Gupta
6	Arvind Kumar
7	R Venkateswaran
8	S N Ganguly
9	Saptarshi Roy
10	Janardan Kar
11	Vinod Sharma
12	Anand Kumar-IPS officer on deputation
13	A K Chatterjee
14	A K Sharma
15	Y V Rao
16	Thomas Joseph
17	Anil Gupta
18	G K Sadhu
19	R K Srivastava
20	K S Garbyal
21	A K Gupta
22	Ajit Kumar
23	G Ravindra
24	Sudhir Arya
25	H K Sandhir
26	V B Fadnavis
27	A K Rastogi
28	Anuttam Chaudhuri
29	P R Dahake
30	D K Sood
31	S K Roy
32	S Ghosh

S. No.	General Managers S/Shri
1	Dinesh Agrawal
2	N Kannan
3	V K C Mohan
4	C S Gupta
5	D Saha
6	S K Dave
7	S K Singh
8	S S Sen- On Lien to WBPDC
9	Shashi Ranjan
10	P Ramesh
11	A K Halder- On Deputation to DTL
12	R S Rathee
13	Janhvi Shanker
14	P K Mohapatra
15	A Upendra Rao- On Deputation to Power Finance Coal Co. Ltd.
16	C P Malik
17	P B Behere
18	G C Mishra
19	Sankar Bandyopadhyay
20	P S Radhakrishnan
21	I K Rajdeva
22	P S Rao
23	S K Jain
24	Ramkrishna Pal
25	S K Patnaik
26	A K Sinha
27	Arun Kumar Sinha
28	Devashis Basu
29	N K Kothari
30	Pramod Kumar
31	V Thangapandian
32	A K Bhatnagar
33	R R Shrivastava
34	R K Jain
35	D S Manki
36	Ramanuj Mishra
37	Dileep Mathur
38	K R C Murty
39	S k Reddy
40	Harbans Singh
41	D K Dubey
42	A K Atrea
43	S P Singh
44	K Sreedhar
45	K V Adivarahan
46	A K Gupta
47	Revti Raman
48	M P Sinha
49	Prakash Tiwari
50	A K Bansal
51	Manoj Saxena
52	Ms Gitika Shiv
53	D Sarkar
54	T R Datta
55	Ms. Arundhati Bhattacharya
56	P K Bondriya
57	A K Samanta
58	Balaji Iyengar
59	Vipan Kumar
60	A K Sinha
61	Kuldeep Bhargava
62	B P Parida
63	Jagdish Roy
64	S B Mallick
65	Pravin Chaturvedi
66	Shankar Das
67	S Arumugam
68	P N Pavan Kumar
69	Raj Kumar
70	N N Mishra
71	S K Sinha
72	J V Nageshwara Rao
73	Birendra Kumar
74	Siva Rama Krishna M
75	Md Ansar Ali Shekh
76	Santosh James
77	S K Agnihotri
78	Dinesh Kumar
79	B B Tripathy
80	Harsh Kumar
81	Lal Upendra
82	Nataraj Saha
83	Pramathesh Purkayastha
84	Ram Das
85	Binay Kumar
86	S S Isser
87	Sundararajan T S
88	P K Upadhyaya
89	B K Rath
90	R K Batra
91	Bhupinder Magan
92	A K Nanda
93	Utpal Chakrabarti
94	S C Chavady
95	M K Singh
96	A K Juneja
97	P C Rai
98	R Bhaskar Rao
99	P K Chakraborty
100	Dinesh Chandra
101	Anand Khalatkar
102	C Vasant Rao
103	Suparakash Mukherjee
104	B Pujar Ramesh
105	T N Srivastava
106	R K Nagar
107	Alok Shrivastava
108	Parimi Sreenivas
109	Muralidhar Mishra
110	N C Gurung
111	P P Kulkarni
112	Ujjwal Banerjee
113	Rajnish Bhagat
114	Dinkar Devate
115	Parthapratim Sengupta
116	R K Choudhary
117	Ram Kuber
118	C V Anand
119	Debojyoti Nandi
120	S M Chauthaiwale
121	R K Singh
122	Ms. Sangeeta Bhatia
123	Debashis Sen
124	Manoj Mathur
125	Anandaraj Chidambaram
126	Guryog Singh
127	D C Gupta
128	Chandramani Naik
129	K R Babu
130	K K Kannojia
131	R K Bagchi
132	N J Jadhav
133	Rajeev Agarwal
134	K D Rajendran
135	G K Bhowmick
136	Mohinder Singh
137	P K Mondal
138	Radhakrishnan R M
139	A N Goyal
140	S C Venkateswaran
141	S K Bhowmick
142	J S Ansari
143	N K Sinha
144	Sudarsan Chakrabarti
145	Sanjeev Kishore
146	N K Lal Das
147	Biswajit Kanungo
148	U K Dasgupta
149	Alok Patra
150	Pradeep Jain
151	Shuddhasattwa Sarkar
152	Laxmidhar Sahoo
153	T K Seal
154	M Chandrasekaran
155	Ramkumar H Krishnaswamy
156	G Venu
157	Pradeep Kumar
158	V M Prasad
159	Sunil Jumde
160	Biswarup Basu
161	N N Rai
162	A K Mukherjee
163	Sanjay Madan
164	Surinder Raina
165	A N Mishra
166	N K Sinha
167	Madhukar Anand
168	M S D Bhattamishra
169	A K Tiwary
170	C K Mondol
171	Chandan Chakraborty
172	K P Gupta
173	Vinod Choudhary
174	Sreekant Kandikuppa
175	P P Francis
176	Alind Rastogi- IFS officer on Deputation

Posted in Subsidiary/Joint Venture Companies and others

S. No.	Executive Directors S/Shri
1	N K Sharma
2	K K Sharma
3	Manash Sarkar
4	K K Singh
5	S J Muley
6	Tufani Ram
7	D Chakrabarty
8	J N singh

S. No.	General Managers S/Shri
1	Rajesh Kumar
2	Prabhat Kumar
3	Joseph Kurian
4	V S Tamrakar
5	V K Padha
6	A K Garg
7	Yogendra Singh
8	A K Maggu
9	P Harisinghaney
10	Atul Shrivastava
11	Rakesh Samuel
12	J P Srivastava
13	Himanchal Panda
14	Subramani Sreenivasa
15	Vijay Gulati
16	P K Dave
17	Raj Kumar
18	O P Sharma
19	B S Rao
20	Ms. Satyhabhama
21	Kunal Gupta
22	S Narendra
23	K S Rajeev
24	P K Sinha
25	Narsingh
26	P K Jindal
27	Bhaskar Bhattacharya
28	R K Sinha
29	A N Verma

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 38th Annual Report and the audited financial statements for the year ended March 31, 2014.

Financial Year 2013-14 has been yet another year of achievements for your Company. With the addition of 1,835 MW capacity (including 610 MW through JV Companies) during the year, your Company crossed 43,000 MW capacity reaching a total capacity of 43,108.31 MW. Major highlights for the year are:

- Commissioned solar plants of 65 MW capacity during the year. With the commercialization of 20 MW Rajgarh Solar Power Project on 30.04.2014, cumulative solar capacity of 95 MW has already been commissioned, which is a substantial contribution to renewable energy.
- Declared 2,675 MW (including 1,110 MW through JV Companies) on commercial generation. Total commercial capacity of NTPC group has become 41,879 MW.
- Average PLF of 81.50% as against all India PLF of 65.55% with four stations recording more than 90% PLF.
- Exceeded the Capital expenditure (CAPEX) target of ₹20,200 crore. CAPEX target was ₹ 21,797.24 crore as against the previous year's target of ₹ 19,925.53 crore.
- 100% realization of current bills from customers.
- Recorded total income of ₹ 74,707.82 crore, an increase of 8.5% as compared to ₹ 68,855.81 crore in the FY 2012-13. Net Profit after Tax (PAT) of ₹ 10,974.74 crore against previous year's PAT of ₹12,619.39 crore. (PAT for financial year 2012-13, includes a write-back of provision of ₹835.97 crore and an Exceptional item of income of ₹1,684.11 crore towards interest. Both these relates to payment towards settlement of dues of erstwhile DESU).
- Dividend of ₹5.75 per share (total ₹4,741.15 crore) which comprises interim dividend of ₹ 4.00 per equity share paid in February 2014 and recommendation for final dividend of ₹ 1.75 per equity share for the year 2013-14, subject to approval of the shareholders.
- Coal Supply Agreements signed for 14,010 MW capacity commissioned/ to be commissioned between April 2009 to March 2015.
- Operation started on Inland Waterways Transportation of Imported Coal for Farakka station and about 2 lac MT imported coal has been supplied through this mode to Farakka.
- Issued Tax-free, Secured, Redeemable Non-Convertible Bonds having tax benefits under Section 10 (15) (iv) (h) of the Income Tax Act, 1961 for an aggregate amount of ₹2,250 crore. Out of ₹2,250 crore, bonds of ₹1,750 crore were issued to the public through the Stock Exchanges, which received over-whelming response and was over-subscribed by 3.7 times and bonds of ₹500 crore were issued under private placement.
- Excellent MOU rating by Government of India for the year 2012-13.
- NTPC was the only PSU among the top 35 companies, ranked 6th in the prestigious study of 'The Economic Times and Great Place to Work Institute' for 2013 covering 550 companies, 22 industries and close to 1 lac employees.

You will appreciate the fact that even amid the general down turn in the economy and market (including the financial markets), the company demonstrated the tremendous investor confidence enjoyed by it and recorded excellent performance despite the challenge before the sector.

1. FINANCIAL RESULTS

Revenue	2013-14		2012-13	
	₹ Crore	US $ Mn*	₹ Crore	US $ Mn*
Net Revenue from Operations (including Energy Sales, Consultancy, Energy consumed internally)	72,018.93	11,882.35	65,737.04	10,845.91
Other Income	2,688.89	443.64	3,118.77	514.56
Total Revenue	**74,707.82**	**12,325.99**	**68,855.81**	**11,360.47**
Expenses				
Fuel	45,829.71	7,561.41	41,018.25	6,767.57
Employee Benefits Expense	3,867.99	638.18	3,415.96	563.60
Finance Costs	2,406.59	397.06	1,924.36	317.50
Depreciation and amortization expense	4,142.19	683.41	3,396.76	560.43
Generation, administration & other expenses	4,543.85	749.69	4,235.68	698.84
Prior period items (net)	12.84	2.12	(29.72)	(4.90)
Total Expenses	**60,803.17**	**10,031.87**	**53,961.29**	**8,903.04**
Profit before Tax and exceptional items	**13,904.65**	**2,294.12**	**14,894.52**	**2,457.43**
Exceptional items	-	-	1,684.11	277.86
Profit before tax	**13,904.65**	**2,294.12**	**16,578.63**	**2,735.29**
Tax Expense	2,929.91	483.40	3,959.24	653.23
Profit for the year	**10,974.74**	**1,810.71**	**12,619.39**	**2,082.06**

Appropriations:	2013-14		2012-13	
	₹ Crore	US $ Mn*	₹ Crore	US $ Mn*
Transfer to bond redemption reserve	576.08	95.05	492.79	81.31
Transfer to general reserve	5,000.00	824.95	6,500.00	1,072.43
Transfer to capital reserve	4.98	0.82	0.97	0.16
Interim dividend	3,298.19	544.17	3,092.07	510.16
Proposed dividend	1,442.96	238.07	1,649.09	272.08
Tax on dividend	804.74	132.77	781.87	129.00

*1US $= ₹ 60.61 as on March 31, 2014

2. OFFER FOR SALE TO EMPLOYEES

In terms of CCEA's approval dated 26.11.2012 and Department of Disinvestment's communication dated 26.06.2013, Offer for Sale of NTPC's Equity Shares by Government of India to the Eligible Employees was successfully concluded and the proceeds amounting to ₹48,16,38,656/- was credited to the account of Government of India. A total of 34,83,320 shares were allotted to 3,407 employees.

Consequent upon sale of shares from Government of India to the eligible employees, the equity holding of Government of India in NTPC has reduced to 74.96% from 75%.

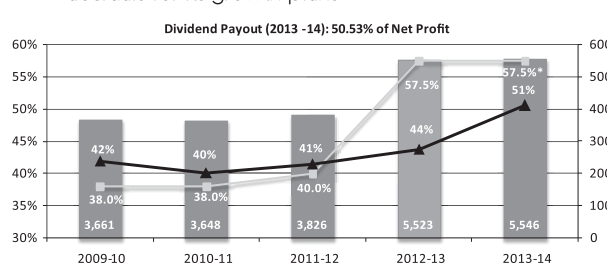
3. DIVIDEND

3.1 Interim and Final Dividend:

In addition to interim dividend of ₹ 4.00 per equity share paid in February 2014, your Directors have recommended a final dividend of ₹ 1.75 per equity share for the year 2013-14. With this the total dividend for the year is ₹5.75 per equity share of ₹10/- each. In the year 2012-13 also, the total dividend paid was ₹5.75 per equity share of ₹10/- each (including special dividend of ₹1.25 per share).

The total dividend payout is 43.20% and the total dividend payout including dividend tax is 50.53% of profit after tax. The final dividend shall be paid after your approval at the Annual General Meeting.

The dividend has been recommended in accordance with your Company's policy of balancing dividend pay-out with the requirement of deployment of internal accruals for its growth plans.



*including proposed dividend 2013-14 of 17.5%

Your Directors believe that growth of the company through capacity addition, backward and forward integration and strategic diversification of its operations would lead to increase in shareholders' value.

4. OPERATIONAL PERFORMANCE

4.1 Generation:

During the year, the power stations of your Company generated 233.284 BUs (248 BUs including JVs) of electricity (including solar power) which was 24.26% (25.80% including that generation by JVs) of the total power generated in India (without Bhutan import).

The total power generated by the Company has registered an increase of 0.54% over the previous years' generation of 232.028 BUs. The total generation contributed by coal stations is 220.700 BUs during the year against generation of 212.329 BUs last year registering a growth of 3.94%.

Generation from coal based units could have been still higher but due to less generation schedule there was generation loss of 23.083 BUs. The coal based stations of your company operated at average Plant Load Factor (PLF) of 81.50% (All India PLF 65.55%) and average Availability Factor of 90.32% on bus bar during the year. During the year, 4 coal based stations out of 16 achieved more than 90% PLF.

The gas stations having a capacity of 4,017 MW achieved annual generation of 12.569 BUs at a PLF of 35.72% as against 19.699 BUs last year mainly due to less generation schedule which accounted for a generation loss of 20.652 BUs. The average declared capacity of gas based stations for the year was 95.24% as compared to 93.14% during previous year.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India and as per Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, GOI, is presented in Annex-I to this Report.

5. COMMERCIAL PERFORMANCE

5.1 Billing and Realisation

Your Company has realized 100% payment of current bills raised for sale of power, thus achieving this feat for the eleventh consecutive year.

Most of the customers were making their payments within 60 days of billing and had established LCs at 105% of the average monthly billing.

The Company has realized ₹2,520.08 Crore (₹ 835.97 crore as principal and ₹ 1,684.11 crore as interest and surcharge) towards DESU dues payable by Government of NCT of Delhi.

5.2 Rebate Scheme for realization of dues:

In order to encourage early and full realization of dues, your Company has formulated a special scheme called 'NTPC Rebate Scheme'. In this Scheme for 2013-14, graded rebate was given to those customers who were making due payment upto 55th day of billing.

The Rebate Scheme for 2014-15 has been modified to align with CERC Regulations for 2014-19 keeping other provisions similar to 2013-14.

5.3 Commercial Capacity:

The following units were declared commercial during the year 2013-14, adding 2,675 MW (including 65MW of solar capacity) to commercial capacity of your Company:

Project/ Unit	Capacity (MW)	COD*
NTPC Units- Coal Based (I)		
Rihand-III, Unit#2	500	27.03.2014
Vindhyachal-IV, Unit#2	500	27.03.2014
Mauda-I, Unit#2	500	30.03.2014
Total (I)	**1,500**	
NTPC Units-Renewable Energy Units (II)		
Ramagundam Solar PV	10	29.01.2014
Talcher Solar PV	10	28.03.2014
Faridabad Solar PV	5	31.03.2014
Unchahar Solar PV	10	31.03.2014
Rajgarh Solar PV	30	31.03.2014
Total (II)	**65**	
NTPC's JV Units- Coal Based (III)		
Jhajjar, Unit#3 (JV with IPGCL and HPGCL)	500	26.04.2013
Vallur, Unit#2 (JV with TANGEDCO)	500	25.08.2013
Kanti, Unit#1 (subsidiary of NTPC in JV with BSPGCL)	110	01.11.2013
Total (III)	**1,110**	
Total Capacity declared commercial during 2013-14(incl. JVs) (I)+(II)+(III)	**2,675**	

* COD- Commercial Operation Date

Further, after the close of financial year 2013-14, 20 MW capacity of Rajgarh Solar PV was declared commercial on 30.04.2014.

5.4 Tariff Regulations:

Central Electricity Regulatory Commission (CERC) has issued the CERC (Terms and Conditions of Tariff) Regulations, 2014 on 21.02.2014, which are applicable for the period 01.04.2014 to 31.03.2019. The tariff of electricity generated from NTPC stations would be determined by CERC based on these regulations for the above mentioned period. The salient features of Tariff Regulations 2014-19 are discussed in the Management Discussion and Analysis Report.

Being aggrieved on certain provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2014, your Company has filed a writ petition before the Hon'ble High Court of Delhi.

5.5 Strengthening Customer Relationship:

Customer Relationship Management (CRM) initiative has been taken by your company towards strengthening relationship with the customers. This is also reflected in the Core Values of your Company (BE COMMITTED) which emphasize 'Customer Focus' as one of the key values of NTPC.

Under CRM, your Company has designed and executed several structured activities with the objective of sharing of experiences, capturing the feedback and expectations. Based on the feedback received from the customers, the Company provides various support services to them, identifies potential areas of cooperation and shares best practices with the customer utilities. During 2013-14, 62 such services were provided to the customers on the basis of the requirement expressed by various customers.

Your Company conducted Power Meet with top level officials and Business Partner Meets with middle level officials of beneficiaries to discuss various issues and sharing of experiences. In 2013-14, Power Meet was organized with the top officials of Southern Region beneficiaries and 4 Business Partner Meets were conducted with 9 beneficiaries of different regions.

Besides the above, NTPC has rolled out a Customer Satisfaction Index (CSI) Survey for gathering customers' feedback and responding to their requirements. This initiative serves as a useful tool for further strengthening Customer Relationship and better appreciation of our business.

5.6 Other Activities:

250 MW power has been allocated by the Ministry of Power from the unallocated quota of NTPC stations for export to Bangladesh through NVVN.

6. INSTALLED CAPACITY

6.1 Installed Capacity of NTPC Group:

During the year 2013-14, your Company added 1,835 MW as per details given below:

Project/ Unit installed during FY 2013-14	Capacity (MW)
NTPC owned	
Coal Based Power Projects	
Barh-II, Unit#4	660
Rihand, Unit # 6	500
Renewable Energy Projects	
Ramagundam Solar PV	10
Unchahar Solar PV	10
Talcher Kaniha Solar PV	10
Faridabad Solar PV	5
Rajgarh Solar PV	30
Under JVs (Coal Based Power Projects)	
Kanti (subsidiary of NTPC in JV with BSPGCL), Unit#1	110
Vallur (JV with TANGEDCO), Unit# 3	500
Addition during FY 2013-14	**1,835**

With above capacity addition during 2013-14, capacity added in the first two years of 12th Plan Period has reached 6,005 MW against 12th Plan target of 14,038 MW.

The total installed capacity of the NTPC Group was 41,184 MW as on 31.03.2013. For gas based power projects, till now the capacity was indicated based on Net Guaranteed Output as per Main Plant Specifications. It has been revised to capacity at Generator Terminal w.e.f. 01.04.2014. Accordingly, the installed capacity as on 01.04.2014 has become 43,108.31 MW as tabulated below:

Owned by NTPC	MW
Coal based projects	33,015.00
Gas based projects	4,017.23
Renewable Energy Projects	75.00
Sub-total	**37,107.23**
Joint Ventures & Subsidiaries	
Coal based projects	4,034.00
Gas based projects	1,967.08
Sub-total	**6,001.08**
Total	**43,108.31**

7. CAPACITY ADDITION PROGRAM

Your Company has adopted a multi-pronged growth strategy which includes capacity addition through green field projects, brown field expansions, joint ventures and acquisitions, towards its journey to become the world class integrated power major.

In addition to furthering capacity addition through Coal and Gas based power projects, your Company has been pursuing enhancement of its power generation portfolio through Hydro, Renewable Energy and Nuclear energy projects.

7.1 Projects under Implementation

Your Company's various projects having aggregate capacity of 22,434 MW including 4,690 MW, being undertaken by Joint Venture companies are under implementation as on 31.03.2014. This includes 20,900 MW through coal based projects, 1,534 MW through renewable energy projects, comprising 1,499 MW through hydro capacity and 35 MW through solar energy. The details of such projects are as under:

Ongoing Projects as on 31.03.2014	Capacity (MW)
I. NTPC owned:	
A. Coal Based Projects	
1. Bongaigaon, Assam	750
2. Barh-I, Bihar	1,980
3. Barh-II, Unit V, Bihar	660
4. Lara-I, Chattisgarh	1,600
5. North Karanpura, Jharkhand	1,980
6. Kudgi-I, Karnataka	2,400
7. Gadarwara-I, Madhya Pradesh	1,600
8. Vindhyachal-V, Madhya Pradesh	500
9. Mouda-II, Maharashtra	1,320
10. Solapur, Maharashtra	1,320
11. Darlipalli, Odisha	1,600
12. Unchahar, Uttar Pradesh	500
Sub Total (A)	**16,210**
B. Renewable Energy Projects	
B1. Hydro Electric Power Projects (HEPP)	
13. Koldam, Himachal Pradesh	800
14. TapovanVishnugad, Uttarakhand	520
15. LataTapovan, Uttarakhand	171
16. Singrauli CW Discharge (Hydro), Uttar Pradesh	8
Sub Total (B1)	**1,499**
B2. Solar Energy Projects	
17. Rajgarh Solar PV, Madhya Pradesh*	20
18. Singrauli Solar PV, Uttar Pradesh	15
Sub Total (B2)	**35**
Total I (A)+(B1)+(B2)	**17,744**
II Projects under JVs & Subsidiaries	
Coal Based Projects	
19. Nabinagar- JV with Railways, Bihar	1,000
20. Muzaffarpur Expansion (MTPS)–	
Subsidiary of NTPC in JV with BSPGCL, Bihar	390
21. Nabinagar, JV with BSPGCL, Bihar	1,980
22. Meja, JV with UPRVUNL, Uttar Pradesh	1,320
Total II	**4,690**
III Total On-Going Projects as on 31.03.2014 (I)+(II)	**22,434**

*Subsequently declared commercial on 30.04.2014

7.2 New Projects

Currently, your Company has projects for 6,800 MW capacity under bidding. Feasibility Reports of 17,900 MW capacity have already been approved by your Board and project development activities are in various stages of completion.

Further, West Bengal State Government has approved transfer of the proposed 2X800 MW Coal Based Katwa Project from West Bengal Power Development Corporation Limited to NTPC and your Board has also approved the proposal for taking over the Project.

7.3 New Technology

To meet the challenges of fulfilling India's electricity demands at affordable cost with minimum environmental impact, your Company has drawn a long term Technology Roadmap up to 2032. The technology roadmap envisages development, adoption and promotion of safe, efficient and clean technologies for entire value chain of power generation business.

Your Company is planning to set up coal fired units with ultra supercritical parameters targeting efficiency comparable to best available technology in the world. It is planning to establish integrated gasification combined cycle for high ash Indian coal. It has planned to implement 100MWe IGCC Technology Demonstration Project at NTPC Dadri. The plant is intended to be implemented in two stages with Stage-I comprising installation and stabilization of coal gasifier, gas clean up and other associated systems and Stage-II comprising gas turbine combined plant. Stage-II shall be implemented after successful completion and stabilization of Stage-I.

Your Company has adopted several new technologies, system and practices including combined cycle gas-fired power stations, Merry-Go-Round, Distributed Digital Control & Management Information System, High Voltage Direct Current transmission, Sliding Pressure Operation of SG, Dry Ash Extraction and Disposal, 765 KV Switchyard, Ash Water Recirculation System, Liquid Waste Management System, Performance Analysis and Diagnostic Optimization, Tunnel Boring Machines and Super Critical Technologies. Three (03) numbers Super critical units of 660 MW are already under operation at Sipat-I where steam parameters are 247 kg/cm^2/537°C/565°C. For all the new sub-critical 500 MW units also, reheat temperature has been increased to 565°C resulting in 0.7% gain in efficiency over conventional sub-critical 500 MW units.

Your Company has entered into MOU with BHEL and Indira Gandhi Centre for Atomic Research (IGCAR) for indigenous development of advanced ultra super critical technology which will have enhanced efficiency of around 46% and about 15-20% less CO_2 emission as compared to conventional 500 MW sub-critical thermal power plants. The program is targeted to deliver a plant having 800 MW unit with steam parameters of 310 kg/sq cm-710°C/720°C at super heater outlet and 720°C at re-heater outlet.

Your Company has taken an initiative for hybrid solar thermal plant of about 3.6 MW by integration of solar heat with 210 MW coal based unit at Dadri. Solar heat is being integrated along with feed heaters in the turbine cycle for conversion of solar heat to electrical power by utilizing it in existing steam cycle of 210 MW. Once integrated, this will reduce coal consumption, thereby reducing CO_2 emissions.

7.4 Project Management

Your Company has an established state-of-the-art IT enabled Project Monitoring Centre (PMC) for facilitating fast track project implementation. PMC has advanced features like Web-based Milestone Monitoring System (Webmiles), Project Review and Internal Monitoring System (PRIMS), Enterprise-wide Issues Tracking System, etc. PMC facilitates monitoring of key project milestones and also acts as decision support system for the management.

PMC is integrated enterprise-wide collaborative system to facilitate consolidation of project related issues and their resolution. Features like SMS based information delivery, real time video capture, storage and retrieval facility and conference facility are extensively utilized for project tracking, issues resolutions and management intervention. It has helped in providing effective coordination between the agencies and has provided enhanced/ efficient monitoring of the projects leading to better, faster and holistic approach to project implementation.

7.5 Capacity addition through Subsidiaries and Joint Ventures (JVs)

Besides adding capacities on its own, your Company develops power projects through its subsidiaries and joint ventures, both in India and abroad. Details of Joint Ventures abroad are covered under the heading 'Globalisation Initiatives'.

The information of Indian Subsidiaries and JV Companies along with details of partners of joint ventures for capacity addition is given below:

Name of Company	JV Partner(s)	Details
KBUNL (Kanti Bijlee Utpadan Nigam Ltd.)	Bihar State Power Generation Company Limited (erstwhile (BSEB)	A subsidiary Company in which NTPC holds 65% shares in joint venture with BSPGCL (erstwhile BSEB), took over MTPS having 2 units of 110 MW each from BSEB. Unit-I of Stage-I has been declared on commercial operation w.e.f. 01.11.2013. Unit-II of Stage-I is under Renovation and Modernisation. The Company has also taken up expansion of the project by 2X195 MW units for which construction work is in progress.
BRBCL (Bhartiya Rail Bijlee Company Ltd.)	Ministry of Railways	A subsidiary of NTPC in joint venture with Ministry of Railways with equity contribution in the ratio of 74:26 respectively for setting up power project of 1000 MW (4X250 MW) capacity at Nabinagar in Bihar. Construction activities are in progress. In addition, NTPC Limited has signed Memorandum of Understanding with Ministry of Railways to set up 1,320 MW captive power project for Railways at Adra, West Bengal through Bhartiya Rail Bijlee Company Limited. Ministry of Railways is taking steps for allocation of coal mine to the proposed project.
NSPCL (NTPC-SAIL Power Co. Pvt. Ltd.)	Steel Authority of India Ltd. (SAIL)	A 50:50 JVC which owns and operate captive power plants for Steel Authority of India Limited at Durgapur (120 MW), Rourkela (120 MW) and Bhilai Steel Plant (74 MW). 2X250 MW units have been implemented at Bhilai. Total installed capacity of NSPCL is 814 MW. The promoters i.e. NTPC and SAIL have agreed to add coal based Bhilai (Stage-II) – 2X250MW, Rourkela (Stage-I) – 1X250MW, Jagdishpur – 2X250 MW and Durgapur – 2X20 MW.

Name of Company	JV Partner(s)	Details
NTECL (NTPC Tamil Nadu Energy Co. Ltd.)	Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (erstwhile TNEB)	A 50:50 JVC has commissioned 3x500 MW coal based power project at Vallur, Tamilnadu. Two units have been declared on commercial operation.
APCPL (Aravali Power Company Pvt. Ltd.)	Indraprastha Power Generation Co Ltd. (IPGCL) and Haryana Power Generation Co Ltd. (HPGCL).	This JVC is operating the coal based Indira Gandhi Super Thermal Power Project consisting of 3 units of 500 MW each. NTPC, IPGCL and HPGCL have contributed equity in the ratio of 50:25:25. All the three units of the project have been declared on commercial operation.
MUNPL (Meja Urja Nigam Pvt. Ltd.)	Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (UPRVUNL)	A 50:50 JVC is implementing 1,320 MW (2X660 MW) coal based power project in the state of Uttar Pradesh. Construction activities are in progress.
NPGCL (Nabinagar Power Generating Company Pvt.Ltd.)	Bihar State Power Generation Company Limited (erstwhile (BSEB)	A 50:50 JVC for setting up and operation of a 3x660 MW Coal based plant at Nabinagar. Construction activities are in progress.
RGPPL (Ratnagiri Gas and Power Pvt. Ltd.)	GAIL, ICICI Bank, SBI, IDBI, Canara Bank and MSEB Holding Co.	NTPC is having a stake of 32.86%. All the three Power Blocks with a combined capacity of 1,967.08 MW (after re-rating) are under commercial operation since May 2009. Currently, Power block is being preserved due to non-availability of domestic gas supply/ non-scheduling of power available on R-LNG. The LNG terminal has been commissioned and the company received and unloaded 9 RLNG cargo(s) during the financial year.
ASHVINI (AnushaktiVidhyut Nigam Ltd.)	Nuclear Power Corporation of India Ltd. (NPCIL)	NTPC is having a stake of 49%. The company has been formed for setting up nuclear power project (s) and also to explore possibilities of entering in areas of front end fuel cycle like uranium mining etc. project site at Gorakhpur, Haryana has been finalized for setting up Haryana Atomic Power Plant (2X700 MW) for which physical possession of land has been completed. Topographical survey has been completed and geo-technical investigations are in progress. Cost estimate and financial analysis of the project has been finalized at the end of NPCIL. However, the project is yet to be formally allocated to ASHVINI. The JV Company may establish the nuclear power project subject to the amendment in the Atomic Energy Act.

Further, an MOU has been signed on 22.02.2014 among NTPC, Bihar State Power Generation Company Limited (BSPGCL) and Lakhisarai Bijlee Company Private Limited for implementation of 2X660 MW Kajra Coal based power project at Lakhisarai, Bihar. The project is proposed to be developed as a Joint Venture Company between NTPC and BSPGCL.

7.6 Hydro Power

7.6.1 Your Company is setting up hydro projects for increasing its footprints in renewable energy development by developing Koldam Hydro Electric Power Project (800 MW), Tapovan Vishnugad HEPP (520MW), Lata Tapovan HEPP (171MW) and Rammam HEPP (120 MW).

Koldam HEPP is under construction on river Satluj at Barmana, district Bilaspur, Himachal Pradesh. Three units are targeted to be commissioned in Feb-March 2015. 124.054 hectares of forest land in the submergence area of reservoir is falling under Majathal Wild Life area for which Supreme Court of India has already accorded clearance. Proposal for diversion of 44.9585 hectares of this land is in process for Forest Advisory Committee (FAC) clearance.

For Rammam HEPP Stage-III (120 MW), construction of approach roads and bridges for power house and barrage has been completed. Award of contract for barrage and part of head race tunnel package are held up for want of investment approval for which PPA is required. PPA documents have been submitted to WBSEDCL for approval.

Though construction work was in progress in Tapovan – Vishnugad HEPP, Uttarakhand and Lata Tapovan HEPP, Uttarakhand, due to flash floods in June 2013, there was devastation in the projects which affected their schedule. After this devastation, Supreme Court of India had directed Ministry of Environment and Forests (MOEF) constituted a committee for review of all 24 proposed hydro projects in Uttarakhand, as included in report of Wildlife Institute of India. This included Lata Tapovan HEPP also. Based on the recommendation of the committee constituted by MOEF in this regard, Supreme Court of India in the hearing on 07.05.2014, had directed to stop the construction at Lata Tapovan HEPP till further orders. Since Lata Tapovan HEPP was under construction, review petition has been submitted for modification of order to the extent that the said order may be waived for Lata Tapovan HEPP.

Also, on 31.03.2014, Regional Office of MOEF, Lucknow had directed Government of Uttarakhand that project developers should apply for obtaining clearance from National Board for Wildlife as the projects were falling within 10km periphery of Nandadevi National Park. Your company had submitted proposal for both the projects with Dy. Conservator of Forest, Nandadevi on 30.04.2014.

Loharinag Pala HEPP had been discontinued on the advice of Ministry of Power. The Empowered Committee constituted by GOI for the purpose of settling the claims had approved reimbursement of ₹ 536.30 crore in first Phase to NTPC, which has been received by the Company. As liabilities of the contractors are increasing day by day due to non- settlement of claims in time, Ministry of Power has been requested to constitute a 'Settlement Commission' with single point responsibility to evaluate and settle claims of all the contractors. Further, Government of Uttarakhand has identified Uttaranchal Jal Vidyut Nigam Limited as nodal agency for taking over the closed project on as-is-where-is basis in terms of the MOU signed between NTPC and Government of Uttarakhand.

7.6.2 Hydro Engineering

In pursuance of Memorandum of Agreement signed with Govt. of Mizoram, Detailed Project Report of Kolodyne-II HEPP (4X115MW) prepared by Central Water Commission for Govt. of Mizoram and updated by NTPC has been cleared by Central Electricity Authority.

7.7 Capacity Addition through other Renewable Energy Sources

Your Company is adding capacity through renewable sources of energy as it offers environmentally clean power.

Your Company plans to broad-base its generation mix to ensure long term competitiveness and mitigation of fuel risks and promotion of sustainable power development.

In pursuit of these objectives, 75 MW Solar power capacity has already been commissioned till 31.03.2014 and 20 MW solar capacity has been further added on 30.04.2014. 15 MW capacity solar power projects is presently under execution, details of which are given under the heading project implementation.

A Joint Venture Company among NTPC Limited, Asian Development Bank and Kyuden International Cooperation, Japan under the name PAN-ASIAN Renewables Private Limited was incorporated to develop projects portfolio of about 500 MW of renewable power generation resources in India. Though, the company was searching for another strategic investor for investing in the Company, it could not find the same.

Your Company has signed an MOU with Chattisgarh Renewable Energy Development Agency (CREDA) for development of Tatapani Geothermal project. Another MOU has been signed with Geological Survey of India for detailed study and analysis for preparation of feasibility report.

8. STRATEGIC DIVERSIFICATION- INCREASING SELF-RELIANCE

8.1 In order to strengthen its competitive advantage in power generation business, your Company has diversified its portfolio to emerge as an integrated power major, with presence across entire power value chain through backward and forward integration into areas such as coal mining, power equipment manufacturing, power trading, and distribution.

Your Company continuously explores business opportunities through market scanning and adopts new business plans accordingly.

8.1.1 The details of joint venture companies which are taking up activities in other business areas are given below:

Name of Company	JV Partner	Activities undertaken
UPL (Utility Powertech Ltd.)	Reliance Infrastructure Limited	Takes up assignments of construction, erection and supervision of business in power sector and other sectors like O&M services etc.
NASL (NTPC ALSTOM Power Services Pvt. Ltd.)	ALSTOM Power Generation, AG	Takes up renovation and modernization assignments of power plants both in India and in other SAARC countries.
EESL (Energy Efficiency Services Ltd.)	PFC, PGCIL and REC	The Company was formed for implementation of Energy Efficiency projects and to promote energy conservation and climate change. The Company is providing consultancy on Energy Audit of Buildings and Agricultural Pump replacement under Perform Achieve Trade Scheme and implementing Bachat Lamp Yojna for various State Govts.
NHPTL (National High Power Test Laboratory Pvt. Ltd.)	NHPC, PGCIL, DVC and CPRI	The Company was incorporated on 22.05.2009 for setting up facility for short circuit testing of transformers and other electrical equipment. The site for setting up the laboratory is located at Bina, MP. Construction activities for civil & electrical works and current limiting series reactors are in progress. Four transformers have been placed on the transformer foundations.
NPEX (National Power Exchange Ltd.)	NHPC, PFC TCS, BSE, IFCI, Meenakshi, DPSC	The Company was formed to facilitate, promote, assist, regulate and manage nationwide trading of all forms of electrical energies and also to settle trades in a transparent fair and open manner. In view of the change in market scenario and the fact that NTPC's objective of joining NPEX has not been met till date, your Company has decided to exit from NPEX. The Board of NPEX has now decided to voluntary wind up the Company on the recommendations of the promoters.

8.2 The details of other subsidiary companies are as under:

8.2.1 **NTPC Electric Supply Company Limited,** a wholly owned subsidiary of NTPC was incorporated to foray into the business of distribution and supply of electrical energy as a sequel to reforms initiated in the power sector. The Company is implementing Rajiv Gandhi Gramin Vidyutikaran Yojna projects on turnkey basis and undertakes turnkey execution of sub-stations for utilities and also takes up project management consultancy.

The Company is making continuous efforts for acquisition of distribution circles through various modes including franchisee bidding mode.

This subsidiary is carrying business of retail distribution of power in various industrial parks developed by Kerala Industrial Infrastructure Development Corporation (KINFRA), through its Joint Venture Company namely KINESCO Power and Utilities Private Limited, formed with KINFRA.

8.2.2 **NTPC Vidyut Vyapar Nigam Limited (NVVN),** a wholly owned subsidiary is involved in power trading, sale of fly ash and cenosphere.

During the year 2013-14, the Company transacted business with various state electricity boards spread all over the country and traded 9,322 MUs of electricity.

NVVN has been appointed as the nodal agency for cross border trading of electricity with Bhutan and Bangladesh. The power supply to Bangladesh from NTPC stations under PPA signed between NVVN and Bangladesh Power Development Board has commenced from 05.10.2013.

The Company has also been designated as the Nodal Agency for purchase of grid connected solar power upto 1000 MW as a part of Phase-I of JawaharLal Nehru National Solar Mission. The total solar capacity commissioned till 31.03.2014 under JNNSM Phase-I is 548 MW which includes 498 MW of Solar PV Projects and 50 MW of Solar Thermal Project.

8.3 In order to strengthen its competitive advantage in power generation business, the Company has diversified into the area of manufacturing through the following joint ventures:

8.3.1 **NTPC-BHEL Power Projects Pvt. Limited (NBPPL),** a joint venture with BHEL was incorporated for taking up activities of engineering, procurement and construction (EPC) of power plants and manufacturing of equipments. The manufacturing plant of NBPPL is being set up at Mannavaram, Tirupati in Andhra Pradesh for CHP and AHP.

The Company is executing EPC contracts for balance of plants packages of Palatana Combined Cycle Power plant in Tripura, Namrup Combined Cycle Power Plant in Assam, Balance of Plant including Erection & Commissioning works of the entire plant at Monarchak, Tripura for NEEPCO and EPC Contract for Unchahar.

8.3.2 **BF-NTPC Energy Systems Limited** was incorporated with Bharat Forge Limited to manufacture castings, forgings, fittings and high pressure piping required for power projects and other industries.

As in the recent past thermal power capacity addition program has suffered a major setback due to a variety of reasons including slow environment clearance of new projects, non- availability of land, shortage of Indian coal and costly imported coal, this JVC is being reconsidered.

8.3.3 Your Company has acquired 44.6% stake in **Transformers And Electricals Kerala Limited (TELK)** from Government of Kerala on June 19, 2009. The Company deals in manufacturing and repair of Power Transformers. TELK order booking as on 31.03.2014 was ₹142.59 crore and the total turnover of the Company was ₹166.07 crore in the financial year 2013-14.

Please refer to "Management Discussion and Analysis", Annexure-I included as a separate section to this report for further details of subsidiary and joint venture companies of NTPC.

9. GLOBALISATION INITIATIVES

9.1 **Trincomalee Power Company Limited (TPCL),** a 50:50 joint venture Company between NTPC and Ceylon Electricity Board was formed to undertake the development, construction, establishment, operation and maintenance of a coal based electricity generating station of 2X250 MW capacity at Trincomalee at Sri Lanka. All major agreements like Power Purchase Agreement, Implementation Agreement and Board of Investment Agreement have been signed. NTPC has been appointed as the 'Owners' Engineer' for the project. TPCL is taking necessary actions for obtaining environmental clearance for the project from Central Environment Authority of Sri Lanka. Public Utilities Commission of Sri Lanka has granted electricity license to TPCL in May 2014.

9.2 **Bangladesh-India Friendship Power Company Private Limited,** a 50:50 joint venture company between NTPC and Bangladesh Power Development Board (BPDB) has been formed for developing a 2X660 MW Coal based power project at Khulna Division, Rampal, Bangladesh. All major project arrangements like Power Purchase Agreement and Implementation Agreement have been signed. The Company has appointed its 'Owners' Engineer'. Project activities at site have commenced.

10. **NTPC Consultancy Wing:** As a result of the phenomenal success achieved by your Company in executing its own power projects, many utilities from India and abroad approach NTPC to benefit from the rich experience gained by your Company. With this in view, NTPC formally established a Consultancy Wing in 1989. Since then, this wing has been receiving orders from domestic and international clients. Consultancy Wing is now recognized as consultant of repute by several leading domestic and international development and financial institutions and clients. It offers services like Engineering Services, Operation & Maintenance Management Services, Project Management Services, Contracts & Procurement Management Services, Quality Management Services, Training & Development Services etc.

Consultancy Wing has provided various services in international markets in Gulf countries, Bangladesh, Nepal, Sri Lanka and Bhutan. The services include consultancy for training, design review, review engineering, supervision of erection, testing & commissioning, performance monitoring, due diligence, operation of plant, construction of sub-stations, preparation of feasibility reports, site selection, site specific studies etc for various projects. The international projects include 2X660 MW Khulna Power Project at Bangladesh and 2X250 MW Trincomalee Coal Power Project at Sri Lanka. This Wing is also providing O&M Management Services to

2X120 MW Siddhirganj Peaking Power Plant of Electricity Generation Company of Bangladesh under a World Bank funded contract. It has also recently signed a contract for providing entire Owners' Engineer Services for proposed 2X250 MW Trincomalee Coal Power Project at Sri Lanka.

On the domestic front too, Consultancy Wing has been effectively sharing its expertise with State and Central PSUs and private utilities.

11. FINANCING OF NEW PROJECTS

The capacity addition programs shall be financed with a debt to equity ratio of 70:30. Your directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new projects. Given its low geared capital structure and strong credit ratings, your Company is well positioned to raise the required borrowings.

Your Company is exploring domestic as well as international borrowing options including overseas development assistance provided by bilateral agencies to mobilize the debt required for the planned capacity expansion program.

During the year 2013-14, term loan agreements of ₹5,775 crore were entered into including loan agreement of ₹2,000 crore each executed with Bank of India and IDFC Limited. The cumulative amount of domestic loans tied up till March 31, 2014 was ₹63,174.35 crore (excluding undrawn loans short-closed as per agreements).

During 2013-14, an amount of ₹7,750 crore was drawn from domestic banks and the cumulative drawl upto 31st March 2014 was ₹51,504.35 crore.

Your Company tied-up two loan facilities with Japan Bank for International Cooperation (JBIC) and a commercial bank for USD 350 million and JPY 8,021 million for its Kudgi project and renovation & modernization of Auraiya Gas Power Station respectively. The Company also signed three facility agreements with Kfw for an aggregate amount of Euro 202 million to part finance the capital expenditure on retrofit of Electrostatic Precipitators of Tanda Stage-II.

In pursuance of CBDT Notification No. 61/2013/F. No. 178/37/2013 – (ITA.I) dated 08.08.2013, Ministry of Finance allocated tax free bonds of ₹1,750.00 crore to the Company to be raised during financial year 2013-14. The Company made public issue of tax free bonds amounting to ₹1,750.00 crore during December 2013. Further, tax free bonds amounting to ₹500.00 crore was also issued on private placement basis in pursuance to CBDT Notification No. 11/2014 F.No. 178/9/2014-(ITA.1) dated 13.02.2014.

For the first time, taxable bonds amounting to ₹750.00 crore were issued directly on 'private placement basis' to Employees' Provident Fund Organisation, which invests through its fund managers. The total bonds issued during financial year 2013-14 aggregated to ₹3,000.00 crore.

12. FIXED DEPOSITS

The cumulative deposits received by your Company from 71 depositors as at March 31, 2014 stood at ₹0.52 crore. Further, an amount of ₹0.18 crore has not been claimed on maturity by 11 depositors as on March 31, 2014.

Your Company has discontinued the acceptance of fresh deposits and renewals of deposits under NTPC's Public Deposit Scheme with effect from 11.05.2013.

13. FUEL SECURITY

13.1 During the year, the supply position of coal and gas is given as under:

13.1.1 Coal Supplies

During Financial Year 2013-14, your Company has signed long term Fuel Supply Agreements (FSA) with subsidiaries of Coal India Limited (CIL) for 14,010 MW including 4,390 MW of JVs for units commissioned after 31st March 2009 and expected to be commissioned by 31st March 2015.

Amendments in FSA have been made to FSA-2009 and FSA-2012 pertaining to Useful Heat Value to Gross Calorific Value migration and Third Party Sampling.

The Company has signed short term MOU for one year with The Singreni Collieries Company Limited for supply of 3.5 MMT of coal for Ramagundam and Simhadri stations. Another short term MOU for one year has been signed with Eastern Coalfields Limited for supply of 5.0 MMT to enhance coal supply at critical stations.

Coal linkage of North Karanpura STPP (1980 MW) with Central Coalfields Limited, which was cancelled by Standing Linkage Committee (Long Term) in 2008, has been restored.

13.1.2 Domestic Coal and Imported Coal

During 2013-14, your Company received 160.63 MMT of coal as against 155.06 MMT in 2012-13 marking an increase of 3.59%.

Total domestic coal supply during 2013-14 was 149.79 MMT as against 145.97 MMT during 2012-13. Out of 149.79 MMT of coal, 144.69 MMT was from Annual Contracted Quantity of coal.

The total coal supply from CIL was 138.4 MMT and from SCCL was 11.4 MMT. 2.0 MMT of coal was procured through bilateral MOU during 2013-14.

During 2013-14, your Company imported 10.84 MMT of coal as against 9.09 MMT in 2012-13.

13.1.3 Sourcing of coal through E-auction

Your Company participated in 40 e-auctions for coal procurement during the financial year 2013-14 in which total coal alloted was 4.76 MMT. Total coal received through e-auction was 3.2MMT during 2013-14 as compared to 0.23MMT during 12-13.

13.1.4 Supply through Inland Waterways

During 2013-14, operation was started on inland waterways for transportation of imported coal for Farraka station. About 2 lac MT imported coal has been supplied through this mode to Farakka station.

13.2 Gas supplies

During 2013-14, your Company received 6.87 MMSCMD of gas and RLNG as against 10.67MMSCMD received during 2012-13. The gas off-take in 2013-14 includes 6.72 MMSCMD of gas and 0.15 MMSCMD of RLNG. Gas offtake was less due to less availability of generation schedule on RLNG from the beneficiary states.

Your Company has Administered Price Mechanism (APM) gas agreements up to the year 2021 and Panna Mukta Tapti (PMT) gas agreements up to the year 2019 for its gas stations. The term sheet for non-APM gas with GAIL is valid till 2016 and long-term RLNG supply agreement with GAIL is valid till 2019.

The agreements for KG D6 gas with RIL/Niko/BPEAL expired on 31.03.2014. Now, RIL has forwarded a term sheet for supply of KG D6 gas beyond 31.03.2014 which is under discussion. The entire existing KGD6 production is being supplied to fertilizer sector in line with Empowered Group of Ministers/ MOP&NG directive to supply KG D6 gas as per sectoral priority basis. The supplies to the power sector became NIL from March 2013 and shall pick up only after production is adequate to meet the requirement of fertilizer and Liquified Petroleum Gas sectors.

Your Company has been making arrangements for tie-up and supply of spot RLNG or Fallback RLNG from domestic suppliers on 'reasonable endeavour' basis based on requirement and availability from time to time.

13.3 Development of Coal Mining projects

Your Company was allocated ten coal blocks by the Government of India namely Pakri-Barwadih, Chatti-Bariatu, Kerandari, Talaipalli, Dulanga, Chatti-Bariatu (South), Bhalumuda, Banai, Chandrabila and Kudanali-Luburi with estimated geological reserves of about 5.7 billion tonnes and production potential of about 100 million metric tonnes per annum (MMTPA) which will cater to the requirement of 20,000 MW of generation capacity of NTPC.

Detailed exploration is being carried out in Banai, Bhalumuda and Chandrabila and exploration is going to start in Kudanali-Luburi.

In Pakri-Barwadih coal mining block, all the necessary statutory clearances are available. Mine opening permission has already been received from Coal Controller and DGMS. Mining operations could not be commenced mainly because of adverse law and order situation at project site and non-cooperation of State Government. Also, a termination notice has been served to Theiss, Mine Developer & Operator appointed for Pakri-Barwadih, due to its poor performance.

In Chatti-Bariatu and Kerandari Coal Blocks, mining plan and mine closure plans have been approved by the Ministry of Coal. For Kerandari Coal Block, environment clearance and Stage-I forest clearance has been accorded by Ministry of Environment and Forests. For Chatti-Bariatu, environment clearance and both Stage-I and Stage-II forests clearances have been accorded. The Mine-developer-cum-operator has been appointed for Chatti-Bariatu. NIT has been issued in March 2014 for appointment of the Mine-developer-cum-operator for Kerandari Coal Mine Block.

In Dulanga and Talaipalli Coal Mining Block, mining plan and mine closure plans have been approved by the Ministry of Coal. For Talaipalli Coal Block, environment clearance and both Stage-I and Stage-II forest clearance have been accorded by Ministry of Environment and Forests. For Dulanga Coal Block, environment clearance and Stage-I forest clearance have been accorded by Ministry of Environment and Forests. For Dulanga Coal Block, NIT shall be published shortly for appointment of the Mine-developer-cum-operator.

A joint venture company is proposed to be formed between NTPC and Jammu & Kashmir State Power Development Corporation Limited (J&KSPDCL) for development of Kudanali-Luburi coal block in Odisha which has been jointly allocated to NTPC and J&KSPDCL.

Your Company has formed the Joint Venture Companies namely CIL NTPC Urja Private Limited, NTPC-SCCL Global Ventures Private Limited and International Coal Ventures Private Limited to explore further avenues in the area of coal mining. However, these JV companies have not been able to achieve their objectives owing to certain constraints like inability of the JV Company to execute the work, Government Directive etc.

13.4 Exploration Activities

In Cambay exploration block allotted under NELP-VIII, held by NTPC as operator with 100% participating interest, 3D Seismic Data Acquisition and processing and interpretation of data has been completed. Based on the results, locations have been identified for drilling of exploratory wells. Exploration drilling is planned in 2014-15.

In the other three blocks, in each of which NTPC has 10% participating interest and Oil and Natural Gas Corporation Limited is the operator, exploration activities are in progress. Drilling of an exploratory well has commenced from March 2014 in one of the blocks in KG basin.

14. BUSINESS EXCELLENCE: GLOBAL BENCHMARKING

In pursuit of actualizing our vision and with a view to achieve higher levels of excellence, the company has developed and adopted its own 'NTPC Business Excellence Model' on the lines of globally reputed Excellence Models such as Malcom Baldrige Model, USA and EFQM Model of Europe.

This model has been deployed at our Business Units (Stations) and we carry out assessment of generating stations using this framework of excellence.

The assessment process is aimed at identifying the areas for enhancing stakeholders' engagement, accelerating critical processes and developing leadership potential.

The outcome of this model is identification of organizational strengths, opportunities for improvement, issues of concern and best practices.

In the financial year 2013-14, the 4th cycle of assessment was completed in which 21 generating stations were assessed by a team of certified and proficient assessors. Business Excellence Awards for Best Performance to Ramagundam and Runner-up shield to Unchahar stations were presented by the Secretary (Power), GOI and Chairperson, CEA in the Indian Power Conference- 2014 held at New Delhi.

As a next step on the Journey of Excellence, the company is planning to implement Corporate Performance Measure and Dashboard initiative to enhance overall strategic focus and speed.

Other TQM initiatives and techniques like Quality Circles, Professional Circles, 5S, integrated management system (IMS) etc have been deployed across the organization for continuous improvement. Our Quality Circle teams of workmen have been consistently representing NTPC at national and international Quality Circle conventions and bringing many laurels. In the year 2013-14, Jyotikiran Quality Circle from Faridabad CCPP represented NTPC in the International Convention of Quality Control Circle (ICQCC-2013) held at Tapie, Taiwan. Team Jyotikiran presented their case study titled 'Interruption in Natural Gas Supply to Gas Turbines' and won 'Excellence Award'. Total 300 Quality Circles from 13 countries participated in this convention.

15. RENOVATION & MODERNISATION

15.1 Need for R&M:

In the present scenario of severe resource constraint, Renovation and Modernization (R&M) of power plants is considered to be the best option for bridging the gap between demand and supply of power, as R&M schemes are cost effective. It increases the life of the plant, improves performance & availability, enhances capacity and ensures safe, reliable and economic electricity production by replacement of worn-out, deteriorated or obsolete electrical, mechanical, instrumentation, controls and protection system by state-of-the-art equipment. It also helps in compliance of environment norms.

Keeping in view the ageing of the fleet over the years, investment approval accorded for R&M in 19 stations (Coal & Gas based) is ₹10,993 crore till 31.03.2014. As against this, cumulative expenditure till 31.03.2014 was ₹4,610 crore. Out of this, R&M capital expenditure in FY 2013-14 alone was ₹1,162.37 crore.

With a view to removing technological obsolescence, renovation of control & instrumentation (C&I) is in progress in Singrauli-II, Korba –I & II, Ramagundam -I & II, Farakka-II, Dadri Thermal- I, Unchahar- I and Talcher STPS I. On completion of these schemes, the C&I systems in these stations will be brought nearly on par with the new power projects.

Because of the very high working temperatures, R&M of Gas Turbines including their Control & Instrumentation is essential after around 15 years of life. During the year, this activity was completed in 2 out of 4 Gas Turbines (GT) in Kawas and 1 out of 3 GT in Gandhar. In Auraiya, the GT R&M package has been awarded and implementation is planned in 2014-15, in addition to the next GT in Kawas and Gandhar.

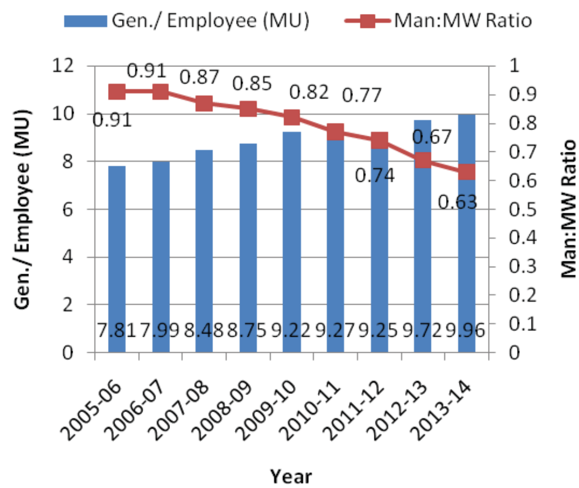
With a view to comply with increasingly stringent environment norms of reduced emission level prescribed by State Pollution Control Boards, Renovation and Retrofitting of Electrostatic Precipitator (ESP) packages have been awarded and work is in progress in Badarpur-II, Singrauli-I & II, Farakka-I, Unchahar-I, Korba-I & II, Rihand-I, Vindhyachal-I & II, Talcher STPS –I and Talcher TPS-II. In 2013-14, investment approval was accorded for R&M of ESP of Talcher STPS-II, award of which is in progress.

In the coming years, life extension of coal based stations on completion of 25 years is planned for Singrauli-II, Korba- II, Ramagundam- II, Vindhyachal- I, Farakka- I, Rihand- I and Unchahhar- I units, aimed at extending their useful life and capturing the benefit of latest technological advancements.

The taken-over stations of Tanda and Talcher TPS continued their superior performance levels in 2013-14 on account of R&M intervention. The PLF of Tanda was 92.80% and the PLF of Talcher TPS was 95.02% during 2013-14.

16. HUMAN RESOURCE MANAGEMENT

16.1 Your Company takes pride in its highly motivated and competent human resource that has contributed its best to bring the Company to its present heights. The productivity of employees is demonstrated by increase in generation per employee and reduction of Man-MW ratio. The over-all Man-MW ratio for the year 2013-14 excluding JV/subsidiary capacity is 0.63 and 0.58 including capacity of JV/ Subsidiaries. Generation per employee was 9.96 MUs during the year based on generation of NTPC stations.



The total employee strength of the company stood at 25,013 as on 31.3.2014 against 25,484 as on 31.3.2013.

	Fiscal 2014	Fiscal 2013
NTPC		
Number of employees	23,411	23,865
Subsidiaries & Joint Ventures		
Employees of NTPC in Subsidiaries & Joint Ventures	1,602	1,619
Total employees	**25,013**	**25,484**

The attrition rate of the NTPC executives (including Executive Trainees and those posted in Subsidiaries and JVs) during the year was 1.68%.

16.2 Employee Relations

The Company takes pride in its greatest resource and asset, the employees. The human resource has been the backbone of the Company, in contributing towards the success of the Company and sustaining the same over the years. As a commitment towards the Company's core values, Employees' Participation in Management was made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success. Communication meetings with unions and associations, workshop on production and productivity, etc were conducted at projects, regions and corporate level during the year.

Both, employees and management complemented each other's efforts in furthering the interest of the company as well as its stakeholders, signifying and highlighting over-all harmony and cordial employee relations prevalent in the Company.

16.3 Safety and Security

NTPC recognizes and accepts its responsibility for establishing and maintaining a safe working environment for all its employees and associates. Occupational health and safety at workplace is one of the prime concerns of NTPC Management and utmost importance is given to provide safe working environment and inculcate safety awareness among the employees. Your Company has a 3-tier structure for occupational health and safety management, namely at site at Regional Headquarters and at Corporate Centre.

All our stations are certified with OHSAS-18001/IS-18001 (Occupational Health and Safety Management System). Regular plant inspection and review with Head of Project, internal safety audits by our own safety officers of various sites and external safety audits by reputed organizations are carried out at each site every year. Recommendations of auditors are regularly reviewed and complied with.

Cross Functional Safety task force for O&M and construction projects are functional at all sites to monitor working conditions at site and their rectification, if required.

Height permit and height check list are implemented to ensure safety of workers at high elevations. Adequate numbers of qualified safety officers are posted at all units as per statutory rules and provisions to look after safety of people and property.

For strict compliance and enforcement of safety norms and practices, safety clauses are included in General Conditions of Contract.

To mitigate on-site emergencies at all operating stations, effective engineering controls are provided to indicate and handle emergency situation. Detailed emergency plans have been developed and responsibilities are assigned to each concerned to handle emergency situations. Mock drills are conducted regularly to check healthiness of the system.

Many of our plants have been awarded with prestigious safety awards conferred by various Institutions and Bodies like Ministry of Labour & Employment, Govt. of India, National Safety Council, Institution of Engineers (India) and Greentech Foundations in recognition of implementing innovative safety procedures and practices.

Concrete steps are being taken for upgrading surveillance systems at all of our projects/ stations by installing state-of-the-art security systems. Security and Coordination Group interact with MHA, IB and CISF as well as the State/ District level authorities to augment the security preparedness in our establishment/ power installations.

16.4 Training and Development

In line with its objective of being a learning organization with skilled and committed employees, your Company has relentlessly promoted training and development of not only its own employees but also other professionals of the power sector. The objective is being driven by a comprehensive infrastructure comprising Power Management Institute (PMI) at the corporate level and Employee Development Centers at its sites. The training imparted is in tune with emerging needs and challenges and for this purpose, the existing training programs are reviewed and some new programs are included in the annual calendar every year. The business scenario in our country is changing with new legislations like the fair compensation, R&R and Land Acquisition Act, Companies Act, 2013 and your Company is committed to add large capacities in this changing scenario. Considering the imperative of upgrading the capability in project management, an Integrated International Project Management framework is being developed through international faculties for achieving competitive advantage, besides entering into a long term institutional tie-up with IIM-Indore in this area. A similar tie-up has been done with IIM-Ahmedabad for knowledge creation.

Apart from this, the usual programs include topics on power project execution, operation & maintenance, ash dyke management, environment management, advanced welding technologies for super critical boilers, performance enhancement of existing plants, electrical protections and relays, information technology and general management areas.

Presently, there are 25 ITIs with which your Company is associated. NTPC has adopted 17 existing Govt. ITIs out of which 14 ITIs have been adopted under the PPP scheme of GoI and 3 Govt. ITIs have been adopted under bilateral agreement with different State governments. Moreover, NTPC is also setting up 8 new ITIs near its plants/stations. These initiatives by your Company have resulted in creation of total 1,595 new seats by starting of new trades/units in the adopted & new ITIs, and, till 31.03.2014, a total of 19,377 students have benefited by taking admission in these ITIs. For these ITI students, NTPC organised total 23,459 mandays of industrial training/plant visits. Due to all these, your Company has been conferred "The Education Excellence Award 2013" for its Skill Development Initiative.

During 2013-14, your Company organized a number of training programmes in power and energy related areas which, inter-alia, included an "Integrated Conclave on Data Analytics, Business Intelligence, Action Research & Cases" in Dubai, a need-based "Workshop on Knowledge Management" in Goa and hands-on training of 197 participants on the 660 MW supercritical simulator at PMI.

Your Company has also formulated Corporate Governance Training Policy as per the requirement of DPE Guidelines on Corporate Governance for imparting training to the Directors. In order to give an impetus to developing leadership orientation at senior Management level, PMI conducted a conclave for NTPC Board members (Directors & CMD) called SIR (Strategic Institutional Renewal) program. PMI also partnered with BHEL to conduct the SMILE (Strategic Management Initiative for Leadership Effectiveness) program for Executive Directors of NTPC and BHEL, conducted consecutively for second year to orient the participants toward cutting edge leadership and strategic thinking. In addition, newly promoted General Managers of the Company were also subjected to an intensive program on developing cross-functional insights and developing Boundary Management skills.

PMI conducted 429 training programmes during 2013-14 with a participant base of 10,811. The training mandays clocked were 37,493.

PMI also conducted 20 training programmes through video conferencing to reach out in one go, to large audiences in remote sites in 2013-14. In addition to this methodology and in order to take training a further step closer to the employees, PMI this year introduced training through Web Conferencing, whereby an employee can undergo training at his or her workstation itself. PMI conducted 3 training programs through this platform during 2013-14.

17. SUSTAINABLE DEVELOPMENT

Corporate Sustainability is a business approach that creates long-term consumer and employee value by creating a 'green' strategy aimed towards the natural environment and taking into consideration every dimension of how a business operates in the social, cultural and economic environment. The sustainability agenda of your Company addresses all aspects related to sustainable development and promotes leadership in environmental management, social responsibility and economic performance (triple bottom line approach).

Your Company has prepared its Sustainability Report 2012-13 based on various initiatives taken in area of environment, economic, labour practices, human rights, society and product responsibility. The report was in line with internationally accepted 'Global Reporting Initiative' guidelines. The report has been assured by an independent external assurance provider.

Business Responsibility Report is attached as Annex-X and forms part of the Annual Report.

Initiatives by the Company

Your Company has developed a Policy on Sustainable Development in accordance with which a sustainable development plan was prepared for the year 2013-14. It mainly covers area of waste management, water management, bio-diversity conservation, energy management and promotion of renewable energy, life-cycle studies and reduction in air emissions. Major activities carried out under this plan included plantation of more than 4 lac saplings in and around NTPC plants, installation of roof top solar PV, solar street lights at various stations, rehabilitation of water body, rain water harvesting, installation of bio-methanation plant, vermin composting, other techniques for conversion of domestic waste in organic fertilizer, studies like pollutant source apportionment, human health risk assessment and environment impact assessment.

A total expenditure of ₹ 18.58 crore was incurred on these Sustainable Development Projects during the Financial Year 2013-14.

In its endeavor to achieve the goals of Sustainable Development, your Company is addressing the issues through multi-pronged approach as per the details given below:

17.1 Inclusive Growth –Initiatives for Social Growth

17.1.1 Corporate Social Responsibility:

Your Company has always discharged its social responsibility as a part of its Corporate Governance philosophy. It follows the global practice of addressing CSR issues in an integrated multi stake-holder approach covering the environmental and social aspects.

CSR has been synonymous with NTPC's core business of power generation. NTPC's spirit of caring and sharing is embedded in its mission statement. NTPC has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development (CD) activities which has been revised and updated from time to time. CD activities in green field area are initiated as soon as project is conceived and thereafter extensive community / peripheral development activities are taken up along with the project development. A separate CSR- Community Development Policy, formulated in July 2004 and revised in August 2010 in line with DPE guidelines, covers a wide range of activities including implementation of key programmes through a trust 'NTPC Foundation'.

Your Company, being a member of Global Compact Network, India, confirms its involvement in various CSR activities in line with 10 Global Compact principles and shares its experience with the representatives of the world through "Communication on Progress". It submits its Communication on Progress (COP) to UN Global Compact on regular basis. A report on progress made in this area is enclosed at Annex- VIII to this Report.

Expenditure incurred towards CSR Activities:

A total expenditure of ₹109.77 crore was incurred towards Corporate Social Responsibility expenses during the Financial Year 2013-14, which was 0.87% of the net profit after tax of the previous year.

Awards:

Your Company received Golden Peacock Award 2013 for CSR, Appreciation Certificate from ASSOCHAM CSR Excellent Award 2013 and Special Jury Commendation from FICCI CSR Award 2012-13.

17.1.2 NTPC Foundation

NTPC Foundation is engaged in serving and empowering the physically challenged and economically weaker sections of the society.

Initiatives undertaken by the Company are covered under Annex-VII to this Report.

17.1.3 Rehabilitation & Resettlement (R&R)

Your Company is committed to help the people affected by its projects and has been making all its efforts to improve the socio-economic status of Project Affected Persons (PAPs). In order to meet its social objectives, your Company is focusing on effective R&R of PAPs and undertaking community development activities in and around the projects.

Land availability for bulk tendered projects for which award was placed during the year was ensured through proactive redressal of R&R issues.

Initial community development (ICD) activities in the area of Health, Education, Sanitation, Drinking water, Infrastructure facilities etc for Bilhaur project was approved after consultation with the stakeholders and for Khargone project, provisions for ICD activities was enhanced during the year. Implementation of earlier approved ICD activities continued at Barethi, Darlipali, Gajmara, Khargone, Jhajjar, Nabinagar (BRBCL) and Nabinagar (NPGC) projects.

R&R activities and CD activities in the area of in the area of Health, Education, Sanitation, Drinking water, Infrastructure facilities, capacity building etc were implemented at the new Greenfield projects after finalization of respective R&R Plan in consultation and participation of the stakeholders at Gadarwara, Lata-Tapovan and Dulanga projects. Provisions under R&R Plans was enhanced for North Karanpura, Tapovan-Vishnugad, Pakri-Barwadih, Chatti-Bariatu and Kerandari projects. At other thermal, hydro and coal mining projects like Barh, Bongaigaon, Dadri, Kanti, Korba, Kudgi, Lara, Mouda, Solapur, Tanda, Vallur, Vindhyachal, Koldam, Talaipalli projects, R&R activities continued throughout the year.

For the benefits of project affected persons and neighbouring population, 'Mobile Health Clinic' was deployed by Kudgi and Nabinagar (NPGC) projects. Toilets have been constructed for PAPs at Kudgi and Khargone projects. Drinking water facility has been augmented for supplying of water for project affected villages at Solapur project.

Socio-economic Survey (SES) for Bilhaur, Mouda-II and Gajmara is in progress.

17.2 Environment Management – Initiatives for preserving Environment

Vision Statement on Environment Management:

"**G**oing **H**igher on **G**eneration, lowering **GHG** intensity"

Your Company is pursuing the objective of environment protection as one of its prime responsibilities and focuses its efforts to mitigate the impact of its operation on surrounding environment. Around 12-15% of the project cost is spent on various environment protection equipments. To meet the environmental challenges of 21st century and beyond, the Company has adopted sound environment management practices and advanced environment protection system to minimize impact of power generation on environment.

Your Company has adopted advanced and high efficiency technologies such as super critical boilers for the upcoming green field projects. Your company is augmenting its capacity by installing solar power systems and micro hydel power systems attached to its thermal power stations, wherever possible, so as to encourage garnering of renewable energy resources. The Company is also designing its up-coming plants to use beneficiated coal and imported low ash coal. These measures are aimed not only to achieve reduction in pollution and minimize use of precious natural resources but also to lead to reduction of CO_2 emissions per unit of generation thereby reducing global warming.

17.2.1 Control of Air Emissions: High efficiency Electro-static Precipitators (ESPs) with efficiency of the order of 99.97% and above, with advanced control systems have been provided in all coal based stations to keep Suspended Particulate Matter (SPM) below permissible limits. All up-coming new plants are being provided with ESPs designed in such a manner that would cater to the anticipated future norms. Performance enhancement of ESPs operating over the years is being carried out by augmentation of ESPs fields, retrofitting of advanced ESP controllers and adoption of sound O&M practices. Flue Gas Conditioning systems have also been provided at our old units which are helping in reduction of SPM emissions below statutory limits even during coal quality variations due to blending of coal etc. Also, massive R&M program is being undertaken to upgrade air pollution equipments to reduce SPM emissions.

NOx control in plants is achieved by controlling its production by adopting best combustion practices. Since tall stacks are provided in coal stations, NOx emitted through stacks is widely dispersed and diluted. In gas based stations, NOx control systems (hybrid burners or wet DeNOx) have been provided for good combustion practices.

Fugitive emission from ash pond is controlled by maintaining water cover, tree plantation on abandoned ash ponds, water spray and earth cover in inactive lagoons. Providing dust suppression and extraction system in CHP area has further added to reduction in fugitive dust in the vicinity of power stations.

17.2.2 Control of water pollution and promotion of water conservation: Various water conservation measures have been taken up to reduce water consumption in power generation by using 3Rs (Reduce, Recycle & Reuse) as guiding principle.

Provision of advanced treatment facilities such as Liquid Waste Treatment Plants (LWTP), Recycling Systems for Ash Pond Effluent called Ash Water Recirculation System (AWRS) and closed cycle condenser cooling water systems with higher Cycle of Concentration (COC), rain water harvesting wherever possible and reuse of treated sewage effluent for horticulture purposes are some of the measures implemented in most of the stations. All these measures have resulted in reduction of effluent discharge from the power plants of NTPC.

17.2.3 Ash Management: Ash dykes in the stations have been engineered to ensure that all safety and environmental issues are addressed at design stage itself.

Multi-lagoon ash ponds with provision of over-flow lagoons and ash pipe garlanding arrangement for change over of ash slurry feed points have been provided for effective settlement of ash particles.

Water sprinklers have been provided in the ash pond areas for spraying water in dried up portion of lagoons for control of fugitive dust. Efforts are made to maximize utilization of ash through use of Dry Ash Extraction System (DAES).

Unutilized ash is sent to ash pond by making ash slurry. The decanted water in Ash Pond is recycled back with the help of Ash Water Recirculation System (AWRS) for making ash slurry again, leading to reduction in water consumption.

17.2.4 Automation of environment measurement system: 67 continuous ambient air quality monitoring stations (AAQMS) have been installed to capture the real time data and access thereof viz., PM 10, PM 2.5, SOx, NOx and access has been provided to the Central Pollution Control Board and State Pollution Control Boards. Additional ozone analyzers for ambient air are also being provided at the stations. Continuous Emission Monitoring Systems (CEMS) to monitor SOx, NOx and CO_2 in all its units on real time basis are being installed in all existing units of the Company. For all the upcoming projects, real time monitors for ambient air and emissions are included in the engineering packages during design stage itself.

17.2.5 Environmental Studies: Your Company has taken a number of studies for better environment protection and to develop strong scientific database.

17.2.6 Tree Plantation: Your Company has planted about 21 million trees till date in and around its projects as a measure of massive afforestation.

The afforestation has not only contributed to the 'aesthetics' but also helped in carbon sequestration by serving as a 'sink' for CO_2 released from the stations and thereby protecting the quality of ecology and environment in and around the projects.

17.2.7 ISO 14001 & OHSAS 18001 Certification: NTPC's stations have been certified with ISO 14001 and OHSAS 18001 by reputed National and International certifying agencies as a result of sound environment management systems and practices.

17.3 Quality Assurance and Inspection (QA&I)

Your Company has a quality assurance and inspection division which mainly focuses on quality assurance in every aspect like quality and timely supplies for large capacity units. It continues to emphasize the strict implementation of quality systems in construction as well as in operations of all the projects/ stations. Regular quality system audits are undertaken at our project construction sites to ensure continuous improvements in implementation of quality system improvements.

Your company has now added four overseas inspection offices at Japan, China, Germany and Vietnam.

A recent initiative has been undertaken by your Company to improve the procurement of critical/ bulk spares for power stations, to ensure quality and reliability of spares and standard quality plans for 30 such spares have been prepared by QA&I Department.

Your Company is represented on various technical committees of ISO and IEC and is actively contributing in formulation and updation of power sector technical and quality standards/ guidelines.

17.4 Clean Development Mechanism (CDM)

Your Company is undertaking climate change issues proactively.

The methodology for super critical technology prepared by NTPC viz. "consolidated base line and monitoring methodology for new grid connected fossil fuel fired power plants using less GHG intensive technology" has been approved by "United Nations Frame Work Convention on Climate Change (UNFCCC)" under 'Approved Consolidated Methodology 13 (ACM0013)'.

Two of its solar projects namely 5MW each solar PV project at Dadri and Port Blair, Andaman & Nicobar had already been registered with UNFCCC. Another two projects namely 5MW solar PV project at Faridabad and 8MW Small Hydro Power Project at Singrauli are in advanced stage of validation for submission to UNFCCC for CDM registration. Verification/ issuance of CERs for 5 MW solar power PV project at Dadri and 5MW solar power PV project at A&N are in process.

In addition, your company's projects namely North Karanpura, Tapovan Vishnugad HEPP, energy efficiency projects at Singrauli and Dadri have got host Country Approval from National CDM Authority.

17.5 Ash Utilisation

During the year 2013-14, 57.83 million tonnes of ash was generated and 25.37 million tonnes of ash had been utilized for various productive purposes. This was 43.88% of the total ash generated.

Important areas of ash utilization are – cement & asbestos industry, ready mix concrete plants (RMC), road embankment, mine filling, ash dyke raising & land development. 7.19 million tonnes of ash has been issued to cement, RMC and other industries in the financial year 2013-14.

Pond ash from all stations of NTPC is being issued free of cost to all users. Fly ash is also being issued free of cost to fly ash/ clay-fly ash bricks, blocks and tiles manufacturers on priority basis over the other users from all NTPC coal based thermal power stations. The funds collected from sale of ash is being maintained in a separate account by NTPC Vidyut Vyapar Nigam Limited, a wholly-owned subsidiary company of NTPC and the same is being utilized for development of infrastructure facilities, promotion and facilitation activities to enhance ash utilization.

The quantity of ash produced, ash utilized and percentage of such utilization during 2013-14 from NTPC Stations is at Annex-IX.

17.6 RURAL ELECTRIFICATION

NTPC, through its wholly owned subsidiary NESCL, is carrying out the implementation of rural electrification work in 5 States namely Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand and West Bengal under Government of India, flagship program, Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). During this period, 1,442 villages were electrified and 24,742 Below Poverty Line (BPL) connections were provided. The cumulative achievement till 31st March 2014 is 33,807 villages and 26,27,485 BPL connections.

17.7 CenPEEP – towards enhancing efficiency and protecting Environment

NTPC initiated a unique voluntary program of GHG emission reduction by establishing 'Center for Power Efficiency and Environmental Protection (CenPEEP)' and under this program, it is estimated that over 37 million tons of CO_2 has been avoided since 1996.

CenPEEP is also coordinating the implementation of 'Perform, Achieve & Trade (PAT) Scheme' under Prime Minister's National Mission on Enhanced Energy Efficiency (NMEEE) in NTPC where all 22 stations of NTPC are designated Consumers (DC). Based on gap analysis, a joint action plan is prepared with Station for improvement of efficiency and auxiliary power to achieve the PAT targets in the year 2014-15.

Thrust has been given to efficiency improvement & auxiliary power reduction through strategic initiatives of Energy Efficiency Management System (EEMS), Energy management System (EMS), Energy Audit System and reliability improvement through 'Knowledge Based Maintenance' systems. Optimization of cooling tower performance and air-preheater has also been taken up as thrust area. Leveraging the use of information technology, new initiatives have been taken with installation of on - line systems such as Thermal Loss Analyser (TLA) and System Energy Efficiency Display (SEED) for tracking and gap analysis of heat rate and auxiliary power consumption. These systems assist the operator and facilitate the trending of degradation of equipment performance and formulation of action plans for improvement. Evaluation has also been done for use of performance diagnostics off-line tool based on first principle energy / mass balance to help in efficiency and capacity gap analysis and performance baselining of some of the NTPC units thereby enhancing skill for problem analysis.

Under Indo-US bilateral program 'Partnership to Advance Clean Energy – Deployment (PACE-D)' being implemented with support of USAID, assessment of efficiencies has been done for two State utilities namely Haryana and Maharashtra and action plans were formulated for them. A 'Best practices manual for super critical units' has been prepared jointly with US experts and was released by Secretary (Power) Govt of India on the occasion of NTPC International O&M Conference 2014. Work on 'benchmarking methodology document', 'coal blending impact studies' and pilot program on Advanced Pattern recognition (APR) is underway with the help of US experts.

18. NETRA – R&D Mission in Power Sector

NTPC Energy Technology Research Alliance (NETRA), the research & development wing of NTPC focuses on areas of efficiency & availability improvement; cost reduction; renewable and alternative energy source; climate change & environment protection; and providing scientific support to utilities.

Research Advisory Council (RAC) of NETRA comprising eminent scientists and experts from India and abroad is in place to steer research. Scientific Advisory Council (SAC) with Executive Directors as its members provides directions for undertaking specific applied research projects aimed to develop techniques in power plant for efficient, reliable and environment friendly operation with emphasis on reducing cost of generation. The meetings for both these Advisory Councils were held periodically.

In order to provide maximum possible benefit to the stations, many projects/activities have been undertaken for implementation like waste Flue gas based air conditioning system for control rooms at Ramagundam, Computational Fluid Dynamics (CFD) modeling based plant improvement in boiler and CW system for increasing efficiency and reducing auxiliary power consumption, robotic inspection of boiler pressure parts, PDC-RVM based expert system for transformer condition monitoring etc. Development of many in-house products/technologies is in advance stage like NETRA e Power Plant Solution (NePPS) based on Artificial Intelligence Software for real time plant performance monitoring, optimization & diagnostic, Flue gas utilization for pH reduction of re-circulating ash pond water at Ramagundam etc. NETRA continued to provide scientific support to all NTPC stations as well as many other utilities stations in the area of oil/water chemistry, environment, electrical, Rotor dynamics etc for efficient performances.

Some state-of-the-art facilities established for condition monitoring and diagnostic techniques include frequency scanning eddy current system for evaluation of coating on gas turbine blades; portable automated ball indentation for evaluation of in-situ mechanical properties; eddy current array, Time of Flight Diffraction technology for rapid, reliable, accurate inspection of weldments of high pressure and high temperature pipeline and headers, Energy Dispersive X-Ray Fluoresce, Frequency Domain Spectroscopy, Simultaneous Thermal Analyzer, Particle Counter (NAS Value) etc.

NTPC has inked an umbrella MOU with Indian Institute of Science, Bangalore to promote research in CFD, renewable, water chemistry, ash utilization etc.

Agreement has been signed with KFW, Germany for setting up of (i) Advanced Test and Qualification Centre for Concentrating Solar Thermal Technologies with DLR Germany (ii) Advance pilot test setup for 91kwp concentrating solar PV and PV characterization test lab with ISE-Fraunhofer, Germany.

NETRA laboratories are accredited as per ISO 17025 and its NDT laboratory has also been recognized as "Well known Remnant Life Assessment Organization" under the Boiler Regulations, 1950.

Phase-II NETRA infrastructure is under construction with approx 21,000 sq m floor area and is expected to be completed in FY 2014-15. Phase II will have 30 laboratories, workshop, pilot plant bay and an auditorium with seating capacity of 400 persons.

NETRA organized National Workshops during 2013-14 in the area of Sensors for Power Plant Process & Equipment, Metallurgical Aspects in Power Plants, Condition monitoring and Life Assessment of Transformers, and also Coordinated International Conference on "Advance Technologies & Best Practices for Super Critical Thermal Plants" under PACE-D Technical Assistance Program.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has taken several steps for the propagation and implementation of Official language 'Hindi' in the Company. The progress of usage of Hindi was inspected and proper suggestions were given to the Heads of the Offices. The quarterly meetings of the Official Language Implementation Committee were held to review the implementation of 'Hindi' in the organization.

Hindi Diwas and Hindi Competitions were organized from 1st to 13th September, 2013 in the Corporate Office as well as in all the Projects and Regional HQ of NTPC. NTPC Limited received All India Indira Gandhi Rajbhasha Second Prize from Hon'ble President of India, Shri Pranab Mukherjee. Various Hindi workshops and Hindi Computer Training were conducted for the employees. Your Company organized Akhil Bhartiya Rajbahsha Sammelan for Power Sector Undertakings on 9th May, 2013. Annual Rajbhasha Conference for the Heads of Rajbhasha was held on 10th & 11th May, 2013.

All office orders, formats and circulars were issued in Hindi as well. Important advertisements and house journals were released in bilingual form- in Hindi and in English. Two issues of half-yearly Hindi magazine 'Vidyut Swar' was published to promote creative writing in Hindi.

Your Company's website also has a facility of operating in bilingual form- in Hindi as well as in English.

20. VIGILANCE

20.1 Vigilance Mechanism:

Your Company ensures transparency, objectivity and quality of decision making in its operations, and to monitor the same, the Company has a Vigilance Department headed by Chief Vigilance Officer, a nominee of Central Vigilance Commission. The CVO reports to the Central Vigilance Commission.

The four units of Vigilance Department namely Corporate Vigilance Cell, Departmental Proceeding Cell (DPC), MIS Cell and Technical Cell (TC) deal with various facets of vigilance mechanism. The Vigilance Department submits its report to the Competent Authority and also to the Board of Directors.

Surprise checks are being conducted in various departments and recovery is being made against discrepancies, if any, found. Vigilance department issued various circulars for improvements in systems like import of coal, material handling, single tender awards, owner issue materials, utilization of non-moving items etc. A total of 146 vigilance complaints were received during the year, out of which 82 complaints have been resolved and balance 64 complaints are under various stages of investigations.

As per the directive of DOPT/ MOP, the property returns of all the executives have been published on NTPC Website.

20.2 Workshops and Vigilance Awareness Week

Preventive Vigilance Workshops are being conducted every year to sensitize employees about DO's and DON'Ts in work areas and their role in preventing corruption. 19 such workshops were held across NTPC in which 529 employees participated.

Vigilance awareness week was observed from October 28, 2013 to November 2, 2013 across all NTPC projects and sites.

20.3 Implementation of Integrity Pact

Your Company is committed to have total transparency to its business processes and as a step in this direction; it signed a Memorandum of Understanding with Transparency International India in December, 2008. The Integrity Pact is being implemented for all contracts having value exceeding ₹ 10 crore. Two Independent External Monitors have been nominated by the Central Vigilance Commission for all contracts with value exceeding ₹ 100 crore. Regular meetings are being organized with Independent External Monitors.

20.4 Implementation of various policies/ circulars

20.4.1 Fraud Prevention Policy

The Fraud Prevention Policy has been formulated and implemented in your Company since 2006. The cases referred by the nodal officers are being investigated immediately to avoid fraudulent behaviors as defined in the Fraud Prevention Policy.

20.4.2 Complaint Handling Policy

Vigilance department has formulated and implemented Complaint Handling Policy w.e.f. 01.08.2013 which contains the procedure for handling various complaints lodged with the department.

20.4.3 Whistle Blower Policy

Whistle Blower Policy has been issued to build and strengthen a culture of transparency and trust in the organization and to provide employees with a framework/ procedure for responsible and secure reporting of improper activities within the company and to protect employees who raise concern about improper activities/ serious irregularities.

21. RIGHT TO INFORMATION

Your Company has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has put RTI manual on website for access to all citizens of India and has designated a Central Public Information Officer (CPIO), an Appellate Authority and APIOs at all sites and offices of NTPC.

During 2013-14, 1,226 applications were received under the RTI Act, out of which 1,171 applications were replied to.

22. USING INFORMATION AND COMMUNICATION TECHNOLOGY FOR PRODUCTIVITY ENHANCEMENT

NTPC has implemented an Enterprise Resource Planning (ERP) package covering maximum possible processes across the organization including subsidiaries. In addition to the core business processes and Employee Self Service (ESS) functionality, the ERP solution also includes e-procurement, Knowledge Management, Business Intelligence, Document Management, Workflow etc. The ERP system is fully managed through in-house expertise from process groups and technical groups. Parallely, in-house solutions have been developed to take care of the non-ERP areas.

A state-of-the-art main data center with centralized server facility to cater to the needs of entire Company is located at Noida. There is a disaster recovery center at Hyderabad as a full back up for real time changeover in case of any emergency.

Videoconferencing (VC) facility is widely used for management reviews/ training/ deliberations among locations. The facility has also been augmented to hold VC with external agencies in secured manner.

In order to improve upon efficiency and bringing transparency in procurement process in NTPC, e-procurement process using SRM module of ERP is widely used.

An emergency response system (ERS) has been deployed and hosted centrally at Noida to cater to different requirements of sending information to the employees using SMS services and emergency alerts during Voice Calls.

Various other applications have been developed to take care of RTI, Parliament Questions Management, legal system, transit camp booking requirement etc.

NTPC tender website www.ntpctender.com is being regularly used for publishing all open tenders on the Internet. Additional Website www.ntpcexemployees.co.in for facilitating superannuated employees has also been hosted.

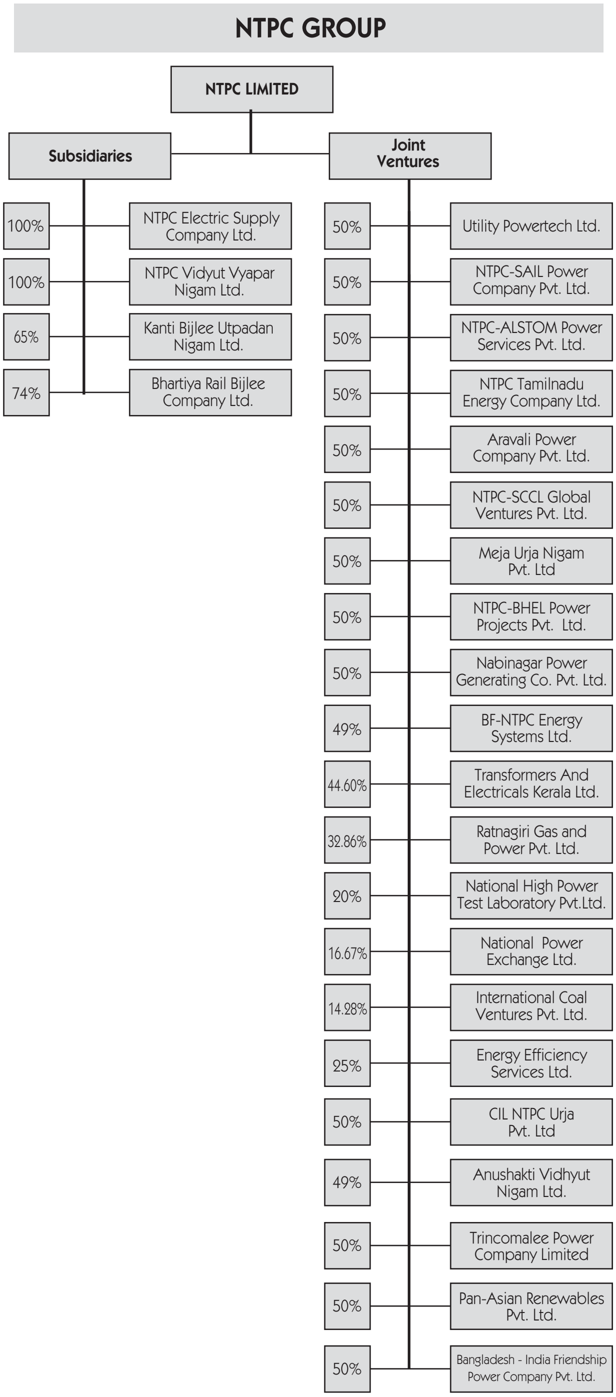
The Information Technology department at Corporate Center Noida has been awarded certificate in recognition of the organization's Quality Management System which complies with ISO 9001:2008 for "Providing IT Enabled Services".

23. NTPC GROUP: SUBSIDIARIES AND JOINT VENTURES

Your Company has currently 4 subsidiary companies and 21 joint venture companies for undertaking specific business activities.

NTPC Hydro Limited, a wholly owned subsidiary of NTPC has been merged with NTPC Limited on 18.12.2013 in terms of Section 391-394 of the Companies Act, 1956.

The names of Subsidiaries and Joint Venture Companies and the percentage of your Company's shareholding in these Companies as on 31.03.2014 are as follows:



The performance of these companies as well as the consolidated financial statements are briefly discussed in the Management Discussion & Analysis section. The financial statements of subsidiary companies along with the respective Directors' Report are placed elsewhere in this Annual Report.

24. INFORMATION AS PER COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

As per provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, every company is required to provide particular of employees in the Directors' Report exceeding the stipulated remuneration limit(s).

However, as per notification dated 31.03.2011 issued by the Ministry of Corporate Affairs, amending provisions of said rules, Government Companies are exempted from including such particulars in the Directors' Report.

As your Company is a Government Company, such particulars have not been included in the Director's Report. Any member desirous of obtaining such particulars may write to the Company Secretary at the Registered Office of the Company or download them from the website www.ntpc.co.in. Such particulars shall also be made available to the shareholders on a specific request made by them during the course of Annual General Meeting to be held on 27.08.2014.

25. STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s O.P. Bagla & Co., K.K. Soni & Co., PKF Sridhar & Santhanam, V. Sankar Aiyar & Co., Ramesh C. Agrawal & Co. and A.R. & Co.were appointed as Joint Statutory Auditors for the financial year 2013-14.

26. MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The Statutory Auditors of the Company have given an unqualified report on the accounts of the Company for the financial year 2013-14. They have drawn attention towards Note-32 to the financial statements in respect of the accounting of fuel on GCV based pricing system.

The issue has been adequately explained in Note 32 of the financial statements of NTPC for FY 2013-14 referred to by the Auditors.

27. REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

You would be pleased to know that for the fifth year in a row your organization has received 'NIL' Comments on the Financial Statements for the year from the Comptroller & Auditor General of India (C&AG).

As advised by the Office of the C&AG, the comments of C&AG for the year 2013-14 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

28. COST AUDIT

As prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2001, the Cost Accounting records are being maintained by all stations of the Company. The particulars of Cost Auditors as required under Section 233(B) of the Companies Act, 1956 read with General Circular No. 15/2011 dated 11.04.2011 issued by Ministry of Corporate Affairs are given below:

The firms of Cost Accountants appointed for the financial year 2012-13 were (i) M/s Dhananjay V. Joshi & Associates, Pune, Maharashtra, (ii) M/s Jugal K. Puri & Associates, Gurgaon, Haryana, (iii) M/s Mandal Mukherjee Datta & Associates, Kolkata, West Bengal, (iv) M/s S.C. Mohanty & Associates, Bhubhaneshwar, Orissa, (v) M/s V.P. Gupta & Co., Noida, Uttar Pradesh and (vi) M/s Chandra Wadhwa & Co., Daryaganj, Delhi.

The firms of Cost Accountants appointed for the financial year 2013-14 were (i) M/s Narasimha Murthy & Co., Hyderabad, (ii) M/s Musib & Co., Mumbai, (iii) M/s Sanjay Gupta & Associates, Delhi, (iv) M/s Bandopadhyay Bhaumik & Co., Mumbai, (v) M/s S. Dhal & Co., Bhubhaneshwar and (vi) M/s R.J. Goel & Co., Delhi.

The due date for filing consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2013 was September 27, 2013 and the consolidated Cost Audit Report for your Company was filed with the Central Government on September 16, 2013.

The Cost Audit Report for the financial year ended March 31, 2014 shall be filed within the prescribed time period under the Companies Act, 2013.

29. BOARD OF DIRECTORS

Dr. Pradeep Kumar, JS & FA, Ministry of Power has joined as Government Nominee Director of the Company with effect from September 10, 2013 in place of Shri Rakesh Jain who ceased to be the Director of the Company w.e.f. July 9, 2013 consequent upon his transfer from Ministry of Power.

Shri A.K. Singhal, Director (Finance) ceased to be the Director of the Company w.e.f. October 9, 2013 consequent upon his appointment as Member of the Central Electricity Regulatory Commission.

Consequent upon superannuation of Shri B.P. Singh on September 30, 2013, Shri S.C. Pandey has taken over as Director (Projects) with effect from October 1, 2013.

Shri I.C.P. Keshari has ceased to be the Director of your Company w.e.f. September 30, 2013 on ceasing to be the official of Ministry of Power.

Shri G. Sai Prasad, JS (Thermal), Ministry of Power had joined as Government Nominee Director of the Company with effect from December 5, 2013. However, he has ceased to be the Director on the Board w.e.f. June 16, 2014 consequent upon his transfer from Ministry of Power.

Shri Kulamani Biswal, Director (Finance), Mahanadi Coalfields Limited has taken over the charge of the Director (Finance) of the Company with effect from December 9, 2013.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Rakesh Jain, Shri A.K. Singhal, Shri B.P. Singh, Shri I.C.P. Keshari and Shri G. Sai Prasad during their association with the Company.

In accordance with Section 152 of the Companies Act, 2013 and the provisions of Article 41(iii) of the Articles of Association of the Company – Shri I.J. Kapoor shall retire by rotation at the Annual General Meeting of your Company and, being eligible, offers himself for re-appointment.

30. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2013-14 and of the profit of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the Annual Accounts on a going concern basis.

31. INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 1956, Listing Agreement with Stock Exchanges, Government guidelines etc. is annexed to this report as below:

Particulars	Annexure
Management Discussion & Analysis	I
Report on Corporate Governance	II
Information on conservation of energy, technology absorption and foreign exchange earnings and outgo	III
Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies	IV
Statistical data of the grievance cases	V
Statistical information on persons belonging to Scheduled Caste / Scheduled Tribe categories	VI
Information on Physically Challenged persons	VII
UNGC – Communications on progress	VIII
Project Wise Ash Utilisation	IX
Business Responsibility Report for the year 2013-14	X

32. ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation, the co-operation received from the Government of India, particularly the Prime Minister's Office, Ministry of Power, Ministry of Finance, Ministry of Environment & Forests, Ministry of Coal, Ministry of Petroleum & Natural Gas, Ministry of Railways, the Planning Commission, Department of Public Enterprises, Central Electricity Authority, Central Electricity Regulatory Commission, Comptroller & Auditor General of India, Appellate Tribunal for Electricity, State Governments, Regional Power Committees, State Electricity Boards and Office of the Attorney General of India.

Your Directors also convey their gratitude to the shareholders, various international and Indian Banks and Financial Institutions for the confidence reposed by them in the Company.

The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company.

We also acknowledge the constructive suggestions received from Government and Statutory Auditors.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excel.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 11th July 2014

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

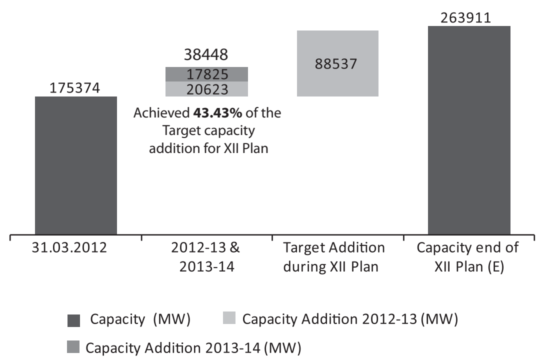
MANAGEMENT DISCUSSION AND ANALYSIS

NEW OPPORTUNITIES WITHIN AN INCREASINGLY CHALLENGING ENVIRONMENT

Sustained growth of the power sector is critical for achieving high economic growth targets of India. Government's focus on attaining "Power for All" has accelerated capacity addition in the country and at the same time it has resulted in increasing competition. The sector which historically had only a few central & state utilities, is now witnessing interest from many new and big players looking at investments across the value chain.

Large Scale Capacity Additions

Significant supply addition over the last few years has taken place in India. Almost 43% of the XII Plan target of 88537 MW (excluding Renewable Energy Sources, "RES") has been achieved in first two years.



(Source: Central Electricity Authority "CEA"; 12th five year plan report (12th Plan); All figures excluding RES.

The power developers have large capacity augmentation plans in the sector. The rate of capacity addition has risen from ~ 4 GW p.a. during the period 1992-93 to 2001-02 to ~9 GW p.a. during the period 2002-03 to 2011-12.

The rate of capacity addition has further gained pace and is expected to be maintained during XII and XIII Plan.

Segmentation of Generation Capacity

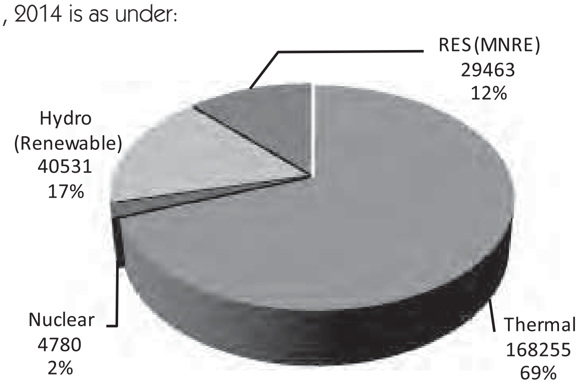
The sectoral break-up of capacity as on March 31, 2014 is as under:

Ownership	31.03.2014 (MW)	31.03.2013 (MW)	Y-o-Y Increase
State Sector	92187.70	89124.62	3063.08
Private Sector	82715.30	68859.04	13856.26
Central Sector	68125.95	65359.94	2766.01
Total	**243028.95**	**223343.60**	**19685.35**

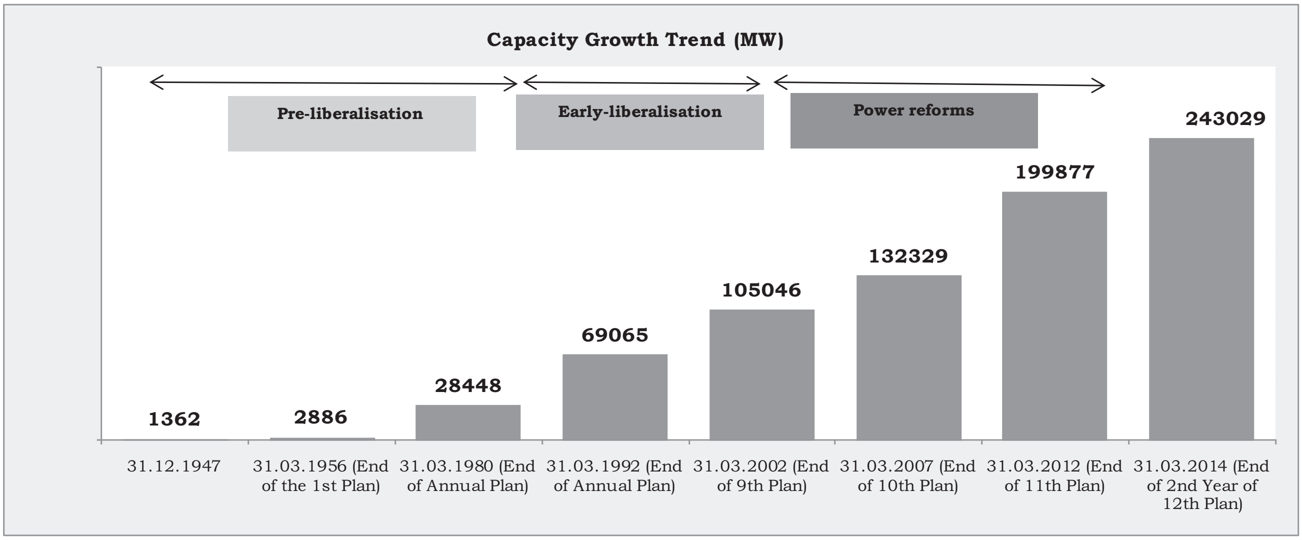
(Source: CEA)

State Sector leads in terms of share of installed capacity with ~38% share, followed by Private Sector and Central Sector with ~ 34% and ~ 28% share respectively.

Conventional fuel sources dominate the power generation capacity mix of the country. The fuel mix in capacity as on March 31, 2014 is as under:



(Source: CEA); Installed Capacity of RES is as on 30.09.2013; MNRE: Ministry of New & Renewable Energy ; Figures in MW



(Source: CEA); All figures including RES

Within the thermal category as on 31.03.2014, ~ 86 % capacity is operating on coal, followed by ~13% on gas and remaining 1% on diesel *(Source : CEA).*

This scenario is expected to continue as the thermal capacity has the largest pie of ~61% of the capacity addition target for XII Plan (including RES) *(Source: 12th Plan).*

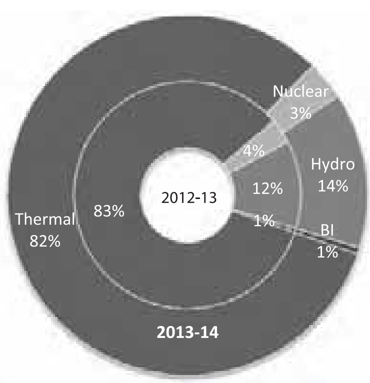
Generation Scenario

India's total generation during financial year 2013-14 was 967.15 Billion Units (BUs) as against 912.06 BUs in the previous year, recording an increase of ~6%. The sector wise generation mix is as under:

Sector	FY 2013-14 (BUs)	FY 2012–13 (BUs)	Y-o-Y % Change
State	350.40	347.15	1%
Private	226.24	184.14	23%
Central	384.91	375.97	2%
Bhutan Import	5.60	4.80	17%
Total	**967.15**	**912.06**	**6%**

(Source: CEA)

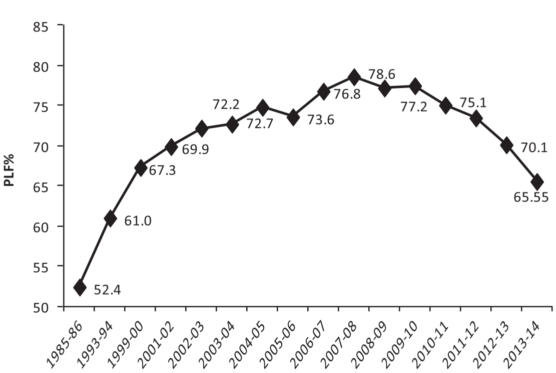
The fuel mix of generation is represented by chart and table below:



In BUs	2013-14	2012-13
Thermal	792.48	760.68
Nuclear	34.23	32.87
Hydro	134.85	113.72
BI	5.60	4.79
Total	**967.15**	**912.06**

(Source: CEA); BI: Bhutan Import

The fuel mix in financial year 2013-14 has remained almost same as in the previous financial year. Though the overall generation in the country has increased due to higher capacity, the Plant Load Factor of coal and lignite stations (PLF) has dwindled and fallen below the levels it was a decade back. The all India PLF over the years is reflected in chart below:

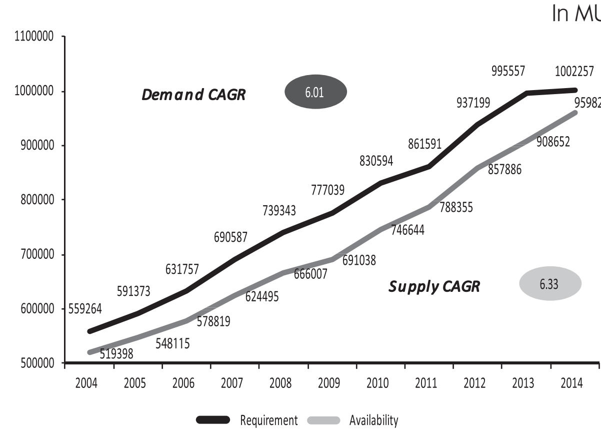


(Source: CEA)

Demand, Supply and Consumption Trends

Demand, supply and consumption trends will be key in defining the future of Indian power sector. Of late power sector has been facing a reduction in demand. The energy and peak deficit which was more than 11% in financial year 2008-09 has dropped to 4.2% and 4.5% respectively in financial year 2013-14 *(Source : CEA).* The energy demand and supply trend for the last 10 years is as per chart below:

In MUs



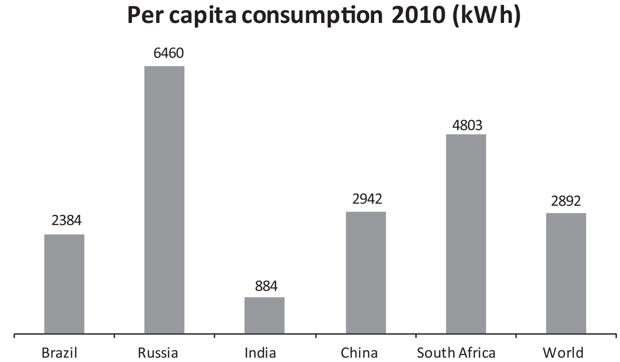
(Source: CEA, the year in horizontal axis reflects financial year ending)

The fall in power demand could be a short term issue mainly arising from the industrial slowdown, lack of power procurement by utilities and seasonal fluctuations. Yet, the various stakeholders need to take a sharper look at the emerging demand scenario.

The long-term outlook for power demand remains strong. Low per capita consumption and expected growth of economy are pointers to the long-term energy requirement.

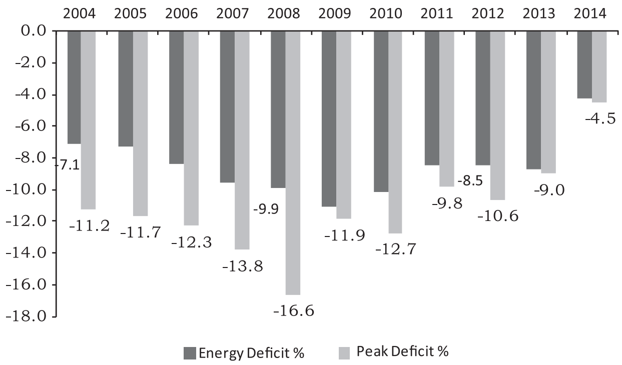
India ranks among the top 5 countries in terms of electricity generation and is the number 3 electricity generator amongst the BRICS countries next only to China and Russia. India lags China in generation by almost 5 times *(Source: CEA, based on 2010 data and for India financial year 2011-12).* However, India has lowest per capita electricity consumption among the BRICS nations. The all India per capita consumption of electricity in financial year 2012-13 was 917.18 kWh (provisional).

Per capita consumption 2010 (kWh)



(Source: CEA); the data for India pertains to 2011-12

The low per capita electricity consumption suggests a large latent demand in the country. With the exception of financial year 2013-14 the energy deficits and peak deficits during the past 10 years have remained generally in the range of 7% to 17%.

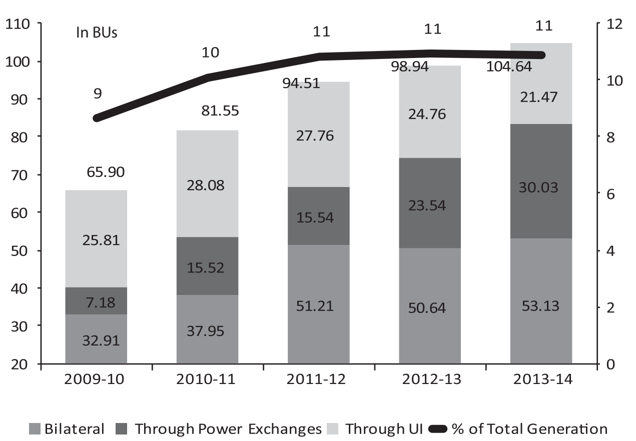


(Source: CEA); the year in horizontal axis reflects financial year ending

As per a recent World Bank report India has emerged as the third largest economy ahead of Japan, based on purchasing power parity. To sustain and achieve higher economic growth, the power sector has to grow in tandem.

Short Term Power Market

Short term power market accounts for ~9-11% of total generation. The total short term electricity transacted in financial year 2013-14 is approximately 104.64 BUs (provisional) as against 98.94 BUs in previous financial year registering a moderate growth of 5.76% in absolute terms. The following chart shows the classification of short term transactions of electricity and percentage of such transactions of total generation:

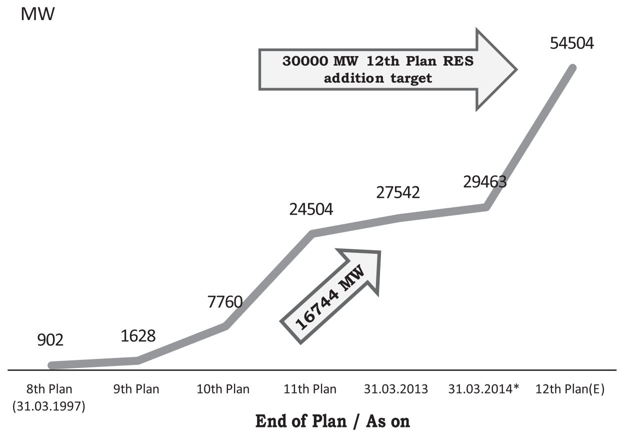


(Source: CERC), figures for 2013-14 have been derived by summation of month wise data available from CERC.

The monthly weighted average price of power transacted in power exchanges ranged between ₹1.89 to ₹3.74 per unit during financial year 2013-14 in IEX and PXIL, as compared to ₹2.34 to ₹4.71 per unit in financial year 2012-13. The fall in prices may be due to the impact of subdued demand in financial year 2013-14 *(Source: CERC).*

Strengthened role of Renewables in the sector

Renewables (excluding Hydro) currently comprise 12% of the total generation capacity. The growth of renewable sources based generation capacity is charted below:



*(Source: CEA and 12th Plan); *as per CEA report RES data pertains to 30.09.2013*

Renewable energy has been an important component of India's energy planning process since quite some time and is set to become a more significant part of the total energy space in India. Government has also formulated an Integrated Energy Policy covering all sources of energy including renewable energy sources. If all plans for renewable and other fuel sources are realized, this segment will account for 15-20% of the total installed capacity by end of XII Plan.

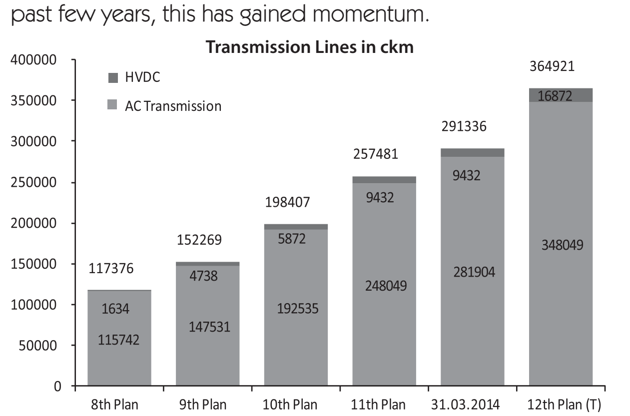
MNRE in its strategic plan has set Specific, Measurable, Achievable, Realistic, Time-Bound (SMART) Targets for grid interactive renewable power for 2011-17 and upto 2022. SMART target for grid connected renewable power capacity to be achieved by 2022 is 72400 MW with highest contribution of 38500 MW from wind energy followed by 20000 MW from Solar *(Source : MNRE).*

KEY ENABLERS IMPACTING THE SECTOR OUTLOOK

While the power sector is poised for a rapid growth, there are some critical enablers that need to fall in place to support the future of the industry.

1. **Improving transmission network and transformer capacity**

Establishment of a strong transmission capability is critical to achieving the ambitious growth in the power sector. Over the past few years, this has gained momentum.

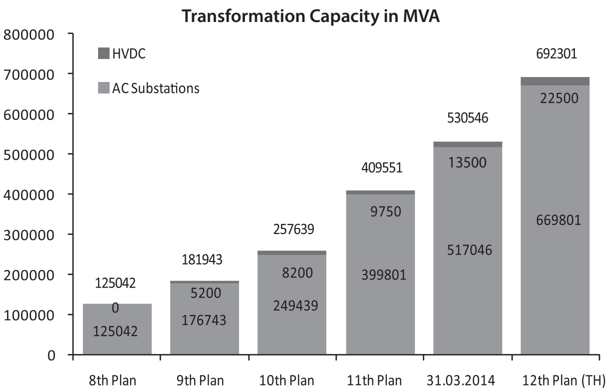


(Source: CEA)

Increasing voltage profile of network (765kv and HVDC lines) and improving frequency management would further strengthen the transmission network in India.

The inter-regional transmission capacity as on 31st March 2014 is 33950 MW and it is targeted to increase to 65550 MW by end of XII Plan *(Source: CEA).*

In December 2013, southern region was connected to central grid in synchronous mode with the commissioning of 765kV Raichur-Solapur Transmission line thereby achieving 'One Nation'-'One Grid'-'One Frequency' *(Source: Power Grid).*



(Source: CEA)

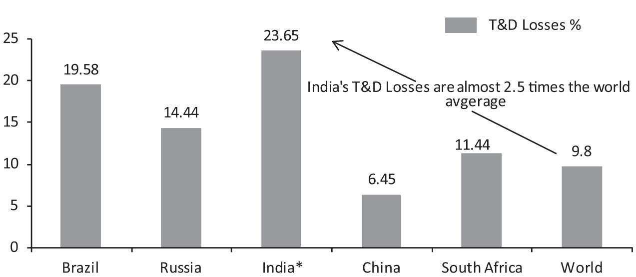
However, congestion in transmission networks still remains a bottleneck, causing power plants to operate at sub optimal capacities. To address this issue, the Government has approved a Power System Development Fund (PSDF), the proceeds of which would be used for various system strengthening projects that would relieve grid congestion in inter and intra-state transmission system *(Source : Ministry of Power).*

2. Distribution presents potential challenges

Power distribution is the final and a crucial link in the electricity supply chain and, unfortunately, the weakest one in the country. It assumes great significance as the segment has a direct impact on the sector's commercial viability.

- **Losses in distribution :**

Amongst the BRICS nations India has the highest Transmission and Distribution Losses.

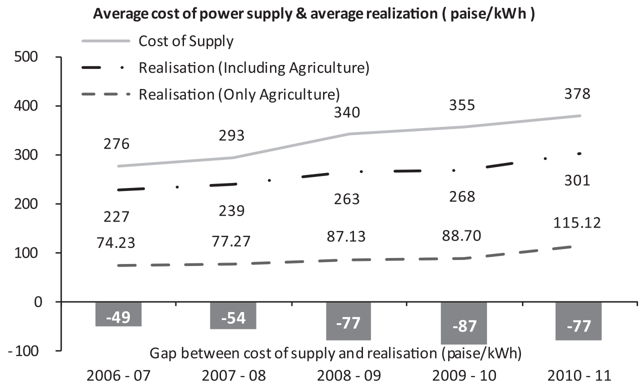


*T&D losses for India pertains to financial year 2011-12 and other countries for year 2010. *(Source: CEA).*

The Aggregate Technical & Commercial (AT&C) loss in India for financial year 2011-12 was 27% *(Source: CEA).*

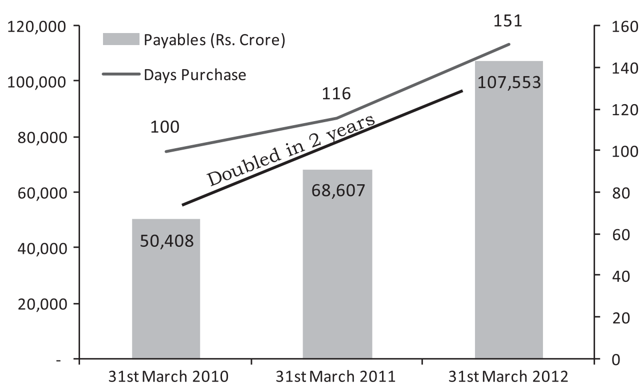
- **Poor financial health of State Electricity Boards (SEBs)/ State utilities and Distribution Companies (Discoms)**

The financial health of SEBs/ State utilities and Discoms remain in poor conditions. The cost of supply and realization gap remains high as depicted in the chart below:



(Source: CEA); the realization is without considering subsidy

The financial viability of the distribution sector is crucial for the entire value chain. The impact is visible in the huge outstanding dues of power utilities selling directly to consumers as charted below:



(Source: PFC Report on the performance of the State Power Utilities)

Financial turnaround of the distribution sector is essential for the commercial viability of the entire sector. In this direction, Government has introduced various measures.

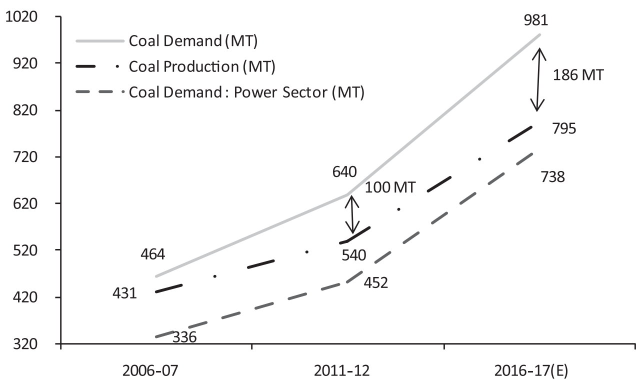
- R-APDRP scheme focuses on reducing the national level AT&C losses to below 15%.
- Financial Restructuring Plan (FRP) has been notified to bail out the cash strapped State Discoms. Some states like Tamil Nadu, Rajasthan, Haryana , Uttar Pradesh, Himachal Pradesh have already started implementation of FRP.
- Integrated Rating Methodology for State Discoms has been formulated by the Ministry of Power which helps in identifying strengths and weakness of each utility and an opportunity to address the problems.

To ensure financial and operational turn around and long term sustainability of the state owned distribution licensee, Ministry of Power has formulated a Model State Electricity Distribution Management Responsibility Bill, 2013. The bill envisages state Government to lay electricity distribution management statement on the measures taken in relation to distribution in each financial year during the budget session to the legislature. Bill also proposed 100% metering and consumer indexing to be achieved within three years, establishment of special courts for settling theft cases within a year if not set up. Distribution licensee will have to increase collection efficiency at 1.5% per year if it is between 95% to 99%, at 3% if between 90% and 95% and at 5% if between 80% and 90%.

3. Fuel Supplies

Coal is the most widely used fuel in the Indian power sector. As on 31.03.2014, nearly 60% of the country's total capacity is coal based and approximately 79% of the additional generating capacity (excluding RES) planned for XII plan is coal based.

The high relevance of coal for the power sector is also reflected by the fact, that nearly 3/4th of the total coal consumption in India is expected to be accounted for by the power sector by end of XII plan period.



(Source: 12th Plan)

The gap between demand and supply of coal is likely to be met through import of coal. The gap may further increase in case supply from captive blocks till financial year 2016-17 does not pick up and meet the estimates.

Coal Regulatory Authority, Fuel Supply Agreements and allocation of captive coal mining blocks are few important measures by the Government in the direction of addressing the issues faced by the sector.

Given the importance of coal to India's energy security, inability of India Inc to address the coal availability issue can be a major deterrent to power industry growth.

POLICY FRAMEWORK

The Indian power sector is governed by the Electricity Act, 2003 which provides the overall legislative framework for the sector.

Electricity Act, 2003 has promoted a liberal, transparent and enabling legal framework for development of the sector through creation of a competitive environment and at the same time protecting the interests of the consumers. The Electricity Act 2003 has enabled introduction of some path breaking initiatives in the sector such as de-licensing of power generation, introduction of Open Access in transmission and distribution, licensing for trading as a distinct activity, unbundling of the distribution sector etc.

Subsequent to the enactment of the Electricity Act 2003, some of the policies framed by the Central Government for overall development of the sector are as follows:

- National Electricity Policy, 2005
- Tariff Policy, 2006
- Rural Electrification Policy, 2006
- Hydro Power Policy, 2008

Various Initiatives of the Government

Besides these policies, some of the other major initiatives by Government of India are as follows:

a) Guidelines for tariff based competitive bidding

b) Development of Ultra Mega Power Projects

c) Allocation of captive coal blocks

d) Private sector participation in transmission sector

e) Jawaharlal Nehru National Solar Mission

f) R-APDRP

g) Establishment of the power exchanges

h) Promotion of renewable energy

i) Financial Restructuring Plan for discoms

j) Demand Side Management Initiatives e.g.

   i. National Mission for Enhanced Energy Efficiency (NMEEE)

   ii. Perform Achieve and Trade (PAT) Scheme

   iii. Energy Conservation Building Code (ECBC)

Government has recently set up an Advisory Group for Integrated Development of Power, Coal and Renewable Energy headed by former Power Minister, Shri Suresh Prabhu.

Major Regulatory Developments in Financial Year 2013-14

The important regulatory developments of financial year 2013-14 are as follows:

1. Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2014 (Tariff Regulations).

CERC has issued the Tariff Regulations vide its notification No. L-1/144/2013/CERC dated 21.02.2014 applicable for the period from 01.04.2014 to 31.03.2019. The salient features of Tariff Regulations relating to thermal power plants are discussed as under:

- Recovery of fixed charges allowed at normative annual plant availability factor of 83% for all thermal plants till 31.03.2017. The provision shall be reviewed thereafter.
- Incentive on scheduled generation at the rate of ₹ 0.50 per unit for excess energy delivered beyond the normative annual PLF of 85%.
- Recovery of Income Tax on Return on Equity will be done by grossing by actual effective tax rate.
- Coal based stations may opt to avail Special Allowance in lieu of renovation & modernisation which has been increased to ₹ 7.5 lakh/MW/year w.e.f financial year 2014-15, thereafter escalated at 6.35%.

- Water charges and capital spares have been excluded from the operation & maintenance expenses and allowed to the generators on actual basis.
- Sharing of savings in operational norms in the ratio of 60:40 between generator and beneficiaries has been introduced.
- Energy Charge shall be derived on the basis of the normative operational parameters, Gross Calorific Value (GCV) and landed fuel cost of the fuel for a generating station. GCV for the calculation of energy charge rate will be on 'as received basis'.

2. Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014

CERC has notified Deviation Settlement Mechanism and related matters, Regulations, 2014 on 06.01.2014, which has been made effective from 17.02.2014. This Regulation repeals the existing (Unscheduled Interchange charges and related matters) Regulations, 2009.

Some of the important features of these Regulations are as follows:

a. No overdrawal / under injection is permissible when the frequency is below 49.7 Hz. No over- injection is permissible when the frequency is above 50.10 Hz.

b. Charges shall be payable for over injection/under drawal and under injection/over drawal than the prescribed permissible limits by concerned generator/discom.

The new Regulations are expected to bring in grid discipline. The volume limits imposed on the allowed unscheduled deviation is likely to put restriction on the indiscriminate drawing of power by state discoms, as was seen in the past.

3. Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2014 (PSDF).

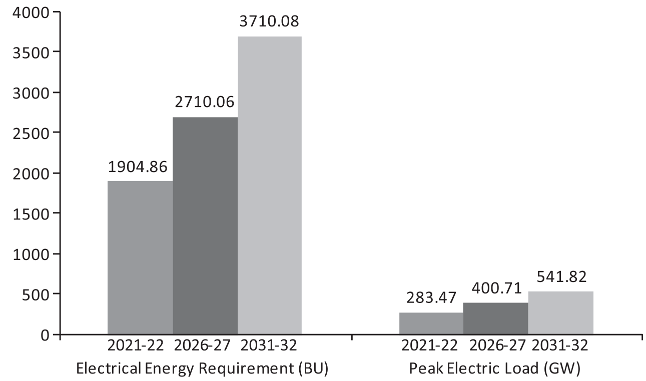
Cabinet had approved the operationalization of PSDF and the scheme for utilization of funds deposited therein. The scheme has been notified in June 2014. PSDF will be utilized for relieving congestion in inter-state and intra-state transmission systems, improvement of voltage profile in grid etc. National Load Dispatch Centre will be the nodal agency for implementation of the scheme.

LONG TERM OUTLOOK

The Indian power sector is at a stage that provides significant opportunities for growth and investment. However the environment is increasingly becoming challenging. There are many private small and mid- sized generators with interest only in a few projects. In line with a typical industry evolution, presence of large number of small to mid-sized operators will accentuate the competitive intensity in the sector and also give opportunities for inorganic growth and attract Foreign Direct Investments.

The anticipated Energy Requirement and Peak Demand for financial year 2014-15 is ~1048.67 BUs and ~147.82 GW respectively which is expected to increase by ~3.5 times by financial year 2031-32 *(Source: LGBR 2014-15 of CEA).*

Long term demand outlook of electricity in India looks positive and adequately sums up the huge unlocked potential of the sector.



(Source: 18th EPS)

COMPANY OVERVIEW

Your Company's achievements have been recognized globally. NTPC is the No. 1 Independent Power Producer and Energy Trader Globally as per Platt Top 250 rankings 2013. As per Forbes Global 2000 rankings (Year 2014), we are No. 2 and No.16 among the Asian and global electric utilities respectively and No. 424 amongst the World's biggest public companies *(Source: Website Platts and Forbes).* Your Company is the largest power generating company in India with a substantial share in the country's capacity and generation.

	All India^	NTPC	% share
Capacity (MW)	243029	37107#	15%
Generation (BU)	967.15*	233.28	24%
Capacity incl. JVs/Subs. (MW)	243029	43108#	18%
Generation incl. JVs/Subs. (BU)	967.15*	250.63**	26%

* include imports from Bhutan, **include generation from captive plants; # includes re-rated capacity of gas stations on standalone basis 62MW and NTPC Group basis 89MW; ^*(Source: CEA). (Capacity data as on 31.03.14, Generation data for FY 2013-14)*

Your Company has ambitious capacity plans. It intends to increase its capacity to 128 GW by 2032.

STRENGTHS

Operational Performance

The operating performance of the Company has been considerably above the national average. During the financial year 2013-14, your Company (NTPC Group) has generated ~26% of the country's total power generation with an installed capacity of ~18% of the nation's total installed capacity. Over the years, your Company has consistently operated at much higher operating efficiency as compared to All India operating performance.

In order to sustain the impressive operational efficiency levels, the Company's strategy includes:

✓ Installation of on-line system such as Thermal Loss Analyzer (TLA) and System Energy Efficiency Display (SEED) for tracking and gap analysis of Heat Rates and Auxiliary Power consumption.

- ✓ With the aim of improving system wide reliability, reducing maintenance costs and outages, SACS (Special Analytics & Computational Services) Centre has been established at its Engineering Office in Noida. It provides early warning of slowly evolving equipment problems to the remotely located plant personnel using state of the art technologies.
- ✓ Use of tools like IDAAS (Integrated Data Acquisition and Analysis System) for on-site efficiency evaluation and math-modeling tools like PEPSE (Performance Evaluation of Power System Efficiencies) for verifying equipment and system efficiencies, Steam path audit for estimation of solid particle erosion and efficiency of steam turbine components etc.
- ✓ Enhancing quality of Plant Overhauls to target zero forced outage by design.
- ✓ Implementation of Overhauling Performance Index for systematic and advanced planning of overhauls.
- ✓ Creation of peer group knowledge teams for each equipment to harmonize the best practices at enterprise level.
- ✓ Use of a comprehensive Performance Evaluation Matrix (PEM) for relative evaluation of the performance of various power plants over a set of comprehensive performance indicators to create an environment of in-house challenge and competition.
- ✓ Use of Process Interface (PI) System and PI System based applications for real time efficiency and loss calculations for ensuring early actions to minimize station losses.

Project Management

Your Company has adopted an integrated system for the planning, scheduling, monitoring and control of approved projects under implementation. To coordinate and synchronise all the support functions of Project Management it relies on a three-tiered project management system known as the Integrated Project Management Control System (IPMCS) which integrates its engineering management, contract management and construction management control centers. The IPMCS addresses all stages of project implementation from concept to commissioning.

Needless to say, that the identification of critical issues and their timely resolution is crucial for faster project implementation. To achieve this, your Company has established a state-of-the-art IT enabled Project Monitoring Centre (PMC) for facilitating fast track project implementation. The PMC facilitates monitoring of key project milestones and also acts as Decision Support System for the management. PMC is integrated enterprise-wide as a web based collaborative system to facilitate consolidation of project related issues and its resolution. Features like SMS based information delivery, real time video capture, storage & retrieval facility and video conference facility are extensively utilized for project tracking, issues resolution and management interventions on a regular basis.

Your Company has realised that there is a need to have an ERP platform which shall integrate all functions responsible directly or indirectly with project implementation and act as a tool to identify critical issues and continuously address them during project implementation phase itself. To achieve this, your Company has set up an integrated ERP platform for monitoring and controlling of critical project activities spread across various functions – engineering, contracts, finance and execution. This will help in decision support through timely identification of critical inputs and provide a holistic approach towards project implementation. The benefits expected to be accrued through the interface is focused monitoring of various inputs including drawings, materials and execution w.r.t. major project milestones.

Your Company has successfully effected standardization, bulk ordering of 660 MW and 800 MW units and EPC contracting to reduce engineering time and thereby reduce project execution time. 2 units of 800 MW each at Darlipalli, Odisha, have been awarded under bulk tendering during 2013-14 (with this, total 9 units of 660 MW each and 9 units of 800 MW each awarded under bulk tendering are under various stages of construction). 3 units of 660 MW each at North Karanpura, Jharkhand, and 1 unit of 500 MW at Unchahar, UP, have been awarded on EPC basis.

Long term Power Purchase Agreements (PPAs) with our customers & Payment Security Mechanism

Each of our stations has PPAs with its customers. Almost the entire output of NTPC's power stations has been contracted for under long-term PPAs. Due to existence of secured payment mechanism, NTPC has been able to realize its 100% dues for last eleven consecutive years.

Beyond 2016, the sales are secured through supplementary agreements with the customers under which the customers have agreed to create a first charge on their own receivables in our favour and in the event of a payment default assign such receivables into an escrow account.

Low Cost Producer

A lot of the NTPC's coal based stations are pit head stations which provides cost advantage to your Company as compared to its peers. The average cost of tariff for the financial year 2013-14 was ₹3.30/kWh. Low average tariff of your Company ensures less risk of power off-take.

Long-Term Fuel Security

Your Company implements projects only upon establishing availability of fuel. 'Maharatna' status provides high level of autonomy with regards to investments in backward integration and new fuel sources. Your Company's entire standalone commercial capacity as on 31.03.2014 is covered by long term coal supply agreements with Coal India Limited and Singareni Collieries Company Limited. Ten coal mining blocks have been allocated to your Company having estimated geological reserves of ~ 5 billion tonnes.

Integrated Business Model

Your Company's presence across the value chain i.e. in coal mining, equipment manufacturing, power generation, power distribution, power trading and consultancy enables it to de-risk its main business.

Robust financials and systems

Your Company has strong financial systems in place. It believes in prudent management of its financial resources and strives to reduce the cost of capital. It has robust financials leading to strong cash flows which are being progressively deployed in generating assets. Your Company has a strong balance sheet coupled with low gearing and healthy coverage ratios. As a result, your Company has been able to raise resources for its capital expansion projects at very competitive interest rates. Your Company has been accorded AAA (Triple A) rating for domestic loans & bonds from CRISIL, ICRA and CARE. There have been 'NIL Comments' from Comptroller and Auditor General of India (CAG) for 5 consecutive years.

Sound Corporate Governance

NTPC's Corporate Governance philosophy is based on conscience, openness, fairness, professionalism and accountability. These qualities are ingrained in its value system and are reflected in its policies, procedures and systems. Your Company not only believes in adopting best corporate governance systems but also in proactive inclusion of public interest in its corporate priorities and has developed extensive social outreach programmes.

Human Resources

Your Company has a highly talented team of committed professionals and has been able to induct, develop and retain the best talent. The commitment of the employees is also reflected in terms of financial parameters such as sales per employee, PAT per employee, value added per employee etc. which have improved over the years. We have a pool of ~25,000 employees creating value for the Company. Over the years, NTPC has been consistently ranked among the best employers in prestigious surveys. NTPC has a very low executive attrition rate.

RISKS, CONCERNS AND THEIR MANAGEMENT

Ambitious capacity addition program brings number of challenges for the Company. We recognize that risks are not only inherent to any business but are also dynamic in nature. We are also susceptible to certain risks arising out of various activities undertaken in the normal course of our business. We have adequate measures in place to overcome/manage these risks.

Your Company has an elaborate Enterprise Risk Management framework in place. An Executive Director level Committee namely "Enterprise Risk Management Committee (ERMC)" has been entrusted with the responsibility to identify and review the risks, formulate action plans and strategies to mitigate risks on short term as well as long term basis.

The ERMC meets every quarter to deliberate on strategies. The ERMC has identified 26 key risks out of which following 8 have been classified as the top risks for the Company:

- Inadequate fuel supply
- Difficulties in acquisition of land
- Delay in execution of projects
- Risks related to coal mining
- Risks pertaining to Hydro Projects
- Compliance of emission, ash utilization and regulatory norms
- Sustaining efficient plant operations
- Risk of not getting schedule

These areas are being regularly monitored through reporting of key performance indicators of identified risks. Exceptions with respect to risk assessment criteria are reported regularly to the Board of Directors. Four meetings of Enterprise Risk Management Committee were held during the financial year 2013-14.

For faster approval and implementation of the action plans formulated by the ERMC, risk responsibility centers have been identified as under:

➤ Primary Risk responsibility: Head of projects suggest risk mitigation measures and after approval of the action plans, implement the same.

➤ Secondary Risk responsibility: Executive Directors formulate action plan and support the process of approvals.

➤ Overall Risk responsibility: Functional Directors are responsible for driving timely approvals of ERMC recommendations and monitoring of action plans for risk mitigation.

COMPETITION

Due to the gap between demand and supply in the Indian power sector, there has generally been a stable market for power generation companies in India.

Government of India has taken several policy measures which have provided an enabling environment for private investors to participate in power sector. With the entry of private players in power sector, the competition is expected to intensify. However, your Company is geared to face any competition. With proven in house engineering capabilities built over the years and wide ranging experience of project execution and with long term PPAs of over 100000 MW in place, we are confident that we shall be able to retain our leadership position in the industry. Further, our high operational efficiency enables us to sell power at competitive prices and achieve savings. We believe that our monitoring and maintenance techniques offer us a competitive advantage in an industry where reliability and maintenance costs are a significant determinant of profitability.

The share of private sector capacity has increased to ~83 GW which is ~34% of the total installed capacity of the country as on March 31, 2014. However, approximately 1/3rd of the total private sector capacity is represented by RES having low capacity utilisation, the contribution of private sector to the generation was ~23% of total electricity generation in the financial year 2013-14.

Internal Control

To ensure regulatory and statutory compliance as well to provide highest level of corporate governance, your Company has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decision making which is being further reviewed to align it with changing business environment and speedier decision making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants in close co-ordination with the Company's own Internal Audit Department. Besides, the Company has two committees of the Board viz. Audit Committee and Committee on Management Controls to keep a close watch on compliance with Internal Control Systems.

A well defined internal control framework has been developed identifying key controls. The supervision of operational efficiency of designed key controls is done by Internal Audit. The framework provides elaborate system of checks and balances based on self assessment as well as audit of controls conducted by Internal Audit at process level. Gap Tracking report for operating efficiency of controls is reviewed by management regularly and action is taken to further strengthen the Internal Control System by further standardizing systems and procedures and implement process changes, wherever required, keeping in view the dynamic environment in which your Company is operating. The Internal Control Framework system presents a written assessment of effectiveness of Company's internal control over financial reporting by the process owners; project/office heads to facilitate certification by CEO and CFO and enhances reliability of assertion.

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis on Financial Statements is furnished below. Figures of previous year have been regrouped/ rearranged wherever necessary. Reference to Note(s) in the following paragraphs refers to the Notes to the Financial Statements for the year 2013-14 placed elsewhere in this report:

A Results from Operations

1 Total Revenue (Note 22 & 23)

		FY 2013-14	FY 2012-13	Change
	Units of electricity sold (MUs)	**217,434**	**215,922**	**1%**
	Revenue	Amount in ₹ Crore		
1	Energy sales (including electricity duty)	72,115.06	64,715.88	**11%**
2	Consultancy & other services	112.66	126.81	**-11%**
3	Energy internally consumed	83.39	76.73	**9%**
4	Interest from customers	131.48	432.60	**-70%**
5	Revenue recognized from deferred foreign currency fluctuation liability	1.56	3.52	**-56%**
6	Provisions written back	199.87	907.81	**-78%**
	Revenue from operations (gross)	**72,644.02**	**66,263.35**	**10%**
7	Less:- Electricity duty	625.09	526.31	**19%**
	Revenue from operations (net)	**72,018.93**	**65,737.04**	**10%**
8	Other income	2,688.89	3,118.77	**-14%**
	Total revenue	**74,707.82**	**68,855.81**	**8%**

The revenue of the Company comprises income from energy sales (net of electricity duty), consultancy and other services, interest earned on investments such as term deposits with banks, bonds (issued under One Time Settlement Scheme) and dividend income from subsidiary and joint venture companies and mutual funds. The total revenue for financial year 2013-14 is ₹ 74,707.82 crore as against ₹ 68,855.81 crore in the previous year registering an increase of 8%.

The major revenue comes from energy sales. The tariff for computing energy sales is determined in terms of Central Electricity Regulatory Commission Regulations as notified from time to time which are briefly discussed below:

Tariff for computation of Sale of Energy

The Central Electricity Regulatory Commission (CERC) has issued Tariff Regulations for the period 2009-14 - Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009. As per the Regulations, 2009, the tariff for supply of electricity comprises of two parts i.e. Capacity Charges for recovery of Annual Fixed Cost based on plant availability and Energy Charges for recovery of fuel cost. In addition, Regulations also provide for the recovery of certain miscellaneous charges. The CERC sets tariff for each stage of a station in accordance with the notified tariff regulations/norms.

Capacity Charges

The capacity charges are allowed to be recovered in full if plant availability is at least 85%. If the availability of the plant is lower than 85%, the capacity charges are recovered on a pro-rata basis based on normative parameters as specified in the said Regulations.

Energy Charges

Energy charges for the electricity sold are determined on the basis of landed cost of fuel applied on the quantity of fuel consumption derived on the basis of norms for heat rate, auxiliary power consumption, specific oil consumption etc.

Other Charges

Besides the capacity and energy charges, the other elements of tariff are:

- Cost of hedging in respect of interest and repayment of foreign currency loans and exchange rate fluctuations for the un-hedged portion of interest and repayment of foreign currency loans on a normative basis.
- The unscheduled interchange charge for the deviation in generation with respect to schedule, payable (or receivable) at rates linked to frequency prescribed in the regulation to bring grid discipline. The unscheduled interchange charge is payable (or receivable) at rates notified by the CERC from time to time.
- Deferred tax liability for the period upto 31.03.2009 on generation income is allowed to be recovered from the customers on materialization.

Each element of total revenue is discussed below:

Energy sales (including electricity duty)

Your Company sells electricity to bulk customers mainly, electricity utilities owned by State Governments as well as private discoms operating in States. Sale of electricity is made pursuant to long-term Power Purchase Agreements (PPAs) entered into with discoms.

Income from energy sales (including electricity duty) for the financial year 2013-14 was ₹ 72,115.06 crore which constituted 97% of the total revenue. The income from energy sales (including electricity duty) has increased by 11% over the previous year's income of ₹ 64,715.88 crore.

During the year, there is an increase in the commercial capacity by 1565 MW as detailed under:-

Project/Unit	Capacity (MW)	Commercial Operation Date
Ramagundum Solar PV	10	29.01.2014
Vindhyachal-IV Unit #2	500	27.03.2014
Rihand-III Unit #2	500	27.03.2014
Talcher Solar PV	10	28.03.2014
Mouda-I Unit #2	500	30.03.2014
Faridabad Solar PV	5	31.03.2014
Unchahar Solar PV	10	31.03.2014
Rajgarh Solar PV	30	31.03.2014
Total	**1565**	

Further, the commercial capacity of 3830 MW comprising Unit#1 of 500 MW of Farakka-III, Unit#2 & 3 of 660 MW each of Sipat-I, Unit#2 of 500 MW of Simhadri-II, Unit#1 of 500 MW of Rihand-III, Unit#1 of 500 MW of Vindhyachal-IV, Unit#1 of 500 MW of Mouda-I and 5 MW of Solar PV capacity each at Dadri and Andaman & Nicobar Islands which were declared under commercial operation during the financial year 2012-13, were available for the entire financial year 2013-14 as compared to part of financial year 2012-13.

For the financial year 2013-14, billing to the beneficiaries was done according to the final/provisional tariff orders issued by the CERC for the period 2009-14, in line with the Regulations, 2009, for all the stations except four stations (i.e. Talcher Thermal Power Station, Vindhyachal-IV Unit #2, Rihand-III Unit #2 and Mouda-I Unit #2). For these four stations, the billing was done on provisional basis (Note 22 (a)). The amount billed for the year ended March 31, 2014 on this basis is ₹ 68,704.03 crore.

In respect of Talcher Thermal Power Station, the final tariff order under Regulations, 2009 has been issued on May 15, 2014 and the effect for the same will be accounted for in the subsequent year.

In respect of stations for which the CERC has issued final tariff orders under the Regulations, 2009 and Renewable Energy Regulations, 2009, sales have been recognised at ₹ 66,209.42 crore after truing up capital expenditure to arrive at the capacity charges. For other stations, pending determination of station-wise final tariff by the CERC, sales have been provisionally recognized at ₹ 3,386.70 crore on the basis of principles enunciated in the Regulations, 2009 after truing up capital expenditure to arrive at the capacity charges (Note 22(b)).

Sales include ₹ 2,086.82 crore pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (Note 22 (c)).

Sales also include (-) ₹ 269.99 crore on account of income-tax recoverable from the beneficiaries as per Regulations, 2004 (Note 22 (d)).

As per Tariff Regulations 2009, the deferred tax liability for the period up to March 31, 2009 whenever it materializes shall be recoverable from the beneficiaries. Accordingly, sales also include ₹ 77.02 crore on account of deferred tax materialized which is recoverable from beneficiaries (Note 22 (d)).

Sales also include electricity duty on energy sales amounting to ₹ 625.09 crore. The same has been reduced from sales in the statement of profit and loss.

The average tariff for the financial year 2013-14 is ₹ 3.30/kWh as against ₹ 2.96/kWh in the previous year. The average tariff includes adjustments pertaining to previous years. If the impact of such adjustments were to be excluded, the average tariff would be ₹ 3.20/kWh in financial year 2013-14 as against ₹ 2.90/kWh in the previous year.

There has been 100% realization of the dues within the stipulated time frame for the eleventh year in succession. All the beneficiaries have opened and are maintaining Letter of Credit equal to or more than 105% of average monthly billing as per One-Time Settlement Scheme (OTSS). In order to ensure prompt and early payment of bills for supply of energy to beneficiaries, your Company has formulated a rebate scheme by way of providing graded incentive for early payment based on the bill(s) raised on state utilities who are the members of NTPC's rebate scheme.

Under OTSS, tri-partite agreements are valid up to October 31, 2016. For the period beyond October 2016, the supplies to state utilities shall be covered by an escrow arrangement. The supplementary agreements signed with all state utilities have a provision of keeping a first charge on their revenue streams for supplies made by your Company. Under the supplementary agreement, the state utilities have agreed to provide payment security through execution of the hypothecation agreement and the default escrow agreement. Further, this will be over and above the LC requirement of 105% of average monthly billing. Moreover, NTPC can resort to regulation/diversion of power supply to third party at the risk and cost of defaulting utilities in case of non-payment of dues.

Consultancy and other services

Accredited with an ISO 9001:2000 certification, the Consultancy Division of your Company undertakes consultancy and turnkey project contracts for domestic and international clients in the different phases of power plants viz. engineering, project management, construction management, operation and maintenance of power plants.

During the year, Consultancy Division posted an income of ₹ 105.38 crore as against ₹ 121.51 crore achieved in the last financial year. In the financial year 2013-14, it has recorded a profit after tax of ₹ 19.23 crore as against ₹ 24.52 crore in the last financial year. A total of 19 orders valued at ₹ 181.28 crore were secured by the division during the year.

Energy Internally Consumed

Energy internally consumed relates to own consumption of power for construction works at station(s), township power consumption, etc. It is valued at variable cost of generation and is shown in 'Revenue from Operations' with a debit to respective expense head under power charges. There is an increase of 9% in the value of energy internally consumed during the year over the previous year due to increase in fuel cost.

Interest from Customers

CERC Regulations provides that where after the truing-up, the tariff recovered is less than the tariff approved by the Commission, the Company shall recover from the beneficiaries the under recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ 131.48 crore has been recognised as Interest from customers.

Provisions written back

During the financial year 2013-14, the Company had written back provisions made in earlier years amounting to ₹ 199.87 crore in comparison to ₹ 907.81 crore (which included write-back of ₹ 835.97 crore on account of settlement of dues of erstwhile DESU) in the financial year 2012-13. Provision written back includes a write back of ₹ 162.56 crore on account of tariff adjustments during the financial year 2013-14.

Other Income (Note 23)

'Other income' mainly comprises interest income from bonds issued under One Time Settlement Scheme (OTSS), income from term deposits with banks, mutual funds, dividend on equity investment in subsidiary and joint venture companies and miscellaneous income.

'Other income' in financial year 2013-14 was ₹ 2,688.89 crore as compared to ₹ 3,118.77 crore in the financial year 2012-13. Broadly, the break-up of other income is as under:

₹ Crore

	FY 2013-14	FY 2012-13
Interest on OTSS bonds /Loan to State Government	409.39	555.44
Income from investment in bank term deposits, mutual funds	1,667.65	1,952.14
Dividend from JVs and Subsidiary Companies/Interest from Subsidiary Company	75.59	131.03
Income earned on other heads such as hire charges, profit on disposal of assets, etc.	642.21	555.20
Total	**2,794.84**	**3,193.81**
Less: Transfer to EDC/ development of coal mines	54.62	47.14
Less: Transfer to Deferred Foreign Currency Fluctuation asset/liability	51.33	27.90
Net other income	**2,688.89**	**3,118.77**

Interest income from OTSS bonds (including loan to State Government) for financial year 2013-14 is ₹ 409.39 crore as compared to ₹ 555.44 crore in financial year 2012-13. The reduction in interest income to the extent of ₹ 146.05 crore is due to redemption of OTSS bonds amounting to ₹ 1,622.46 crore and repayment of loan in lieu of settlement of dues to State Government amounting to ₹ 95.72 crore. The Company has earned income of ₹ 1,667.65 crore during the financial year 2013-14 on account of term deposits made in banks and investments in mutual funds as against ₹ 1,952.14 crore earned last year. The income from investment in bank term deposits and mutual funds has registered a decline of 15% from last financial year which is attributed to decrease in earnings on account of lower interest rates/dividends as well as decrease in average annual investment from ₹ 20,649 crore in financial year 2012-13 to ₹ 18,213 crore in financial year 2013-14.

We have earned ₹ 73.90 crore as dividend from our investments in joint venture companies. Further, ₹ 1.69 crore has been earned as interest from loan of ₹ 8.00 crore (as at March 31, 2014) extended to Kanti Bijlee Utpadan Nigam Limited, one of our subsidiary companies. Also, an amount of ₹ 642.21 crore has been earned from various other sources mainly consisting of sale of scrap ₹ 83.13 crore, surcharge received from customers ₹ 76.66 crore, interest on income tax refunds ₹ 74.01 crore, net gain in foreign currency transactions & translations of ₹ 51.33 crore, interest from contractors ₹ 44.57 crore, interest on loans to employees ₹ 30.67 crore and profit on redemption of current investments ₹ 28.53 crore and miscellaneous income of ₹ 215.31 crore etc.

2 Expenses (Note 24, 25 & 26)

2.1 Expenses related to operations

	FY 2013-14		FY 2012-13	
Commercial generation (MUs)	**232,996**		**230,993**	
Expenses	₹ Crore	₹ per kWh	₹ Crore	₹ per kWh
Fuel	45,829.71	1.97	41,018.25	1.78
Employee benefits expense	3,867.99	0.17	3,415.96	0.15
Generation, administration and other expense	4,543.85	0.19	4,235.68	0.18
Total	**54,241.55**	**2.33**	**48,669.89**	**2.11**

The expenditure incurred on fuel, employee benefits expense and generation, administration and other expenses for the financial year 2013-14 was ₹ 54,241.55 crore as against the expenditure of ₹ 48,669.89 crore incurred during the previous year. In terms of expenses per unit of power produced, it was ₹ 2.33 per unit in financial year 2013-14 as against ₹ 2.11 per unit in financial year 2012-13. Component-wise, there has been an increase in all the components i.e. fuel cost, employee benefits expense and generation, administration and other expenses. The increase in commercial generation due to commercial operation of new units i.e. units declared under commercial operations during the year as well as units declared under commercial operation during financial year 2012-13 which were under operation for part of the previous year as against under operation for full year during the current year has resulted in an additional operational expenditure of ₹ 2,662.84 crore.

A discussion on each of these components is given below:

2.1.1 Fuel

Expenditure on fuel constituted 85% of the total expenditure relating to operations. Expenditure on fuel was ₹ 45,829.71 crore in financial year 2013-14 in comparison to ₹ 41,018.25 crore in financial year 2012-13 representing an increase of about 12%. The break-up of fuel cost in percentage terms is as under:

	FY 2013-14	FY 2012-13
Fuel cost (₹ Crore)	**45,829.71**	**41,018.25**
	% break-up	
Coal	89%	80%
Gas	8%	15%
Oil	1%	1%
Naphtha	2%	4%

For the financial year 2013-14, the expenditure towards coal cost has increased, this is partly due to higher coal consumption on account of increase in coal based generation, partly due to higher average price of coal during the financial year 2013-14 as compared to previous year and also due to payment of disputed amount to subsidiary companies of Coal India Limited on settlement of disputes. A part of expenditure is also attributable to higher blending ratio of costlier imported coal.

As against the increase in average coal price, the average price of gas has decreased. However, the average price of other component of fuel cost i.e. oil and naphtha have also shown an increase during the financial year 2013-14 as compared to the prices of previous year.

An increase of ₹ 2,229.75 crore is attributable to new commercial capacity added during the year as well as on commercial capacity added during previous year which was operational for part of the previous year as compared to full year operations during the current year.

Over all, fuel cost per unit generated increased to ₹ 1.97 in financial year 2013-14 from ₹ 1.78 in financial year 2012-13.

Further, an amount of ₹ 1,055.14 crore is recognized as Contingent liability taking into account the settlements reached with subsidiary companies of CIL in respect of difference between the amount billed by the coal companies and the payment released by NTPC Ltd. (refer Notes 32 and 52(a)(iii)). The Company expects possible reimbursement of ₹ 1,055.14 crore against the Contingent liability in terms of CERC Regulations, 2009.

The power plants of the Company use coal and natural gas as the primary fuels. Oil is used as a secondary fuel for coal-fired plants and naphtha as an alternate fuel in gas-fired plants. Under the tariff norms set by the CERC, your Company is allowed to pass on fuel charges through the tariff, provided the Company meets certain operating parameters. The Company purchases coal under the long term coal supply agreements with subsidiaries of Coal India Limited (CIL) and with Singareni Collieries Company Limited (SCCL). Based on the revised model Coal Supply Agreement (CSA) signed with CIL on May 29, 2009, the Company has CSAs in place for all its units commissioned (23895 MW) before 31.03.2009. The CSAs are valid for 20 years and have a provision for review after every 5 years. The Annual Contracted Quantity (ACQ) under these CSAs signed with the subsidiary coal companies of CIL and with SCCL is 124.90 Million Metric Tonnes (MMT).

In respect of units commissioned after March 2009 and scheduled to be commissioned till March 2015, Model CSA was finalized between NTPC and CIL in June 2013 for the capacity of 14010 MW for an ACQ of 58.639 MMT for NTPC power stations as well as stations under Joint ventures and Subsidiary Companies. This included 9620 MW for NTPC's stations with an ACQ of 39.671 MMT and 4390 MW for stations under NTPC's Joint Ventures and Subsidiary Companies with an ACQ of 18.968 MMT. Subsequently, CSAs have been signed with subsidiary companies of CIL during July 2013 to September 2013.

In order to ensure uninterrupted supply of coal to its power stations, your Company during the financial year 2013-14 continued to source coal through bilateral arrangements as well as e-auctions.

The various bilateral agreements signed during the year are as under:-

(i) 3.50 MMT signed with SCCL, the negotiated price is at a premium of ₹ 1,026/MT over SCCL's revised notified price.

(ii) 0.30 MMT of "A" grade coal signed with North Eastern Coalfields Limited. This quantity is over and above the annual linkage quantity to Farakka at notified prices.

(iii) 5.0 MMT signed with Eastern Coalfields Limited. The negotiated coal price for this agreement is sum of grade-wise weighted average e-auction price for 2012-13 as base price plus statutory and other charges.

During the year 2013-14, your Company participated in 40 e-auctions announced by various coal subsidiaries of CIL. Against these e-auctions 4.762 MMT of coal was allotted to the Company.

In addition to these arrangements of procuring domestic coal, your Company is also having arrangements for procuring imported coal, to meet the shortfall in coal supply from domestic sources. Your Company has adopted multiple packaging concept for awarding imported coal contract based on geographical location of power stations by inviting bids under International Competitive Bidding basis. During the financial year 2013-14, award has been placed for 7.825 MMT of imported coal with the provision for a variation of (+/-) 10%.

During the financial year 2013-14, coal based stations consumed 158.57 MMT of coal as against 155.07 MMT consumed in the financial year 2012-13. This included 10.39 MMT of imported coal as compared to 9.23 MMT imported in financial year 2012-13.

Your Company sources gas domestically under an administered price mechanism regime. The main gas supplier is GAIL. Gas prices are fixed by the Ministry of Petroleum and Natural Gas (MoP&NG).

The Company has Gas Sales and Transmission Contracts with GAIL for supply of Administered Price Mechanism (APM) gas and Panna Mukta Tapti (PMT) gas to Anta, Auraiya, Dadri, Faridabad, Kawas & Gandhar for a combined quantity of 14.48 Million Metric Standard Cubic Meter per Day (MMSCMD). The validity of the APM gas agreements is upto July 6, 2021 while the PMT gas agreements are valid upto December 21, 2019. As per the terms of these agreements, the gas price is regulated in terms of the Government pricing orders issued from time to time. The present applicable price of APM/PMT gas (at APM price) inclusive of royalty is US$ 4.2/ MMBtu (Million Metric British Thermal Units) as per GoI order dated 31.05.2010. The total quantity of APM & PMT gas supplied during 2013-14 was around 2300 MMSCM (Million Metric Standard Cubic Meter).

A long term agreement has been signed by your Company with GAIL for supply of 2.0 MMSCMD RLNG on firm basis and 0.5 MMSCMD on fallback basis for the NCR stations viz. Anta, Auraiya, Dadri & Faridabad valid upto 2019. The price is as declared on a monthly basis by Petronet LNG Ltd. as per the directives of GoI on "Pooled Price" basis. Around 57 MMSCM of RLNG was supplied by GAIL during the year 2013-14 under this agreement.

Your Company has tied up GoI allocated 0.82 MMSCMD non-APM gas of ONGC (through GAIL) for Western Region stations (Kawas & Gandhar). The contract is valid till 17.11.2016. Around 154 MMSCM of non-APM gas was supplied by GAIL during the year 2013-14.

Further, in line with MoP&NG guidelines for "Clubbing/ diversion of gas between two or more power plants" and with the approval of Ministry of Power, NTPC entered into arrangement with GAIL for flexibility of diversion of APM/PMT and Non-APM gases between its gas stations in National Capital Region (NCR) and Western Region

(WR) on daily basis. The diversion commenced w.e.f. 26.06.2013. With the diversion of unutilized gas from NTPC's WR stations to NCR stations, additional 1.86 BUs (approx.) of electricity has been generated at NCR gas stations during financial year 2013-14.

Government of India has allocated 4.46 MMSCMD of KG D6 gas for NTPC's NCR stations viz. Anta, Auraiya, Dadri & Faridabad. Gas Supply & Purchase Agreements (GSPAs) have been signed with Reliance Industries Ltd. (RIL) and its JV partner Niko and BPEAL for the supply of 2.30 MMSCMD of this gas which was valid till March 2014.

The balance quantity could not be contracted due to various reasons attributable to RIL. The agreements were valid till 31.03.2014. RIL has forwarded a Term Sheet for supply of KG D6 gas beyond 31.03.2014 which is currently under discussion. EGOM / MOP&NG have given directive to RIL to supply gas as per sectoral priority basis. As per this priority, fertilizer and LPG sectors have been given higher priority above power sector. As the current level of gas production from KG D6 fields is not even adequate for fertilizer and LPG sector, no KG D6 gas is available for Power sector (including NTPC gas stations) since March 2013. The pricing of this gas is as decided by the Empowered Group of Ministers (EGOM) which at present is US$ 4.20 /MMBtu.

To meet the shortfall in supply of Gas, NTPC procures Spot RLNG on limited tender basis from domestic suppliers and on 'Single Offer' basis from public sector gas marketing companies. During the year 2013-14, twelve rounds of limited tendering and six rounds of Single Offer basis have been conducted. The approximate delivered price for these supplies ranged between US$ 16.96/MMBtu to US$ 26.19 /MMBtu across NTPC's gas based stations which has been off-taken strictly in the ascending order of prices. These RLNG supplies are being contracted on reasonable endeavour basis with no penalty on either party for short supply / short off take.

Your Company tied up approximately 1553 MMSCM of Spot RLNG during the year 2013-14 against which approximately 0.35 MMSCM was off-taken.

During the financial year 2013-14, 6.87 MMSCMD of gas was received, which includes 6.72 MMSCMD of APM/PMT/Non APM gas and 0.15 MMSCMD of Long Term RLNG. Gas received during 2012-13 was 10.67 MMSCMD.

Rajiv Gandhi Combined Cycle Power Project (RGCCPP), Kerala generates power on naphtha as no gas supply is available. Besides RGCCPP, other gas based stations also used naphtha depending upon the demand from customers and schedule from load dispatch centres. During the financial year 2013-14, 0.167 million MT of naphtha was consumed as against 0.267 million MT in the previous year.

2.1.2 Employees benefits expense (Note 24)

Employees' remuneration and benefits expenses include salaries and wages, bonuses, allowances, benefits, contribution to provident and other funds and welfare expenses.

Employees benefits expense have increased by 13% from ₹ 3,415.96 crore in financial year 2012-13 to ₹ 3,867.99 crore in financial year 2013-14. The increase is mainly due to implementation of defined contribution pension scheme effective from 01.01.2007. An amount of ₹ 346.56 crore is paid as additional contribution for the period from 01.01.2007 to 31.03.2013 (refer Note 24(c)) under the scheme.

Of the total increase in employees benefits expense, an increase of ₹ 160.65 crore is attributable to new commercial capacity added during the year as well as on commercial capacity added during previous year which was operational for part of the previous year as compared to full year operations during the current year.

In terms of expenses per unit of generation, it is ₹ 0.17 in financial year 2013-14 as compared to ₹ 0.15 in previous financial year. These expenses account for approximately 7% of operational expenditure in financial year 2013-14.

2.1.3 Generation, Administration and Other Expenses (Note 26)

Generation, administration and other expenses consist primarily of repair and maintenance of buildings, plant and machinery, power and water charges, security, insurance, training and recruitment expenses and expenses towards travel, communication and provisions. These expenses are approximately 8% of operational expenditure in financial year 2013-14. In absolute terms, these expenses increased to ₹ 4,543.85 crore in financial year 2013-14 from ₹ 4,235.68 crore in financial year 2012-13 registering a increase of 7%. In terms of expenses per unit of generation, it is ₹ 0.19 in financial year 2013-14 as compared to ₹ 0.18 in previous financial year. An increase of ₹ 272.44 crore is on account of new commercial capacity added during the year as well as on commercial capacity added during previous year which was operational for part of the previous year as compared to full year operations during the current year.

Repair & maintenance expenses constitute 41% of total generation, administration and other expenses and have increased to ₹ 1,853.18 crore from ₹ 1,767.88 crore in previous year, resulting in an increase of 5%.

In addition, there is an increase of 247% towards Load dispatch centre charges from ₹ 41.66 crore in financial year 2012-13 to ₹ 144.40 crore in financial year 2013-14. This is on account of fees and charges for Unified Load Dispatch & Communication Scheme in terms of CERC orders issued during the financial year 2013-14.

During the financial year 2013-14, the Company had made provisions amounting to ₹ 156.36 crore. This includes a provision of ₹ 121.32 crore towards tariff adjustments, ₹ 10.34 crore towards obsolescence in stores, ₹ 7.36 crore towards unfinished minimum work programme for oil and gas exploration, ₹ 6.63 crore towards unserviceable capital work-in-progress and ₹ 0.02 crore towards permanent diminution in the value of investment by the Company in one of its joint venture company i.e. National Power Exchange Limited.

2.2 Finance Costs (Note 25)

The finance costs for the financial year 2013-14 were ₹ 2,406.59 crore in comparison to ₹ 1,924.36 crore in financial year 2012-13. The details of interest and other borrowing costs are tabulated below:

₹ Crore

	FY 2013-14	FY 2012-13
Interest on:		
Borrowings	4,793.69	4,235.28
Others	26.23	73.14
Total interest	**4,819.92**	**4,308.42**
Other borrowing costs	153.56	114.57

₹ Crore

	FY 2013-14	FY 2012-13
Exchange differences regarded as adjustment to interest costs	-	(350.21)
Total	**4,973.48**	**4,072.78**
Less: Transfers to		
Expenditure during construction period	2,488.85	2,101.90
Development of coal mines	78.04	46.52
Net interest and Other borrowing costs	**2,406.59**	**1,924.36**

Interest on borrowings (including interest during construction) has increased by 13% over last financial year due to increase in long term borrowings (net of repayment) during the year by ₹ 9,023.92 crore. In addition, the average cost of borrowing has marginally increased to 7.8073% in financial year 2013-14 from 7.8008% in previous financial year. The marginal increase is on account of higher rate of interest on new borrowings.

The 'Other borrowing costs' have increased by 34% from ₹ 114.57 crore in financial year 2012-13 to ₹ 153.56 crore in financial year 2013-14. The increase is mainly due to export credit guarantee premium on new foreign currency borrowings and expenses made towards issuance of tax free bonds.

For the financial year 2013-14, an amount of ₹ 2,488.85 crore relating to finance costs of projects under construction was capitalized while the corresponding amount for the previous year was ₹ 2,101.90 crore. Thus, finance costs capitalized registered an increase of 18%. In addition ₹ 78.04 crore has been capitalized in respect of development of coal mines as against ₹ 46.52 crore in previous year.

2.3 Depreciation and amortization expense (Note 12)

The depreciation and amortization expense charged to the profit and loss account during the year was ₹ 4,142.19 crore as compared to ₹ 3,396.76 crore in financial year 2012-13, registering an increase of 22%. This is due to increase in the gross block by ₹ 13,746.36 crore i.e. from ₹ 1,03,245.70 crore in the previous financial year to ₹ 1,16,992.06 crore in the current financial year. The increase in gross block is largely on account of increase in commercial capacity by 1565 MW resulting in additional capitalization on account of commercial declaration of new units as detailed above under "Energy Sales". The depreciation on new units capitalized during the year is on pro-rata basis. Further, depreciation for Unit#1 of 500 MW of Farakka-III, Unit#2 & 3 of 660 MW each of Sipat-I, Unit#2 of 500 MW of Simhadri-II, Unit#1 of 500 MW of Rihand-III, Unit#1 of 500 MW of Vindhyachal-IV, Unit#1 of 500 MW of Mouda-I and 5 MW of Solar capacity each at Dadri and Andaman & Nicobar Islands has been charged for the entire financial year 2013-14 as against a pro-rata charge during the financial year 2012-13. The impact on depreciation on this account for the financial year 2013-14 is ₹ 511.26 crore.

As per the accounting policy of the Company, depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 in accordance with Section 616 (c) of the Companies Act, 1956 and depreciation on the assets of the coal mining, oil & gas exploration and consultancy business, is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956.

In case of certain assets, the Company has continued to charge higher depreciation based on technical assessment of useful life of those assets.

2.4 Prior Period Items (net)

Certain elements of income and expenditure have been charged to the profit and loss account relating to previous years. For the financial year 2013-14 a net amount of ₹ 12.84 crore was booked as prior period expense whereas in the financial year 2012-13 a net amount of ₹ 29.72 crore was accounted as prior period income.

3 Profit Before Tax & Exceptional items

The profit of the Company before tax and exceptional items is tabulated below:

₹ Crore

	FY 2013-14	FY 2012-13
Total revenue	74,707.82	68,855.81
Less:		
Expenditure related to operations	54,241.55	48,669.89
Finance cost	2,406.59	1,924.36
Depreciation and amortization expenses	4,142.19	3,396.76
Prior period items (net)	12.84	(29.72)
Profit Before Tax & Exceptional Items	**13,904.65**	**14,894.52**

4 Tax Expense

The Company provides for current tax and deferred tax computed in accordance with provisions of Income Tax Act, 1961.

Under Tariff Regulations, 2009, w.e.f. April 01, 2009, income tax is recoverable on normative basis as return on equity following the applicable rate of tax for respective year. The actual income tax liability, if any (more or less than the normative) is to be borne by the Company. Accordingly, provision for current tax has been computed at the applicable rate of 33.99% for the financial year 2013-14.

The deferred tax liability related to the period upto March 31, 2009 is recoverable from customers as and when the same materializes. However, the deferred tax liability/asset for the period after April 01, 2009 is to the account of the Company.

Provision for Current tax

A provision of ₹ 2,793.60 crore has been made towards current tax for the financial year 2013-14 as against the provision of ₹ 3,680.84 crore made in financial year 2012-13. The decrease in current tax of ₹ 887.24 crore is primarily on account of decrease in profit.

Provision for Deferred tax

The deferred tax liability arisen during the year on account of timing difference is ₹ 136.31 crore as against the provision of ₹ 278.40 crore made in financial year 2012-13, a decrease of ₹ 142.09 crore was due to lower capitalisation in financial year 2013-14 as compared to previous year.

	FY 2012-13 (₹ Crore)		
	Current tax	Deferred tax	Total
Provision for FY 2012-13	3,839.69	278.40	4,118.09
Adjust. for earlier years	(158.85)	-	(158.85)
Net prov. as per statement of P&L	3,680.84	278.40	3,959.24

	FY 2013-14 (₹ Crore)		
	Current tax	Deferred tax	Total
Provision for FY 2013-14	3,230.56	136.31	3,366.87
Adjust. for earlier years	(436.96)	-	(436.96)
Net prov. as per statement of P&L	2,793.60	136.31	2,929.91

Net provision of tax for the financial year 2013-14 was ₹ 2,929.91 crore in comparison to ₹ 3,959.24 crore in the financial year 2012-13, a decrease of ₹ 1,029.33 crore.

5 Profit After Tax

The profit of the Company after tax is tabulated below:

₹ Crore

	FY 2013-14	FY 2012-13
Profit Before Tax & Exceptional items	**13,904.65**	**14,894.52**
Exceptional Items (Income)	-	**1,684.11**
Less:- Tax expense	2,929.91	3,959.24
Profit After Tax	**10,974.74**	**12,619.39**

The profit after tax has declined by 13%.

6 Segment-wise Performance

For the purpose of compiling segment-wise results, the business of the Company is segregated into 'Generation' and 'Other Business'. The Company's principal business is generation and sale of bulk power. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.

The profit before unallocated corporate expenses/ other income, interest and taxes, in the generation business for the financial year 2013-14 was ₹ 14,974.80 crore as against ₹ 16,645.05 crore for financial year 2012-13. The profit before unallocated corporate expenses/ other income, interest and taxes from 'Other Business' represented by income from consultancy, coal mining and oil exploration was ₹ 16.23 crore for financial year 2013-14 as against ₹ 16.14 crore for the previous financial year. (Note 41)

B. Financial Position

The items of the Balance Sheet are as discussed under:

1 Net Worth

The net worth of the Company at the end of financial year 2013-14 increased to ₹ 85,815.32 crore from ₹ 80,387.51 crore in the previous year registering an increase of 7% due to retained earnings. Correspondingly, the book value per share also increased from ₹ 97.49 to ₹ 104.08.

2 Deferred Revenue

Deferred revenue (Note 4) consists of two items detailed as under:

₹ Crore

Deferred revenue on account of	As at March 31	
	2014	2013
Advance Against Depreciation (AAD)	692.55	708.60
Income from foreign currency fluctuation	917.33	535.45
Total	**1,609.88**	**1,244.05**

AAD was an element of tariff provided under the Tariff Regulations for the period 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. CERC Tariff Regulations, 2009, has discontinued with the provision relating to AAD. Keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Accordingly, the amount of AAD considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than corresponding depreciation charged in accounts. Thus, an amount of ₹ 16.05 crore has been recognized as sales during the year ended March 31, 2014.

Foreign Exchange Rate Variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of the ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans or interest thereon adjusted in the cost of fixed assets, which is recoverable from the customers in future years as provided in accounting policy no. L.3 (Note 1). This amount will be recognized as revenue corresponding to the depreciation charge in future years.

3 Non-Current and Current Liabilities

Details of non-current and current liabilities are discussed below:

a. Borrowings:

Total borrowings as at March 31, 2014 were ₹ 67,170.22 crore in comparison to ₹ 58,146.30 crore as at March 31, 2013. Current maturities out of long term borrowings have been shown under current liabilities. Details of the total borrowings are as under:

₹ Crore

	As at March 31	
	2014	2013
Long term borrowings in non-current liabilities (Note 5)	62,405.75	53,253.66
Current maturities of long term borrowings included in other current liabilities (Note 10)	4,764.47	4,892.64
Total borrowings	**67,170.22**	**58,146.30**

A summary of the borrowings outstanding is given below:

₹ Crore

	Non-current liabilities		Other current liabilities		Total borrowings		% Change
	2014	2013	2014	2013	2014	2013	
Secured							
Domestic Bonds	11,061.00	9,404.00	593.00	693.00	11,654.00	10,097.00	15%
Foreign currency term loans/ Notes	-	-	-	96.44	-	96.44	-100%
Others	-	0.05	0.05	0.22	0.05	0.27	-81%
Sub-total	**11,061.00**	**9,404.05**	**593.05**	**789.66**	**11,654.05**	**10,193.71**	**14%**
Unsecured							
Domestic Bonds*	1,250.00*	500.00**	-	-	1,250.00 *	500.00**	150%
Foreign currency term loans/ Notes	18,653.01	16,373.64	824.91	981.51	19,477.92	17,355.15	12%
Rupee term loans	31,379.36	26,975.45	3,346.08	3,121.36	34,725.44	30,096.81	15%
Others	62.38	0.52	0.43	0.11	62.81	0.63	-
Sub-total	**51,344.75**	**43,849.61**	**4,171.42**	**4,102.98**	**55,516.17**	**47,952.59**	**16%**
Total	**62,405.75**	**53,253.66**	**4,764.47**	**4,892.64**	**67,170.22**	**58,146.30**	**16%**

* Pending security creation as on 31.03.2014

** including application money. All figures rounded off to nearest ₹ Crore

As on 31.03.2014, the foreign currency loan basket comprises of loans denominated in US Dollar, Euro and Japanese Yen which contributed about 80%, 14% and 6% respectively in the total foreign currency loans.

Over the last financial year, total borrowings have increased by 16%. Debt amounting to ₹ 12,366.65 crore was raised during the year 2013-14. The amount raised through term loans, bonds and foreign currency borrowings was used for capital expenditure and refinancing. The Company has closed the public deposits scheme w.e.f. 11.05.2013. The domestic debt funds raised during the year included term loans amounting to ₹ 7,750.00 crore and bonds aggregating to ₹ 3,000.00 crore. Foreign Currency debt raised during 2013-14 was ₹1,554.36 crore. Details in respect of proceeds and repayment of borrowings are as under:

₹ Crore

Source	Debt raised & utilised	Repayment	Net
Term loan	7,750.00	3,121.37	4,628.63
Bonds	3,000.00	693.00	2,307.00
Foreign currency debts	1,554.36	1,178.79	375.57
Others (finance lease/ public deposits)	62.29	0.33	61.96
Total	**12,366.65**	**4,993.49**	**7,373.16**
FERV on foreign currency borrowings			1,650.76
Total			**9,023.92**

Banks and domestic financial institutions continued to show interest in extending term loans for financing the on-going capacity expansion plans. During the year, fresh agreements for term loans aggregating ₹ 5,775.00 crore were entered into with banks and financial institutions including two loan agreements of ₹ 2,000.00 crore each signed with Bank of India and IDFC Ltd. The cumulative amount of domestic loans tied up till 31st March 2014 is ₹ 63,174.35 crore (excluding undrawn loans short-closed as per the agreements). During the year, an amount of ₹ 7,750.00 crore was drawn from domestic banks and the cumulative drawl up to 31st March 2014 was ₹ 51,504.35 crore.

In pursuance of CBDT Notification No. 61/2013/F. No. 178/37/2013 – (ITA.I) dated 08.08.2013, Ministry of Finance allocated tax free bonds of ₹ 1,750.00 crore to the Company to be raised during financial year 2013-14. The Company made public issue of tax free bonds amounting to ₹ 1,750.00 crore during December 2013. Further, tax free bonds amounting to ₹ 500.00 crore was also issued on private placement basis in pursuance to CBDT Notification No. 11/2014 F.No. 178/9/2014-(ITA.1) dated 13.02.2014.

For the first time, taxable bonds amounting to ₹ 750.00 crore were issued directly on 'private placement basis' to Employees' Provident Fund Organisation, which invests through its fund managers. The total bonds issued during financial year 2013-14 aggregated to ₹ 3,000.00 crore.

During the financial year 2013-14, the Company raised USD equivalent 699 million through external commercial borrowings comprising of KfW loans for EUR 95 million, EUR 52 million and EUR 55 million and another loan from Japan Bank for International Cooperation (JBIC) loan for USD 350 million and JPY 8,021 million.

During the year, the Company also implemented framework of Exchange Risk Management Policy (ERMP) for managing exchange rate risk and/or interest rate risk associated with foreign exchange borrowings through various derivative instruments. The derivative contract (Currency Interest Rate Swap) outstanding as on 31.03.2014 stood at JPY 19.23 crore. (Note 49a)

Your Company has redeemed bonds amounting to ₹ 693.00 crore during the year. Repayments amounting to ₹ 3,121.36 crore were made under various term loans extended by Indian banks and financial institutions. Repayment of ₹ 1,178.79 crore was made during the year towards foreign currency loans. During the year public deposits and finance lease (net) for ₹ 0.33 crore were also discharged.

The Company continues to enjoy highest credit ratings for its bonds programme, borrowings from banks as well as fixed deposits. The rating assigned by CRISIL, ICRA and CARE for rupee bonds program as well as term loans continue to be 'CRISIL AAA', 'ICRA AAA (Stable)' and 'CARE AAA' respectively. The rating assigned by CRISIL for Company's fixed deposit schemes is 'FAAA'.

The Company's current foreign currency issuer ratings are at par with the sovereign ratings of India. The rating assigned by Fitch is 'BBB-/stable' while S&P has assigned 'BBB-/negative'.

The debt to equity ratio at the end of financial year 2013-14 of the Company increased to 0.78 from 0.72 at the end of the previous financial year. The Debt Service Coverage Ratio (DSCR) and Interest Service Coverage Ratio (ISCR) for financial year 2013-14 are 2.77 and 8.62 respectively.

Formula used for computation of coverage ratios DSCR = Earnings before Interest, Depreciation, Tax and Exceptional items/ (Interest net of transferred to expenditure during construction + Principal repayment) and ISCR = Earnings before Interest, Depreciation, Tax and Exceptional items/ (Interest net of transferred to expenditure during construction).

The maturity profile of the borrowings by the Company is as under:

₹ Crore

	Rupee Loans incl. Bonds & PDS	Foreign Currency Loans	Total
Within 1 year	3,939.56	824.91	4,764.47
2 – 3 years	9,318.71	4,394.42	13,757.66
4 – 5 years	10,295.24	2,908.25	13,185.90
6 – 10 years	18,176.28	9,937.49	28,086.83
Beyond 10 years	5,962.51	1,412.85	7,375.36
Total	**47,692.30**	**19,477.92**	**67,170.22**

b. Deferred Tax Liabilities (net):

Deferred tax liabilities (net) (Note 6) have increased from ₹ 915.30 crore as at 31.03.2013 to ₹ 1,051.61 crore as at 31.03.2014. These have increased mainly due to timing difference of depreciation and other expenses in accounts and as per allowability under the Income Tax Act.

c. Other Long Term Liabilities:

Other long term liabilities (Note 7) primarily consist of liabilities for capital expenditure and deferred foreign currency fluctuation liability. Liabilities for capital expenditure has increased from ₹ 1,825.87 crore as at 31.03.2013 to ₹ 2,353.46 crore as at 31.03.2014 mainly due to new projects going under construction. Liabilities for capital expenditure which are due for payment within 12 months from the reporting date have been classified under 'Other current liabilities' (Note 10).

Further, as per the opinion of the Expert Advisory Committee of the ICAI pronounced in earlier years, exchange differences on account of translation/settlement of foreign currency monetary items which are payable to the beneficiaries in subsequent periods as per CERC tariff regulations are accounted as 'Deferred foreign currency fluctuation liability'. Accordingly, an amount of ₹ 151.67 crore has been accounted towards the same upto 31.03.2014 in line with accounting policy no. L.3. (Note 1)

d. Long Term Provisions:

Long term provisions (Note 8) consist of amounts provided towards employees benefits as per actuarial valuation which are expected to be settled beyond a period of 12 months from the Balance Sheet date. Long term provision as at 31.03.2014 was ₹ 879.36 crore as compared to ₹ 739.92 crore as at 31.03.2013.

e. Current Liabilities:

The current liabilities as at March 31, 2014 were ₹ 25,279.80 crore as against ₹ 22,606.18 crore as at the end of previous year. The break-up of current liabilities is as under:

₹ Crore

	As at March 31		Y-o-Y Change	% Change
	2014	2013		
Trade payables (Note-9)	6,633.34	5,132.39	1,500.95	29%
Other current liabilities (Note-10)	11,343.86	10,469.25	874.61	8%
Short term provision (Note-11)	7,302.60	7,004.54	298.06	4%
Total	**25,279.80**	**22,606.18**	**2,673.62**	**12%**

The trade payables mainly comprise amount payable towards supply of goods & services, deposits & retention money from contractors. Trade payable has increased mainly on account of increase in fuel liabilities at some of the generating stations.

Other current liabilities mainly comprise current maturities of long term borrowings, payable towards capital expenditure and other statutory liabilities. The details of other current liabilities are as under:

₹ Crore

	As at March 31	
	2014	2013
Other current liabilities	11,343.86	10,469.25
Less: Current maturities of long term borrowings and Finance lease obligations	4,764.47	4,892.64
Other current liabilities (net)	6,579.39	5,576.61

Other current liabilities (net) include amount payable for capital expenditure, interest accrued but not due on borrowings, advances from customers and others, deposits from contractors, gratuity obligations, payables to employees, unpaid dividends etc. Other current liabilities (net) has increased mainly due to increase in payables for capital expenditure which has increased from ₹ 3,536.35 crore as on 31.03.2013 to ₹ 4,540.89 crore as on 31.03.2014.

Short-term provisions mainly consist of provisions for employee benefits, provision for proposed dividend and taxes thereon, provision for obligations incidental to land acquisition and provision for tariff adjustment. As at 31.03.2014, your Company had outstanding short term provisions of ₹ 7,302.60 crore as against ₹ 7,004.54 crore as at March 31, 2013. The increase is due to reasons discussed as under:

Provision for obligations incidental to land acquisition on 31.03.2014 has increased by ₹ 768.48 crore over the previous year i.e. from ₹ 2,053.94 crore as on 31.03.2013 to ₹ 2,822.42 crore as on 31.03.2014. There was lower provision for proposed final dividend & tax thereon for the year 2013-14 by ₹ 242.18 crore. Proposed final dividend recommended by the Board is 17.5% of paid up capital in 2013-14 as against 20% (including special dividend) in the previous financial year. The provision on above account for the financial year 2013-14 is ₹ 1,687.17 crore as against ₹ 1,929.35 crore in the previous financial year.

Provision for tariff adjustment was created in the books of accounts as a prudent and conservative policy in the year 2010-

11, to the extent of the impact of the issues challenged by CERC in Supreme Court on the APTEL's judgment. The Appeal is still pending for disposal and the CERC tariff orders are subject to the outcome of this appeal.

Accordingly, provision of ₹ 121.32 crore (previous year ₹ 166.35 crore) has been made during the year and in respect of some of the stations, an amount of ₹ 162.56 crore (previous year ₹ 63.11 crore) has been written back.

Other provisions include ₹ 53.64 crore (previous year ₹ 46.27crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) in relation to block AA-ONN-2003/2 [Refer Note 46 b) ii)] and ₹ 378.52 crore (previous year ₹ 200.84 crore) towards provision for litigation cases.

During the year, a defined pension scheme has been implemented effective from 1st January 2007. In terms of guidelines of the Department of Public Enterprises, a trust has been formed for administration of the pension scheme. An amount of ₹ 458.40 crore has been transferred from provision of employees benefits to the pension trust. Further, provision for employee benefits as at 31.03.2014 was restated as per actuarial valuation. Consequently, provision for employee benefits as at 31.03.2014 stood at ₹ 1,078.98 crore as against ₹ 1,423.64 crore as at 31.03.2013.

4 Fixed Assets

Fixed assets of the Company are detailed as under:

₹ Crore

	As at March 31		% Change
	2014	2013	
Tangible assets	116,610.59	102,876.14	13%
Intangible assets	381.47	369.56	3%
Total gross block	116,992.06	103,245.70	13%
Total net block	**72,110.83**	**62,936.10**	**15%**
Capital work-in-progress and Intangible assets under development	44,888.67	37,109.42	21%

During the year gross block of the Company increased by ₹ 13,746.36 crore over the previous year i.e. 13%. This was mainly on account of declaration of commercial operation of 1565 MW during 2013-14.

Correspondingly, net block has increased by 15%. Capital work in progress also increased by ₹ 7,779.25 crore (excluding capital advances which is shown as Long-term loans & advances in Note 15 of Balance Sheet) registering an increase of 21% over the last year.

5 Investments

Investments have been bifurcated into non-current investments and current investments and discussed accordingly:

₹ Crore

	As at March 31		% Change
	2014	2013	
Non-current investments (Note 14)	8,120.90	9,137.64	-11%
Current investments (Note 16)	1,636.96	1,622.46	1%
Total	**9,757.86**	**10,760.10**	**-9%**

Investments as at year end mainly consist of bonds issued under One Time Settlement Scheme (OTSS) and equity participation in subsidiary and joint ventures companies. Over the year, the investments decreased by about 9% mainly due to redemption of OTSS bonds. The outstanding OTSS bonds reduced by 33% while investment in subsidiary and joint ventures companies increased by 33% and 6% respectively. Broadly, the break-up of investments is as follows:

₹ Crore

	As at March 31	
	2014	2013
Bonds issued under One Time Settlement Scheme (OTSS Bonds)	3,288.42	4,910.88
Investments in Joint Ventures	5,102.04	4,823.46
Investment in Subsidiaries*	1,367.40	1,025.76
Total investments	**9,757.86**	**10,760.10**

* NHL with a cumulative net investment of ₹ 113.42 crore till 31.03.2013 merged in NTPC during the year 2013-14.

OTSS Bonds account for 34% of total investments at the end of financial year 2013-14. These bonds carry a 'call option' giving right to SEBs to redeem the bonds before scheduled redemption date. However, no call option was exercised by any SEB during the financial year 2013-14. During the year, OTSS Bonds of ₹ 1,622.46 crore were redeemed as per scheduled redemption.

Your Company invested (net) ₹ 278.58 crore in following joint venture companies during the year:

₹ Crore

Name of JV Companies	Amount
NTPC-Tamil Nadu Energy Company Ltd.	181.99
Aravali Power Company Private Ltd.	63.16
NTPC BHEL Power Projects Private Ltd.	25.00
Nabinagar Power Generating Company Private Ltd.	0.01
National High Power Test Laboratory Private Ltd.	3.82
Energy Efficiency Services Ltd. (withdrawal of application money)	(2.50)
Pan-Asian Renewables Private Ltd.	1.00
Bangladesh-India Friendship Power Co. Pvt. Ltd.	6.12
Total Investment	**278.60**
Less: Provision for diminution in value (NPEX)	0.02
Net Investment	**278.58**

The Company also invested (net) ₹ 341.64 crore in the following subsidiary companies:

₹ Crore

Name of subsidiary company	Amount
Kanti Bijlee Utpadan Nigam Ltd.	129.71
Bhartiya Rail Bijlee Company Ltd.	325.35
Total investment	**455.06**
NTPC Hydro Ltd. (merged with NTPC)	(113.42)
Net investment	**341.64**

6 Long Term Loans and Advances

Long term loans and advances (Note 15) include those loans and advances which are expected to be realized after a period of 12 months from Balance Sheet date. Total long term loans and advances as at 31.03.2014 were ₹ 12,776.22 crore as against ₹ 9,633.41 crore as at March 31, 2013. Long term loans and advances consist of advances for capital expenditure and other advances to contractors, security deposits and loans to employees. Long-term loans and advances have increased primarily due to increase in capital advances to contractors on account of construction of new projects. Capital advances in projects under construction has increased by ₹ 1,716.63 crore i.e. from ₹ 6,927.31 crore as on 31.03.2013 to ₹ 8,643.94 crore as on 31.03.2014. Additionally, advances to contractors & suppliers, including material issued on loan has increased from ₹ 65.58 crore to ₹ 607.52 crore mainly due to payment to railways for providing rail connectivity to be adjusted from future freight bills.

Long term loans and advances also include a loan of ₹ 143.59 crore (previous year ₹ 239.31 crore) to the Govt. of Delhi subsequent to conversion of the dues of erstwhile DESU under the One Time Settlement Scheme. The Govt. of Delhi pays 8.5% tax-free interest on this loan. Long-term loans and advances also include advance tax & tax deducted at source as reduced by provision for current tax.

As on 31.03.2014, amount of advance tax as reduced by provisions for current tax has also increased to ₹ 2,719.53 crore from ₹ 1,756.57 crore as on 31.03.2013.

7 Other Non-Current Assets

As per the opinion of the EAC of the ICAI (referred at para 3c above), exchange differences on account of translation of foreign currency borrowings which are recoverable from the beneficiaries in subsequent periods as per CERC tariff regulations are accounted as 'deferred foreign currency fluctuation asset'. Accordingly, an amount of ₹ 1,360.77 crore has been accounted under this head upto 31.03.2014 (Previous year ₹ 1,132.77 crore) (Note 15A). Deferred foreign currency fluctuation asset has increased due to overall depreciation in value of Indian Rupee vis-à-vis other currencies in loan basket with respect to operating stations.

Other non-current assets also include claims recoverable from Government of India amounting to ₹ 426.00 crore as on 31.03.2014 (previous year ₹ 894.72 crore comprising of ₹ 358.42 crore shown in 'other non-current assets' [Note 15A] and ₹ 536.30 crore shown in 'other current assets' [Note 21]) in respect of Lohari nagpala Hydro Power Project which has been discontinued on the advice of the Ministry of Power, GoI. An interim payment of ₹ 536.30 crore was received during the financial year 2013-14 and balance outstanding of ₹ 426.00 crore as on 31.03.2014 has been shown as claims recoverable in 'other non-current assets'. Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/ vendors for various packages for this project will be compensated in full by the GoI.

8 Current Assets

The current assets as at March 31, 2014 and March 31, 2013 and the changes therein are as follows:

₹ Crore

Current Assets	As at March 31		Y o Y Change	% Change
	2014	2013		
Current investments (Note 16)	1,636.96	1,622.46	14.50	1%
Inventories (Note 17)	5,373.35	4,057.19	1,316.16	32%
Trade receivables (Note 18)	5,220.08	5,365.00	(144.92)	-3%
Cash & bank balances (Note 19)	15,311.37	16,867.70	(1,556.33)	-9%
Short term loans & advances (Note 20)	3,117.08	1,745.57	1,371.51	79%
Other current assets (Note 21)	9,211.95	11,150.78	(1,938.83)	-17%
Total current assets	39,870.79	40,808.70	(937.91)	-2%

A major portion of current assets comprised cash and bank balances. As at March 31, 2014, cash and bank balances stood at ₹ 15,311.37 crore being 38% of the total current assets in comparison to ₹ 16,867.70 crore as at March 31, 2013 which was 41% of the total current assets as at that date. Of this, ₹ 15,141.30 crore was held as term deposits with banks as at March 31, 2014 as against ₹ 16,469.97 crore as at March 31, 2013.

Inventories

Inventories as at March 31, 2014 were ₹ 5,373.55 crore (being 13% of current assets) as against ₹ 4,057.19 crore as at March 31, 2013. Inventories mainly comprise stores and spares and coal which are maintained for operating plants. Stores and spares were ₹ 2,493.77 crore as against ₹ 2,210.19 crore in previous year end. Coal inventory increased from ₹ 885.62 crore as at 31.03.2013 to ₹ 1,957.45 crore as at 31.03.2014.

Trade Receivables

Trade receivables (net) as at 31.03.2014 are ₹ 5,220.08 crore as against ₹ 5,365.00 crore as at 31.03.2013. The trade receivables collection period as at 31.03.2014 is 26 days as against 30 days as at 31.03.2013.

Keeping in view the requirements of revised Schedule VI to the Companies Act, 1956, unbilled revenues are shown under 'Other current assets' in Note 21 of balance sheet.

Short term loans and advances

Short term loans and advances as at 31.03.2014 comprise of advances to contractors and suppliers including materials issued on loan, short term advances to employees, security deposits, loans and advances to subsidiary and joint venture companies etc. Short term loans and advances have increased from ₹ 1,745.57 crore as on 31.03.2013 to ₹ 3,117.08 crore as on 31.03.2014 mainly on account of increase in advances for coal (including deposit for e-auction coal) and security deposits.

Other Current Assets

Other current assets excluding unbilled revenue are as under:

₹ Crore

	As at March 31	
	2014	2013
Other current assets (as per Note 21)	9,211.95	11,150.78
Less: Unbilled revenue	6,646.93	5,624.27
Net Other current assets	2,565.02	5,526.51

Other current assets include interest accrued on OTSS Bonds, term deposits with banks, other deposits and claims recoverable. Claims recoverable has decreased from ₹ 4,418.99 crore as on 31.03.2013 to ₹ 1,743.26 crore as on 31.03.2014. Claims recoverable included ₹ 2,520.08 crore as on 31.03.2013 recoverable from Government of National Capital Territory of Delhi towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU) which were received in the financial year 2013-14. Claims recoverable as on 31.03.2013 also included ₹ 536.30 crore recoverable from Govt. of India towards the cost incurred in respect of Loharinag Pala Hydro Power Project which has been received during the financial year 2013-14.

Claims recoverable also include claims against railways ₹ 1,532.86 crore (previous year ₹ 1,147.69 crore).

Unbilled revenue of ₹ 6,646.93 crore (previous year ₹ 5,624.27 crore) is net of credits to be passed to beneficiaries at the time of billing and includes ₹ 7,069.70 crore (previous year ₹ 6,005.41 crore) being billed to the beneficiaries after 31st March for energy sales. (Note 21b)

9 Cash flows

Cash, cash equivalents and cash flows on various activities is given below:

₹ Crore

	FY 2013-14	FY 2012-13
Opening cash & cash equivalents	**16,867.70**	**16,141.83**
Net cash from operating activities	15,732.18	15,495.17
Net cash used in investing activities	(13,979.71)	(14,016.89)
Net cash flow from financing activities	(3,308.99)	(752.41)
Exchange difference arising from translation of foreign currency cash and cash equivalents	0.19	-
Change in cash and cash equivalents	(1,556.33)	725.87
Closing cash & cash equivalents	**15,311.37**	**16,867.70**

Net cash generated from operating activities was ₹ 15,732.18 crore during the year 2013-14 as compared to ₹ 15,495.17 crore in the previous year.

Net cash used in investing activities was ₹ 13,979.71 crore in financial year 2013-14 as compared to ₹ 14,016.89 crore in the previous year. Cash outflows on investing activities arise from expenditure on setting up power projects, investment of surplus cash in various securities, investments in joint ventures & subsidiaries and tax outflow on income from investing activities. Cash inflows arise from interest from banks and dividend income from joint ventures and subsidiaries and mutual funds. Cash invested on purchase of fixed assets increased from ₹ 16,296.65 crore in financial year 2012-13 to ₹ 16,739.70 crore in financial year 2013-14. During the year, there was purchase and sale of non-trade investments and redemption of OTSS Bonds. Cash flows from sale of investment (net of purchase of investment) was ₹ 1,622.46 crore.

During the year, the Company used net ₹ 3,308.99 crore of cash for servicing financing activities as against ₹ 752.41 crore in the previous year. During the financial year 2013-14 the Company had an inflow of ₹ 12,366.65 crore from long term borrowings as against ₹ 11,696.96 crore in the previous year. Cash used for repayment of long term borrowings during the financial year 2013-14 was ₹ 4,993.49 crore as against ₹ 4,434.52 crore repaid in the previous year. Cash used for paying dividend and the tax thereon during 2013-14 was ₹ 5,788.07 crore as compared to ₹ 4,068.78 crore in the previous year.

BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARY COMPANIES

Your Company has four subsidiary companies as at 31.03.2014 out of which two are wholly owned. During the year, Ministry of Corporate Affairs (MCA) has accorded approval for the Scheme of Amalgamation of NTPC Hydro Ltd. (NHL), a wholly owned subsidiary of NTPC Ltd. engaged in the business of setting up small hydro power projects, with NTPC Ltd. effective from 18.12.2013. As per the Scheme and order of MCA, all assets and liabilities of NHL have been transferred to and vested in the Company w.e.f. 01.04.2013. The Company followed 'Pooling of Interests Method' to reflect the amalgamation. Consequent to the amalgamation, the shares of NHL held by the Company were cancelled and all assets and liabilities of NHL became the assets and liabilities of the Company. Since NHL was a wholly owned subsidiary of the Company, no issue of shares or payment towards purchase consideration was made and no goodwill or capital reserve was recognised on amalgamation.

A summary of the financial performance of the subsidiary companies and the dividend received/proposed for the financial year 2013-14 from them based on their audited results is given below:

₹ Crore

	Company	NTPC's investment in equity	Total Income	Profit After Tax/ (Loss)	NTPC's share of dividend received/ proposed for 2013-14
1	NESCL	0.08	38.89	19.76	6.00
2	NVVN Limited	20.00	3,532.32	60.24	-
3	KBUNL	512.51 ##	162.15	(0.54)	-
4	BRBCL	834.81@	-	(0.07)	-
	Total	**1,367.40**	**3,733.36**	**79.39**	**6.00**

##includes share application money of ₹ 39.51 crore pending allotment;

@ includes share application money pending allotment of ₹ 60.66 crore.

The detailed financial statements of the subsidiaries are included elsewhere in this Annual Report. The performance of the four subsidiaries is briefly discussed here:

(a) NTPC Electric Supply Company Limited (NESCL)

The Company was formed on 21.08.2002 as a wholly owned subsidiary company of NTPC with an objective to make a foray in the business of distribution and supply of electrical energy as a sequel to reforms initiated in the power sector. NESCL is working broadly in the following areas:

- Implementation of turnkey projects under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY).
- Provision of supply of electricity in 5 Km area around NTPC power stations.
- Turnkey execution of sub-stations for utilities.
- Project management consultancy assignments.

- Retail distribution of power in various industrial parks developed by Kerala Industrial Infrastructure Development Corporation (KINFRA), SEZs and other industrial areas. For this purpose a Joint Venture company KINESCO power & utilities Pvt. Ltd has been formed.

Under RGGVY, NESCL is carrying out the implementation in 29 districts in 5 states (Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand and West Bengal). During the financial year 2013-14, 443 Un-electrified/De-electrified (UE/DE) villages have been energized and work of 1,429 partially electrified (PE) villages have been completed. Further, during the year, electricity connections have been provided to 24,742 Below Poverty Line (BPL) rural households.

The company is also involved in providing supply of electricity in 5 Km area around NTPC power plants under a Govt. of India scheme. Out of the eight awarded projects work has been completed in four projects in financial year 2013-14 and in the balance four projects it is expected to complete the work shortly.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	0.08	0.08
Total revenue	38.89	28.92
Profit /(Loss) After Tax	19.76	(24.59)
Earnings /(Loss) Per Share (Basic) (in ₹)	2,441.95	(3,038.77)

Joint venture of NESCL

KINESCO Power & Utility Pvt. Ltd. is a 50:50 JV Company of NESCL with KINFRA (Kerala Industrial Infrastructure Development Corporation) to take up retail distribution of power in various industrial parks developed by KINFRA in Kerala and other SEZs and industrial areas. The JV Company took over the operations from 01.02.2010. During the financial year 2013-14 total sale of energy is 65.00 MUs with sales of ₹ 40.06 crore.

As at 31.03.2014, the paid up share capital of the Company is ₹ 0.10 crore and ₹ 0.26 crore of share application money is pending for allotment. NESCL holds 50% of share capital amounting to ₹ 0.05 crore and entire ₹ 0.26 crore of share application money pending allotment.

(b) NTPC Vidyut Vyapar Nigam Limited (NVVN)

The Company was formed on 01.11.2002 as a wholly owned subsidiary company of NTPC with an objective to undertake business of sale and purchase of electric power. During the year 2013-14, the Company transacted business with various state electricity boards spread all over the Country and traded 9,322 MUs of electricity in comparison to 8,382 MUs traded in the previous year resulting in increase of 11% over the previous year.

NVVN is the designated nodal agency for purchase of grid connected solar power upto 1,000 MW as a part of phase-I (2009-2013) of Jawaharlal Nehru National Solar Mission (JNNSM) and for sale of such power to distribution utilities after bundling with equivalent megawatt of the unallocated power at the disposal of Govt. of India from NTPC's coal power stations. Till March 2014, 568 MW of solar PV capacity has been commissioned of which 518 MW capacity is solar PV and 50 MW is solar thermal.

During the year 2013-14, the company transacted solar energy with various discoms spread all over the Country and traded 4,390 MUs of solar bundled power in comparison to 1,595 MUs traded in previous year.

NVVN has also been designated as the Nodal Agency for cross border power trading with Bangladesh and Bhutan. In terms of PPA signed between NVVN and Bangladesh Power Development Board for 250 MW power allocated from NTPC stations, power supply to Bangladesh has commenced from 05.10.2013 and till March 2014, NVVN has supplied 861 MUs to Bangladesh.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	20.00	20.00
Total revenue	3,532.32	3,075.32
Profit /(Loss) After Tax	60.24	(34.84)
Earnings /(Loss)Per Share before exceptional items (Basic) (in ₹)	30.12	21.30
Earnings /(Loss)Per Share after exceptional items (Basic) (in ₹)	30.12	(17.42)

(c) Kanti Bijlee Utpadan Nigam Limited (KBUNL)

A Company named 'Vaishali Power Generating Company Ltd.' was incorporated on 06.09.2006 as a subsidiary of NTPC to take over Muzaffarpur Thermal Power Station (2 x 110 MW). The Company was rechristened as 'Kanti Bijlee Utpadan Nigam Limited' on 10.04.2008. The equity contribution in the Company as at 31.03.2014 is 65% by NTPC and 35 % by Bihar State Power Generation Co. Ltd. (BSPGCL).

Unit-1 of 110 MW is under operation w.e.f. 01.11.2013 after completion of renovation & modernization (R&M). R&M of Unit-2 of 110 MW is being carried-out by BHEL.

For expansion under stage II (2x195 MW), out of 31 packages, 28 packages have been awarded upto 31.03.2014. Boiler Hydro test of unit # 4 has been completed. TG erection of Unit # 4 has started on 30.09.2013.

Other financial highlights of the Company are given below:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity (incl share application money)	512.51	382.80
Total revenue	162.15	9.93
Profit /(Loss) After Tax	(0.54)	(12.90)
Earnings/(Loss) Per Share (Basic) (in ₹)	(0.01)	(0.25)

As at 31.03.2014, the paid up share capital of the Company is ₹ 727.69 crore and ₹ 71.46 crore of share application money is pending for allotment which includes ₹ 473.00 crore and ₹ 39.51 crore respectively as the share of NTPC Ltd.

(d) Bhartiya Rail Bijlee Company Limited (BRBCL)

BRBCL was incorporated as a subsidiary of NTPC on 22.11.2007 having equity participation of 74:26 by NTPC Ltd. and Ministry of Railways, Govt. of India respectively for setting up of 4 units of 250 MW each of coal based power plant at Nabinagar, district Aurangabad, Bihar.

The financial highlights of the Company are given below:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity (incl. share application money pending allotment)	834.81	509.46
Profit /(Loss) After Tax	(0.07)	(0.16)
Earnings /(Loss) Per Share (Basic) (in ₹)	(0.00)	(0.00)

As at 31.03.2014, the paid up share capital of the Company is ₹ 1,046.15 crore of which NTPC's share is ₹ 774.15 crore. Share application money pending allotment as on 31.03.2014 is ₹ 60.66 crore which entirely pertains to NTPC.

BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES

Your Company has interests in the following joint venture companies. Proportion of ownership, financial performance of the companies during the year and the dividend received/ proposed for the financial year 2013-14 from them based on results are given below:

₹ Crore

Sl	Company	NTPC's interest (Ex. Share application Money) (%)	NTPC's investment in equity	Total Income	Profit After Tax/ (Loss)	NTPC's share of Dividend received/ proposed for 2013-14
1	Utility Powertech Ltd.	50	1.00 @	501.04	20.71	7.00
2	NTPC-SAIL Power Company Private Ltd.	50	490.25	1,766.99	246.59	43.14
3	NTPC Alstom Power services Private Ltd.	50	3.00	35.13	1.85	0.47
4	NTPC Tamil Nadu Energy Company Ltd.	50	1,325.60~	1,510.02	(25.32)	-
5	Ratnagiri Gas And Power Private Ltd.	32.86	974.30	2,216.34	112.05	-
6	Aravali Power Company Private Ltd.	50	1,271.68 @@	3,498.48	372.73	-
7	NTPC-SCCL Global Venture Pvt. Ltd.	50	0.05	0.009	0.004	-
8	Meja Urja Nigam Private Ltd.	50	412.43	-	(0.05)	-
9	NTPC BHEL Power Projects Private Ltd.	50	50.00	85.83	10.05	-
10	BF-NTPC Energy Systems Ltd.	49	5.88	0.001	(0.58)	-
11	Nabinagar Power Generating Company Private Ltd.	50	470.13	-	$	-
12	National Power Exchange Ltd.	16.67	2.19#	0.67	(0.05)	-
13	International Coal Ventures Private. Ltd.	14.28	1.40	-	-	-
14	National High Power Test Laboratory Private. Ltd.	20	14.88	-	-	-
15	Energy Efficiency Services Ltd.	25	22.50	33.57	3.35	-
16	Transformers & Electricals Kerala Ltd.	44.60	31.34	170.00	0.35	-
17	CIL NTPC Urja Private Ltd.	50	0.08 $$	-	(0.002)	-
18	Anushakti Vidhyut Nigam Ltd.	49	0.05	0.003	(0.003)	-
19	Trincomalee Power Company Limited, Srilanka	50	6.72	1.28	(2.54)	-
20	Pan Asian Renewables Private Ltd.	50	1.50	0.08	(1.04)	-
21	Bangladesh –India Friendship Power Company Private Ltd.	50	6.12	-	-	-

@ excluding ₹ 1 crore equity issued as fully paid bonus shares

~ including share application moeny pending allotment of ₹ 59.99 crore

@@ including share application money pending allotment of ₹ 14.17 crore

$ Loss of ₹ 1500/-

provision for permanent diminution of ₹ 1.06 crore made against investment in NPEX

$$ including share application money pending for allotment of ₹ 0.05 crore

As may be seen, out of the 21 joint venture companies, 9 companies listed at Sl. No 1 to 6, 9, 15 and 16 are operational with 8 of them registered an aggregate profit of ₹ 767.68 crore and balance 1 company (NTECL) has suffered a loss of ₹ 25.32 crore in the current financial year.

a) Utility Powertech Limited (UPL)

UPL is a 50:50 joint venture company of NTPC and Reliance Infrastructure Limited formed to take up assignments of construction, erection and supervision in power sector and other sectors in India and abroad as well as to provide man power to power, telecom and other sectors.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	1.00	1.00
Total revenue	501.04	438.93
Profit /(Loss) After Tax	20.71	15.94
Earnings /(Loss) Per Share (Basic) (in ₹)	51.77	39.86

As at 31.03.2014, the paid up share capital of the Company is ₹ 4.00 crore. NTPC has a share of ₹ 2.00 crore in the paid up share capital which includes ₹ 1.00 crore of bonus share allotted in the earlier years.

For the financial year 2013-14, the company has paid interim dividend of ₹ 5.00 crore and also proposed a final dividend of ₹ 9.00 crore. NTPC's share of total dividend is ₹ 7.00 crore.

b) NTPC-SAIL Power Company Pvt. Limited (NSPCL)

NSPCL, a 50:50 joint venture company of NTPC and SAIL was incorporated on 08.02.1999 for running the captive power plants of SAIL at Durgapur, Rourkela and Bhilai.

NSPCL owns and operates a capacity of 814 MW mostly as captive power plants for SAIL's steel manufacturing facilities located at Durgapur, Rourkela and Bhilai. During the year 2013-14, captive power plants (314 MW) of NSPCL recorded generation of 2,529 MUs at 91.94% PLF. Further, Bhilai Expansion (2X250MW) achieved 82.81% PLF and generated 3,627 MUs.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	490.25	490.25
Total revenue	1,766.99	1,898.00
Profit /(Loss) After Tax	246.59	248.06
Earnings /(Loss) Per Share (Basic) (in ₹)	2.51	2.56

As at 31.03.2014, the paid up share capital of the Company is ₹ 980.50 crore and out of this, 50% has been contributed by NTPC Ltd.

NSPCL has recommended a dividend of ₹ 86.28 crore of which NTPC's share is ₹ 43.14 crore.

c) NTPC-ALSTOM Power Services Private Limited (NASL)

NASL is a 50:50 joint venture company between NTPC Limited and Alstom Power Systems GmbH, Germany. The Company was formed on 27.09.1999 for taking up Renovation & Modernization assignments of power plants both in India and SAARC countries. Besides the above business segment the Company has ventured into other areas such as BOP services, project management services, electrical substations, plant assessment studies and O&M services.

During the year 2013-14, the Company has received orders to the tune of ₹ 49.39 crore and has posted revenue from operations of ₹ 32.15 crore.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	3.00	3.00
Total revenue	35.13	70.06
Profit /(Loss) After Tax	1.85	2.32
Earnings /(Loss) Per Share (Basic) (in ₹)	3.08	3.86

As at 31.03.2014, the paid up share capital of the Company is ₹ 6.00 crore with 50% being contributed by your Company. The Company proposed the final dividend of ₹ 0.93 crore for the year 2013-14 of which NTPC's share is ₹ 0.47 crore.

d) NTPC Tamil Nadu Energy Company Limited (NTECL)

NTECL Ltd. was formed as a 50:50 joint venture between NTPC and Tamilnadu Generation and Distribution Company (TANGEDCO) on 25.05.2003 to develop and operate 1500 MW power project at Vallur. The project is named as Vallur Thermal Power Project and is using facilities of Kamarajar Port (earlier known as Ennore Port Ltd.) for coal receipt and common facilities of NCTPS for water requirement.

Unit-I (500 MW) of the project was commissioned on 28.03.2012 and declared commercial on 29.11.2012. Unit- II (500 MW) was commissioned on 28.02.2013 and declared commercial on 25.08.2013. Unit- III (500 MW) of the project was commissioned on 28.02.2014 and is yet to be declared commercial. For the year 2013-14, gross generation and commercial generation for the station was 3,978 MUs and 3,810 MUs respectively.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity (incl. share application money pending allotment)	1,325.60	1,143.61
Total revenue	1,510.02	302.26
Profit /(Loss) After Tax	(25.32)	(49.98)
Earnings /(Loss)Per Share (Basic) (in ₹)	(0.11)	(0.27)

The paid up share capital of the Company is ₹ 2,531.21 crore and out of this, 50% had been contributed by NTPC Ltd. Further, as at 31.03.2014, the amount of share application money pending for allotment is ₹ 119.99 crore out of which ₹ 59.99 crore pertains to NTPC.

e) Ratnagiri Gas and Power Pvt. Limited (RGPPL)

RGPPL was formed in July 2005 as joint venture between NTPC and GAIL as promoters and MSEB Holding Co. Ltd. and Indian Financial Institutions as other equity participants for taking over and operating erstwhile Dabhol Power Project assets consisting of 1967 MW gas based combined cycle power block and 5 MMTPA LNG block. As on 31.03.2014, the shareholding of JV partners is as under:

JV Partner	% holding in equity
NTPC	32.86%
GAIL	32.86%
MSEB Holding Co. Ltd	17.41%
Indian Financial Institutions	16.87%

The beneficiaries of the power block are Maharashtra (95%), Daman & Diu (2%), Dadra & Nagar Haveli (2%) and Goa (1%).

The power block, spearheaded by NTPC, has been fully revived and under commercial operation since 19.05.2009. During financial year 2013-14, the power block operated at 8.74% PLF due to inconsistent domestic gas supply from KG-D6 basin and no schedule from the beneficiaries on alternative fuel, RLNG. RGPPL has trade receivables of ₹ 1,375.03 crore (provisional and unaudited) as on 31.03.2014. The Company has taken up with GoI for making available the required quantum of domestic gas as a long term viable solution for the project.

The LNG terminal commenced regasification operations in January 2013 and is under commercial operation w.e.f. 22.05.2013.

RGPPL has entered long term agreement with GAIL for commercial utilization of the terminal and tolling operations. A total of 9 cargoes were successfully received at LNG terminal during the financial year 2013-14.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	974.30	974.30
Total revenue	2,216.34	2,289.51
Profit /(Loss) After Tax	112.05	(375.33)
Earnings /(Loss) Per Share (Basic) (in ₹)	0.38	(1.43)

As at 31.03.2014, the paid up share capital of the Company is ₹ 2,964.90 crore and out of this, NTPC's share contribution is ₹ 974.30 crore.

f) Aravali Power Company Private Limited (APCPL)

APCPL (A joint venture company of NTPC Ltd., Indraprastha Power Generation Co. Ltd. [IPGCL] of Delhi Govt. and Haryana Power Generation Corp. Ltd. [HPGCL] of Haryana Govt. has set up Indira Gandhi Super Thermal Power Project of 1500 MW (3x500 MW), coal fired power plant, in Jhajjar District of Haryana.

All the three units i.e. Unit-I, Unit-II and Unit-III of the plant are under commercial operation w.e.f. from 05.03.2011, 21.04.2012 and 26.04.2013 respectively.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity (incl. share application money pending allotment)	1,271.68	1,208.52
Total revenue	3,498.48	2,776.87
Profit /(Loss) After Tax	372.73	177.72
Earnings /(Loss)Per Share (Basic) (in ₹)	1.59	0.78

As on 31.03.2014, the paid up capital of the Company is ₹ 2,515.02 crore with 50% being contributed by NTPC Ltd. Further, as on 31.03.2014, the amount of share application money pending for allotment is ₹ 29.50 crore out of which NTPC's share is ₹ 14.17 crore

g) NTPC-SCCL Global Venture Pvt. Ltd (NSGVPL)

NTPC Limited along with Singareni Collieries Company Limited formed a 50:50 joint venture company under the name 'NTPC-SCCL Global Ventures Private Limited' on 31.07.2007 to undertake various activities in coal and power sectors including acquisition of coal/lignite mine blocks, development and operation of integrated coal based power plants and providing consultancy services. Both NTPC and SCCL hold 50% equity each.

As at 31.03.2014, the paid up share capital of the Company is ₹ 0.10 crore, out of which 50% has been contributed by your Company.

h) Meja Urja Nigam Private Limited (MUNPL)

This JV Company was formed with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) on 02.04.2008 for setting up a power plant of 1320 MW (2X660 MW) at Meja Tehsil in Allahabad district in the state of Uttar Pradesh. At present both units are under construction.

As at 31.03.2014, the paid up share capital of the Company is ₹ 824.86 crore and out of this, 50% has been contributed by NTPC Ltd.

i) NTPC BHEL Power Projects Pvt. Ltd. (NBPPL)

NBPPL was formed on 28.04.2008 as a JV Company with Bharat Heavy Electrical Ltd (BHEL) for carrying out Engineering Procurement and Construction (EPC) activities in the power sector and to engage in manufacturing and supply of equipment for power plants and other infrastructure projects in India and abroad.

NBPPL has currently 4 EPC orders under execution - Palatana 2×363.3 MW Combined Cycle Power Plant, Namrup 1×100 MW Combined Cycle Power Plant, Monarchak 1×100 MW Combined Cycle Power Plant and 1x 500 MW Thermal Power Plant at Unchahar. NBPPL is setting up a manufacturing plant at Mannavaram (Andhra Pradesh) for CHP & AHP.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	50.00	25.00
Total revenue	85.83	114.66
Profit /(Loss) After Tax	10.05	5.66
Earnings /(Loss) Per Share (Basic) (in ₹)	1.14	1.13

As at 31.03.2014, the paid up share capital of the Company is ₹ 100.00 crore, out of this, 50% has been contributed by your Company.

j) BF-NTPC Energy Systems Limited (BFNESL)

BF-NTPC Energy Systems Limited was formed on 19.06.2008 with Bharat Forge Limited to establish a facility to take up manufacturing of castings, forgings, fittings and high pressure piping required for power projects and other industries, Balance of Plant (BoP) equipment for the power sector including technological/ strategic tie-ups.

As at 31.03.2014, the paid up share capital of the Company is ₹ 12.00 crore with 49% i.e. ₹ 5.88 crore being contributed by NTPC Ltd.

k) Nabinagar Power Generating Company Private Limited (NPGCL)

'Nabinagar Power Generating Company Private Limited' was incorporated as a JV Company on 09.09.2008 with equal equity contribution from erstwhile Bihar State Electricity Board (now Bihar State Power Generation Company Ltd.) for setting-up of a coal based power project at New Nabinagar in district Aurangabad of State of Bihar. The project will have a capacity of 1980 MW (3X660 MW). The Company will also undertake operation & maintenance of the project after its commissioning.

As at 31.03.2014, the paid up share capital of the Company is ₹ 940.25 crore of which NTPC has contributed ₹ 470.13 crore.

l) National Power Exchange Limited (NPEX)

NPEX was incorporated as a JV Company with NHPC Ltd., Power Finance Corporation Ltd. and Tata Consultancy Services Ltd. on 11.12.2008 to set up and operate a power exchange at national level.

Keeping in view the change in market scenario and the fact that NTPC's objective of joining NPEX has not been achieved so far, Board of Directors of NTPC in its 388th meeting held on 01.11.2012 approved the proposal of NTPC's exit from NPEX. The decision of NTPC to exit from NPEX has been communicated to other promoters of NPEX. In view of above, provision towards permanent diminution, in the value of Company's investment amounting to ₹ 1.06 crore has been made in the books of accounts of NTPC. Subsequently, CERC has also withdrawn the permission for power trading in April 2014.

As on 31.03.2014, the Company has paid-up share capital of ₹ 13.13 crore of which NTPC has contributed ₹2.19 crore.

m) International Coal Ventures Private Limited (ICVL)

A JV Company was incorporated on 20.05.2009 under the name 'International Coal Ventures Private Limited' (ICVL) in association with Steel Authority of India (SAIL), Coal India Limited (CIL), Rashtriya Ispat Nigam Limited (RINL) and NMDC Limited (NMDC). SAIL, CIL, RINL, NMDC and NTPC shall contribute in the equity share capital of the Company in the ratio of 2:2:1:1:1 respectively.

The Board of Directors of NTPC Ltd., in their meeting on 27.01.2012, decided to exit out of ICVL since other JV Partners are interested in scouting opportunities for procurement of metallurgical coal and not thermal coal. The withdrawal process would commence after the approval of the cabinet which is being pursued by ICVL.

As at 31.03.2014, the paid up share capital of the Company is ₹ 9.80 crore in which NTPC's contribution is ₹ 1.40 crore. The Company also has share application money pending allotment of ₹ 12.30 crore which pertains to other JV partners.

n) National High Power Test Laboratory Private Limited (NHPTL)

NTPC had formed a JV Company on 22.05.2009 under the name 'National High Power Test Laboratory Private Limited' in association with NHPC Limited, Power Grid Corporation of India Limited and Damodar Valley Corporation. On 24.02.2012, Central Power Research Institute was formally inducted as fifth equity JV partner. All JV partners will contribute equally to the share capital of the Company. The Company has been incorporated for setting up an On-line High Power Test Laboratory for short-circuits test facility in the Country.

As at 31.03.2014, the paid up share capital of the Company is ₹ 74.38 crore which includes ₹ 14.88 crore being NTPC's share.

o) Energy Efficiency Services Limited (EESL)

EESL was formed on 10.12.2009 to carry on and promote the business of energy efficiency and climate change including manufacture and supply of energy efficiency services and products. NTPC, PFC, PGCIL and REC hold shares in the equity share capital of the Company equally. Different energy efficiency improvement related works like replacement of agricultural pumps, report under Perform, Achieve and Trade (PAT) Scheme are being taken up by the Company.

The financial highlights of the Company are as under:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity (*incl. share application money pending allotment)	22.50	25.00*
Total revenue	33.57	26.34
Profit /(Loss) After Tax	3.35	6.34
Earnings /(Loss)Per Share (Basic) (in ₹)	0.37	16.11

As at 31.03.2014, paid up share capital of the Company is ₹ 90.00 crore of which ₹ 22.50 crore has been contributed by NTPC.

p) Transformers and Electricals Kerala Limited (TELK)

In the year 2007, NTPC Ltd. joined hands with Government of Kerala for strategic acquisition of 44.60% stake in TELK at a total value of ₹ 31.34 crore.

Subsequent to this acquisition, NTPC brought its system and procedures in the work culture of TELK, carried out financial restructuring and injected a new lease of life in the company. The efforts started showing positive results and today TELK is a zero debt, dividend paying company with a positive net worth of ₹117.94 crore. TELK has regained its financial health and retained its technical edge for producing best quality transformers in the Country and is now looking optimistically at higher technology space in 765kV voltage levels.

During financial year 2013-14, TELK managed to remain healthy and profitable and finished the year with production of 4577.22 MVA, thereby registering a full plant capacity utilization.

The financial highlights of the Company are:

₹ Crore

Particulars	FY 2013-14	FY 2012-13
NTPC's investment in equity	31.34	31.34
Total revenue	170.00	154.46
Profit /(Loss) After Tax	0.35	1.59
Earnings /(Loss)Per Share (Basic) (in ₹)	0.08	0.37

q) CIL NTPC Urja Private Limited (CNUPL)

CIL NTPC Urja Private Limited was formed as a joint venture Company between NTPC Ltd. and Coal India Limited (CIL) on 24.04.2010.

This Company has been formed with the aim of undertaking the development, operation & maintenance of coal blocks at Brahmini and Chichro Patsimal in Jharkhand and integrated coal based power plants.

MOC vide its communication dated 14.06.2011, de-allocated Brahmini & Chichro-Patsimal coal blocks from the JV Company. MOC vide letter dated 21.06.2012 has tentatively assigned these coal blocks to CIL and asked to submit the timeframe in which these blocks will be brought into production. NTPC is pursuing with the Ministry of Power for reallocation of coal blocks to the JV Company or NTPC.

As on 31.03.2014, paid up capital is ₹ 0.05 crore of which NTPC shareholding is 50%. NTPC's share application money pending allotment as on 31.03.2014 is ₹ 0.05 crore.

r) Anushakti Vidhyut Nigam Limited (ASHVINI)

Ashvini has been incorporated as a Joint Venture Company between NTPC Limited (NTPC) and Nuclear Power Corporation of India Limited (NPCIL) on 27.01.2011. NPCIL and NTPC would hold 51% and 49% of the equity share capital respectively. The Company has been formed for the purpose of development of nuclear power projects in the Country within the framework of Atomic Energy Act, 1962.

The JV Company proposes to establish 2x700 MW capacity of PHWR based nuclear reactor at Hisar in Haryana subject to amendment in Atomic energy Act, 1962.

As on 31.03.2014, Company has a paid up capital of ₹ 0.10 crore and NTPC has released ₹ 0.05 crore as initial equity contribution.

s) Trincomalee Power Company Limited

A Joint Venture Company between your Company and Ceylon Electricity Board, Sri Lanka (CEB) was incorporated in Sri Lanka on 26.09.2011 under the name 'Trincomalee Power Company Limited'. Both NTPC and CEB hold 50% each of the equity share capital of the Company. The joint venture Company has been formed to set up a 2X250MW coal based power project in Trincomalee region in Sri Lanka.

Power Purchase Agreement, Implementation Agreement, Coal Supply Agreement, Land Lease Agreement & Board of Investment Agreements have been signed on October 07, 2013 for project implementation.

The authorised share capital and paid-up capital of the Company is Sri Lankan Rupees 300 million, subscribed equally by NTPC Limited and CEB. NTPC's contribution in paid up share capital in INR is ₹ 6.72 crore.

t) Pan-Asian Renewables Private Limited

A joint venture company amongst NTPC Limited, Asian Development Bank (ADB) and Kyuden International Corporation, a wholly owned subsidiary of Kyushu Electric Power Company Inc. (Kyushu) was incorporated on 14.10.2011 under the name 'Pan-Asian Renewables Private Limited'. NTPC, ADB and Kyushu will contribute in the ratio of 50:25:25 in the equity share capital of the Company. The Company has been incorporated to develop renewable energy projects.

As on 31.03.2014, the paid up share capital of the Company is ₹ 3.00 crore. NTPC's contribution in paid-up share capital is ₹ 1.50 crore.

u) Bangladesh-India Friendship Power Company Pvt. Limited (BIFPCL)

A Joint Venture Company between NTPC and Bangladesh Power Development Board, Bangladesh (BPDB) was incorporated in Dhaka on 31.10.2012 under the name 'Bangladesh-India Friendship Power Company (Pvt.) Limited'. Both NTPC and BPDB will hold 50% each of the equity share capital of the Company. The Joint Venture Company has been formed to develop and operate coal based power project(s) in Bangladesh.

Feasibility report has been prepared for a 1320 MW imported coal based power project in Rampal area of Khulna Region of Bangladesh. Power Purchase Agreement (between BIFPCL and BPDB) and implementation agreement (between BIFPCL and Govt. of Bangladesh) for the Khulna power project have been signed by BIFPCL on 20.04.2013 in Dhaka.

The authorized share capital of the company is Bangladesh Taka 400 million (equivalent to ₹ 27.50 crore approximately). The paid up capital of the company as on 31.03.2014 is ₹ 12.37 crore of which 50% is contributed by NTPC. The book value of NTPC investments is ₹ 6.12 crore.

Consolidated financial statements of NTPC Ltd.

The consolidated financial statements have been prepared in accordance with Accounting Standards (AS)-21 - 'Consolidated Financial Statements' and Accounting Standards (AS)-27 -'Financial reporting of Interests in Joint Ventures' and are included in this Annual report.

A brief summary of the results on a consolidated basis is given below:

₹ Crore

	FY 2013-14	FY 2012-13
Total revenue	81,699.10	75,279.25
Profit before Tax	14,485.76	16,610.95
Profit after Tax	11,403.40	12,586.22
Profit after Tax [less Share of Profit/ (Loss)- Minority interest]	11,403.61	12,590.78
Net Cash from operating activities	16,469.38	16,507.79

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and in the Directors' Report, describing the Company's objectives, projections and estimates, contain words or phrases such as "will", "aim", "believe", "expect", "intend", "estimate", "plan", "objective", "contemplate", "project" and similar expressions or variations of such expressions, are "forward-looking" and progressive within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place : New Delhi
Date : 11th July 2014

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

In NTPC, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency, growth enhancing investor confidence and return to the shareholders. Accordingly, the Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders, thereby paving the way for its long term success."

Our Company is committed to values of ethical and transparent business conduct. The Company believes that Corporate Governance is respect for the inalienable rights of the shareholders as the true owners of the Company and acknowledgment of their own role as trustees on behalf of the shareholders. It also perceives maximisation of other stakeholders' interest for the long term interest of the shareholders and thereby long term efficiency and progress of the Company.

Our company is set to comply with the changes brought in the area of Corporate Governance by the Companies Act, 2013 and the SEBI Corporate Governance Norms.

Besides adhering to provisions of the Listing Agreement, we also follow the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

1. CORPORATE GOVERNANCE AWARDS & RECOGNITIONS

In recognition of its excellence in Corporate Governance, NTPC has been given the following awards:

(i) 'Golden Peacock Global Award for Excellence in Corporate Governance' by World Council for Corporate Governance for the year 2012. This award was also received by the Company during the years 2007 and 2009.

(ii) Award for Excellence 2011 - Good Corporate Citizen Award by PHD Chamber of Commerce and Industry.

(iii) 'ICSI National Award for Excellence in Corporate Governance – 2009' by the Institute of Company Secretaries of India

(iv) 'Golden Peacock National Award for Excellence in Corporate Governance' by World Council for Corporate Governance in the year 2008

2. BOARD OF DIRECTORS

2.1 Size of the Board

NTPC is a Government Company within the meaning of section 617 of the Companies Act, 1956 as the President of India presently holds 75% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors vests in the President of India.

In terms of the Articles of Association of the Company, the strength of our Board shall not be less than four Directors or more than twenty Directors. These Directors may be either whole-time Directors or part-time Directors. The composition of the Board is as under:

(i) Seven Functional Directors including the Chairman & Managing Director,

(ii) Two Government Nominee Directors and

(iii) Nine Independent Directors as per the requirement of the Listing Agreement.

2.2 Composition of the Board

The listing agreements with stock exchanges stipulate that in case of the Executive Chairman, half of the Board members shall be independent directors. As on 31st March 2014, the Board comprised eighteen Directors out of which seven were whole-time Directors including the Chairman & Managing Director. Two Directors are nominees of the Government of India. The Board has nine Independent Directors who have been appointed by the Government of India through a Search Committee constituted for the purpose. The Directors bring to the Board a wide range of experience and skills.

Details regarding Independent Directors on the Board of the Company during the financial year 2013-14 is as under:

Period	Requirement	Actual
April 1, 2013 to July 8, 2013	9	8
July 9, 2013 to July 29, 2013	8	8
July 30, 2013 to September 9, 2013	8	9
September 10, 2013 to September 29, 2013	9	9
September 30, 2013 to October 8, 2013	8	9
October 9, 2013 to December 4, 2013	7	9
December 5, 2013 to December 8, 2013	8	9
December 9, 2013 to March 31, 2014	9	9

From the above, it may be seen that except for the period from April 1, 2013 to July 8, 2013 when there were eight Independent Directors as against the requirement of nine Independent Directors as per Clause 49 (IA) of the Listing Agreement, the Company was duly compliant with the Clause 49 (IA) of the Listing Agreement.

2.3 Age limit and tenure of Directors

The age limit for the Chairman & Managing Director and other whole-time Directors is 60 Years.

The Chairman & Managing Director and other whole time Directors are initially appointed for a period of five years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from the Government of India, whichever event occurs earlier. Based on the performance, the tenure of the whole-time director is also extended further till the date of superannuation or until further order from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Power, Government of India retire from the Board on ceasing to be officials of the Ministry of Power.

Independent Directors are appointed by the Government of India for a tenure of three years.

2.4 Resume of Directors

The brief resume of Directors retiring by rotation and Additional Directors seeking appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship & membership/ chairmanship of Board/ Committees and number of shares held in the Company is appended to the Notice calling the Annual General Meeting.

2.5 Board Meetings

The meetings are convened by giving appropriate advance notice. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed by circulation.

Detailed agenda notes, management reports and other explanatory statements are normally circulated atleast a week before the Board Meeting in the defined agenda format amongst the members for facilitating meaningful, informed and focused discussions at the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD.

The meetings of the Board of Directors are normally held at the Company's registered office situated at New Delhi.

Twelve Board Meetings were held during the financial year 2013-14 on April 25, May 10, June 25, July 30, September 27, October 29, December 5, December 24, 2013, January 16, January 28, February 15 and March 14, 2014. The maximum interval between any two meetings during this period was 58 days. Details of number of Board meetings attended by Directors, attendance at last AGM, number of other directorship/ committee membership (viz., Audit Committee and Shareholders Grievance Committee as per the Listing Agreement) held by them during the year 2013-14 are tabulated below:

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 17.09.13)	Number of other Director-ships held on 31.03.14	Number of Committee memberships in companies on 31.03.14	
						As Chairman$	As Member$
Functional Directors							
1.	Dr. Arup Roy Choudhury Chairman & Managing Director	12	12	Yes	8	-	-
2.	Shri A.K. Singhal Director (Finance) (upto 08.10.2013)	5	5	Yes	NA*	NA*	NA*
3.	Shri I.J. Kapoor Director (Commercial)	12	12	Yes	7	1	3
4.	Shri B.P. Singh Director (Projects) (upto 30.09.2013)	5	5	Yes	NA*	NA*	NA*
5.	Shri N.N. Misra Director (Operations)	12	11	Yes	6	-	3
6.	Shri A.K. Jha Director (Technical)	12	12	Yes	5	-	1
7.	Shri U.P. Pani Director (Human Resources)	12	11	Yes	7	-	3
8.	Shri S.C. Pandey Director (Projects) w.e.f. 01.10.2013	7	7	NA*	4	-	1
9.	Shri K. Biswal Director (Finance) w.e.f. 09.12.2013	5	5	NA*	-	-	1
Non-executive Directors (Government Nominees)							
10.	Shri I.C.P. Keshari JS (Th.), Ministry of Power (upto 30.09.2013)	5	5	No	NA*	NA*	NA*
11.	Shri Rakesh Jain JS&FA, Ministry of Power (upto 09.07.2013)	3	3	NA*	NA*	NA*	NA*

12.	Dr. Pradeep Kumar JS&FA, Ministry of Power (w.e.f. 10.09.2013)	8	5	No	1	-	3
13.	Shri G. Sai Prasad JS (Th.), Ministry of Power (w.e.f. 05.12.2013)	6	5	NA*	4	-	-
Independent Directors							
14.	Shri S.B. Ghosh Dastidar Former Member (Traffic), Railway Board	12	10	Yes	1	1	-
15.	Shri R.S. Sahoo Practising Chartered Accountant	12	9	Yes	5	-	4
16.	Shri Ajit M. Nimbalkar Ex-Chief Secretary, Government of Maharashtra	12	10	Yes	2	-	-
17.	Shri S.R. Upadhyay Ex-CMD, Mahanadi Coalfields Limited	12	10	Yes	1	-	-
18.	Ms. H.A. Daruwalla Ex-CMD, Central Bank of India	12	11	Yes	7	3	3
19.	Shri A.N. Chatterji Ex-Deputy, C&AG, Govt. of India	12	10	No	-	-	1
20.	Prof. Sushil Khanna Professor of Economics and Strategic Management, IIM, Kolkata	12	11	Yes	2	-	-
21.	Dr. A. Didar Singh Ex-Secretary to the Govt. of India	12	9	Yes	3	-	-
22.	Shri Prashant Mehta Ex-Director General, Academy of Administration, Bhopal (w.e.f. 30.07.2013)	9	8	Yes	-	-	-

* NA indicates that concerned person was not a Director on NTPC's Board on the relevant date.

$ In line with clause 49 of Listing Agreement, only the Audit Committee and Shareholders'/ Investors' Grievance Committee have been taken into consideration in reckoning the number of committee memberships of Directors or Chairman and as Member.

A separate Meeting of the Independent Directors was held on 10.12.2013 as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. Out of nine Independent Directors, all the Directors except Shri S.R. Upadhyay, Prof. Sushil Khanna and Shri Prashant Mehta attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

2.6 Information placed before the Board of Directors:

The Board has complete access to any information within the Company to be able to take informed and meaningful decisions, exercise control over the organisation as well as to review the progress of implementation of the strategic decisions and corporate plans formulated by the Board. The information regularly supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Review of progress of ongoing projects including critical issues and areas needing management attention
- Quarterly financial results.
- Annual Accounts, Directors' Report, etc.
- Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of meetings of Board of Directors of subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Award of large value contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Quarterly Report on Foreign Travel of CMD, Functional Directors and Employees.

- Quarterly Report on Short Term Deposits and Investments.
- Quarterly Report on Contract awarded on nomination basis.
- Quarterly Report on Reconciliation of Share Capital Audit
- Quarterly Report on Business Activities of various Joint Venture Companies and Subsidiaries of NTPC
- Quarterly report on Compliance of various laws
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.
- The information on recruitment and promotion of senior officers to the level of Executive Director which is just below the Board level and Company Secretary.
- Any significant development in Human Resources/ Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Information relating to major legal disputes.
- Action Taken Report on all pending matters.
- Highlights of important events from last meeting to the current meeting.
- Any other information required to be presented to the Board for information or approval.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

i) Audit Committee.
ii) Shareholders'/ Investors' Grievance Committee
iii) Remuneration Committee
iv) Committee on Management Controls.
v) Project Sub-Committee.
vi) Investment/Contribution Sub-Committee.
vii) Contracts Sub- Committee.
viii) Committee of Functional Directors for Contracts
ix) Committee of the Board for Allotment and Post-Allotment activities of NTPC's Securities
x) Corporate Social Responsibility and Sustainability Committee
xi) Committee for Vigilance Matters
xii) Committee for Review of Coal Mining Activities
xiii) Committee for Review of Coal Import Policy
xiv) Exchange Risk Management Committee
xv) Committee of Directors for Inorganic Growth

3.1 AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956, provisions of Listing Agreement and Guidelines on Corporate Governance as issued by Department of Public Enterprises, Govt. of India.

Scope of Audit Committee

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
2. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
3. Ensure compliance of Internal Control Systems.
4. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
5. Noting appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service.
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Qualifications in the draft audit report.
7. Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
8. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on. Review of internal audit observations outstanding for more than two years.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Review of observations of C&AG including status of Government Audit paras.
14. To review the functioning of the Whistle Blower mechanism.
15. Investigation into any matter in relation to the items specified above or referred to it by the Board.
16. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
17. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
18. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Consider and review the following with the independent auditor and the management:
    a) The adequacy of internal controls including computerized information system controls and security, and
    b) Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Consider and review the following with the management, internal auditor and the independent auditor:
    a) Significant findings during the year, including the status of previous audit recommendations.
    b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
21. Reviewing with the management, statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), statement of funds utilised for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

Constitution

The Audit Committee has been constituted with the membership of:

i) Four independent Directors to be nominated by the Board from time to time.

ii) Joint Secretary & Financial Advisor (JS & FA), Ministry of Power (MOP), Government of India nominated on the Board of NTPC

Composition

As on 31st March 2014, the Audit Committee comprised the following members:-

Shri S.B. Ghosh Dastidar	Independent Director - Chairman
Shri R.S. Sahoo	Independent Director
Shri A.N. Chatterji	Independent Director
Ms. H.A. Daruwalla	Independent Director
Dr. Pradeep Kumar	Government Nominee

Director (Finance), Head of Internal Audit Department and the Statutory Auditors are invited to the Audit Committee Meetings for interacting with the members of the Committee. Besides, Cost Auditors of the Company are also invited to the meetings of the Audit Committee as and when required. Senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

Ten meetings of the Audit Committee were held during the financial year 2013-14 on April 16, May 02, May 09, July 22, July 29, August 12, October 28, 2013, January 16, January 28 and February 14, 2014.

The details of the meetings of Audit Committee attended by the members are as under:-

Members of Audit Committee	Meetings held during their tenure	Meetings attended
Shri S.B. Ghosh Dastidar	10	10
Shri R.S. Sahoo	10	8
Shri A.N. Chatterji	10	10
Ms. H.A. Daruwalla	10	10
Shri Rakesh Jain (upto 09.07.2013)	3	2
Dr. Pradeep Kumar (w.e.f. 10.09.2013)	4	2

Shri S.B. Ghosh Dastidar, Independent Director chaired the Meetings of the Audit Committee. Shri S.B. Ghosh Dastidar, Chairman of the Audit Committee was also present in the Annual General Meeting to answer the queries of the shareholders.

Director (Finance) was present in all Audit Committee Meetings held during the year under review as invitees as per requirement of Listing Agreement except in one of the Meetings when the post of Director (Finance) was vacant. Head of Internal Audit was present in all Audit Committee Meetings held during the year.

3.2 SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted 'Shareholders' / Investors' Grievance Committee'.

Scope of the Committee

This Committee looks into redressal of Shareholders' and Investors' complaints like delay in transfer of shares, non-receipt of balance sheets, non-receipt of declared dividend etc. as well as complaints/grievances of the Bondholders.

Note: The nomenclature of this Committee has been amended to Stakeholders' Relationship Committee and the terms of reference of this Committee has been amended in line with the Companies Act, 2013 after 31st March 2014.

Constitution

The Committee has been constituted with the membership of:

i) One Non-Executive Director i.e. Government Nominee Director

ii) Director (Finance), NTPC

iii) Director (HR) or Director (Technical), NTPC

iv) One Independent Director.

Composition

As on 31st March 2014, this committee comprised the following Directors:

Dr. Pradeep Kumar	Government Nominee and Chairman of the Committee
Shri U.P. Pani	Director (HR)
Ms. H.A. Daruwalla	Independent Director
Shri K. Biswal	Director (Finance)

Meeting and Attendance

Four meetings of the Shareholders' / Investors' Grievance Committee were held during the financial year 2013-14 on April 16, July 22, October 28, 2013 and January 28, 2014.

The detail of the meetings of Shareholders'/ Investors' Grievance Committee attended by the Members is as under:-

Members of Shareholders' / Investors' Grievance Committee	Meetings held during their tenure	Meetings attended
Dr. Pradeep Kumar (w.e.f. 10.09.2013)	2	2
Ms. H.A. Daruwalla	4	4
Shri U.P. Pani	4	4
Shri K. Biswal (w.e.f. 09.12.2013)	1	1
Shri Rakesh Jain (upto 09.07.2013)	1	1
Shri A.K. Singhal (upto 08.10.2013)	2	2

Name and designation of Compliance Officer

Shri A.K. Rastogi, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

Investor Grievances

During the financial year ending 31st March 2014, Company has attended its investor grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of the complaints received, resolved and disposed off during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI / Stock Exchange complaints	1	47	46	2
Other Dividend related complaints	0	6,694	6,694	0
Other complaints	0	17	17	0
Total	1	6,758	6,757	2*

* includes one consumer forum case

As a matter of good corporate governance practice, grievance relating to Public Issue of Tax Free Bonds - 2013 were also put up to Stakeholders' Relationship Committee. The details of the complaints received, resolved and disposed off during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
Complaints relating to Public Issue of Tax Free Bonds - 2013	0	321	311	10

Investor complaints shown pending as on 31st March, 2014 has been attended subsequently except one Consumer Forum Case.

Number of pending share transfers

As on 31st March, 2014, 20 share transfer requests were pending, which were approved in the meeting held on April 7, 2014.

Share Transfers have been affected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practising Company Secretary has been furnished to Stock Exchanges.

SCORES – Automated System of Lodging Complaints against Listed Companies

Securities and Exchange Board of India has a web based complaints redressal system namely 'SCORES (SEBI Complaints Redress System)', through which a shareholder can lodge a complaint against a company for his/ her grievances. The status of every complaint can be viewed online and the shareholder can send reminder for the complaints. When the complaint is registered, a unique complaint registration number is allotted for future reference and tracking. The concerned entity (intermediary or listed company) takes actions for the redressal of the complaints and uploads Action Taken on the complaint. The concerned entity (intermediary or listed company) or an investor can seek and provide clarifications online to each other. SEBI disposes the complaints if it is satisfied that the complaint has been redressed adequately.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge the complaints in physical form.

Through this system, the investors were able to check the status of the complaints i.e. with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint has been pending. SCORES saved considerable time of the Company in resolving the complaints, thereby benefitting investors.

3.3 REMUNERATION COMMITTEE

Our Company, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. However, as per the provisions of the DPE Guidelines, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits. As on 31st March 2014, the Committee comprised the following Members:

Shri Ajit M. Nimbalkar	Independent Director & Chairman of the Committee
Shri S.R. Upadhyay	Independent Director
Shri A.N. Chatterji	Independent Director

Director (Human Resources) and Director (Finance) are the permanent invitees to the Meeting of the Remuneration Committee.

Meeting and Attendance

Two meetings were held during the year on September 16, 2013 and March 27, 2014.

The detail of the meetings of Remuneration Committee attended by the Members is as under:-

Members of Remuneration Committee	Meetings held during their tenure	Meetings attended
Shri Ajit M. Nimbalkar	2	2
Shri S.R. Upadhyay	2	2
Shri A.N. Chatterji	2	0
Shri I.C.P. Keshari (upto 30.09.2013)	1	1
Dr. Pradeep Kumar*	1	1

*Dr. Pradeep Kumar, Government Nominee Director ceased to be the Member of the Remuneration Committee w.e.f. 29.10.2013.

3.4 COMMITTEE ON MANAGEMENT CONTROLS

On being conferred enhanced autonomy by the Government of India under 'Navratna Guidelines', this committee was constituted for establishing transparent and effective system of internal monitoring. This Committee, *inter alia*, reviews the Management Control Systems, significant deviations in project implementation and construction, operation and maintenance budgets etc. It also reviews and approves the manual/ criteria for various systems of the organisation from time to time.

As on 31st March, 2014, the Committee comprised the following Directors:

Shri R.S. Sahoo	Independent Director
Shri N.N. Misra	Director (Operations)
Dr. Pradeep Kumar	Government Nominee
Shri K. Biswal	Director (Finance)

3.5 PROJECT SUB-COMMITTEE

This Committee examines and makes recommendations to the Board on proposals for Investment in New/Expansion Projects and approves Feasibility Reports of new projects.

As on 31st March 2014, the Committee comprised the following members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Dr. Pradeep Kumar	Government Nominee
Shri G. Sai Prasad	Government Nominee
Shri S.B. Ghosh Dastidar	Independent Director
Prof. Sushil Khanna	Independent Director

3.6 INVESTMENT/CONTRIBUTION COMMITTEE

The terms of reference of Investment/Contribution Committee of the Board is to approve deployment of surplus funds as per Govt. guidelines issued from time to time and also approves contribution/donation for national, public, benevolent or charitable cause.

As on 31st March 2014, the Committee comprised the following Members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)
Shri K. Biswal	Director (Finance)

In case of investment of funds and contribution matters Director (HR) and in case of Commercial matters Director (Commercial) are co-opted in the meeting.

3.7 CONTRACTS SUB-COMMITTEE

This Committee approves award of works or purchase contracts or incurring commitments of value exceeding ₹ 250 crore but not exceeding ₹ 500 crore, Consultancy assignments including foreign consultancy assignements exceeding ₹ 5 crore each and Appointment of Sponsor/ Agents for Overseas Consultancy Assignments involving sponsorship/ agency commission exceeding ₹ 5 crore each.

As on 31st March 2014, the Contracts Sub-Committee comprised the following members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)*
Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Dr. Pradeep Kumar	Government Nominee
Shri G. Sai Prasad	Government Nominee

*Director (Operations) is the additional member for all matters relating to award of contracts for import of coal.

3.8 COMMITTEE OF FUNCTIONAL DIRECTORS FOR CONTRACTS

This Committee has been constituted for award of works or purchase contracts or incurring of commitments exceeding ₹ 150 crore but not exceeding ₹ 250 crore.

As on 31st March 2014, the Committee comprised all the Functional Directors including the Chairman & Managing Director as under:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)

The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Projects) for contracts related to construction projects shall constitute the quorum for meeting of the Committee. The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Operations) for contracts related to operating stations shall constitute the quorum for meeting of the Committee.

3.9 COMMITTEE FOR ALLOTMENT AND POST-ALLOTMENT ACTIVITIES OF NTPC'S SECURITIES

The Committee has been constituted for Allotment and Post-allotment activities of Company's Securities. The scope of work of this committee is allotment, issue of Certificate/ Letter of allotment, transfer, transmission, re-materialisation, issue of duplicate certificates, consolidation/split of NTPC's domestic and foreign Securities.

As on 31st March 2014, the Committee comprised the following three Members:

Shri I.J. Kapoor/ Shri U.P. Pani	Director (Commercial)/ Director (HR)
Shri N.N. Misra/ Shri K. Biswal	Director (Operations)/ Director (Finance)
Shri A.K. Jha/ Shri S.C. Pandey	Director (Technical)/ Director (Projects)

3.10 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

This Committee has been constituted after merging two sub-committees of the Board namely Committee for Corporate Social Responsibility and Sustainable Development Committee in view of the revised guidelines issued by Department of Public Enterprises dated 12.04.2013 merging extant separate guidelines on Corporate Social Responsibility and Sustainable Development.

This Committee frames and reviews the CSR Policy (including sustainable development) from time to time.

As on 31st March 2014, the Committee comprised the following members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)
Shri K. Biswal	Director (Finance)
Ms. H.A. Daruwalla	Independent Director
Prof. Sushil Khanna	Independent Director

Note: The terms of reference of this Committee has been amended in line with the Companies Act, 2013 after 31st March 2014. The constitution of this Committee has also been changed after 31st March 2014 by inducting Dr. Pradeep Kumar, Government Nominee Director as a Member of the Committee. Also, Director (Operations) and Director (Technical) have ceased to be the Member of this Committee after 31st March 2014.

3.11 COMMITTEE FOR VIGILANCE MATTERS

This Committee has been constituted to examine all the petitions which are submitted before the Board as appellate/ reviewing authority in terms of CDA rules. It also reviews other major complaints as referred to it from time to time other than complaints registered under whistle blower mechanism under purview of Chief Vigilance Officer.

As on 31st March 2014, the Committee comprised the following members:

Shri S.B. Ghosh Dastidar	Independent Director
Shri U.P. Pani	Director (HR)*
Dr. A. Didar Singh	Independent Director

In case of Vigilance cases, Chief Vigilance Officer is co-opted.

*In case where Director (HR) has acted as a Disciplinary Authority, any other whole-time Director to be decided by the Chairman & Managing Director on case to case basis.

3.12 COMMITTEE FOR REVIEW OF COAL MINING ACTIVITIES

This Committee looks into various aspects relating to coal mining. Earlier, the Committee for Mine Development was looking into these aspects which has now been undertaken by this Committee.

As on 31st March 2014, the Committee comprised the following members:

Shri N.N. Misra	Director (Operations)
Shri S.R. Upadhyay	Independent Director
Prof. Sushil Khanna	Independent Director
Shri A.N. Chatterji	Independent Director

Note: The constitution of this Committee has been changed after 31st March 2014 by inducting Director (HR) and Director (Finance) as Members of this Committee.

3.13 COMMITTEE FOR REVIEW OF COAL IMPORT POLICY

This Committee has been constituted to examine the evolution of Coal Import Policy since 2009 onwards, identify reasons for changes made in Policy from time to time, chart out future course of action and finalise Coal Import Policy.

As on 31st March 2014, the Committee comprised the following Members:

Shri N.N. Misra	Director (Operations)
Shri S.B. Ghosh Dastidar	Independent Director
Shri R.S. Sahoo	Independent Director
Shri S.R. Upadhyay	Independent Director
Dr. Pradeep Kumar	Government Nominee Director

Note: The constitution of this Committee has been changed after 31st March 2014 by inducting Ms. H.A. Daruwalla, Independent Director as a Member of the Committee.

3.14 EXCHANGE RISK MANAGEMENT COMMITTEE

This Committee has been constituted to review the foreign currency loan portfolio, hedged and un-hedged exposures and effectiveness of hedging strategy, approve amendments in Exchange Risk Management Policy, new instruments etc.

As on 31st March, 2014, the Committee comprised the following Members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri R.S. Sahoo	Independent Director
Ms. H.A. Daruwalla	Independent Director
Shri K. Biswal	Director (Finance)

In the absence of Director (Commercial), either Director (Technical) or Director (Operations) shall be the Member of the Meeting.

3.15 COMMITTEE OF DIRECTORS FOR INORGANIC GROWTH

This Committee has been constituted in the financial year 2013-14 to guide the Board in the process of collection of data, evaluation, due diligence in respect of proposed acquisition of certain distressed Thermal Power Projects and for making recommendations for acquisition of assets.

As on 31st March, 2014, the Committee comprised the following Members:

Shri Ajit M. Nimbalkar	Independent Director
Shri I.J. Kapoor	Director (Commercial)
Shri A.K. Jha	Director (Technical)
Shri R.S. Sahoo	Independent Director
Prof. Sushil Khanna	Independent Director
Dr. A. Didar Singh	Independent Director

4. REMUNERATION OF DIRECTORS

As already stated under the heading Remuneration Committee above, the remuneration of the Functional Directors including the Chairman & Managing Director is decided by the Government of India. The Board of Directors of the Company, with the approval of the Ministry of Power, determines the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956. The Company makes payment of ₹ 20,000/- as sitting fee for attending each meeting of the Board and Committees of the Board constituted by the Board from time to time to each Independent Director.

Details of remuneration of functional Directors of the Company paid for the financial year 2013-14 are given below:-

(Amount in ₹)

Name of the Director	Salary	Benefits	Performance Linked Incentives*	Total
Dr. Arup Roy Choudhury	20,54,391.22	10,86,720.00	20,28,075.78	51,69,187.00
Shri A.K. Singhal (upto 08.10.2013)	27,15,485.79	21,73,216.00	14,74,074.21	63,62,776.00
Shri I.J. Kapoor	28,52,982.54	16,42,099.00	14,55,328.46	59,50,410.00
Shri B.P. Singh (upto 30.09.2013)	25,36,229.54	20,06,062.00	13,07,165.46	58,49,457.00
Shri N.N. Misra	23,66,037.91	14,49,161.00	13,94,486.09	52,09,685.00
Shri A.K. Jha	29,18,998.17	16,35,089.00	10,30,931.83	55,85,019.00
Shri U.P. Pani	19,08,492.16	10,67,202.00	7,25,631.84	37,01,326.00
Shri S.C. Pandey (w.e.f. 01.10.2013)	9,29,471.72	6,14,713.00	5,76,443.28	21,20,628.00
Shri K. Biswal (w.e.f. 09.12.2013)	5,31,846.00	4,41,655.00	-	9,73,501.00

*Performance linked incentives paid is based on the incentive scheme of the Company. The Company has not issued any stock options during the financial year 2013-14.

Details of payments towards sitting fee to Independent Directors during the financial year 2013-14 are given below:

(Amount in ₹)

Name of Part-time non-official Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Shri S.B. Ghosh Dastidar	2,00,000	4,60,000	6,60,000
Shri R.S. Sahoo	1,80,000	4,40,000	6,20,000
Shri Ajit M. Nimbalkar	2,00,000	1,00,000	3,00,000
Shri S.R. Upadhyay	2,00,000	1,20,000	3,20,000
Ms. H.A. Daruwalla	2,20,000	5,20,000	7,40,000
Shri A.N. Chatterji	2,00,000	2,40,000	4,40,000
Prof. Sushil Khanna	2,20,000	2,80,000	5,00,000
Dr. A. Didar Singh	1,80,000	20,000	2,00,000
Shri Prashant Mehta (w.e.f. 30.07.2013)	1,60,000	60,000	2,20,000

5. ACCOUNTABILITY OF DIRECTORS

An annual Memorandum of Understanding (MoU) is entered into by the Company with Govt. of India (GoI) in the beginning of the year setting the targets against financial and non-financial parameters with weightages decided in consultation with GoI. The performance of the Company is measured at the end of the year vis-à-vis these targets.

The performance with regard to MOU is reviewed regularly within the Company on monthly basis and by Ministry of Power on quarterly basis through Quarterly Performance Review (QPR). Slippages, if any, are identified and necessary remedial actions are suggested in these forums.

At the end of each financial year, the MoU achievements report is furnished to Ministry of Power and performance of the Company is evaluated by Ministry of Power and the Task Force of Department of Public Enterprises on the basis of actual achievements vis-à-vis the signed MoU.

To ensure targets as set in MoU are achieved well within schedule, the Company has a strong "Internal MoU" system specifying tighter targets drilled down at regional and station level with suitable stretch and expansion of activities. The entire process ensures transparency as well as accountability towards stakeholders.

6. RISK MANAGEMENT

Your Company has an Enterprise Risk Management framework to identify & manage risks and to inform Board Members about the risk assessment & minimization procedures. This framework is reviewed periodically by the Board. Details on risk management are given in the Management's Discussion and Analysis report in this Report.

Four meetings of Enterprise Risk Management Committee were held during the financial year 2013-14.

7. SUBSIDIARY MONITORING FRAMEWORK

The Company has four subsidiary companies, the list of which is furnished in the Directors' Report. All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of the stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies periodically.

Performance of the subsidiary companies is reviewed by the Board of the Company in the following manner:

(i) Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Company's Board periodically.

(ii) A statement of all significant transactions and arrangements entered into by the subsidiary companies are also reviewed by the Company.

(iii) A Report on Business Activities of Subsidiary which, *inter-alia*, includes investments made in the subsidiary is being given to the Board of NTPC in each quarter.

(iv) Subsidiary Companies sign an annual Memorandum of Understanding with NTPC in the beginning of the year setting the targets in financial and non-financial areas with weightages in consultation with NTPC, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.

(v) Certain decision as mentioned in the Articles of Association of the subsidiary companies can only be taken if they are approved by the Board of NTPC.

The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India.

8. GENERAL BODY MEETINGS

Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

Date & Time	September 20, 2011	September 18, 2012	September 17, 2013
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Manekshaw Centre, Parade Road, New Delhi - 110010
Special Resolution	-	Amendments in the Articles of Association by inserting provisions relating to buy-back of shares and appointment of additional directors.	-

Special Resolution passed through Postal Ballot

No Resolution has been passed through Postal Ballot during the year.

No special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

9. DISCLOSURES

The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard (AS) -18 notified under the Companies (Accounting Standards) Rules, 2006.

The Company has broadly complied with all the requirements of the Listing Agreement with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI except as mentioned in para 2.2 of this Report. The Company has also complied with all the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

The Company has adopted all suggested items to be included in the Report on Corporate Governance. Information on adoption (and compliance) / non-adoption of the non-mandatory requirements is at Annex-1.

Schedule of Compliances with Presidential Directive issued during the financial year 2013-14 and during last three years preceding the financial year 2013-14 is at Annex-2.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement(s), the certificate duly signed by Dr. Arup Roy Choudhury, Chairman & Managing Director and Shri K. Biswal, Director (Finance) was placed before the Board of Directors at the meeting held on 15.05.2014 and is annexed to the Corporate Governance Report.

10. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its Website.

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions as also participation at investor conferences from time to time. Annual analysts and investors meet is held during the month of August where Board of the Company interacts with the investing community. Financial results are discussed by way of conference calls regularly after the close of each quarter.

Information and latest updates and announcement regarding the Company can be accessed at company's website: www.ntpc.co.in including the following:-

- Quarterly / Half-yearly / Annual Financial Results
- Quarterly Shareholding Pattern
- Quarterly Corporate Governance Report
- Transcripts of conferences with analysts
- Corporate disclosures made from time to time to the Stock Exchanges

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the Website.

Disclosures made to stock exchanges are also made through Corporate Filing & Dissemination System (CFDS) and through NSE Electronic Application Processing System (NEAPS) in terms of Clause 52 of the Listing Agreement.

Quarterly Results have been published as per details given below:

Newspapers	Date of publication of results for the quarter ended		
	30.06.2013	30.09.2013	31.12.2013
The Times of India	31.07.2013	30.10.2013	-
Jansatta (Hindi)	31.07.2013	-	-
Hindustan Times	-	30.10.2013	29.01.2014
Hindustan (Hindi)	-	30.10.2013	29.01.2014

In order to save trees and environment by cutting down the consumption of costly paper habits, our Company has sent the Annual Reports for the financial year 2012-13 and other communications like ECS credit information for final and interim dividend to large number of shareholders for the financial year 2012-13 and 2013-14 respectively through e-mail of the shareholders registered with NSDL/ CDSL after seeking their consent to send the annual reports/ other communications through e-mail.

Through e-mails, the Company had sent 3,40,167 number of Annual Reports, 3,26,713 number of ECS credit information for final dividend for the financial year 2012-13 and 3,68,662 number of ECS credit information for interim dividend for the financial year 2013-14 to the shareholders.

11. CODE OF CONDUCT

The Company has in place Code of Conduct for Directors and Senior Management Personnel in alignment with Company's Vision and Values to achieve the Mission & Objectives and aiming at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct is available at the website of the Company.

Declaration as required under clause 49 of the listing Agreement

All the members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the financial year ended on March 31, 2014.

New Delhi (Dr. Arup Roy Choudhury)
05.05.2014 Chairman & Managing Director

12. Code of Internal Procedures and Conduct for Prevention of Insider Trading

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "**Code of Internal Procedures and Conduct for Prevention of Insider Trading**" with the objective of preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Designated Employees and their dependents) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/ Designated Employees are also required to disclose related information periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, wherever necessary. Company Secretary has been designated as Compliance Officer for this Code.

13. SHAREHOLDERS' INFORMATION

i) Annual General Meeting

Date : August 27, 2014

Time : 10.30 a.m.

Venue : Manekshaw Centre
Parade Road
New Delhi – 110010

ii) Financial Calendar for FY 2014-15

Particulars	Date
Accounting Period	April 1, 2014 to March 31, 2015
Unaudited Financial Results for the first three quarters	Announcement within stipulated period under the Listing Agreement
Fourth Quarter Results	Announcement of Audited Accounts on or before May 30, 2015
AGM (Next year)	August 2015 (Tentative)

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 15, 2014 to August 27, 2014 (both days inclusive).

iv) Payment of Dividend

The Board of Directors of the Company has recommended payment of final Dividend of ₹ 1.75 per share (17.5% on the paid-up share capital) for the financial year ended March 31, 2014 in addition to the Interim Dividend of ₹ 4.00 per share (40% on the paid-up share capital) paid on February 10, 2014 (Dividend paid in Previous Year is ₹ 4,741.16 Crore).

The record date for the payment of Dividend is August 14, 2014.

v) Dividend History

Year	Total paid-up capital (₹ in crore)	Total amount of dividend paid (₹ in crore)	Date of AGM in which dividend was declared	Date of payment
2008-09	8245.46	2968.37	24.01.2009*	13.02.2009
			17.09.2009	29.09.2009
2009-10	8245.46	3133.28	13.03.2010*	23.03.2010
			23.09.2010	01.10.2010
2010-11	8245.46	3133.28	31.01.2011*	14.02.2011
			20.09.2011	26.09.2011
2011-12	8245.46	3298.19	27.01.2012*	09.02.2012
			18.09.2012	25.09.2012
2012-13	8245.46	4741.16	26.02.2013*	12.03.2013
			17.09.2013	27.09.2013
2013-14	8245.46	3298.19#	28.01.2014*	10.02.2014

* Date of Board Meeting

amount represents the interim dividend paid for the year 2013-14

vi) Listing on Stock Exchanges

NTPC equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited	Bombay Stock Exchange Limited
Address: Exchange Plaza, Plot No. C/1, G Block, Bandra (E), Mumbai - 400051	Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
Scrip Code of NTPC: NTPC EQ	**Scrip Code of NTPC: 532555**

Stock Code : ISIN – INE733E01010

The Annual Listing Fee for the financial year 2014-15 was paid to both National Stock Exchange of India Limited and Bombay Stock Exchange Limited before April 30, 2014. Also, the Annual Custodian Fee for the financial year 2014-15 shall be paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited within due date.

vii) Market Price Data – NSE

Month	High (₹)	Low (₹)	Closing (₹)
April' 13	158.00	139.20	157.35
May' 13	162.90	147.95	154.20
June' 13	155.60	137.35	143.75
July' 13	149.00	127.70	130.70
August' 13	145.85	122.60	130.90
Sept' 13	151.60	125.00	147.45
October' 13	149.95	140.25	149.10
Nov' 13	157.50	144.80	147.25
Dec' 13	155.05	133.65	137.00
January' 14	138.80	123.50	126.45
February' 14	136.60	112.00	112.40
March' 14	123.85	110.65	119.90

viii) Market Price Data – BSE

Month	High (₹)	Low (₹)	Closing (₹)
April' 13	158.00	139.10	157.40
May' 13	162.80	148.15	154.40
June' 13	155.50	137.65	143.70
July' 13	149.00	128.10	130.60
August' 13	145.90	122.65	130.75
Sept' 13	151.35	125.45	148.20
October' 13	149.95	140.35	148.70
Nov' 13	157.15	145.00	147.35
Dec' 13	154.60	133.90	136.80
January' 14	138.60	123.75	126.40
February' 14	136.60	112.10	112.60
March' 14	123.70	110.90	119.95

ix) **Performance in comparison to indices**

NSE NIFTY and NTPC Share Price

Base=100 as on 01.04.13

BSE Sensex and NTPC Share Price

Base=100 as on 01.04.13

x) **Registrar and Share Transfer Agent**
Karvy Computershare Pvt. Ltd
Plot No.17 to 24,
Vitthalrao Nagar
Madhapur
Hyderabad-500081
Tel No.: 91 -40-23420818
Fax No.: 91-40-23420814
E-mail: einward.ris@karvy.com

xi) **Share Transfer System**

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Shares transfers are approved by Sub-Committee of the Board for Allotment and Post-Allotment activities of NTPC's Securities.

Pursuant to clause 47-C of the Listing Agreement with Stock Exchanges, certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

xii) **Transfer of Unclaimed Amount of Dividend to Investor Education and Protection Fund**

In accordance with Section 205A read with Section 205C of the Companies Act, 1956, during the financial year 2013-14, an amount of ₹ 22.78 lac pertaining to unclaimed final dividend amount for financial year 2005-06 and an amount of ₹ 48.14 lac pertaining to unclaimed interim dividend amount for the financial year 2006-07 have been transferred to Investor Education and Protection Fund (IEPF), Government of India established under Section 205C of the Companies Act, 1956.

The Company has uploaded the details of shareholders of the Company containing information like name, address of the shareholder, amount due to be transferred to IEPF and due date of transfer of amount to IEPF on its website. The Company has been issuing notices in the newspapers from to time in order to invite attention of the shareholders to submit their claims towards the unpaid and unclaimed dividend. Kindly note that no claim lies against the Company or IEPF once the dividend is deposited in IEPF.

xiii) **Public Issue of Tax Free Bonds in the nature of debentures during the Year 2013-14- Series L**

Pursuant to Notification No. 61/2013 F.No.178/37/2013-(ITA.I) dated 08.08.2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, the Company issued Tax-free, Secured, Redeemable Non-Convertible Bonds of face value of ₹ 1000 each in the nature of Debentures having tax benefits under Section 10 (15) (iv) (h) of the Income Tax Act, 1961 for an amount aggregating upto ₹ 1000 crore with a green shoe option for ₹ 750 crore.

The issue opened on 03.12.2013 and was pre-closed on 05.12.2013 due to oversubscription in all categories. The Bonds were issued under four categories i.e. Qualified Institutional Buyers, Corporates, High Networth Individuals and Retail Individual Investors and under three different tenures of 10, 15 and 20 years. The coupon rates ranged from 8.41% to 8.91% per annum. The bonds were allotted on 16.12.2013 to eligible investors and balance excess amount was refunded to the applicants or unblocked in case of ASBA applicants.

Details of other debenture (bonds) issued and outstanding as at 31.03.2014 is furnished elsewhere in the Annual Report.

xiv) **Debenture Trustees for various Series**

For Series XIIIA, XIIIB, XVI, XVII, XIX, XLIV-XLIX and L (Public Issue)

IL & FS Trust Company Limited
The IL&FS Financial Centre, Plot No. C-22,
G-Block, Bandra – Kurla Complex, Bandra (East),
Mumbai – 400051
Tel: (+91 22) 26533908
Fax: (+91 22) 26533297
E-mail: itclcomplianceofficer@ilfsindia.com
Website: www.itclindia.com

For Series XX-XLIII and LI-LII

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Mumbai – 400 001
Tel: (+91 22) 40807000
Fax: (+91 22) 66311776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

xv) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March 2014 are given below:

According to Size

a. Distribution of shareholding according to size, % of holding as on 31st March, 2014:

Number of shares	Number of shareholders	% of shareholders	Total No. of shares	% of shares
1-5000	6,99,960	92.95	9,11,55,627	1.10
5001-10000	31,918	4.24	2,38,43,203	0.29
10001-20000	12,392	1.65	1,77,63,908	0.22
20001-30000	3,512	0.47	87,15,867	0.10
30001-40000	1,387	0.18	49,10,547	0.06
40001-50000	907	0.12	42,37,375	0.05
50001-100000	1,316	0.17	94,85,296	0.12
100001 and above	1,633	0.22	8,08,53,52,577	98.06
Total	**7,53,025**	**100.00**	**8,24,54,64,400**	**100.00**

b. **Shareholding pattern on the basis of ownership**

Category	As on 31st March, 2014		As on 31st March, 2013		Change (%)
	Total no. of shares	% to Equity	Total no. of shares	% to Equity	
GOI	6,18,40,98,300	75.00	6,18,40,98,300	75.00	0
FIIs	76,93,39,713	9.33	77,28,86,360	9.37	-0.04
Indian Public	16,60,56,467	2.01	16,28,66,695	1.98	0.03
Banks & FI	78,79,35,450	9.56	75,38,15,219	9.14	0.42
Private Corp. Bodies	4,06,12,551	0.49	24,53,60,026	2.98	-2.49
Mutual Funds	9,94,62,368	1.21	10,91,77,191	1.32	-0.11
NRI	47,77,649	0.06	46,95,449	0.06	0
Others	19,31,81,902	2.34	1,25,65,160	0.15	2.19
Total	**8,24,54,64,400**	**100.00**	**8,24,54,64,400**	**100.00**	**0.00**

c. **Major Shareholders**

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2014 are given below:

Name of Shareholder	No. of Shares	% to Paid-up Capital	Category
President of India	6,18,40,98,300	75.00	Government
Life Insurance Corporation of India (including shares held in various funds/ schemes)	70,67,78,072	8.57	Indian Financial Institutions

xvi) Dematerialisation of Shares and Liquidity

The shares of the Company are in compulsory dematerialsed segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

Secretarial Audit Report for Reconciliation of the Share Capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode

	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	388,84,496	0.471
Held in dematerialized form in NSDL	820,64,76,246	99.527
Physical	103,658	0.002
Total	**8,24,54,64,400**	**100.00**

The names and addresses of the Depositories are as under:

1. National Securities Depository Ltd.
   Trade World, 4th Floor
   Kamala Mills Compound
   Senapathi Bapat Marg,
   Lower Parel, Mumbai-400 013
2. Central Depository Services (India) Limited
   Phiroze Jeejeebhoy Towers
   28th Floor, Dalal Street, Mumbai-400 023

xvii) Demat Suspense Account:

Details (in aggregate) of shares in the suspense account opened and maintained after Initial Public Offering and Further Public Offering of Equity Shares of NTPC as on 31st March, 2014 is furnished below:

Details of "NTPC LIMITED – IPO – Unclaimed Shares Demat Suspense Account" (account opened and maintained after IPO):

Opening Bal (as on 01.04.2013)		Requests received and Disposed off during 2013-14		Closing Bal (as on 31.03.2014)	
Cases	Shares	Cases	Shares	Cases	Shares
179	31,725	0	0	179	31,725

Details of "NTPC LIMITED – FPO Unclaimed Shares Demat Suspense Account" (account opened and maintained after FPO):

Opening Bal (as on 01.04.2013)		Requests received and Disposed off during 2013-14		Closing Bal (as on 31.03.2014)	
Cases	Shares	Cases	Shares	Cases	Shares
27	3,752	1	112	26	3,640

The voting rights on the shares mentioned in the closing balance of above two accounts shall remain frozen till the rightful owner of such shares claims the shares.

(xviii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.

No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company.

xix) Number of Shares held by the Directors as on 31st March, 2014

Directors	No. of shares
Dr. Arup Roy Choudhury	11,190
Shri I.J. Kapoor	NIL
Shri N.N. Misra	922
Shri A.K. Jha	NIL
Shri U.P. Pani	922
Shri S.C. Pandey	3304
Shri K. Biswal	NIL
Dr. Pradeep Kumar	NIL
Shri G. Sai Prasad	NIL
Shri S.B. Ghosh Dastidar	NIL
Shri R.S. Sahoo	NIL
Shri Ajit M. Nimbalkar	614
Shri S.R. Upadhyay	NIL
Ms. H.A. Daruwalla	140
Shri A.N. Chatterji	NIL
Prof. Sushil Khanna	NIL
Dr. A. Didar Singh	426
Shri Prashant Mehta	NIL

xx) Locations of NTPC plants

National Capital Region (NCR-HQ)

Thermal Power Stations

i) Badarpur Thermal Power Station- Badarpur, New Delhi

ii) National Capital Thermal Power Project- Distt. Gautum Budh Nagar, Uttar Pradesh

Gas Power Stations

i) Anta Gas Power Project – Distt. Baran, Rajasthan

ii) Auraiya Gas Power Project – Distt. Auraiya, Uttar Pradesh

iii) Faridabad Gas Power Project – Distt. Faridabad, Haryana

iv) National Capital Power Project- Distt. Gautum Budh Nagar, Uttar Pradesh

Solar Power Stations

i) 5MWp, Dadri Solar Power Plant, Dadri, Distt. Gautum Budh Nagar, Uttar Pradesh

ii) 5MWp, Faridabad Solar Power Plant, Distt. Faridabad, Haryana

Eastern Region (ER-HQ)- I

Thermal Power Stations

i) Barh Super Thermal Power Project- Distt. Patna, Bihar

ii) Farakka Super Thermal Power Station – Distt. Murshidabad, West Bengal

iii) Kahalgaon Super Thermal Power Project- Distt. Bhagalpur, Bihar

iv) North Karanpura Super Thermal Power Project – Hazaribagh, Jharkhand

Eastern Region (ER-HQ)- II

Thermal Power Stations

i) Talcher Super Thermal Power Station- Distt. Angul, Odisha

ii) Talcher Thermal Power Station- Distt. Angul, Odisha

iii) Bongaigaon Thermal Power Project, Distt. Kokrajhar, Assam.

iv) Darlipalli Super Thermal Power Project, Distt. Sundergarh, Jharsuguda, Odisha

Solar Power Station

i) 10MWp Talcher Kaniha Solar Power Station, Distt. Angul, Odisha

Northern Region (NR-HQ)

Thermal Power Stations

i) Feroze Gandhi Unchahar Thermal Power Station – Distt. Raebareli, Uttar Pradesh

ii) Rihand Super Thermal Power Project – Distt. Sonebhadra, Uttar Pradesh

iii) Singrauli Super Thermal Power Station- Distt. Sonebhadra, Uttar Pradesh

iv) Tanda Thermal Power Station- Distt. Ambedkar Nagar, Uttar Pradesh

Solar Power Station

i) 10MWp Unchahar PV Solar Power Station, Distt. Raebareli, Uttar Pradesh

Southern Region (SR-HQ)

Thermal Power Stations

i) Ramagundam Super Thermal Power Station- Distt. Karimnagar, Andhra Pradesh

ii) Simhadri Super Thermal Power Project- Vishakapatnam, Andhra Pradesh

iii) Kudgi Thermal Power Project, Bijapur, Karnataka

Gas Power Stations

i) Rajiv Gandhi Combined Cycle Power Project – Distt. Alappuzha, Kerala

Wind Energy Project, Belgaum, Karnataka

Solar Power Station

i) 5 MWp Solar PV Power Plant, Port Blair, A&N Islands

ii) 10MWp Ramagundam Solar Power Station, Distt. Karimnagar, Andhra Pradesh

Western Region (WR-HQ)-I

Thermal Power Stations

i) Solapur Super Thermal Power Project – Solapur, Maharashtra

ii) Mouda Super Thermal Power Project – Nagpur, Maharashtra

Gas Power Stations

i) Jhanor Gandhar Gas Power Project- Distt. Bharuch, Gujarat

ii) Kawas Gas Power Project- Aditya Nagar, Surat, Gujarat

Western Region (WR-HQ)-II

Thermal Power Stations

i) Korba Super Thermal Power Station- Distt. Korba, Chhattisgarh

ii) Sipat Super Thermal Power Project-Distt. Bilaspur, Chattisgarh

iii) Vindhyachal Super Thermal Power Station- Distt. Sidhi, Madhya Pradesh

iv) Gadarwara Super Thermal Power Project, Kandeli-Narsinghpur, Madhya Pradesh

v) Lara Super Thermal Power Project, Distt. Raigarh, Chattisgarh

Solar Power Station

i) 50 MWp Solar PV Power Plant, Rajgarh, Madhya Pradesh

HYDRO POWER PROJECTS

i) Koldam Hydro Power Project – Distt. Bilaspur, Himachal Pradesh

ii) Tapovan–Vishnugad Hydro Power Project – Distt. Chamoli, Uttarakhand

iii) Lata Tapovan Hydro Power Projects – Distt. Chamoli, Uttarakhand

JOINT VENTURE POWER PROJECTS

Thermal Power Stations

i) Rourkela CPP-II - Distt. Sundargarh, Odisha

ii) Durgapur CPP-II - Distt. Burdwan, West Bengal

iii) Bhilai CPP - Bhilai (East), Chattisgarh

iv) Ratnagiri Power Project - Distt. Ratnagiri, Maharashtra

v) Vallur Thermal Power Project – Chennai, Tamil Nadu

vi) Indira Gandhi Super Thermal Power Project - Distt. Jhajjar, Haryana

vii) Meja Super Thermal Power Project – Tehsil Meja, Allahabad

viii) Nabinagar Super Thermal Power Project – Distt. Aurangabad, Nabinagar, Bihar

Overseas Joint Venture Projects

Thermal Power Stations

i) Trincomalee Power Project, Trincomalee, Srilanka

ii) Power Project at Khulna, Bangladesh

POWER PROJECTS UNDER SUBSIDIARY COMPANIES

Thermal Power Projects

i) Muzaffarpur Thermal Power Station, Muzaffarpur, Bihar

ii) Nabinagar Thermal Power Project, Distt. Aurangabad, Nabinagar, Bihar (in JV with Railways)

COAL MINING SITES

i) Pakri Barwadih Coal Mining Project, Hazaribagh, Jharkhand

ii) Chatti-Bariatu Coal Mining Project, Hazaribag, Jharkhand

iii) Kerandari Coal Mining Project, Hazaribagh, Jharkhand

iv) Talaipalli Coal Mining Project, Raigarh, Chattisgarh

v) Dulanga Coal Mining Project, Sundargarh, Odisha

xxi) Address for correspondence:

NTPC Bhawan, SCOPE Complex
7, Institutional Area, Lodi Road,
New Delhi – 110003

The phone numbers and e-mail reference for communication are given below:

	Telephone No.	**Fax No.**
Registered Office	2436 0100	2436 1018
Investor Services Department	2436 7072	2436 1724
E- mail id	isd@ntpc.co.in	
Public Spokesperson Shri G.K. Sadhu Executive Director (Finance)	2436 6278	24361982
E-mail id	sadhugk@yahoo.co.in	
Company Secretary		
Shri Anil Kumar Rastogi	2436 0071	2436 0241
E-mail id	akrastogi@ntpc.co.in	
E-mail ID (exclusive) for redressal of investors complaints	isd@ntpc.co.in	

For and on behalf of Board of Directors

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place: New Delhi
Date: 15.05.2014

ANNEX-1

Non – Mandatory Requirements

Besides the mandatory requirements as mentioned in preceeding pages, the status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement is provided below:

1. **The Board:** The Company is headed by an Executive Chairman. No Independent Director has been appointed for the period exceeding, in the aggregate, a period of nine years, on the Board of the Company.
2. **Remuneration Committee:** Please refer to para 3.3 of this Report.
3. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under heading 'Means of Communication' and also hosted on the website of the Company. These results are not separately circulated. Significant events have been disclosed on the company website: www.ntpc.co.in under "Announcements" in the "Investors" section.
4. **Audit Qualification:** It is always Company's endeavour to present unqualified financial statements.
5. **Training to Board Members:** The Board of Directors have the responsibility of strategic supervision of the Company and undertake periodic review of various matters including performance of various stations, construction of power projects, capacity expansion programme in line with targets set-up by Ministry of Power, resource mobilisation, etc. In order to fulfil this role, the Board of Directors undergo training from time to time. The Board of Directors are fully briefed on all business related matters, risk assessment and mitigating procedures and new initiatives proposed by the Company. Directors are also briefed on changes/developments in Indian as well as international corporate and industry scenario including those pertaining to the statutes/legislation and economic environment. In addition, Directors are being imparted training organised by the Company and other agencies/ institutions etc which enables them to appreciate specific requirements of Power Sector as well as those of the Company. The Company has Board approved Training Policy in place for its members which aims at building leadership, qualities and providing a platform to share the knowledge, skills and experience gained by the Directors.
6. **Mechanism for evaluating non-executive Board Members:** Non-executive Board Members (Independent Directors) of NTPC are appointed by the Search Committee of the Government of India for a tenure of three years at a time. Their performance is also evaluated by the Search Committee of the Government of India and based on their performance; they are considered for re-appointment on the Board.
7. **Whistle Blower Policy:** The Company has a Board approved 'Whistle Blower Policy' for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provided safeguards against victimization of employees, who avail of the mechanism and for direct access to the Chairman of the Audit Committee.

Annex-II

Schedule of Compliances with Presidential Directive issued during the financial year 2013-14 and during last three years preceding the financial year 2013-14:

Year	Content of Presidential Directives	Compliance
2013-14	NIL	**NIL**
2012-13	NIL	**NIL**
2011-12	NIL	**NIL**
2010-11	1. Vide Presidential Directive No.11/2/2010-Th-1 dated 10th January, 2011, Government of India had directed NTPC for induction of supercritical technology (with stipulation of Phased Manufacturing Programme) through Bulk ordering of nine 800 MW generating units by NTPC Limited as per road map given in the aforesaid directive.	In line with the Presidential Directive, tenders for Steam Generator (SG) package and Steam Turbine Generator (STG) package for 800 MW units were invited separately for Lara, Darlipali, Gajmara and Kudgi project on International Competitive Bidding basis on 4.02.2011 following two-stage bidding process. The award of Contract for SG and STG Packages have been placed for Kudgi (3x800 MW), Lara (2X800 MW) and Darlipali (2X800 MW) projects. In view of difficulty being faced in getting land timely for Gajmara project, in place of Gajmara, award of contracts for SG and STG packages have been placed for Gadarwara (2X800MW) project.

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Arup Roy Choudhury, Chairman & Managing Director and K. Biswal, Director (Finance) of NTPC Limited to the best of our knowledge and belief, certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2014 (Stand alone and Consolidated) and to the best of our knowledge and belief:
  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the company's various code(s) of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the company's auditors and the Audit Committee of NTPC's Board of Directors:
  (i) significant changes, if any, in internal control over financial reporting during the year;
  (ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi	(K. Biswal)	(Dr. Arup Roy Choudhury)
Date : 10th May 2014	Director (Finance)	Chairman & Managing Director

AUDITORS' CERTIFICATE

The Members
NTPC Limited

We have examined the compliance of conditions of Corporate Governance by NTPC Limited for the year ended on 31st March 2014 as stipulated in the Clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Agreements and in the Guidelines on Corporate Governance for Central Public Sector Enterprises except that the number of Independent Directors for the period from April 1, 2013 to July 8, 2013 was short by one.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K K Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Neeraj Kumar Agarwal) Partner M No. 094155	(Abhinav Aggarwal) Partner M No. 517358	(G. Shankar) Partner M No. 024042
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A. R. & Co. Chartered Accountants Firm Reg. No. 002744C
(Ajay Gupta) Partner M No. 090104	(Monika Agrawal) Partner M No. 093769	(Anil Gaur) Partner M No. 017546

Place : New Delhi
Date : 15th May 2014

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

Some of the important energy conservation measures taken during the year 2013-2014 in different areas are as under:

ENERGY AUDITS

During the year 2013-14, total 48 energy audits were conducted in different Stations of NTPC. The areas of audit covered auxiliary power consumption, water balance, cooling water system, thermal insulation, compressed air system, milling system, air conditioning system, ash handling system, WHRB and lighting etc. were carried out at different stations of NTPC. A Conference of Energy Managers of all NTPC stations was also organized to deliberate actions for energy conservation and disseminate the activities undertaken at various Stations.

AUXILIARY POWER CONSUMPTION

Some of the actions undertaken to reduce auxiliary power consumption are replacement of inefficient BFP cartridges and addressing BFP recirculation valves passing at various Stations, repairing duct leakages / APH seal replacement at various stations, Flue gas duct modification using Computational Fluid Dynamic (CFD) studies at Tanda & Vindhyachal, reducing / stopping MDBFP running during unit start-ups and instead using TDBFP during startup in 500MW units, application of efficiency improvement coating on CW / other large pumps internal at some stations, installation of VFD's in various LT drives at Gandhar, Korba & Kyamkulam, installation of energy efficient blades for Cooling Towers at Dadri Gas & Faridabad, replacement of old air compressor with energy efficient screw compressor at Auraiya, optimization of operation of pumps and fans such as CW pumps, ARCW, clarified water pumps & Cooling Tower Fans, replacement of cartridges of ash slurry pumps at Tanda with energy efficient cartridges, optimizing DP across Feed Regulating Station at Kahalgaon & Vindhyachal, etc. Roof mounted 25KW grid interactive Solar Photovoltaic plant was also installed at Ramagundam to supplement auxiliary power.

LIGHTING

To reduce energy conservation from lighting, replacement of conventional GLS lamps and conventional FTLs with CFLs / efficient TL, replacement of HPSV / Halogen / FTL fixtures with LED light fixtures at various stations, and installation of solar based LED lights at Anta and Kayamkulam were undertaken during the year.

HEAT ENERGY

Restoring & upgrading thermal insulation, preventing passing in HP heaters partition plane, and replacement of high energy drain valves etc were undertaken at some of the Stations to reduce loss of thermal energy.

b) Additional investments and proposals for reduction in consumption of energy:

Provision of ₹ 11.62 crore has been kept in BE 2014-15 for different energy conservation schemes like:

- Energy Efficient fan blades in Cooling Towers
- Grid interactive roof-top SPV plant
- Energy efficient LT motors
- Energy efficient lighting
- Solar water heaters for houses and canteen

c) Impact of measures taken for energy conservation:

Savings achieved during 2013-14 on account of specific efforts for energy conservation:-

S.No.	Area/Activities	Energy Unit	Savings Qty. of units	₹ (Crore)
1	Electrical	MU	115.1	26.81
2	Heat Energy (equivalent MT of coal)	MT	11678	2.49
	Grand Total			29.30

Savings achieved during 2012-13 - ₹ 32.48 Crore

d) Technology Absorption:

Efforts made towards technology absorption are contained in enclosed Form –B.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to export initiative taken to increase export, development of new export markets for products and services and export plan:

Total Foreign Exchange Used/ Earned (2013-14)	₹ (Crore)
1. Foreign Exchange Outgo	
a) Value of Imports calculated on CIF basis:	
- Capital Goods	2472.14
- Spare Parts	115.46
b) Expenditure:	
- Professional and Consultancy Charges	13.83
- Interest	775.72
- Others	66.22
2. Foreign Exchange Earned	
- Professional & Consultancy Fee	3.08
- Others	0.05

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

1.0 Specific areas in which NETRA activities have been carried out during 2013 - 14:

a. GoI MOU Projects for 2013–14 Completed:

Design, procurement, erection and commissioning of waste flue gas based 100 TR air conditioning systems; In-house developed Technology to upgrade existing motor for VFD retrofitting in one complete cooling tower fans; Setting up of 50m2 open pond race way algae reactor and commencement of cultivation of algae with selected strains for fixation of CO_2 from flue gas; Setup of in-house designed thermo-syphon heat pipe based air pre-heater pilot facility; Application of "Time of Flight Diffraction (TOFD)" techniques for detection & sizing of internal defects on selected welds of critical pipelines; Finalization of Tech Specs, Costing and NIT at NTPC Gandhar Gas Station CW Effluent Water Recovery System.

b. Developmental Projects undertaken by NETRA: Optimization studies of conversion of MSW to fuel at bench scale level; Pilot plant studies for mineralization of fly ash slurry; CFD modeling of power plant process for improving plant efficiency; Packaging of LTSH robotic system for inspection of boiler pressure parts; Final commissioning of RFID system for 5 Km. stretch; Development of software for in-situ detection of turbine blade defects.

c. Scientific Support to Stations on continuous basis:

- CFD modeling of flue gas ducts at Tanda and Vindhyachal. It has resulted in saving of 100 KW ID fans power at Tanda#1 &3 and by 70 KW at Vindhyachal U#5. Modification in CW sump of 500 MW Farakka #6 based on CFD modeling has helped in reduction of vibrations. In-house developed robotic inspection was carried out successfully at Singrauli#6, Talcher Kaniha #1 ,#2, etc. In-situ metallography and hardness measurement for gas turbine component was carried out at Dadri Gas GT#2. A comprehensive document on application and selection of coating as per environment norms was prepared for all stations. ESP efficiency measurements have been carried out at 3 units for up-gradation and renovation of ESP.
- **Health Assessment:** Health assessment studies carried out for total 20 nos. of Boiler, Steam & gas turbines. Time of Flight Diffraction (TOFD) technology was employed to demonstrate the capability for rapid, reliable, accurate inspection of welds of high pressure high temperature pipeline and headers during erection (Rihand #6, Bongaigaon #1) as well as in-services (Talcher Kaniha- #3, Singrauli- #5). Condition assessment of about 50 boiler tubes from the Water wall, Reheater and super heater regions has been carried out.

  Residual creep life assessments carried out for service-exposed Superheater and Reheater tubes of boilers of coal-fired units by conducting accelerated stress rupture tests (ASRT) on the tube samples operating in the creep domain.

  More than 2500 transformer oil samples were analysed from various stations. It helped in early detection of transformer faults such as Badarpur GT#5, Korba #1, Ramagundam TT#1 , Vidhyachal GT#4 and GT#5, Dadri Gas ICT#4R, Talcher Thermal GT#2 etc.

  Boiler Tube/ failure analysis. Failure analysis of boiler tubes to find the cause of failure was done for over 110 tubes of various boilers of NTPC and external Power Producers.

  Condition monitoring of ion exchange resins for capacity and kinetics done for more than 20 stations to assess the exchange capacities of in-service resins.

d. Scientific Support to Other Utilities:

Provided to NSPCL-Durgapur, Bhillai; PSPCL-Bathinda; NHPC-Salal, Tanakpur, Dhauliganga; THDC-Koteshwar,Tehri; PPCL-Delhi; HPGCL-Panipat, Yamuna Nagar; IOCL-Mathura Refinery; APGCL-Kothegudam; APCPL Jhajjar, MAHAGENCO Chandrapur,Siemens Ltd; RGPPL Dhabol, STEAG Energy Ltd.; Jindal Power; Reliance Infra; Vedanta; etc.

2.0 Benefits derived as a result of above Research & Technology Development:

NETRA activities have helped in increasing the availability, reliability and efficiency of the stations. Techniques developed by NETRA are implemented at stations, which are enhancing the life of boiler & turbine components. Environmental appraisals, rejuvenation treatments of resins, chemical cleaning/treatment and corrosion control measures supported the stations in improving the efficiency, availability and life of boilers, various heat exchangers/cooling towers etc.

Waste flue gas based Air-conditioning system for control rooms is successfully commissioned at one of the NTPC stations. CFD based modifications have resulted in power saving and have been helpful in analyzing and resolving vibration problems in CW pumps. Studies on CO_2 fixation/utilization, solar thermal, bio-fuels will result into development of technologies for reduction in the impact on climate change and technologies for affordable renewable energy sources.

3.0 Future Plans

Developmental Projects planned to be taken up:

- Solar Thermal Hybrid Project at Dadri.
- 120 TPD Flue Gas Based Desalination Plant at Simhadri
- *In-house* design engineering & award of high temperature thermic fluid based solar thermal cooking demonstration plant at NTPC Dadri.
- DPR for 10Mwe Geothermal Power Plant at Tattapani, Chhatisgarh in association with GSI,CREDA.
- Experimentation on Microalgae based study plant set up at NTPC Faridabad for CO_2 fixation from Flue gas.
- Design and Installation of technology assessment platform of Floating PV system at one of NTPC reservoir.

- Advance kinetic and physical coal/blend characterization: Design development and start of fabrication of Drop Tube Reactor for 1500°C.
- *In-house* CFD model development and optimization of CW sump for one future NTPC Station.
- Completion of Condition Assessment of Switchyard Equipment through Corona Imaging at NTPC Stations
- Pilot Plant studies for reconditioning of aged FRF from two Stations using resin based conditioning system
- Development of modified Amine absorption based process to separate CO_2 from flue gas. Completion of detailed design including specification of necessary equipments, instruments software etc.
- Development and trial of prototype magnetic crawler for water wall tubes inspection.
- Completion of Condition Assessment of coatings on gas turbine blades/vanes using Frequency scanning eddy current testing (FSECT) at NTPC units
- Development of power plant performance and optimization intelligent system as a package "NETRA e Power Plant Solution"

4.0 Expenditure on R&D: 2013-14

S.No.	Description	Expenditure in (₹ Crores)	
		2013-14	2012- 13
a)	Capital	35.82	10.11
b)	Revenue	98.52	91.85
c)	Total	134.34	101.96
d)	Total R&D expenditure as a percentage of PAT	1.06%	1.105%

5.0 Technology Absorption, Adaptation and Innovation

Particulars of some of the important technology imported during last five (5) years are as follows:

S.No.	Technology	Year	Stations
1	Ultra- supercritical Power plants with steam parameters 269 kg/cm^2 steam pressure and 596/596 deg C.	2013-14	Being implemented in 3x660 MW North Karanpura.
2	Adoption of Air cooled condenser for super critical units	2013-14	Being implemented in 3x660 MW North Karanpura.
3	Adoption of supercritical technology in large size units of 800 MW	2012	Being implemented in bulk tender projects of 800 MW at Kudgi, Lara, Darlipalli & Gadarwara
4	Super critical technology with 256 Kg/cm^2 Steam Pressure and 568/596 CMS/RH steam temperature is being adopted for improvement in thermal efficiency and reduced emission of green house gasses.	2008-10	Being implemented in Barh-II and also being implemented in 9 units of 660 MW (in Mauda, Solapur, Meja, Nabinagar) through bulk tendering mechanism.
5	Development of IGCC technology for high ash Indian coal(s)	2010	A technology demonstration plant of about 100 MW capacity at Dadri project is being planned.
6	Communicable Numerical Relay Technology (on IEC 61850) along with Networking Systems introduced in 33 KV/11 KV /6.6 KV/3.3 KV and LV System	2009	Implemented at Dadri-II, Korba-III & IGSTPP, Simhadri-II. Being implemented in all ongoing projects.

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place: New Delhi
Dated: 11th July 2014

Annex-IV to Directors' Report

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

S. No.	NAME OF THE SUBSIDIARY	NTPC ELECTRIC SUPPLY COMPANY LIMITED	NTPC VIDYUT VYAPAR NIGAM LIMITED	KANTI BIJLEE UTPADAN NIGAM LIMITED	BHARTIYA RAIL BIJLEE COMPANY LIMITED
1.	Financial year of the Subsidiary ended on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2.	Date from which they became Subsidiary	August 21, 2002	November 1, 2002	September 6, 2006	November 22, 2007
3.	Share of the subsidiary held by the company as on March 31, 2014 a) Number & face value	80,910 equity shares of ₹10/- each	2,00,00,000 equity shares of ₹10/- each	47,30,01,233 equity shares of ₹10/- each	77,41,52,309 equity shares of ₹10/- each
	b) Extent of holding	100%	100%	65%	74%
4.	The net aggregate amount of the subsidiary companies Profit/(loss) so far as it concerns the member of the holding company (in ₹)				
	a) Not dealt with in the holding company's accounts				
	i) For the financial year ended March 31, 2014	19,75,78,497	60,23,60,048	(35,17,858.50)	(5,08,841.76)
	ii) Upto the previous financial years of the subsidiary company	27,91,50,280	123,05,91,152	(14,43,68,357.25)	(51,09,949.38)
	b) Dealt with in the holding company's accounts				
	(i) For the financial year ended March 31, 2014	Nil	Nil	Nil	Nil
	(ii) For the previous financial year of the subsidiary company since they become the holding company's subsidiaries	Nil	Nil	Nil	Nil

NTPC Hydro Limited, a wholly owned subsidiary of NTPC has been merged with NTPC Limited on 18.12.2013 in terms of Section 391-394 of the Companies Act, 1956 after obtaining the approval of the Ministry of Corporate Affairs.

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place: New Delhi
Dated: 11th July 2014

Annex- V to Directors' Report

STATISTICAL DATA OF GRIEVANCE CASES

2013-14

S. No.	Particulars	Public Grievance Cases*	Staff Grievances Cases
1.	Grievance cases outstanding at the beginning of the year	17	4
2.	Grievance cases received during the year	32	12
3.	Grievance cases disposed of during the year	41	13
4.	Grievance cases outstanding at the end of the year	8	3

*Public Grievances data is as per the data available on Portal for Public Grievances maintained by Department of Administrative Reforms & Public Grievances.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 11th July 2014

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Annex-VI to Directors' Report

STASTICAL INFORMATION ON RESERVATION OF SCs/STs FOR THE YEAR 2013

Representation of SCs/STs as on 01.01.2014

Group	Employees on Roll	SCs	%age	STs	%age
A	14,266	1,769	12.40	636	4.46
B	5,397	939	17.40	408	7.56
C	4,515	801	17.74	310	6.87
D	874	216	24.71	129	14.76
Total*	25,052	3,725	14.87	1,483	5.92

* The above data is inclusive of manpower posted at JVs and Subsidiaries and manpower of taken over projects.

Recruitment of SCs/STs during the year 2013:

Group	Total Recruitment	SCs	%age	STs	%age
A	172	21	12.21	4	2.33
B	-	-	-	-	-
C	179	29	16.20	2	1.12
D	7	-	-	-	-
Total	**358**	**50**	**13.97**	**6**	**1.68**

Promotions of SCs/STs during the year 2013:

Group	Total	SCs	%age	STs	%age
A	3,104	447	14.40	209	6.73
B	1,133	205	18.09	56	4.94
C	894	129	14.43	73	8.17
D	28	6	21.43	3	10.71
Total	**5,159**	**787**	**15.25**	**341**	**6.61**

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 11th July 2014

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Annex- VII to Directors' Report

INFORMATION ON PHYSICALLY CHALLENGED PERSONS

With a view to focus on its role as a socially responsible and socially conscious organization, your Company has endeavored to take responsibility for adequate representation of Physically Challenged Persons (PCP) in its workforce. With this in view, the Company launched a massive recruitment drive to make up the shortfall of PCP. Presently, 473 PCP (97 VH, 107 HH and 269 OH) are on rolls of NTPC. Reservation has been provided for PH as per rules/policy. Some of the other initiatives taken for the welfare of PCP by NTPC over the years are as under:

- For individual needs of the Visually Hampered employees, screen reading software and Braille shorthand machines, are made available by the Projects of NTPC. A website has been made PCP friendly, particularly for Low Vision Employees.
- "Sign language" training for the employees in general.
- Changes in the existing building have been/ are being made to provide barrier free access to physically challenged.
- Ramps have also been provided for unhampered movement of wheel chairs.
- At most of the NTPC Projects, wherever houses are located in multi-storied structures, allotments to PCP has been made on the ground floor.
- Special parking enclosure near the ramp at the office entrance as well as Physically Handicapped friendly toilet and lift at CC and Projects.
- Wheel chairs have been provided to employees with orthopaedics disabilities. If required, the assistance of an attendant has also been sanctioned.
- Wherever required, gates/ door of the quarter have been widened.
- At CC procurement of stationery items like files, envelopes are mainly being done from NGOs/ Agencies like ADDI, MUSKAN, Blind Relief Association who are working for physically challenged thereby creating indirect employment.
- Paintings made by disabled persons have also been procured and placed at different locations in the Company Offices.
- Medical camps have been organized in various projects of the Company for treatment and distribution of aids like artificial limbs, tricycles, wheelchairs, calipers etc.
- Shops have been allotted in Township to PCP so that they may earn their livelihood. Similarly, PCOs within/ outside plant premises are also allotted to PCP.
- Regular interactive meetings are being organized with physically challenged employees.
- Training needs are being fulfilled as per the individual requirement.
- 9 number of Scholarships @ ₹1,500/- per month/ per student are given to PH students pursuing MBA/ PGDBM/Degree in Engineering Courses.
- Petty contracts like book binding, scribbling pad preparation from waste paper, file binding, furniture repair, screen printing, spiral binding, painting contract are also being given to disabled persons.
- Physically challenged (Orthopedically Handicapped) employees have been allowed to purchase a three wheeler vehicle with a hand fitted engine against their normal entitlement (advance for scooter/ motorcycle/ moped) under NTPC Conveyance Advance Rules.
- At all Projects/ Offices, Nodal Officers (Physically Challenged) have been nominated.
- Reimbursement towards low vision aids, dark glasses etc. subject to maximum of ₹1,000/- every year has been introduced. Similarly hearing aid; behind the ear model for each ear restricted to ₹10,000/- or actual cost whichever is lower has been introduced. It may be replaced every four years subject to certificate of condemnation by ENT Specialist.
- Relaxation in qualifying marks for open recruitment: pass marks only and also 10% relaxation in written test and interview from the year-2002 onwards.
- The minimum performance level marks for promotions within the cluster is relaxed by 3 marks in case of employees belonging to SC/ ST/ Physically Challenged category.

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place: New Delhi
Dated: 11th July 2014

UNGC – Communication on Progress

NTPC expresses its continued support for the Global Compact and its commitment to take action in this regard, as was communicated by the Chairman & Managing Director, NTPC in his letter dated May 29, 2001 addressed to Secretary General, United Nations.

NTPC has posted the brief of Global Compact and its commitment to the principles of GC on its website at www.ntpc.co.in. The principles of GC were communicated to all employees through in-house magazines, internal training programmes and posters. NTPC, a core member of Global Compact Network (GCN), India, (formerly known as Global Compact Society) actively participated in the monthly meetings, Governing Council Meetings and Annual Convention of the Global Compact Network at New Delhi.

Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

In Workplace:

- Providing of self-sufficient townships to the employees with access to healthcare facilities through NTPC hospitals, education through NTPC operated schools and other recreation facilities.
- Providing a safe working environment at all its work places and promoting safety culture and safety consciousness among its employees and associates. Guidelines, rules / policies, General Conditions of Contract on Safety etc. are prepared and reviewed time to time and circulated to all projects / stations for implementation.

In the Community:

- Community Development initiatives in the form of R&R program aiming to improve the overall economic status of persons displaced or otherwise affected by our projects based on specific local requirements and guided by extensive socio-economic surveys.
- NTPC recognized to continue community and peripheral development works covered under Initial Community Development (ICD) Policy where the same were closed under R&R policy. NTPC revised its CD policy in August 2010, keeping in view the changed Business environment, Global practices and guidelines issued from DPE, Ministry of Heavy Industry & Public Enterprises. In line with the CD Policy, NTPC takes up activities at Station level and Regional/ National level within the identified Basket of Activity.

  The activities undertaken for the community development are mentioned under Principle 8 of Business Responsibility Report for the FY 2013-14 (Annex-X to the Directors Report).

Principle 2: Make sure that they are not complicit in human rights abuses.

- NTPC respects and, at all times, makes conscious effort to safeguard the human rights.
- It privately and publicly condemns any instances of systematic and continuous human rights abuse anywhere in the world;
- It continually consults within and outside the company with relevant stakeholders including contractors, as part of a human rights due diligence process;
- It raises awareness within the company of known human rights issues within the company's sphere of influence;
- Human resource management practices are constantly reviewed to ensure transparency and to ensure protection of Human rights.
- HSE (health, safety and environment) related policies / practices are also constantly reviewed to ensure that they are in sync with global norms, local statutes and industry best practices. All the 21 power stations of NTPC which are fully commissioned are OHSAS 18001 certified.
- Policies and practices are constantly updated to ensure that no violation of Human Rights takes place either directly or indirectly.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

- NTPC is one of the most preferred employers in the country and its employees enjoy complete freedom of association. The practices as regards the collective bargaining rights of workmen are in sync with the provisions of Trade Unions Act, the governing statute on the issue.
- At Company Level, an apex level forum consisting of employer and employee representatives' viz. National Bi partite Committee (NBC) is in place to discuss, negotiate and bargain on the issues like productivity, remuneration, benefits/ facilities etc. concerning the workmen.
- At Regional level, Regional Joint Productivity Council (RJPC), consisting of employer and employee representatives is operational.
- Similarly, at Project Level, Plant Level Committee (PLC), at shop floor level, Shop Level Council (SLC), Canteen Management Committee (CMC), Township Advising Committee (TAC) and House Allotment Committee (HAC) etc. are functional with representation from employer and employees for facilitating the concept of Participative Decision making.

Principle 4: The elimination of all forms of forced and compulsory labour

- NTPC has well laid down recruitment/manpower engagement system. The manpower working in NTPC enjoys complete freedom to join and leave the organisation as per its own volition. The company not only adheres to International conventions and statutory provisions on employment, but also constantly upgrades its practices on employee engagement, as per emerging scenarios and prevalent best practices.

Principle 5: The effective abolition of child labour

- As a responsible corporate citizen, NTPC ensures prohibition of engagement of child labour in its plants and offices. Our service rules stipulate that minimum age for employment in NTPC is 18 years.
- The bidding/ contract documents etc. also explicitly prohibit engagement of child labour. Further, NTPC's plants being high security installations, the entry is regulated through issue of security gate pass for workers. Thorough preventive check is done at the time of issuing gate passes, to ensure that no contracting agency deploys child labour in NTPC's premises.

Principle 6: The elimination of discrimination in respect of employment and occupation.

- In NTPC, there is no discrimination based on caste, creed, religion, gender or place of origin etc., in engagement of manpower or remunerations.
- Compliance of various statutes like Minimum Wages Act, Equal Remuneration Act, Payment of Wages Act etc., which are aimed at ensuring equality in terms of wages, working conditions etc. is ensured.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges

- NTPC, since inception, has been proactive in addressing environmental concerns. It has identified Environment Management as a thrust area to achieve excellence and aims to strengthen its position as a leader in environment protection area. To meet the environmental challenges of 21st century and beyond, sound Environment Management practices and advanced environment protection systems have been adopted to minimize impact of power generation on environment. NTPC with the goal of achieving sustainable development of the power sector in the country has taken a number of dedicated and growth oriented measures for improvement in the areas of environment management in its various units while following the principle of "3R's" (Reduce, Recycle and Reuse).All NTPC units have been ISO 14001 certified by reputed National/International certifying agencies.
- In order to monitor key environmental parameters of ambient air and stack emissions continuously on real time basis, automation in monitoring techniques has been taken up in NTPC. NTPC is a leader in the installation and operation of 67 nos. of Ambient Air Quality Systems to monitor air quality around its power plants and access of data has been provided to CPCB on real time basis. Installation of Continuous Emission Monitoring System (CEMS) to monitor emissions of SO_2, NOx and CO_2 in all its units on real time basis is also under progress. It is also considering online monitoring of its effluents quality at the outfalls.
- In order to develop scientific data base for betterment of environment protection around its power projects, Human Health Risk assessment ,Source Apportionment studies and various other studies are being taken at all NTPC Stations.

Principle 8: Undertake initiatives to promote greater environmental responsibility

- NTPC has installed advanced Environmental Protection and Pollution Control Systems such as High Efficiency Electrostatic Precipitators to combat air pollution in its coal based units and Ash Water Re-circulation Systems (AWRS) and Liquid Waste Treatment Plant (LWTP) and Sewage Treatment Plant (STP), to combat water pollution and conserve water in its various units In order to monitor, and continuously strive to improve environmental performance. The company is pursuing the objective of sustainable power development. It has taken a number of initiatives towards protection of the environment by providing advanced environment protection control systems, regular environment monitoring and judicious use of natural resources, adoption of higher energy efficient technologies such as super critical boilers for the up-coming green field projects, use of blended coal etc in existing brown field projects, besides adopting State of the art environmental technologies such as flue gas conditioning etc. Such measures not only reduce the overall pollutants, but also results in reduction of CO_2 emission.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

- NTPC started its journey in 1975 and in order to increase its efficiency of power generation while conserving resources, has been continuously evolving in technology and has been migrating from 200 MW units, to 500 MW units, to 660 MW supercritical technology units and now all its 4th generation new power plants are envisaged with 800 MW super critical technology units. The company envisages augmenting its capacity, albeit, in a minor way by installing solar power systems and micro hydel power systems attached to its thermal power plants wherever possible so as to encourage garnering of renewable energy resources.
- In addition to embracing the principle of 3R's, in the area of water conservation also NTPC is planning all its 3rd and 4th generation plants with near zero discharge capability and is also in-principle embedded the rain water harvesting systems in all its existing and upcoming power plants. Further, in order to maximize energy sent out for National use NTPC has also commissioned 4 Bio meth nation plants as pilot projects.
- NTPC has so far planted more than 21 million trees not only in and around its locations but also in other locations in association with State Authorities in order to increase Green cover to act as Carbon sink for the Country.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

- The Company has a Vigilance Department headed by Chief Vigilance Officer (CVO) who is a nominee of the Central Vigilance Commission (CVC). It deals with various facets of Vigilance Mechanism and transparency, objectivity and quality in vigilance functioning is ensured. The Vigilance Department submits its reports to Competent Authority including the Board of Directors. The CVO also reports to the Central Vigilance Commission as per their norms.
- As suggested by the CVC the Integrity Pact has been implemented in NTPC. A MoU between Transparency International (India) and NTPC has been signed and the Pact is being implemented for all Contract values exceeding ₹10 Crores. Two Independent External Monitors have been nominated by the Commission for all contracts exceeding ₹100 Crores.
- As per the provisions of Section 619(3) of the Companies Act, 1956, a Fraud Policy has been formulated and implemented in NTPC since 2006 and Nodal Officers have been appointed. The cases being referred by the Nodal Officers are investigated immediately to avoid/stop fraudulent behaviors as defined in "Fraud Policy".
- As per advice of CVC, Complaint Handling Policy has been approved by Management on 31st July, 2013 and the same has been widely circulated all over NTPC through NTPC Intranet.
- Whistle Blower Policy has been approved by Board of Directors on 27th November, 2013 to build and strengthen a culture of transparency and trust in the organization and to provide employees with a framework/procedure for responsible and secure reporting of improper activities(whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity/serious irregularities within the Company.
- As a part of preventive vigilance exercise advocated by the CVC, Preventive Vigilance Workshops are being conducted every year to sensitize the employees about sensitive points in work areas and their role in prevention of corruption.
- Pursuant to the directive of the CVC, Vigilance Awareness Week was observed from October 28, 2013 to November 02, 2013 in all important locations of the Company, Subsidiaries and Joint Venture Companies and Inspection Offices. The focus of the initiative was "Promoting Good Governance – Positive Contribution of Vigilance." On the occasion, the Department has also come out with a series of system improvements guidelines/circulars with a view to promote good governance in the Company. All Vigilance Executive at Projects were also directed by the CVO to bring out the main points of various Circulars, issued in recent time from the Office of the Chief Vigilance Officer, to the notice of all officials, vendors and contracting agencies.
- The Immovable Property Returns of all Executives who have submitted their Annual Property Returns (APRs) as on 01.01.2014 have been published on the NTPC Website as per the directives of the Government of India. Also, as per directives of the Government, issuance of vigilance clearance has also been linked with the submission of APRs by the Executives.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 11th July 2014

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

The quantity of ash produced, ash utilized and percentage of such utilization during 2013-14 from NTPC Stations is as under:

Sl. No.	Stations	Ash Produced	Ash Utilization	% Utilization
		Lakh MTs	Lakh MTs	%
1	Badarpur	10.64	8.00	75.19
2	Dadri	26.80	31.23*	116.53*
3	Singrauli	37.66	9.85	26.16
4	Rihand	44.87	18.94	42.21
5	Unchahar	22.07	14.08	63.80
6	Tanda	12.22	5.04	41.24
7	Korba	62.26	19.88	31.93
8	Vindhyachal	68.40	29.82	43.60
9	Sipat	47.29	10.05	21.25
10	Ramagundam	50.49	31.52	62.43
11	Simhadri	34.40	14.38	41.80
12	Farakka	36.13	12.90	35.70
13	Kahalgaon	47.34	10.76	22.73
14	Talcher-Thermal	12.17	12.17	100
15	Talcher-Kaniha	63.13	25.08	39.73
16	Mouda	2.38	0.03	1.26
	Total	**578.25**	**253.73**	**43.88**

* Figure includes Ash utilized from ash produced during previous years.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 11th July 2014

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

NTPC BUSINESS RESPONSIBILITY REPORT (2013-14)

Section A : General information about the company

1.	**CIN (Corporate identity number)**	L40101DL1975GOI007966
2.	**Name of the company**	NTPC Ltd.
3.	**Registered address**	NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003
4.	**Website**	www.ntpc.co.in
5.	**Email id**	akrastogi@ntpc.co.in
6.	**FY reported**	2013-14

7. **Sector that company is engaged in :** Power
8. **Product/services that the company manufacturers /provides (as in balance sheet):**
   i. Generation of Electricity
   ii. Consultancy
9. **Total number of location where business activity is undertaken by the company:**
   1. International locations - 03 nos.
      a. Trincomalee Power Project, Srilanka
      b. Power Project at Khulna, Bangladesh
      c. Power Project at Siddhirganj, Bangladesh
   2. National locations - 55 nos.
10. **Markets served by the company : National & International**

Section B : Financial details of the company		
1.	Paid up capital (₹ Crore)	₹ 8245.46 Cr.
2.	Total Revenue (₹ Crore)	₹ 74,707.82 Cr.
3.	Total profit after taxes (₹ Crore)	₹ 10,974.74 Cr.
4.	Total spending on CSR and Sustainable Development (SD) as % of PAT (%)	1.17% of PAT
5.	List of activities in which expenditure in 4 above has been incurred	**Areas of the activities :** - Education and awareness creation - Health and sanitation - Vocational Training and Skill up-gradation - Conducting Medical camps - Activities for physically challenged - Women Empowerment - Roads & Infrastructure strengthening - Providing Drinking Water - Animal Health - Art & Culture and Sports - Quality Circles (QCs) activities in neighbourhood villages of stations - Extending financial support/activities for relief during Natural Calamity - Biodiversity, Tree Plantation - Improvement in air quality - Waste management - Environmental Studies - Promotion of Renewable Energy - Water management

Section C: Other Details

Subsidiaries : The company has the following four Subsidiary Companies as on 31-03-2014 :

i. NTPC Electric Supply Company limited

ii. NTPC Vidyut Vyapar Nigam Limited

iii. Kanti Bijlee Utpadan Nigam Ltd.

iv. Bhartiya Rail Bijlee Company Limited

The Business Responsibility Initiatives of the parent company are applicable to the subsidiary companies also. However, none of the entities that the Company does business with, participate in the BR initiatives of the Company.

Section D: BR information

1. Individual Directors responsible for implementation of the BR policy / policies:

Principle No	Description	Policy / Policies	Director(s) Responsible
Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	1. Code of Conduct* 2. Core Values 3. Fraud Prevention Policy 4. CDA Rules 5. Whistle Blower Policy	All Directors & Chief Vigilance Officer
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Safety Policy Sustainable Development (SD) Policy	Director (Operations) Director (HR)
Principle 3 (P3)	Businesses should promote the well-being of all employees.	1. Human Resource (HR) Policies 2. Transfer Policy	Director (HR)
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	1. R&R Policy 2. Community Development (CD) Policy 3. HR Policies	Director (HR)
Principle 5 (P5)	Businesses should respect and promote human rights.	HR Policies	Director (HR)
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.	1. Environment Policy 2. SD Policy	Director (Technical) Director (HR)
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	1. Code of Conduct* 2. Core Values	All Directors
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.	1. R&R Policy 2. Community Development (CD) Policy	Director (HR)
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Commercial systems & Procedures	Director (Commercial)

*Code of Conduct for Board Members & Senior Management Personnel

2. Details of Director/Directors responsible for BR as a whole

a. Details of the Director/Directors responsible for implementation of the BR policy/policies:

i.	**DIN number**	00659908
ii.	**Name**	Dr. Arup Roy Choudhury
iii.	**Designation**	Chairman & Managing Director
iv.	**Telephone no.**	011-24360044
v.	**Email-ID**	cmd@ntpc.co.in

b. Details of BR head: Same as above

3. Principle wise reply to each question on BR Policy / Policies:

	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the Principle?	Y	Y	Y	Y	Y	Y	Y	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
3.	Does the policy conform to any national /international standards?	Y	Y	Y	Y	Y	Y	Y	Y	-
4.1	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	-
4.2	If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	N	N	N	N	N	N	N	N	-
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	-
6.	Indicate the link for the policy to be viewed online?	(i)	(i)	(ii)	(i)	(ii)	(i)	(i)	(i)	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y$	Y	Y$	Y	Y	Y	-
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	-

$ Communicated to Internal Stakeholders only.

(i) Web links for the Policies :

a. Code of Conduct & Core Values :
www.ntpc.co.in/images/content/investors/Code_of_Conduct_for_Board2012.pdf

b. R&R Policy :
www.ntpc.co.in/images/content/corporate_citizenship/NTPC_R&R_Policy_2010.pdf

c. CSR-CD Policy :
www.ntpc.co.in/images/content/corporate_citizenship/CSR-CD-Policy-2010.pdf

d. Sustainable Development (SD) Policy :
www.ntpc.co.in/images/content/corporate_citizenship/SustainableDevelopmentPolicy/NTPC-SD-Policy.pdf

e. Fraud Prevention Policy : www.ntpctender.com/about/FraudPolicy.asp

(ii) Policies not hosted on web :

a. Environment Policy : Policy is in hard copy only and not hosted on web. However, Principles of Environment Policy have been given on the website www.ntpc.co.in under Environment Head.

b. Safety Policy & HR Policies : Available for internal stakeholders only and not hosted on web.

4. If answer against any principle is 'No', please explain why:

Principle 9 : All the sub-principles identified under principle -9 are duly followed by NTPC through its commercial systems and procedures. However, NTPC feels that a separate Policy on Principle -9 is not required because :

- NTPC supplies power to the Bulk Customers (State Electricity Distribution companies) majority of which are owned by the respective State Govts.
- The CERC, while finalizing Tariff and other Regulations engages all Stakeholders and takes views of them. CERC Tariff Regulations and relevant orders are being displayed on CERC Website www.cercind.gov.in.
- NTPC & Our bulk customers i.e. Discoms works under Regulated Environment.

- NTPC thrives for supplying cheapest power deploying all resources optimally in best possible ways resulting in well being of customers & Society.
- NTPC never restricts the freedom of choice and free competition in any manner while supplying bulk Power.
- Needs of the customers is taken into account and accordingly PPA are signed and Allocation of Power is made by Ministry of Power as per certain guidelines & Policy to meet the requirement of customers. Unallocated quota of power is allocated by MoP as per demand and requirement of different States hence always keep customer first.
- Power Supply regularity, Performance and all other Commercial parameters are governed by Central Regulator and NTPC always excels in satisfying customers by disclosing all relevant information truthfully, and factfully.
- Issues, if any, regarding operational issues etc are being discussed and resolved in common forums such as Regional Power Committees

5. Governance related to BR

I.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	Within 3-6 months
II.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published its Sustainability Report (A+ level) for the Financial Year 2012-13 and intends to publish it annually. The hyperlink to the report is : http://www.ntpc.co.in/images/content/corporate_citizenship/SustainableDevelopmentPolicy/SustainabilityReport12-13.pdf Further the company has published Business Responsibility Report as part of Annual Report 2012-13.

Section E: Principle –wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?

   i. Code of Conduct for Board Members & Senior Management Personnel cover all the Directors and Senior Management Personnel of the Company.

   ii. Fraud Prevention Policy applies to any fraud, or suspected fraud involving employees of NTPC as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency (ies) doing any type of business with NTPC.

   iii. CDA Rules are applicable to all employees of NTPC and employees posted in JVs/ Subsidiaries.

   iv. Insider Trading Code is applicable to designated employee of the company.

   v. However in line with NTPC, RGPPL and NTECL, JVs of NTPC have also adopted Fraud Prevention Policy and CDA rules.

   Additionally, the Company has a Vigilance Department headed by Chief Vigilance Officer (CVO), who is a nominee of the Central Vigilance Commission. The Vigilance Department submits its reports to Competent Authority including the Board of Directors. The CVO also reports to the Central Vigilance Commission as per their norms.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   A total of 188 new complaints were received during the period 1st April'13 to 31st March'14. 118 complaints (including previously received) were closed after verification. 99 complaints (including previously received) were taken up for investigation and 51 were under verification as on 31.03.14.

   All cases, referred under the Fraud Policy, have been investigated and taken to its logical conclusion.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities
   i. Generation of Electricity
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
   a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

RAW MATERIAL (ENERGY) CONSUMPTION PER YEAR

Energy Source	2011-12		2012-13		2013-14	
	Quantity	Per Unit Consumption	Quantity	Per Unit Consumption	Quantity	Per Unit Consumption
Coal	140.6 MMT	0.711 Kg/kwh	154.5 MMT	0.731 kg/kwh	158.2 MMT	0.718 Kg/kwh
Gas	13.08 MMSCMD	0.21 scm/kwh	10.70 MMSCMD	0.22 scm/kwh	6.88 MMSCMD	0.19 scm/kwh

WATER CONSUMPTION PER YEAR

	2011-12		2012-13		2013-14	
	Quantity	Per Unit Consumption	Quantity	Per Unit Consumption	Quantity	Per Unit Consumption
Total Water Withdrawal	4701 million KL	21.3 Litre/kwh	4591 million KL	19.9 Litre/kwh	4665 million KL	20.0 Litre/kwh

ENERGY SAVING PER YEAR

Energy saved by the initiatives taken in NTPC power plants for energy conservation / efficiency improvement	2011-12	2012-13	2013-14
	111.2 MU	119.9 MU	115.1 MU

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes, the Company has procedures in place for Sustainable Sourcing of Coal. NTPC has the systematic procedures in place of sustainable sourcing of fuel, through the Long Term Fuel Supply Agreement (FSAs) with coal companies as per national coal distribution policy of GOI. The coal available from the FSAs is sufficient for generating at 76-85% PLF. For any gap in requirement, vis-a-vis available from FSAs, NTPC procures coal through E-auction, bilateral agreement and import.

   NTPC has its own dedicated captive railway network called Merry-Go-Round (MGR) system, which has second largest in the country (900 KM Track,140 Locos and 2200 wagons) at its 17 coal stations (9 pit head & 8 Rail-Fed). MGR system is now connected with Railway network also, in order to receive Import coal as well as domestic coal from Railway system, which is sustained source in case of Rail-Fed stations. In FY 2013-14, total coal transportation was 161.16 MMT, out of which 55% coal was transported through MGR and balance by Railway.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company adopts fair, equitable and transparent tendering procedures. To encourage Indian bidders and suppliers, provisions regarding price preference and deemed export benefits are stipulated in the bidding documents to the extant of policy of Government of India. However,there are certain economic opportunities for the local and small producers, arising out of need for goods and services by the project and its township, which are extended to project affected persons/ families as additional facilities over and above the entitlements. These economic opportunities include preferance to Project Affected Persons (PAPs) / land oustees in the project and its township in following areas:

- Employment with contracting agencies and through other sources
- Allotment of Shops/ Kiosks in township
- Award of petty contracts
- Vehicle hiring in project
- Vendor permit
- Any other opportunities deemed fit by the project.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Our Product viz. Electricity gets completely consumed and hence there is no scope of its recycling. Guidelines have been issued in line with National Environment Policy for disposal of hazardous wastes from NTPC power stations. The hazardous wastes generated at our power stations such as used transformer oil, used lubricants, lead acid batteries etc. are sold to government approved recyclers or given back to the sellers for recycling under buy back arrangements, which takes care of 100% recycling of such wastes.

   Around 44% of the total ash generation from electricity generation has been used for various productive purposes during 2013-14. Important areas of ash utilization are – cement & asbestos industries, ready mix concrete plant (RMC), road embankment construction, brick/ block/ tile manufacturing, mine filling, ash dyke raising, and land development

<u>Principle 3 : Businesses should promote the wellbeing of all employees</u>

1. Number of Employees :

   a. Executives : 12,699

   b. Non- executives : 10,712

2. Number of Employees hired on Temporary / Contractual / Casual basis :

   NTPC does not hire employees on temporary / casual basis. The no. of workers with Contractors are dynamic in nature and vary from time to time. As per the available information, the total no. of Contract labours were 11,578.

3. Number of permanent Women Employees: 1,457

4. Number of permanent Employees with Disabilities : 473

5. Do you have an employee association that is recognized by management?

   NTPC Limited is a multi unit organization. Association(s) comprising of executives of NTPC need not be recognized in the absence of any statutory mandate. Workmen of various NTPC Units have formed unions. The same are accorded recognition by NTPC Limited as per applicable law / practice.

6. What percentage of your permanent employees is members of this recognized employee association?

   About 50-55% of the permanent employees in workmen category are members of the recognized union of workmen.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of previous year pending complaints	No. of complaints filed during the FY 13-14	No. of complaints pending as on 31-03-2014
1	Child labour / forced labour / involuntary labour	NIL	NIL	NIL
2	Sexual harassment	NIL	NIL	NIL
3	Discriminatory employment	NIL	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (Excluding joint venture companies)

Category of employee	Training for safety (% covered)	Training for skill up -gradation (% covered)*
Permanent Employees	31.05	57.04
Permanent Women Employees	19.34	45.65
Casual / Temporary / Contractual Employees	75.96	13.83
Employees with Disabilities	27.91	50.53

* Programmes, which involve direct hands on training, have been considered under skill up-gradation programmes

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? : Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

   NTPC identifies vulnerable & marginalised stakeholders through Socio Economic Surveys and extend benefits as per provisions of extant R&R policies of GOI / concern State Govt / NTPC.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   In addition to the entitlements and packages as envisaged in the policy, NTPC makes special efforts for the welfare of this section of the society. These may include special vocational training programmes for making them self employable, priority in engagement for suitable jobs, pension under Widow Pension Scheme, Old Age Pension Scheme etc. as per provisions outlined in NRRP-2007/ concern State Government R&R policies or as decided in VDAC/R&R plan. NTPC has also provided skill upgradation training for approximately 1388 nos. village youth/women in backward districts identified under BRGF of planning commission for improving employability.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   All HR Policies of NTPC are applicable to all its employees posted in various stations, projects, offices, JVs and Subsidiaries. Human Rights provisions are also built in our bidding documents for supply cum erection and civil packages invited on competitive bidding basis covering our suppliers and contractors.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No complaint on human rights, such as child labour, forced labour, involuntary labour, sexual harassment, discrimination, rights of the disabled etc was received during the year.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs /Others.

   The environment policy of NTPC and implementation thereof covers the core business activity of producing thermal power through its power stations. However, the Joint Ventures / Suppliers / Contractors / Other stake holders are free to adopt the same voluntarily.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

   Yes, the Company has established a Centre for Energy Efficiency and Environmental Protection (CenPEEP) to work on GHG emission reduction through efficiency & reliability improvement. A web-page on the same is available on NTPC web-site (www.ntpc.co.in) under the subhead - Environment.
3. Does the company identify and assess potential environmental risks?

   NTPC has an elaborate and structured methodology for identifying and assessing potential environmental risks through an institutionalized “Enterprise Risk Management (ERM)” framework. ERM comprises of an Executive Director level committee, which meets every quarter to review and mitigate risks. NTPC’s risk portfolio includes “Compliance of emission, ash utilization and regulatory norms” risk, under which environmental risks are regularly identified, assessed & reviewed and steps for mitigation are evolved.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   NTPC is pioneer in undertaking climate change issue proactively. The company has taken several initiatives for taking up CDM Projects in Power Sector. Some of these CDM initiatives are as under :

   i. Two of its Solar Power Projects viz. Solar PV Power Project at NTPC-Dadri (5 MW) and Solar PV Power Project at Port Blair (5 MW) had already been registered with UNFCCC CDM executive board. Verification/ Issuance of CERs for solar PV Power Project at NTPC-Dadri (5 MW) and Solar PV Power Project at Port Blair (5 MW) are in process.

   ii. Another two projects viz. Solar PV Power Project at NTPC-Faridabad (5 MW) and Small Hydro Power Project at NTPC-Singrauli (8 MW) are in advanced stage of Validation and are likely to be submitted to UNFCCC for registration.

   iii. Eight more CDM Projects viz. North-Karanpura STPP, Tapovan Vishnugad HEPP, Energy Efficiency Projects at NTPC-Singrauli, Energy Efficiency Project at NTPC-Dadri, small hydro power project at NTPC-Singrauli, 5MW Solar PV power project at NTPC-Dadri, 5MW Solar PV power Project at NTPC-Faridabad and 5MW Solar PV power project at Port Blair (A&N) have got Host Country Approval (HCA) from National CDM Authority (NCDMA)

   iv. Also, the methodology prepared by NTPC viz. "Consolidated base line and monitoring methodology for new grid connected fossil fuel fired power plants using less GHG intensive technology" for Super Critical technology has been approved by "United Nations Framework Convention on Climate Change (UNFCCC)" under 'Approved Consolidated Methodology 13 (ACM0013)'.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page or write up.

   Yes, the company has taken up several Initiatives for clean technology, energy efficiency and renewable energy. Details are as follows:

   i. Clean Technology :

      - Setting up of Coal Fired Units with Ultra Supercritical Parameters targeting efficiency comparable to the best available technology in the world.
      - Establishment of Integrated Gasification Combined Cycle (IGCC) Technology Demonstration Plant (TDP) suited for high ash containing Indian coal : NTPC has been proposed to implement a 100MW IGCC Technology Demonstration Project (IGCC-TDP) at NTPC Dadri in two stages, with Stage-I comprising of installation of coal gasifier along with associated gas clean-up and other systems. Stage-II comprising of combined plant shall be installed upon stabilization of stage-I.
      - Development of Advance Ultra Super Critical technology : Under National Mission on Clean Coal (Carbon) Technologies, NTPC, BHEL and Indira Gandhi Centre for Advanced Research (IGCAR) have entered into MOU for indigenous development of advance ultra super critical technology which will have enhanced efficiency of around 46% and about 20% less CO_2 emission as compared to conventional 500 MW sub-critical thermal power plants.

   ii. Energy Efficiency Improvement:

      - The Centre for Energy Efficiency and Environmental Protection (CenPEEP) works on GHG emission reduction through efficiency & reliability improvement. Activities undertaken by CenPEEP in the area of Energy Efficiency improvement are given on the website www.ntpc.co.in
      - NTPC is implementing Perform, Achieve and Trade (PAT) Scheme under National Mission on Enhanced Energy Efficiency (NMEEE) in 22 Power Stations of the company as notified by BEE.

   iii. Renewable Energy

      NTPC has adopted the following vision statement on sustainable energy development : "Going Higher on Generation, lowering GHG intensity". In NTPC, Renewable energy (RE) is being perceived as an alternative source of energy for "Energy Security". Renewable energy technologies provide not only electricity but offer an environmentally clean and low noise source of power. NTPC plans to broad-base generation mix by evaluating conventional and alternate sources of energy to ensure long term competitiveness and mitigate fuel risks. NTPC has taken various initiatives to implement the Renewable Energy Projects.

      The brief status of these initiatives is as given below:

      - Solar Projects-110 MW
        - Commissioned: 75 MW (Andman - 5 MW, Dadri- 5 MW, Ramagundam- 10 MW, Unchahar 10 MW, Talcher Kaniha- 10 MW, Faridabad- 5 MW, Rajgarh- 30 MW).
        - Under Execution: 35 MW (Rajgarh-20 MW, Singrauli- 15 MW).

- Geothermal Projects
  - MoU was signed with CREDA (Chhattisgarh Renewable Energy Development Agency) for development of geothermal projects at Tatapani on 16.02.2013.
  - MoU was signed with GSI (Geological Survey of India) on 07.01.2014 for preparation of feasibility report. Pre-feasibility Report is being prepared in association with GSI, Nagpur to ascertain exact potential and place for deep drilling.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   All the legal parameters including emission norms and effluent (wastes) norms are being adhered to by NTPC stations. Change of Law in certain cases, has necessitated up-gradation of pollution control equipments which are being addressed through R&M Schemes for which actions plans have been submitted to the Regulators.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   During FY 2013-14, aberrations were observed in 17 instances and remarks were received from regulators. Mitigative actions in all instances have been taken.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

   The Company has taken Corporate Membership of 57 Chambers & association including SCOPE, FICCI, CII, TERI, ITRHD, WEC, SHRM, IIPE, IERE etc.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   NTPC is a member of World Energy Council. Chairman and Managing Director of NTPC is also an ex-officio Member Secretary. WEC India and its international counterpart WEC work towards sustainable use and supply of energy. Their work enables promoting policies which balance Energy Security, Energy Equity (Energy access/inclusive growth) and Environmental Sustainability.

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, NTPC has specified programmes for inclusive growth and equitable development not only at station level but at country level also.

   As most of the Stations are located in remote rural areas, NTPC during 2013-14 undertook activities in the neighborhood area of stations addressing the basic needs like primary education, community health, drinking water, sanitation, vocational training, women empowerment and village infrastructure like roads, community centres , cremation sheds etc. In addition, Quality Circles (QCs) activities are being carried out in neighborhood villages of stations which contribute for improvements in various areas. NTPC employees participate in various activities through Employee Voluntary Organization for Initiative in Community Empowerment (EVOICE). NTPC has been taking up CSR Activities in all the major sectors, in the vicinity of its operating stations, benefitting communities in more than 500 villages.

   Some of the areas of our initiatives and programmes undertaken are listed below:

   i. Education :

- Setting up polytechnic at Kaladungi, Dist. Nainital, Uttarakhand.
- Subsidized education to children of about 20 schools run by NTPC predominantly for community children, benefitting about 20,000 students of neighbourhood areas.
- Financial support to Ramakrishna Mission, New Delhi, for taking up identified Value Education Initiative for students of schools, affiliated with Central Board of Secondary Education, teachers & parents.
- Merit scholarships to more than 2600 students.
- Financial assistance for construction of classrooms and installation of Solar Street lights at Sadhana Vidyalaya, village Kannamangala, Ramnagara District, Karnataka.

- Financial Assistance for the Construction of 1st Floor for extension of the building of Shirdi Sai Baba School, Faridabad.
- Financial Support to Cluster Innovation Centre (CIC) of Delhi University for 16 Educational Projects for Social Sensitization by students of B. Tech (Humanities), Delhi University.
- Solar lanterns distributed to nearly 1300 students.
- 44 toilet blocks constructed for girl students at various locations.
- Distribution of uniforms, books, stationery, equipments and infrastructural support to schools covering about 500 schools around NTPC stations benefiting more than 65000 students.

ii. Health :

- Financial assistance to Impact India Foundation for "Lifeline Express Project" (camp) at Dalmau Railway station in Distt. Raebareli, U.P for providing curative interventions for disabled poor by general treatment & various surgical operations.
- Financial assistance to District Hospital, Aurangabad, Bihar for procurement of medical equipments for modular ICU.
- Financial support to N. Swain Memorial Trust - Aakar Asha, Hyderabad, for purchase of equipments for Operation Theatre.
- Funds committed for development of New Block at King George Hospital, Visakhapatnam.
- Mobile health clinic are operational at 7 locations covering 80 villages providing health care facility at doorsteps to more than 60000 people.
- About 1200 Medical Health checkups Camps and about 365 Eye camps organized at various locations. About 2000 surgeries were performed during these camps.
- Regular health related initiatives in the communities around NTPC stations benefitted more than 165000 individuals.
- Under Sanitation, 45 Individual toilets & 06 community toilets were constructed.
- More than 100 Animal Health Camps & other animal health related activities were organized benefitting populations of more than 100 villages.

iii. Infrastructure Strengthening:

- Installation of more than 500 Solar Lights in UP (Sidharthnagar, Santravidas Nagar and Barabanki districts) and West Bengal (Malda district) to promote use of conventional energy.
- Installation of 20 High Mast Lights (HMLs) in Kerala (Alappuzha, near Kayamkulam); West Bengal (Berhampore, near Farakka) and Tripura (Udaipur).
- Laying of cement concrete road in various villages in district Chhindwara, MP.
- Construction of culvert over Pikia Nala at Pakaaria Ghat, Sant Kabir Nagar, UP.
- Financial Assistance being provided for construction of Community Parivarthana Bhavans in the select mandals for catering to the needs of SC/ST persons to District Administrations of Prakasam & Guntur Districts of AP.
- Regular infrastructure related CSR activities during 2013-14 in the villages around NTPC stations like construction of 12 Community Centres, installation of 101 HML/ street lights, 80 Solar Street Lights and Construction & repair of more than 30 Kms of road and other infrastructural developmental activities at various locations covered more than 110 villages.

iv. Drinking water provision:

- Installation of about 500 hands pumps & bore wells in Jharkhand (Garhwa and Dhanbad districts); Uttar Pradesh (Raebareli, Siddharth Nagar, Jaunpur and Santravidas Nagar districts) and Bihar (Arrah and Darbhanga districts).
- Piped water scheme and RO plants provided at 11 locations.
- A total of 124 bore-wells were sunk and hand pumps installed at various locations.
- During extreme summers supply of water through water tankers relieved close to 32000 individuals.
- Regular water related CSR activities around its stations covered close to 130 villages.

v. Vocational Skills Programmes:

- Training to about 4000 students in various ITI trades in 17 adopted ITI at various locations partnering with the State and Central Governments.

- 36 Weeks Training Program for 41 Jammu & Kashmir Youth in Thermal Power Plant Engineering under Special Industry initiative – Udaan.
- Skill up gradation training in backward districts identified under BRGF of Planning commission for improving employability benefitting 1388 village youth/ women.
- Regular vocational training related CSR activities in the communities around NTPC stations covered a total of 165 villages, benefiting amongst others Close to 700 youths through skills up gradation.
- Assistance committed to part- finance Chanderi Development Society for Handloom Weavers for construction of Weavers Blocks of Common Facility Centre (CFC) in Handloom Park at Chanderi, District, Ashok Nagar, and MP.

vi. Women Empowerment:

- Construction of double storey women's Polytechnic, Kayamkulam, Kerala.
- Construction of Ladies waiting room & purchase of furniture at Government Women's Polytechnic Nedupuzha, Thrissur, and Kerala.
- Bicycles Provided to 8000 poor & indigent school going girls in West Bengal.
- More than 2500 women imparted training in various vocational courses like sewing, beautician, food processing etc for self employability. Provided tool kits & sewing machines to approximately 300 women after successful training.

vii. For Physically Challenged and Economically weaker section of the society:

- For providing IT education to physically & visually challenged students, in addition to Information and Communication Technology (ICT) centres established earlier at Delhi University and four Govt. Blind Schools, Ajmer, Lucknow, Thiruvanathapuram and Mysore, new ICT Centres established at Gauhati University Guwahati and Devi Ahilya Vishwavidyalaya, Indore benefited approx. 60 students during 2013-14.
- Directly Observed Treatment cum Designated Microscopy Centre (DOTs cum DMC) with Mobile ambulance facilities being operated at 12 NTPC hospitals under Revised National Tuberculosis Control Programme (RNCTP) that cater to villages upto 25-30Km have benefited about 5000 cases.
- Disability Rehabilitation Centre (DRC) at NTPC Tanda, Rihand, Korba, Dadri and Bongaigaon established in collaboration with National Institute for the Orthopaedically Handicapped (NIOH), under the Ministry of Social Justice and Empowerment, Government of India has benefited about 3700 physically challenged people.

viii. Promotion of Art & Culture and Sports

- NTPC had signed a MoU with Archeological Survey of India (ASI) and National Culture Fund (NCF) for financial support for Preservation and conservation of 3 monuments (Group of Monuments, Mandu (MP), Excavated site at Vikramshila (Bihar), and Archaeological site, Lalitgiri / Dhauli (Odisha).The preservation & conservation works are in progress at all the 3 sites.
- To promote traditional art culture, NTPC has taken up various art & culture activities covering 46 villages and more than 100 schools touching 900 students.
- To promote Rural Sports Rural Sports Meet and various sports events covered nearly 200 schools in about 170 villages.
- 400 students benefited from sports coaching.

ix. Relief during Natural Calamity:

- Financial support & Flood relief activities for Uttarakhand and Himachal Pradesh.
- Financial Support for relief during Phailin Cyclone and Floods affected areas of Odisha.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Based on best practices, Programmes are undertaken through well defined in – house team with three tier structure, station level team, regional level team & Corporate level team through specialized agencies, NGO's, government structure, in some activities own foundation & other organizations also.

3. Have you done any impact assessment of your initiative?

   Yes, every two year NTPC conducts a third party Social Impact assessment for all its major CSR activities at various stations. During the Year 2013-14, NTPC has taken up Impact Assessment at 13 stations. While the Impact Assessment has been completed for Farakka, Jhanor Gandhar, Kayamkulam, Korba, Dadri, Sipat, Tanda, Talcher Thermal, Talcher Kaniha and Unchahar. The same is under progress at Anta, Ramagundam & Vindhyachal.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Total expenditure of ₹ 128.35 Cr. was done. The details of major projects in which expenditure has been incurred are covered in respective Sections above.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

   Community development initiatives are taken in planned way. The community is engaged in all steps of activities from planning to completion. Community participation along with local administration & village panchayats in all activities, ensures the successful adoption of initiative by the community.

   Bottom up approach is adopted for taking up CSR activities. CSR activities are identified after consultations with community, village panchayats, local/ district administration & Village Development Advisory Committee based on Need Assessment Surveys. Community involvement is ensured during implementation and monitoring. Assets are handed over to local authorities and gram panchayats for maintenance.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. Customer complaints / consumer cases are pending as on the end of financial year:

   As part of the tariff determination process under the overall Regulatory System, following cases have been filed (as on 31.03.2014) by NTPC against customers or filed by different Beneficiaries of NTPC against NTPC Ltd. The details are as under:

   - Cases with Appellate Tribunal For Electricity (APTEL) : 34 nos.
   - Cases in Supreme Court : 82 nos.

   In addition, 22 cases are pending in various Consumer forums of the country on other matters.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, Customer Survey is carried out and customer Satisfaction trending done for internal assessment, and bring up new means to satisfy maximum no. of customers.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 11th July 2014

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

BALANCE SHEET AS AT

₹ Crore

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**8,245.46**	8,245.46
Reserves and surplus	3	**77,569.86**	72,142.05
		85,815.32	80,387.51
Deferred revenue	4	**1,609.88**	1,244.05
Non-current liabilities			
Long-term borrowings	5	**62,405.75**	53,253.66
Deferred tax liabilities (net)	6	**1,051.61**	915.30
Other long-term liabilities	7	**2,512.46**	1,969.84
Long-term provisions	8	**879.36**	739.92
		66,849.18	56,878.72
Current liabilities			
Trade payables	9	**6,633.34**	5,132.39
Other current liabilities	10	**11,343.86**	10,469.25
Short-term provisions	11	**7,302.60**	7,004.54
		25,279.80	22,606.18
TOTAL		**179,554.18**	161,116.46
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**71,865.86**	62,687.42
Intangible assets	12	**244.97**	248.68
Capital work-in-progress	13	**44,886.74**	37,109.42
Intangible assets under development	13	**1.93**	-
Non-current investments	14	**8,120.90**	9,137.64
Long-term loans and advances	15	**12,776.22**	9,633.41
Other non-current assets	15A	**1,786.77**	1,491.19
		139,683.39	120,307.76
Current assets			
Current investments	16	**1,636.96**	1,622.46
Inventories	17	**5,373.35**	4,057.19
Trade receivables	18	**5,220.08**	5,365.00
Cash and bank balances	19	**15,311.37**	16,867.70
Short-term loans and advances	20	**3,117.08**	1,745.57
Other current assets	21	**9,211.95**	11,150.78
		39,870.79	40,808.70
TOTAL		**179,554.18**	161,116.46

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Dr. Arup Roy Choudhury)
Company Secretary	Director (Finance)	Chairman & Managing Director

This is the Balance Sheet referred to in our report of even date

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K K Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Rakesh Kumar) Partner M No.087537	(S.S. Soni) Partner M No.094227	(V.Kothandaraman) Partner M No.025973
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A.R. & Co. Chartered Accountants Firm Reg. No. 002744C
(M. S. Balachandran) Partner M No. 024282	(Manoj Agrawal) Partner M No.076918	(Prabuddha Gupta) Partner M.No.400189

Place : New Delhi

Dated : 15th May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

₹ Crore

Particulars	Note	31.03.2014	31.03.2013
Revenue			
Revenue from operations (gross)	22	**72,644.02**	66,263.35
Less: Electricity duty		**625.09**	526.31
Revenue from operations (net)		**72,018.93**	65,737.04
Other income	23	**2,688.89**	3,118.77
Total revenue		**74,707.82**	68,855.81
Expenses			
Fuel		**45,829.71**	41,018.25
Employee benefits expense	24	**3,867.99**	3,415.96
Finance costs	25	**2,406.59**	1,924.36
Depreciation and amortization expense	12	**4,142.19**	3,396.76
Generation, administration & other expenses	26	**4,543.85**	4,235.68
Prior period items (net)	27	**12.84**	(29.72)
Total expenses		**60,803.17**	53,961.29
Profit before tax and exceptional items		**13,904.65**	14,894.52
Exceptional items		**-**	1,684.11
Profit before tax		**13,904.65**	16,578.63
Tax expense			
Current tax			
Current year		**3230.56**	3839.69
Earlier years		**(436.96)**	(158.85)
Deferred tax			
Current year		**136.31**	278.40
Total tax expense		**2,929.91**	3,959.24
Profit for the year		**10,974.74**	12,619.39
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value ₹ 10/- each) Basic & Diluted (₹)	44	**13.31**	15.30

The accompanying notes form an integral part of these financial statements.
There are no extraordinary items in the above periods.

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(K.Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director

This is the Statement of Profit and Loss referred to in our report of even date

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K K Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Rakesh Kumar) Partner M No.087537	(S.S. Soni) Partner M No.094227	(V.Kothandaraman) Partner M No.025973
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A.R. & Co. Chartered Accountants Firm Reg. No. 002744C
(M. S. Balachandran) Partner M No. 024282	(Manoj Agrawal) Partner M No.076918	(Prabuddha Gupta) Partner M.No.400189

Place : New Delhi
Dated : 15th May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ Crore

Particulars		31.03.2014		31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		**13,904.65**		16,578.63
Adjustment for:				
Depreciation / Amortisation	**4,142.19**		3,396.76	
Prior period depreciation / amortisation	**2.35**		(0.25)	
Provisions	**156.36**		269.36	
Deferred revenue on account of advance against depreciation	**(16.05)**		(9.87)	
Deferred foreign currency fluctuation asset/liability	**(211.93)**		240.28	
Deferred income from foreign currency fluctuation	**516.36**		79.56	
Exchange differences on translation of foreign currency cash and cash equivalents	**(0.19)**			
Interest charges	**2,368.33**		1,902.13	
Guarantee fee & other finance charges	**38.26**		22.23	
Interest/income on term deposits/bonds/investments	**(2,042.91)**		(2,397.11)	
Dividend income	**(138.25)**		(241.32)	
Provisions written back	**(199.87)**		(907.81)	
Profit on disposal of fixed assets	**(12.86)**		(4.62)	
Loss on disposal of fixed assets	**73.92**		59.91	
		4,675.71		2,409.25
Operating profit before working capital changes		**18,580.36**		18,987.88
Adjustment for:				
Trade receivables	**144.92**		1,307.69	
Inventories	**(1,084.66)**		(157.16)	
Trade payables, provisions and other liabilities	**1,372.07**		1,550.38	
Loans & advances and other current assets	**(724.25)**		(3,298.04)	
		(291.92)		(597.13)
Cash generated from operations		**18,288.44**		18,390.75
Direct taxes paid		**(2,556.26)**		(2,895.58)
Net cash from operating activities - A		**15,732.18**		15,495.17
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	**(16,739.70)**		(16,296.65)	
Disposal of fixed assets	**17.66**		5.44	
Purchase of investments	**(11,426.58)**		(17,955.00)	
Sale of investments	**13,049.04**		19,577.46	
Investment in subsidiaries/joint ventures	**(620.24)**		(1,177.22)	
Loans & advances to subsidiaries	**27.90**		(73.06)	
Interest/income on term deposits/bonds/investments received	**2,349.85**		2,417.32	
Income tax paid on interest income	**(775.89)**		(756.50)	
Dividend received	**138.25**		241.32	
Net cash used in investing activities - B		**(13,979.71)**		(14,016.89)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	**12,366.65**		11,696.96	
Repayment of long term borrowings	**(4,993.49)**		(4,434.52)	
Grants received	**0.65**		-	
Security premium received	**0.23**		-	
Interest paid	**(4,741.40)**		(3,831.50)	
Guarantee fee & other finance charges paid	**(153.56)**		(114.57)	
Dividend paid	**(4,947.28)**		(3,504.34)	
Tax on dividend	**(840.79)**		(564.44)	
Net cash used in financing activities - C		**(3,308.99)**		(752.41)
D. Exchange differences on translation of foreign currency cash and cash equivalents		**0.19**		-
Net increase/decrease in cash and cash equivalents (A+B+C+D)		**(1,556.33)**		725.87
Cash and cash equivalents at the beginning of the year (see Note 1 below)		**16,867.70**		16,141.83
Cash and cash equivalents at the end of the period (see Note 1 below)		**15,311.37**		16,867.70

CASH FLOW STATEMENT FOR THE YEAR ENDED (Contd.)

₹ Crore

Particulars	31.03.2014	31.03.2013
NOTES:		
1 Cash and cash equivalents consists of cheques, drafts, stamps in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 19:		
Cash and cash equivalents	**155.32**	380.30
Deposits included in other bank balances	**15,141.30**	16,469.97
Other bank balances-Others*	**14.75**	17.43
Cash and cash equivalents as restated (Note 19 - Cash and bank balances)	**15,311.37**	16,867.70
* Amounts which are not available for use towards:		
1) Unpaid dividend account balance	**14.19**	15.65
2) Unpaid refund account balance	**0.52**	-
3) Out of margin money kept with RBI earmarked for fixed deposits from public	**0.02**	1.77
4) Deposited as security with governement authorities	**0.02**	0.01
	14.75	17.43
2 Previous year figures have been regrouped/rearranged wherever considered necessary.		

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(K.Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director

This is the csh flow statement referred to in our report of even date

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K K Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Rakesh Kumar) Partner M No.087537	(S.S. Soni) Partner M No.094227	(V.Kothandaraman) Partner M No.025973
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A.R. & Co. Chartered Accountants Firm Reg. No. 002744C
(M. S. Balachandran) Partner M No. 024282	(Manoj Agrawal) Partner M No.076918	(Prabuddha Gupta) Partner M.No.400189

Place : New Delhi

Dated : 15th May 2014

Notes to the financial statements for the year ended 31st March 2014

1. Significant accounting policies

A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006, read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs, provisions of the Companies Act, 1956, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

B. Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

C. Grants-in-aid

1. Grants-in-aid received from the Central Government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.
2. Where the ownership of the assets acquired out of the grants vests with the government, the grants are adjusted in the carrying cost of such assets.
3. Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

D. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Capital expenditure on assets not owned by the Company relating to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter in the tangible assets. However, similar expenditure for community development is charged off to revenue.
5. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
6. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
7. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

E. Capital work-in-progress

1. Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
2. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
3. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

F. Oil and gas exploration costs

1. The Company follows 'Successful Efforts Method' for accounting of oil & gas exploration activities.
2. Cost of surveys and prospecting activities conducted in search of oil and gas is expensed off in the year in which it is incurred.
3. Acquisition and exploration costs are initially capitalized as 'Exploratory wells-in-progress' under Capital work-in-progress. Such exploratory wells in progress are capitalised in the year in which the producing property is created or written off in the year when determined to be dry/abandoned.

G. Development of coal mines

Expenditure on exploration and development of new coal deposits is capitalized as 'Development of coal mines' under capital work-in-progress till the mines project is brought to revenue account.

H. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

3. Exchange differences arising from settlement/translation of foreign currency loans, deposits/liabilities relating to fixed assets/capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement/translation of long term foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.
5. Derivative contracts in the nature of forward contracts, options and swaps are entered into to hedge the currency and interest rate risk of foreign currency loans. Premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contracts. Exchange differences on such contracts, which relate to long-term foreign currency monetary items referred to in Policy H.3 are adjusted in the carrying cost of related assets. Other derivative contracts are marked-to-market at the Balance Sheet date and losses are recognised in the Statement of Profit and Loss. Gains arising on such contracts are not recognised, until realised, on grounds of prudence.

I. Borrowing costs

Borrowing costs attributable to the qualifying fixed assets during construction/exploration, renovation and modernisation are capitalised. Such borrowing costs are apportioned on the average balance of capital work-in-progress for the year. Other borrowing costs are recognised as an expense in the period in which they are incurred.

J. Investments

1. Current investments are valued at lower of cost and fair value determined on an individual investment basis.
2. Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
3. Premium paid on long term investments is amortised over the period remaining to maturity.

K. Inventories

1. Inventories are valued at the lower of, cost determined on weighted average basis and net realizable value.
2. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

L. Income recognition

1. Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted.
2. Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.
3. Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in depreciation.
4. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/ payable.
5. Premium, discount and exchange differences in respect of forward exchange contracts and mark to market losses in respect of other derivative contracts referred to in accounting policy no. H.5 recoverable from/payable to the beneficiaries as per CERC Tariff Regulations, are recognised in sales.
6. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
7. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.
8. Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.
9. Scrap other than steel scrap is accounted for as and when sold.
10. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

M. Expenditure

a) Depreciation/amortisation

1. Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 in accordance with Section 616 (c) of the Companies Act, 1956.
2. Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business, is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956.

3. Depreciation on the following assets is provided based on their estimated useful life:

a)	Kutcha Roads	2 years
b)	Enabling works	
	- residential buildings including their internal electrification.	15 years
	- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c)	Personal computers & laptops including peripherals	5 years
d)	Photocopiers and fax machines	5 years
e)	Water coolers and refrigerators	12 years

4. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
5. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
6. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.
7. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.
8. Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.
9. Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery.
10. Capital expenditure on assets not owned by the company referred in policy D.4 is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use.
11. Leasehold land and buildings relating to generation of electricity business are fully amortised over lease period or life of the related plant whichever is lower following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.
12. Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of balance useful life of the project. Other leasehold land acquired for mining business is amortised over the lease period or balance life of the project whichever is less.

b) Other expenditure

13. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.
14. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
15. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
16. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
17. Transit and handling losses of coal as per Company's norms are included in cost of coal.

N. Employee benefits

Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

1. Company's contributions paid/payable during the year to provident fund and pension fund is recognised in the statement of profit and loss. The same is paid to funds administered through separate trusts.
2. Company's liability towards gratuity, leave benefits (including compensated absences), post retirement medical facility and other terminal benefits is determined by independent actuary, at year end using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of profit and loss. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.
3. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

O. Leases

1. Finance lease

1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.

1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. M.a.1 or M.a.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.

1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

2. Operating lease

Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.

P. Impairment

The carrying amount of cash generating units is reviewed at each balance sheet date where there is any indication of impairment based on internal/ external indicators. An impairment loss is recognised in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

Q. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

R. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

S. Taxes on income

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/ asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

2. Share capital

₹ Crore

As at	**31.03.2014**	31.03.2013
Equity share capital		
Authorised		
10,00,00,00,000 shares of par value ₹ 10/- each (previous year 10,00,00,00,000 shares of par value ₹ 10/- each)	**10,000.00**	10,000.00
Issued, subscribed and fully paid up		
8,24,54,64,400 shares of par value ₹ 10/- each (previous year 8,24,54,64,400 shares of par value ₹ 10/- each)	**8,245.46**	8,245.46

a) During the year, the Company has not issued or bought back any shares.

b) The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) During the year ended 31st March 2014, the amount of per share dividend recognised as distribution to equity share holders is ₹ **5.75** (previous year ₹ 4.50 and special dividend of ₹ 1.25).

d) Details of shareholders holding more than 5% shares in the Company:

Particulars	**31.03.2014**		31.03.2013	
	No. of shares	**%age holding**	No. of shares	%age holding
- President of India	**618,40,98,300**	**75.00**	618,40,98,300	75.00
- Life Insurance Corporation of India	**70,67,78,072**	**8.57**	63,12,94,191	7.66

3. Reserves and surplus

₹ Crore

As at	31.03.2014	31.03.2013
Capital reserve		
As per last financial statements	**154.57**	153.62
Add : Transfer from surplus	**4.98**	0.97
Add : Grants received during the year	**0.65**	-
Less: Adjustments during the year	**1.92**	0.02
	158.28	154.57
Securities premium account		
As per last financial statements	**2,228.11**	2,228.11
Add : Received during the year	**0.23**	-
	2,228.34	2,228.11
Bonds redemption reserve		
As per last financial statements	**2,535.33**	2,389.04
Add : Transfer from surplus	**576.08**	492.79
Less: Transfer to surplus	**346.50**	346.50
	2,764.91	2,535.33
General reserve		
As per last financial statements	**66,702.80**	60,202.80
Add : Transfer from surplus	**5,000.00**	6,500.00
	71,702.80	66,702.80
Surplus		
As per last financial statements	**521.24**	72.14
Add: Profit for the year as per Statement of Profit and Loss	**10,974.74**	12,619.39
Transfer from bond redemption reserve	**346.50**	346.50
Less: Transfer to bond redemption reserve	**576.08**	492.79
Transfer to capital reserve	**4.98**	0.97
Transfer to general reserve	**5,000.00**	6,500.00
Dividend paid	**3,298.19**	3,092.07
Tax on dividend paid	**560.53**	501.61
Proposed dividend	**1,442.96**	1,649.09
Tax on proposed dividend	**244.21**	280.26
Net surplus	**715.53**	521.24
Total	**77,569.86**	72,142.05

a) Addition to securities premium account represents premium received on issue of tax free bonds through private placement.

b) During the year, the Company has paid interim dividend of ₹ **4.00** (previous year ₹ 3.75) per equity share of par value ₹ 10/- each for the year 2013-14. Further, the Company has proposed final dividend of ₹ **1.75** (previous year ₹ 2.00 including special dividend of ₹ 1.25) per equity share of par value ₹ 10/- each for the year 2013-14. Thus, the total dividend (including interim dividend) for the financial year 2013-14 is ₹ **5.75** (previous year ₹ 5.75 including special dividend of ₹ 1.25) per equity share of par value ₹ 10/- each.

4. Deferred revenue

₹ Crore

As at	31.03.2014	31.03.2013
On account of advance against depreciation	**692.55**	708.60
On account of income from foreign currency fluctuation	**917.33**	535.45
Total	**1,609.88**	1,244.05

a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholders' funds and liabilities.

b) In line with significant accounting policy no. L.2 (Note 1), an amount of ₹ **16.05 crore** (previous year ₹ 9.87 crore) has been recognized during the year from the AAD and included in energy sales (Note 22).

c) Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of fixed assets, which is recoverable from the customers in future years as provided in accounting policy no. L.3 (Note 1). This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from shareholder's funds and liabilities.

5. Long-term borrowings

₹ Crore

As at	31.03.2014	31.03.2013
Bonds		
Secured		
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3A)[VII]	**312.03**	-
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3B)[VII]	**399.97**	-
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2A)[VII]	**249.95**	-
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2B)[VII]	**91.39**	-
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1A)[VII]	**488.02**	-
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1B)[VII]	**208.64**	-
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 04th May 2023 and ending on 04th May 2027 (Forty fourth issue - private placement)[VII]	**500.00**	500.00
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 1st May 2023 (Seventeenth issue - private placement)I	**50.00**	50.00
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th April 2023 (Forty ninth issue - private placement)[VII]	**200.00**	-
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7th March 2023 (Forty eighth issue - private placement)[VII]. Secured during the current year.	**300.00**	300.00
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 25th January 2023 and ending on 25th January 2027 (Forty second issue - private placement)[III]	**500.00**	500.00
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th October 2022 (Forty seventh issue - private placement)[VII]	**390.00**	390.00
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19th January 2021 (Thirty seventh issue - private placement)[III]	**300.00**	300.00
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31st March 2020 (Thirty third issue- private placement)[III]	**195.00**	195.00
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 9th March 2020 (Thirty first issue- private placement)[III]	**500.00**	500.00
11.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in five equal annual installments commencing from 6th Nov 2019 and ending on 6th Nov 2023 (Twenty seventh issue - private placement)[III]	**350.00**	350.00
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5th May 2019 (Thirtieth issue - private placement)[III]	**700.00**	700.00
8.65% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th February 2019 (Twenty ninth issue - private placement)[III]	**550.00**	550.00
7.50% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 12th January 2019 (Nineteenth issue - private placement)[II]	**50.00**	50.00
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 21st November 2018 (Twenty eighth issue - private placement) [III]	**1,000.00**	1,000.00

₹ Crore

As at	31.03.2014	31.03.2013
9.3473% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 20th July 2018 and ending on 20th July 2032 (Forty sixth issue - private placement)[VII]	**75.00**	75.00
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 16th May 2018 and ending on 16th May 2032 (Forty fifth issue - private placement)[VII]	**75.00**	75.00
8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 10th April 2018 (Sixteenth issue -private placement)[I]	**100.00**	100.00
9.2573% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 2nd March 2018 and ending on 2nd March 2032 (Forty third issue - private placement)[III]	**75.00**	75.00
9.6713 % Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 23rd December 2017 and ending on 23rd December 2031 (Forty first issue - private placement)[III]	**75.00**	75.00
9.558 % Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 29th July 2017 and ending on 29th July 2031 (Fortieth issue - private placement)[III]	**75.00**	75.00
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 9th June 2017 and ending on 9th June 2031 (Thirty ninth issue - private placement)[III]	**105.00**	105.00
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 22nd March 2017 and ending on 22nd March 2031 (Thirty eighth issue - private placement)[III]	**75.00**	75.00
8.8086% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th December 2016 and ending on 15th December 2030 (Thirty sixth issue - private placement)[III]	**75.00**	75.00
8.785% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th September 2016 and ending on 15th September 2030 (Thirty fifth issue - private placement)[III]	**120.00**	120.00
8.71% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 10th June 2016 and ending on 10th June 2030 (Thirty fourth issue - private placement)[III]	**150.00**	150.00
8.8493% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 25th March 2016 and ending on 25th March 2030 (Thirty second issue - private placement)[III]	**105.00**	105.00
9.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty fifth issue - private placement)[III]	**285.50**	357.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty sixth issue - private placement)[III]	**285.50**	357.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - private placement)[IV]	**300.00**	350.00
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5th August 2011 and ending on 5th February 2021 (Twenty third issue - private placement)[IV]	**300.00**	350.00

₹ Crore

As at	31.03.2014	31.03.2013
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd July 2011 and ending on 2nd January 2021 (Twenty second issue - private placement)[IV]	**300.00**	350.00
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd August 2010 and ending on 2nd February 2020 (Twenty first issue - private placement)[V]	**500.00**	600.00
7.552% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 23rd September 2009 and ending on 23rd March 2019 (Twentieth Issue - private placement)[VI]	**200.00**	250.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹ 10,00,000/- each with ten equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of the 6th year and in annual installments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth issue - Part B - private placement)[VIII]	**225.00**	300.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹ 10,00,000/- each redeemable at par in ten equal annual installments commencing from the end of 6th year and upto the end of 15th year respectively from 18th April 2002 (Thirteenth issue -Part A - private placement)[VIII]	**225.00**	300.00
Unsecured *		
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2034 (Fifty First Issue C - Private Placement)*	**320.00**	-
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2029 (Fifty First Issue B - Private Placement)*	**105.00**	-
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 24th March 2024 (Fifty Second Issue - private placement)*	**750.00**	-
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4th March 2024 (Fifty First Issue A - Private Placement)*	**75.00**	-
	12,311.00	9,704.00
Foreign currency notes		
Unsecured		
4.75 % Fixed rate notes due for repayment on 3rd October 2022	**3,030.50**	2,745.50
5.625 % Fixed rate notes due for repayment on 14th July 2021	**3,030.50**	2,745.50
5.875 % Fixed rate notes due for repayment on 2nd March 2016	**1,818.30**	1,647.30
Term loans		
From Banks		
Unsecured		
Foreign currency loans	**6,290.80**	4,766.70
Rupee loans	**18,876.32**	13,884.90
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,456.03**	2,604.09
Other foreign currency loans	**2,026.88**	1,864.55
Rupee loans	**12,503.04**	13,090.55
Deposits		
Unsecured		
Fixed deposits	**0.09**	0.52
Others		
Unsecured		
Bonds application money pending allotment	**-**	200.00
Long term maturities of finance lease obligations		
Secured	**-**	0.05
Unsecured	**62.29**	-
Total	**62,405.75**	53,253.66

* Formalities for creation of security as per terms of bond issue are in progress.

a) **Details of terms of repayment and rate of interest**

₹ Crore

Particulars	Non current portion		Current portion	
Term loans	**31.03.2014**	31.03.2013	**31.03.2014**	31.03.2013
Secured				
Foreign currency loans (guaranteed by GOI) - Others	**-**	-	**-**	96.44
	-	-	**-**	96.44
Unsecured				
Foreign currency loans (guaranteed by GOI) - Others	**2,456.03**	2,604.09	**173.40**	171.73
Foreign currency loans - Banks	**6,290.80**	4,766.70	**257.84**	233.59
Other foreign currency loans - Others	**2,026.88**	1,864.55	**393.67**	576.19
Rupee loans - Banks	**18,876.32**	13,884.90	**1,758.56**	1,753.63
Rupee loans - Others	**12,503.04**	13,090.55	**1,587.52**	1,367.73
	42,153.07	36,210.79	**4,170.99**	4,102.87
Fixed deposits (unsecured)	**0.09**	0.52	**0.43**	0.11

i) Unsecured Foreign Currency Loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 25 to 34 semi annual installments as of 31st March 2014.

ii) Unsecured Foreign Currency Loans – Banks include loans of ₹ **589.81 crore** (previous year ₹ 591.81 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ **5,958.83 crore** (previous year ₹ 4,408.48 crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 24 semiannual instalments as of 31st March 2014, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iii) Unsecured Foreign Currency Loans – Others include loans of ₹ **1,424.92 crore** (previous year ₹ 1,071.57 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a. and loans of ₹ **995.63 crore** (previous year ₹ 1,277.60 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR. These loans are repayable in 6 to 24 semiannual installments as of 31st March 2014, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iv) Unsecured rupee term loans carry interest rate ranging from 5.707 % p.a. to 12.40 % p.a. with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly/half-yearly/yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of seven to fifteen years after a moratorium period of six months to five years.

v) Unsecured fixed deposits carry interest ranging from 7.00% to 8.00% p.a. payable quarterly/monthly for non-cumulative schemes and on maturity in case of cumulative schemes compounded quarterly. As per the terms, deposits are repayable during a period of one to three years from the date of issue. However, same may be repaid earlier than their respective maturity in pursuance to applicable provisions and regulations of Companies Act, 2013.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four to seven years.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

d) During the year, the Company made public issue of ₹ 1,750 crore (Fiftieth issue - stated above) pursuant to Notification No.61/2013. F.No.178/37/2013-(ITA.I) dated 8th August 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GOI. The Company has utilised the issue proceeds as per the objects of the issue stated in the prospectus dated 25th November 2013 i.e. funding of capital expenditure and refinancing for meeting the debt requirement in ongoing projects, including recoupment of expenditure already incurred.

Details of securities

I Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.

II Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.

III Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.

IV Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.

V Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.

VI Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.

VII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

VIII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Singrauli Super Thermal Power Station by extension of charge already created.

IX Security cover mentioned at sl. no. I to VIII is above 100% of the debt securities outstanding.

6. Deferred tax liabilities (net)

₹ Crore

	As at 01.04.2013	Additions/ (Adjustments) during the year	**As at 31.03.2014**
Deferred tax liability			
Difference in book depreciation and tax depreciation	6,323.06	392.63	**6,715.69**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	775.92	(7.08)	**768.84**
Disallowances u/s 43B of the Income Tax Act, 1961	333.49	59.10	**392.59**
	5,213.65	340.61	**5,554.26**
Less: Recoverable from beneficiaries	4,298.35	204.30	**4,502.65**
Total	915.30	136.31	**1,051.61**

a) The net increase during the year in the deferred tax liability of ₹ **136.31 crore** (previous year ₹ 278.40 crore) has been debited to Statement of Profit and Loss.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

7. Other long-term liabilities

₹ Crore

As at	**31.03.2014**	31.03.2013
Trade payables	**5.59**	6.47
Deferred foreign currency fluctuation liability	**151.67**	135.60
Other liabilities		
Payable for capital expenditure	**2,353.46**	1,825.87
Others	**1.74**	1.90
Total	**2,512.46**	1,969.84

a) Disclosure with respect to micro and small enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is made in Note 50.

b) In line with accounting policy no.L.3 (Note 1), deferred foreign currency fluctuation liability to the extent of ₹ **16.07 crore** (previous year ₹ 1.17 crore) has been created during the year.

c) Other liabilities - Others include deposits received from contractors, customers and other parties.

8. Long-term provisions

₹ Crore

As at	31.03.2014	31.03.2013
Provision for employee benefits	**879.36**	739.92

Disclosure as per AS 15 on 'Employee benefits' has been made in Note 39.

9. Trade payables

₹ Crore

As at	31.03.2014	31.03.2013
For goods and services	**6,633.34**	5,132.39

Disclosure with respect to micro and small enterprises as required by the MSMED Act is made in Note 50.

10. Other current liabilities

₹ Crore

As at	31.03.2014	31.03.2013
Current maturities of long term borrowings		
Bonds - Secured	**593.00**	693.00
From Banks		
Unsecured		
Foreign currency loans	**257.84**	233.59
Rupee term loans	**1,758.56**	1,753.63
From Others		
Secured		
Foreign currency loan (guaranteed by GOI)	**-**	96.44
Unsecured		
Foreign currency loans (guaranteed by GOI)	**173.40**	171.73
Other foreign currency loans	**393.67**	576.19
Rupee term loans	**1,587.52**	1,367.73
Fixed deposits	**0.43**	0.11
	4,764.42	4,892.42
Current maturities of finance lease obligations -Secured	**0.05**	0.22
Interest accrued but not due on borrowings	**705.04**	626.52
Unpaid dividends	**14.19**	15.65
Unpaid matured deposits and interest accrued thereon	**0.22**	0.20
Unpaid matured bonds and interest accrued thereon	**0.58**	0.59
Unpaid bond refund money-Tax free bonds	**0.52**	-
Book overdraft	**2.71**	17.23
Advances from customers and others	**383.42**	321.81
Payable for capital expenditure	**4,540.89**	3,536.35
Other payables		
Tax deducted at source and other statutory dues	**227.58**	168.68
Deposits from contractors and others	**112.01**	102.67
Gratuity obligations	**30.10**	93.12
Payable to employees	**271.59**	452.54
Others	**290.54**	241.25
Total	**11,343.86**	10,469.25

a) Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term borrowings indicated above are disclosed in Note 5.

b) Unpaid dividends, matured deposits and bonds including the interest accrued thereon include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/fixed deposits or are on hold pending legal formalities etc. Out of the above, no amount is due for payment to investor education and protection fund.

c) Payable for capital expenditure includes liabilities of ₹ **165.11 crore** (previous year ₹ 378.77 crore) towards an equipment supplier pending evaluation of performance and guarantee test results of steam/turbine generators at some of the stations. Pending settlement, liquidated damages recoverable for shortfall in performance of these equipments, if any, have not been recognised.

d) Other payables - Others include amount payable to hospitals, retired employees etc.

11. Short-term provisions

₹ Crore

As at	31.03.2014	31.03.2013
Provision for		
Employee benefits	**1,078.98**	1423.64
Proposed dividend	**1,442.96**	1,649.09
Tax on proposed dividend	**244.21**	280.26
Obligations incidental to land acquisition	**2,822.42**	2,053.94
Tariff adjustment	**1,275.70**	1,316.94
Shortage in fixed assets pending investigation	**6.17**	1.09
Others	**432.16**	279.58
Total	**7,302.60**	7,004.54

a) Disclosure as per AS 15 'Employee Benefits' has been made in Note 39.

b) Disclosure as per AS 29 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note 48.

c) The Company aggrieved over many of the issues as considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. Towards the above and other anticipated tariff adjustments, provision of ₹ **121.32 crore** (previous year ₹166.35 crore) has been made during the year and in respect of some of the stations, an amount of ₹ **162.56 crore** (previous year ₹ 63.11 crore) has been written back.

d) Other provisions include ₹ **53.64 crore** (previous year ₹ 46.27 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 46 (b) (ii)] and ₹ **378.52 crore** (previous year ₹ 200.84 crore) towards provision for litigation cases.

12. Tangible Assets

₹ Crore

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Land (including development expenses)										
Freehold	4,060.95	715.22	(1,010.77)	**5,786.94**	-	-	-	**-**	**5,786.94**	4,060.95
Leasehold	1,445.15	838.46	(81.40)	**2,365.01**	158.40	266.04	(4.35)	**428.79**	**1,936.22**	1,286.75
Roads, bridges, culverts & helipads	583.93	85.26	(10.65)	**679.84**	203.89	25.22	0.08	**229.03**	**450.81**	380.04
Building										
Freehold										
Main plant	4,555.05	75.71	(38.66)	**4,669.42**	1,333.92	132.75	-	**1,466.67**	**3,202.75**	3,221.13
Others	2,490.20	225.31	(20.70)	**2,736.21**	967.19	102.95	0.15	**1,069.99**	**1,666.22**	1,523.01
Leasehold	49.89	-	-	**49.89**	27.41	1.84	-	**29.25**	**20.64**	22.48
Temporary erection	34.69	0.57	0.11	**35.15**	32.35	0.91	0.17	**33.09**	**2.06**	2.34
Water supply, drainage & sewerage system	645.31	27.71	(3.83)	**676.85**	314.92	20.55	0.14	**335.33**	**341.52**	330.39
MGR track and signalling system	1,325.85	26.46	(19.39)	**1,371.70**	629.82	47.41	-	**677.23**	**694.47**	696.03
Railway siding	441.08	150.63	(1.99)	**593.70**	173.03	25.84	-	**198.87**	**394.83**	268.05
Earth dam reservoir	286.56	-	(1.72)	**288.28**	107.98	14.11	-	**122.09**	**166.19**	178.58
Plant and equipment										
Owned	85,075.94	6,985.40	(3,089.33)	**95,150.67**	35,164.56	4,014.34	199.54	**38,979.36**	**56,171.31**	49,911.38
Leased	-	60.00	-	**60.00**	-	1.06	-	**1.06**	**58.94**	-
Furniture and fixtures	414.62	36.08	0.99	**449.71**	246.03	16.99	0.91	**262.11**	**187.60**	168.59
Vehicles including speedboats										
Owned	11.03	1.53	1.50	**11.06**	5.74	0.77	1.15	**5.36**	**5.70**	5.29
Leased	2.16	-	1.57	**0.59**	1.91	0.20	1.57	**0.54**	**0.05**	0.25
Office equipment	158.46	19.95	2.59	**175.82**	77.26	10.37	2.37	**85.26**	**90.56**	81.20
EDP, WP machines and satcom equipment	390.27	23.31	13.12	**400.46**	268.55	26.67	11.83	**283.39**	**117.07**	121.72
Construction equipments	157.63	10.22	(2.71)	**170.56**	84.49	9.60	0.68	**93.41**	**77.15**	73.14
Electrical installations	390.60	37.02	(6.57)	**434.19**	162.72	15.44	0.54	**177.62**	**256.57**	227.88
Communication equipments	95.54	7.24	(0.25)	**103.03**	52.97	4.98	0.71	**57.24**	**45.79**	42.57
Hospital Equipments	32.40	4.36	0.36	**36.40**	16.27	1.23	0.22	**17.28**	**19.12**	16.13
Laboratory and workshop equipments	48.51	9.26	(0.11)	**57.88**	14.25	2.29	0.04	**16.50**	**41.38**	34.26
Assets under 5 KM scheme of the GOI	0.53	86.24	(13.03)	**99.80**	0.01	20.66	-	**20.67**	**79.13**	0.52
Capital expenditure on assets not owned by the Company	179.79	27.38	(0.26)	**207.43**	145.05	9.54	-	**154.59**	**52.84**	34.74
Assets of government	2.81	-	-	**2.81**	-	-	-	**-**	**2.81**	2.81
Less:Grants from government	2.81	-	-	**2.81**	-	-	-	**-**	**2.81**	2.81
Total	**102,876.14**	**9,453.32**	**(4,281.13)**	**116,610.59**	**40,188.72**	**4,771.76**	**215.75**	**44,744.73**	**71,865.86**	**62,687.42**
Previous year	81,509.59	19,464.84	(1,901.71)	102,876.14	36,465.12	3,877.27	153.67	40,188.72	62,687.42	45,044.47

a) The conveyancing of the title to **10,806 acres** of freehold land of value ₹ **2,401.12 crore** (previous year 11,322 acres of value ₹ 1,587.59 crore), buildings & structures of value ₹ **50.32 crore** (previous year ₹ 136.74 crore) and also execution of lease agreements for **11, 039 acres** of land of value ₹ **737.70 crore** (previous year 10,515 acres, value ₹ 467.02 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **818 acres** valuing ₹ **29.67 crore** (previous year 2,002 acres valuing ₹ 642.07 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include value of **33 acres** (previous year 1,181 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes **1,523 acres** of value ₹ **173.82 crore** (previous year 1,233 acres of value ₹ 14.99 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **168.41 crore** (previous year ₹ 152.48 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

f) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of freehold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value ₹ **0.21 crore** (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ **0.21 crore**. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note -10 - 'Other Current Liabilities' - as other liabilities.

g) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22nd September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ **6.24 crore** (previous year ₹ 6.20 crore) has been charged to the Statement of Profit & Loss.

h) During the year, the accounting of 'Expenditure towards diversion of forest land' disclosed under Capital Work-in-progress (Note 13) was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 233.70 crore has been classified as Tangible Assets-Leasehold land and amortised from the effective date of commencement of lease.

i) The Company has received an opinion from the EAC of the ICAI on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the Statement of Profit & Loss as and when incurred. The Company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication from ICAI regarding the review, existing treatment has been continued as per the relevant accounting policy.

j) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP),Government of India scheme.

k) From the accounting periods commencing on or after 7th December 2006, the Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items relating to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

l) Additions include ₹ 19.86 crore in freehold land, ₹ 9.60 crore in leasehold land, ₹ 0.01 crore in plant and equipment-owned, ₹ 0.25 crore in furniture and fixtures, ₹ 0.14 crore in office equipment, ₹ 0.34 crore in EDP, WP machines and satcom equipment, ₹ 0.01 crore in electrical installations, ₹ 4.81 crore in capital expenditure on assets not owned by the Company consequent upon amalgamation of NTPC Hydro Ltd. (a wholly owned subsidiary of the Company) .

m) Refer Note 43 (a) (ii) regarding plant and equipment under finance lease.

n) Deduction/adjustments from gross block and depreciation/amortisation for the year includes:

₹ Crore

	Gross Block		Depreciation/Amortisation	
	31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Disposal of assets	**9.33**	5.36	**7.34**	4.05
Retirement of assets	**284.52**	201.91	**207.79**	142.49
Cost adjustments including exchange differences	**(4,478.59)**	(2,109.66)		-
Assets capitalised with retrospective effect/write back of excess capitalisation	**(53.20)**	(8.67)	**(2.15)**	0.18
Others	**(43.19)**	9.35	**2.77**	6.95
	(4,281.13)	(1,901.71)	**215.75**	153.67

o) The borrowing costs capitalised during the year ended 31st March 2014 is ₹ **2,543.96 crore** (previous year ₹ 2,148.14 crore). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Crore

	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Exchg. Difference incl. in fixed assets/ CWIP	**Borrowing costs incl. in fixed assets/ CWIP**	Exchg. Difference incl. in fixed assets/ CWIP	Borrowing costs incl. in fixed assets/ CWIP
Building :				
Main plant	**5.90**	**134.29**	2.15	121.58
Others	**0.92**	**38.83**	0.18	26.81
Hydraulic works, barrages, dams, tunnels and power channel	**-**	**302.47**	-	194.24
MGR track and signalling system	**0.03**	**12.94**	-	8.94
Railway siding	**0.03**	**22.27**	0.03	18.37
Plant and equipment	**1,119.78**	**1,777.90**	655.55	1,458.93
Others including pending allocation	**723.73**	**255.26**	398.10	319.27
Total	**1,850.39**	**2,543.96**	1,056.01	2,148.14

Intangible assets

₹ Crore

	Gross Block				Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Software	95.50	2.69	(0.10)	**98.29**	91.17	3.05	(0.09)	**94.31**	**3.98**	4.33
Right of Use - Land	47.73	5.17	3.87	**49.03**	4.78	2.92	(0.19)	**7.89**	**41.14**	42.95
- Others	226.33	-	(7.82)	**234.15**	24.93	9.37	-	**34.30**	**199.85**	201.40
Total	**369.56**	**7.86**	**(4.05)**	**381.47**	**120.88**	**15.34**	**(0.28)**	**136.50**	**244.97**	**248.68**
Previous year	318.67	44.28	(6.61)	369.56	106.78	13.85	(0.25)	120.88	248.68	211.89

a) The right of use of land & others are amortized over the period of legal right to use or life of the related plant, whichever is less.

b) Right of use –land includes ₹ **43.15 crore** (previous year ₹ 41.85 crore) and right to use-others includes ₹ **234.15 crore** (previous year ₹ 226.33 crore) which are amortised over a period of more than ten years considering the useful life of these assets as per the related agreements / arrangements.

c) During the year, the accounting of 'Expenditure towards diversion of forest land' disclosed under Capital Work-in-progress (Note-13) was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 0.31 crore has been classified as Intangible Assets-Right of Use land and amortised from the effective date of diversion.

d) Cost of acquisition of the right for drawl of water amounting to ₹ **234.15 crore** (previous year ₹ 226.33 crore) is included under intangible assets – Right of use - Others.

e) Additions include ₹ 0.03 crore in software consequent upon amalgamation of NTPC Hydro Ltd. (a wholly owned subsidiary of the Company) .

f) Deduction/adjustments from gross block and amortisation for the year includes:

₹ Crore

	Gross Block		**Amortisation**	
	31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Cost adjustments including exchange differences	**(3.28)**	(6.30)		-
Assets capitalised with retrospective effect/write back of excess capitalisation	**(0.68)**	0.08	**(0.18)**	0.07
Others	**(0.09)**	(0.39)	**(0.10)**	(0.32)
	(4.05)	(6.61)	**(0.28)**	(0.25)

Depreciation/amortisation of tangible and intangible assets for the year is allocated as given below:

₹ Crore

	31.03.2014	31.03.2013
Charged to statement of profit & loss	**4,142.19**	3,396.76
Allocated to fuel cost	**240.15**	201.35
Transferred to expenditure during construction period (net) - Note 28	**268.95**	36.11
Transferred to development of coal mines	**1.33**	1.20
Adjustment with deferred income/expense from deferred foreign currency fluctuation	**134.48**	255.70
	4,787.10	3,891.12

13. Capital work-in-progress

₹ Crore

	As at 01.04.2013	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2014**
Development of land	439.73	236.62	65.36	-	**610.99**
Roads, bridges, culverts & helipads	75.86	116.67	(45.48)	85.26	**152.75**
Piling and foundation	575.25	37.88	4.80	-	**608.33**
Buildings					
Main plant	1,440.00	1,112.24	239.78	75.71	**2,236.75**
Others	612.39	444.30	32.83	225.31	**798.55**
Temporary erection	6.15	36.71	12.67	0.57	**29.62**
Water supply, drainage and sewerage system	51.75	40.97	7.03	26.89	**58.80**
Hydraulic works, barrages, dams, tunnels and power channel	4,065.48	753.09	62.72	-	**4,755.85**
MGR track and signalling system	245.41	68.12	19.34	26.46	**267.73**
Railway siding	360.95	149.24	81.67	150.63	**277.89**
Earth dam reservoir	49.54	4.82	5.61	-	**48.75**
Plant and equipment	24,793.93	12,083.59	1,822.99	6,906.45	**28,148.08**
Furniture and fixtures	11.93	21.78	(2.80)	16.91	**19.60**
Vehicles	0.64	0.21	0.41	0.24	**0.20**
Office equipment	3.32	6.07	1.69	4.00	**3.70**
EDP/WP machines & satcom equipment	3.52	1.64	0.17	3.75	**1.24**
Construction equipments	0.01	0.34	0.01	-	**0.34**
Electrical installations	74.17	61.55	(1.24)	34.71	**102.25**
Communication equipments	2.71	1.75	1.32	1.50	**1.64**
Hospital equipments	0.15	0.34	-	0.15	**0.34**
Laboratory and workshop equipments	0.16	0.37	0.02	0.14	**0.37**
Assets under 5 KM scheme of the GOI	58.23	40.79	0.28	86.25	**12.49**
Capital expenditure on assets not owned by the company	20.67	52.82	(3.15)	22.56	**54.08**
Exploratory wells-in-progress	7.66	-	7.66	-	**-**
Development of coal mines	376.16	260.37	-	-	**636.53**
	33,275.77	15,532.28	2,313.69	7,667.49	**38,826.87**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	99.76	47.89	0.39	-	**147.26**
Difference in exchange on foreign currency loans	851.36	940.35	291.46	-	**1,500.25**
Expenditure towards diversion of forest land	233.70	0.31	234.01	-	**-**
Pre-commisioning expenses (net)	27.03	317.03	212.58	-	**131.48**
Expenditure during construction period (net)	496.45	3,687.06 *	-	-	**4,183.51**
Less: Allocated to related works	-	3,668.62	-	-	**3,668.62**
	34,984.07	16,856.30	3,052.13	7,667.49	**41,120.75**
Less: Provision for unserviceable works	71.43	6.63	8.84	-	**69.22**
Construction stores (net of provision)	2,196.78	1,638.43	-	-	**3,835.21**
Total	37,109.42	18,488.10	3,043.29	7,667.49	**44,886.74**
Previous year	41,827.82	13,429.22	857.71	17,289.91	**37,109.42**

* Brought from expenditure during construction period (net) - Note 28

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **0.27 crore** (previous year ₹ 0.63 crore).

b) Pre-commissioning expenses for the year amount to ₹ **346.09 crore** (previous year ₹ 446.98 crore) and after adjustment of pre-commissioning sales of ₹ **29.06 crore** (previous year ₹ 266.30 crore) resulted in net pre-commissioning expenditure of ₹ **317.03 crore** (previous year ₹ 180.68 crore).

c) Additions to the development of coal mines includes expenditure during construction period of ₹ **260.37 crore** (previous year ₹ 96.42 crore).

d) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP), Government of India scheme.

e) During the year, the accounting of 'Expenditure towards diversion of forest land' was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 233.70 crore has been classified as Tangible Assets-Leasehold land and an amount of ₹ 0.31 crore has been classified under Intangible Assets-Right of use-Land, in Note 12.

f) Additions include ₹ 5.66 crore in roads, bridges, culverts and helipads, ₹ 30.62 crore in hydraulic works, barrages, dams, tunnels and power channel, ₹ 5.69 crore in survey, investigation, consultancy and supervision charges, ₹ 0.31 crore in expenditure towards diversion of forest land and ₹ 54.16 crore in expenditure during construction period (net) consequent upon amalgamation of NTPC Hydro Ltd. (a wholly owned subsidiary of the Company).

Intangible assets under development ₹ Crore

	As at 01.04.2013	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2014
Exploratory wells-in-progress	-	1.91	(7.66)	-	**9.57**
	-	1.91	(7.66)	-	**9.57**
Less: Provision for unserviceable works	-	-	(7.64)	-	**7.64**
Total	-	1.91	(0.02)	-	**1.93**
Previous year	0.04	-	0.04	-	**-**

14. Non-current investments

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
Long term - Trade				
Equity instruments (fully paid up - unless otherwise stated)				
Quoted				
PTC India Ltd.	12000000 (12000000)	10 (10)	**12.00**	12.00
			12.00	12.00
Unquoted				
Subsidiary companies				
NTPC Electric Supply Company Ltd.	80910 (80910)	10 (10)	**0.08**	0.08
NTPC Vidyut Vyapar Nigam Ltd.	20000000 (20000000)	10 (10)	**20.00**	20.00
NTPC Hydro Ltd.	- (121359500)	- (10)	**-**	121.36
Less: Provision for diminution in value			**-**	8.14
			-	113.22
Kanti Bijlee Utpadan Nigam Ltd.	473001233 (357151233)	10 (10)	**473.00**	357.15
Bhartiya Rail Bijlee Company Ltd.	774152309 (509460000)	10 (10)	**774.15**	509.46
			1,267.23	999.91

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)		31.03.2014	31.03.2013
Share application money pending allotment in					
NTPC Hydro Ltd.				-	0.20
Kanti Bijlee Utpadan Nigam Ltd.				**39.51**	25.65
Bhartiya Rail Bijlee Company Ltd. (* ₹ 39,000/-)				**60.66**	*
				100.17	25.85
Joint venture companies					
Utility Powertech Ltd. (includes 1000000 bonus shares)	2000000 (2000000)	10 (10)		**1.00**	1.00
NTPC-Alstom Power Services Private Ltd.	3000000 (3000000)	10 (10)		**3.00**	3.00
NTPC-SAIL Power Company Private Ltd.	490250050 (490250050)	10 (10)		**490.25**	490.25
NTPC-Tamil Nadu Energy Company Ltd.	1265606112 (1143606112)	10 (10)		**1,265.61**	1,143.61
Ratnagiri Gas & Power Private Ltd.	974308300 (974308300)	10 (10)		**974.30**	974.30
Aravali Power Company Private Ltd.	1257508200 (1159508200)	10 (10)		**1,257.51**	1,159.51
NTPC-SCCL Global Ventures Private Ltd.	50000 (50000)	10 (10)		**0.05**	0.05
NTPC BHEL Power Projects Private Ltd.	50000000 (25000000)	10 (10)		**50.00**	25.00
Meja Urja Nigam Private Ltd.	412429800 (378789800)	10 (10)		**412.43**	378.79
BF-NTPC Energy Systems Ltd.	5880000 (5880000)	10 (10)		**5.88**	5.88
National Power Exchange Ltd.	2188325 (2188325)	10 (10)	**2.19**		2.19
Less: Provision for diminution in value			**1.06**		1.04
				1.13	1.15
Nabinagar Power Generating Company Private Ltd.	470125000 (153000000)	10 (10)		**470.13**	153.00
Transformers and Electricals Kerala Ltd.	19163438 (19163438)	10 (10)		**31.34**	31.34
National High Power Test Laboratory Private Ltd.	14875000 (11060000)	10 (10)		**14.88**	11.06
International Coal Ventures Private Ltd.	1400000 (1400000)	10 (10)		**1.40**	1.40
Energy Efficiency Services Ltd.	22500000 (22500000)	10 (10)		**22.50**	22.50
CIL NTPC Urja Private Ltd.	25000 (25000)	10 (10)		**0.03**	0.03
Anushakti Vidhyut Nigam Ltd.	49000 (49000)	10 (10)		**0.05**	0.05
Pan-Asian Renewables Private Ltd.	1500000 (500000)	10 (10)		**1.50**	0.50
Trincomalee Power Company Ltd. (* Srilankan rupees)	1500000 (1500000)	100* (100)		**6.72**	6.72
Bangladesh-India Friendship Power Company Pvt.Ltd. (* Bangladeshi Taka)	800000 (-)	100* (-)		**6.12**	-

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
			5,015.83	4,409.14
Share application money pending allotment in				
NTPC-Tamilnadu Energy Company Ltd.			**59.99**	-
Aravali Power Company Private Ltd.			**14.17**	49.01
Meja Urja Nigam Private Ltd.			**-**	33.64
Nabinagar Power Generating Company Pvt. Ltd.			**-**	317.12
CIL NTPC Urja Private Ltd.			**0.05**	0.05
Energy Efficiency Services Ltd.			**-**	2.50
			74.21	402.32
Cooperative societies			**#**	#
Bonds (fully paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of				
Andhra Pradesh	1260650 (2521300)	1000 (1000)	**126.07**	252.13
Assam	51464 (102928)	1000 (1000)	**5.15**	10.29
Bihar	1894400 (3788800)	1000 (1000)	**189.44**	378.88
Chattisgarh	483220 (966440)	1000 (1000)	**48.32**	96.64
Gujarat	837240 (1674480)	1000 (1000)	**83.72**	167.45
Haryana	1075000 (2150000)	1000 (1000)	**107.50**	215.00
Himachal Pradesh	33388 (66776)	1000 (1000)	**3.34**	6.68
Jammu and Kashmir	367360 (734720)	1000 (1000)	**36.74**	73.47
Jharkhand	960136 (1920256)	1000 (1000)	**96.01**	192.03
Kerala	1002400 (2004800)	1000 (1000)	**100.24**	200.48
Madhya Pradesh	830840 (1661680)	1000 (1000)	**83.08**	166.17
Maharashtra	381400 (762800)	1000 (1000)	**38.14**	76.28
Orissa	1102874 (2205748)	1000 (1000)	**110.29**	220.57
Punjab	346230 (692460)	1000 (1000)	**34.62**	69.25
Rajasthan	290000 (435000)	1000 (1000)	**29.00**	43.50
Sikkim	34196 (68392)	1000 (1000)	**3.42**	6.84
Uttar Pradesh	3989900 (7979800)	1000 (1000)	**398.99**	797.98

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
Uttaranchal	399650 (799300)	1000 (1000)	**39.97**	79.93
West Bengal	1174248 (2348496)	1000 (1000)	**117.42**	234.85
			1,651.46	3,288.42
Total			**8,120.90**	9,137.64
Aggregate amount of quoted investments				
Book value			**12.00**	12.00
Market value			**81.36**	71.94
Aggregate amount of unquoted investments				
Book value			**8,108.90**	9,125.64
Aggregate amount of provision for dimunition in the value of investments			**1.06**	9.18

\# Equity shares of ₹ **30,200/-** (previous year ₹ 30,200/-) held in various employee co-operative societies.

a) Investments have been valued considering the accounting policy no.J (Note 1).

b) During the year, NTPC Hydro Ltd. (a wholly owned subsidiary of the Company) has been merged with the Company consequent to the order of Ministry of Corporate Affairs, GOI w.e.f. 1st April 2013.

c) The Board of Directors of NTPC Limited in its meeting held on 7th November 2012 accorded in principle approval for withdrawl from National Power Exchange Ltd. (NPEX) (a joint venture of the Company). In the meeting of Group of Promoters (GOP) held on 21st March 2014, GOP recommended for voluntary winding up of NPEX and the same has been approved by the Board of NPEX in its meeting held on 21st March 2014. Pending withdrawl and other formalities, provision of ₹ **1.06 crore** (previous year ₹ 1.04 crore) towards the diminution other than temporary in the value of investment in NPEX has been made.

d) The Board of Directors of NTPC Limited in its meeting held on 27th January 2012 accorded in principle approval for withdrawl from International Coal Ventures Private Limited (a joint venture of the Company). Cabinet approval for the same is awaited, subsequent to which, the process of withdrawal shall commence.

e) Restrictions for the disposal of investments held by the Company and committments towards certain Subsidiary & Joint Venture entities are disclosed in Note 53 b) to 53 e).

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2014	31.03.2013
Capital advances		
Secured	**24.06**	58.88
Unsecured		
Covered by bank guarantee	**4,370.63**	3,775.96
Others	**4,249.25**	3,092.47
Considered doubtful	**2.59**	2.54
Less: Allowance for bad & doubtful advances	**2.59**	2.54
	8,643.94	6,927.31
Security deposits (unsecured)	**74.18**	82.84
Loans		
Related parties		
Unsecured	**0.01**	0.03
Employees (including accrued interest)		

₹ Crore

As at	**31.03.2014**	31.03.2013
Secured	**402.07**	395.88
Unsecured	**140.50**	142.74
Loan to state government in settlement of dues from customers (Unsecured)	**143.59**	239.31
Others		
Secured	**40.00**	14.29
Unsecured	**4.88**	8.86
	731.05	801.11
Advances		
Contractors & suppliers, including material issued on loan		
Unsecured	**607.52**	65.58
Advance tax & tax deducted at source	**9,434.36**	11,460.19
Less: Provision for current tax	**6,714.83**	9,703.62
	2,719.53	1,756.57
Total	**12,776.22**	9,633.41
a) Due from directors and officers of the Company		
Directors (₹20,305/-)	*****	0.03
Officers	**0.01**	0.01
b) Loans to related parties include:		
Key management personnel (₹20,305/-)	*****	0.03
c) Loans and advances include amounts due from the following private companies in which one or more directors of the Company are directors:		
NTPC-Alstom Power Services Private Ltd.	**0.04**	-
NTPC BHEL Power Projects Private Ltd.	**213.21**	-

d) Capital advances include ₹ **252.22 crore** (previous year ₹ 226.27 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted in the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.

e) Capital advances include amount due from related parties ₹ **0.04 crore** (previous year ₹ 0.08 crore).

f) Other loans include loan of ₹ **40.00 crore** (previous year ₹ 14.29 crore) given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) and ₹ **4.29 crore** (previous year ₹ 8.86 crore) to Kanti Bijlee Utpadan Nigam Ltd.

15 A. Other non-current assets

₹ Crore

As at	**31.03.2014**	31.03.2013
Deferred foreign currency fluctuation asset	**1,360.77**	1,132.77
Claims recoverable	**426.00**	358.42
	1,786.77	1,491.19

a) In line with accounting policy no.L.3 (Note 1), deferred foreign currency fluctuation asset has been accounted and (-) ₹ **257.31 crore** (previous year (-) ₹ 296.96 crore) being exchange fluctuations on account of foreign currency loans has been recognised as energy sales in Note 22.

b) Claims recoverable represents the cost incurred upto 31st March 2014 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power, GOI. This includes ₹ **176.22 crore** (previous year ₹ 109.65 crore) in respect of arbitration awards challenged/being challenged by the Company before High Court. In the event the High Court grants relief to the Company, the amount would be adjusted against Short Term Provisions - Others (Note 11). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary. Also refer Note 21 c).

16. Current investments

₹ Crore

As at	Number of bonds/ securities Current year/ (previous year)	Face value per bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
Trade				
Current maturities of long term investments				
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of				
Andhra Pradesh	1260650 (1260650)	1000 (1000)	**126.07**	126.07
Assam	51464 (51464)	1000 (1000)	**5.15**	5.15
Bihar	1894400 (1894400)	1000 (1000)	**189.44**	189.44
Chattisgarh	483220 (483220)	1000 (1000)	**48.32**	48.32
Gujarat	837240 (837240)	1000 (1000)	**83.73**	83.73
Haryana	1075000 (1075000)	1000 (1000)	**107.50**	107.50
Himachal Pradesh	33388 (33388)	1000 (1000)	**3.34**	3.34
Jammu and Kashmir	367360 (367360)	1000 (1000)	**36.74**	36.74
Jharkhand	960120 (960120)	1000 (1000)	**96.01**	96.01
Kerala	1002400 (1002400)	1000 (1000)	**100.24**	100.24
Madhya Pradesh	830840 (830840)	1000 (1000)	**83.08**	83.08
Maharashtra	381400 (381400)	1000 (1000)	**38.14**	38.14
Orissa	1102874 (1102874)	1000 (1000)	**110.29**	110.29
Punjab	346230 (346230)	1000 (1000)	**34.62**	34.62
Rajasthan	145000 (-)	1000 (-)	**14.50**	-
Sikkim	34196 (34196)	1000 (1000)	**3.42**	3.42
Uttar Pradesh	3989900 (3989900)	1000 (1000)	**398.99**	398.99
Uttaranchal	399650 (399650)	1000 (1000)	**39.96**	39.96
West Bengal	1174248 (1174248)	1000 (1000)	**117.42**	117.42
Total			**1,636.96**	1,622.46
Aggregate amount of unquoted investments				
Book value			**1,636.96**	1,622.46

a) Investments have been valued considering the accounting policy no.J (Note 1).

b) The above investments are unquoted and hence market value is not applicable.

17. Inventories

₹ Crore

As at	31.03.2014	31.03.2013
Coal	**1,957.45**	885.62
Fuel oil	**337.51**	364.99
Naphtha	**119.81**	146.77
Stores and spares	**2,493.77**	2,210.19
Chemicals & consumables	**62.66**	73.51
Loose tools	**6.55**	5.70
Steel scrap	**22.15**	20.96
Others	**446.09**	413.40
	5,445.99	4,121.14
Less: Provision for shortages	**2.17**	1.87
Provision for obsolete/unserviceable items/ dimunition in value of surplus inventory	**70.47**	62.08
Total	**5,373.35**	4,057.19
Inventories include material-in-transit, valued at cost		
Coal	**143.65**	75.02
Stores and spares	**37.10**	29.13
Chemicals & consumables	**0.82**	0.62
Loose tools	**0.27**	0.05
Others	**4.30**	2.27
	186.14	107.09

a) Inventory items, other than steel scrap have been valued considering the accounting policy no.K.1 (Note 1). Steel scrap has been valued at estimated realisable value.

b) Inventories - Others includes steel, cement, ash bricks etc.

18. Trade receivables

₹ Crore

As at	31.03.2014	31.03.2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**5.91**	59.41
Considered doubtful	**0.03**	0.03
Less: Allowance for bad & doubtful receivables	**0.03**	0.03
	5.91	59.41
Others - unsecured, considered good	**5,214.17**	5,305.59
Total	**5,220.08**	5,365.00

19. Cash and bank balances

₹ Crore

As at	31.03.2014	31.03.2013
Cash & cash equivalents		
Balances with banks		
Current accounts	**62.95**	286.21
Cheques & drafts on hand	**61.50**	64.97
Balance with Reserve Bank of India	**30.79**	29.03
Others (Stamp on hand)	**0.08**	0.09
	155.32	380.30
Other bank balances		
Deposits with original maturity of more than three months but not more than twelve months	**15,141.30**	16,469.97
Others#	**14.75**	17.43
Total	**15,311.37**	16,867.70
# Not available for use to the Company and include:		
Unpaid dividend account balance	**14.19**	15.65
Unpaid refund account balance	**0.52**	-
Balance with Reserve Bank of India *	**0.02**	1.77
Security with government authorities	**0.02**	0.01
	14.75	17.43

* Out of margin money kept with Reserve Bank of India in terms of Rule 3 A of the Companies (Acceptance of Deposits) Rules, 1975 for fixed deposits from public.

20. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2014	31.03.2013
Loans		
Related parties		
Unsecured	**0.03**	0.04
Employees (including accrued interest)		
Secured	**77.38**	76.27
Unsecured	**94.46**	90.86
Loan to state government in settlement of dues from customers		
Unsecured	**95.73**	95.73
Others		
Secured	**10.00**	35.71
Unsecured	**3.71**	35.99
	281.31	334.60
Advances		
Related parties		
Unsecured	**3.54**	3.40
Employees		
Unsecured	**10.22**	8.59
Considered doubtful	**0.03**	0.11
Contractors & suppliers, including material issued on loan		
Secured	**-**	6.71
Unsecured	**1,747.97**	533.85
Considered doubtful	**2.31**	1.51
Others		
Unsecured	**181.01**	202.64
Considered doubtful	**0.02**	0.02
Less: Allowance for bad & doubtful advances	**2.36**	1.64
	1,942.74	755.19
Security deposits (unsecured)	**893.03**	655.78
Total	**3,117.08**	1,745.57

₹ Crore

As at	31.03.2014	31.03.2013
a) Due from Directors and Officers of the Company		
Directors	**0.03**	0.04
Officers (* ₹33,168/-, # ₹ 28,236/-)	*	#
b) Loans to related parties include:		
Key management personnel	**0.03**	0.04
c) Advance to related parties include:		
Joint venure companies	**0.17**	2.30
d) Loans and advances include amounts due from the following private companies in which one or more directors of the Company are directors:		
NTPC-Alstom Power Services Private Ltd.	**0.68**	1.33
NTPC-SAIL Power Company Private Ltd.	**2.09**	25.54
Aravali Power Company Private Ltd.	**5.02**	10.75
NTPC BHEL Power Projects Private Ltd.	**1.50**	0.93
Meja Urja Nigam Private Limited	**4.60**	4.85
Nabinagar Power Generating Company Private Ltd.*	**0.13**	2.63
International Coal Ventures Private Ltd.	**-**	0.00
Pan-Asian Renewables Private Ltd.	**-**	0.13
Bangladesh India Friendship Power Company Pvt. Ltd.	**1.46**	0.00

* As at the Balance Sheet date, no director of the Company is a director on the Board of this Company.

e) Other loans represent loans of ₹ **10.00 crore** (previous year ₹ 35.71 crore) given to APIIC and ₹ **3.71 crore** (previous year ₹ 3.72 crore) to Kanti Bijlee Utpadan Nigam Ltd..

f) Other advances mainly represent prepaid expenses amounting to ₹ **64.92 crore** (previous year ₹ 57.89 crore).

g) Security deposit (unsecured) includes ₹ **211.92 crore** (previous year ₹ 200.35 crore) sales tax deposited under protest with sales tax authorities.

21. Other current assets

₹ Crore

As at	31.03.2014	31.03.2013
Interest accrued on:		
Bonds	**174.24**	243.19
Term deposits	**586.35**	824.34
Others	**46.52**	23.95
	807.11	1,091.48
Claims recoverable		
Unsecured, considered good	**1,743.26**	4,418.99
Considered doubtful	**13.77**	13.05
Less: Allowance for doubtful claims	**13.77**	13.05
	1,743.26	4,418.99
Unbilled revenue	**6,646.93**	5,624.27
Assets held for disposal	**2.60**	2.96
Others	**12.05**	13.08
Total	**9,211.95**	11,150.78

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **7,069.70 crore** (previous year ₹ 6,005.41 crore) billed to the beneficiaries after 31st March for energy sales.

c) Claims recoverable are net of the first phase amount of ₹ 536.30 crore, received from the GOI in September 2013 towards the cost incurred in respect of one of the hydro power projects which has been discontinued on the advice of Ministry of Power, GOI. Balance amount of ₹ 426.00 crore recoverable from the GOI is disclosed in Note 15A (b).

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2014	31.03.2013
Energy sales (including electricity duty)	**72,115.06**	64,715.88
Consultancy, project management and supervision fee (including turnkey construction projects)	**112.66**	126.81
	72,227.72	64,842.69
Energy internally consumed	**83.39**	76.73
Other operating revenues		
Interest from customers	**131.48**	432.60
Recognized from deferred foreign currency fluctuation liability	**1.56**	3.52
Provisions written back		
Tariff adjustments	**162.56**	63.11
Doubtful debts	**-**	840.67
Doubtful loans, advances and claims	**0.06**	0.33
Shortage in construction stores	**0.54**	0.58
Shortage in stores	**0.88**	0.57
Obsolescence in stores	**2.14**	1.26
Unserviceable capital works	**1.20**	0.90
Shortages in fixed assets	**0.32**	0.39
Others	**32.17**	-
	199.87	907.81
Total	**72,644.02**	66,263.35

a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, and First, Second and Third Amendments thereto in May 2011, June 2011 and December 2012 respectively (Regulations, 2009). In line with the Regulations, 2009, the CERC has issued provisional/final tariff orders w.e.f. 1st April 2009 for all the stations except for four stations. Beneficiaries are billed in accordance with the said provisional/final tariff orders except for four stations where it is done on provisional basis. The amount billed for the year ended 31st March 2014 on this basis is ₹ **68,704.03 crore** (previous year ₹ 61,794.68 crore).

b) In respect of stations for which the CERC has issued final tariff orders under the Regulations, 2009 and Renewable Energy Regulations, 2009, sales have been recognised at ₹ **66,209.42 crore** for the year ended 31st March 2014 (previous year ₹ 61,650.23 crore) after truing up capital expenditure to arrive at the capacity charges. For other stations, pending determination of station-wise final tariff by the CERC, sales have been provisionally recognised at ₹ **3,386.70 crore** for the year ended 31st March 2014 (previous year ₹ 998.24 crore) on the basis of principles enunciated in the said Regulations, 2009 after truing-up capital expenditure to arrive at the capacity charges.

c) Sales include ₹ **2,086.82 crore** for the year ended 31st March 2014 (previous year ₹ 1,241.90 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) Sales include (-) ₹ **269.99 crore** for the year ended 31st March 2014 (previous year ₹ 246.04 crore) on account of income-tax recoverable from the beneficiaries as per Regulations, 2004. Sales also include ₹ **77.02 crore** for the year ended 31st March 2014 (previous year ₹ 53.16 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2009.

e) Electricity duty on energy sales amounting to ₹ **625.09 crore** (previous year ₹ 526.31 crore) has been reduced from sales in the statement of profit and loss.

f) Revenue from operations include ₹ **83.39 crore** (previous year ₹ 76.73 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note 26).

g) CERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **131.48 crore** (previous year ₹ 432.60 crore) has been accounted as 'Interest from customers'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to customers' (Note 26).

23. Other income

₹ Crore

For the year ended		31.03.2014	31.03.2013
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**382.95**	520.86
Others			
Loan to state government in settlement of dues from customers (8.5% tax free)		**26.44**	34.58
Loan to subsidiary companies		**1.69**	2.37
Loan to employees		**30.67**	28.84
Contractors		**44.57**	36.25
Deposits with banks/Reserve Bank of India		**1,600.15**	1,839.30
Income tax refunds	**154.54**		39.41
Less : Refundable to customers	**80.53**		0.02
		74.01	39.39
Others		**9.12**	8.22
Dividend from			
Long-term investments in			
Subsidiaries		**-**	25.00
Joint ventures		**73.90**	103.66
Current investments in			
Mutual funds		**64.35**	112.66
Other non-operating income			
Surcharge received from customers		**76.66**	87.75
Hire charges for equipment		**3.13**	4.28
Net gain in foreign currency transactions & translations		**51.33**	27.90
Sale of scrap		**83.13**	89.06
Liquidated damages recovered		**12.89**	11.82
Profit on redemption of current investments		**28.53**	-
Net gain on sale of current investments		**3.15**	0.18
Miscellaneous income		**215.31**	217.07
Profit on disposal of fixed assets		**12.86**	4.62
		2,794.84	3,193.81
Less: Transferred to expenditure during construction period (net) - Note 28		**47.46**	38.84
Transferred to development of coal mines		**7.16**	8.30
Transferred to deferred foreign currency fluctuation asset/liability		**51.33**	27.90
Total		**2,688.89**	3,118.77

Miscellaneous income includes income from township recoveries and receipts towards insurance claims.

24. Employee benefits expense

₹ Crore

For the year ended	31.03.2014	31.03.2013
Salaries and wages	**3,323.71**	3,283.99
Contribution to provident and other funds	**999.36**	546.49
Staff welfare expenses	**444.47**	355.00
	4,767.54	4,185.48
Less: Allocated to fuel cost	**240.16**	193.58
Transferred to development of coal mines	**41.10**	34.31
Transferred to NVVN for reimbursement from fly ash utilisation fund	**15.48**	-
Transferred to expenditure during construction period (net)- Note 28	**602.81**	541.63
Total	**3,867.99**	3,415.96

a) Disclosures as per AS 15 in respect of provision made towards various employee benefits are made in Note 39.

b) Salary and wages include special allowance paid by the Company to eligible employees serving in difficult and far flung areas w.e.f. 26th November 2008. As per the Office Memorandum dated 26th November 2008 of DPE relating to revision of pay scales w.e.f 1st January 2007, special allowance can be paid to such employees upto 10% of basic pay as approved by concerned administrative ministry. In line with the office memorandum dated 22nd June 2010 of DPE, Board of Directors has approved the Special Allowance (Difficult and Far Flung Areas) to eligible employees. The approval of MOP for the same is awaited.

c) During the year, a defined contribution pension scheme of the Company has been implemented effective from 1st January 2007. Employee benefits expense for the year includes ₹ 346.56 crore as additional contribution for the period from 1st January 2007 to 31st March 2013.

d) During the year, detailed guidelines were framed for utilization of Fly Ash Utilisation Fund (“Fund”) maintained by NTPC Vidyut Vyapar Nigam Limited (NVVN), a wholly owned subsidiary of the Company, and accordingly, ₹15.48 crore on account of employee benefits to personnel engaged in the ash utilisation activities was transferred to NVVN for reimbursement from the Fund.

25. Finance costs

₹ Crore

For the year ended	31.03.2014	31.03.2013
Interest on		
Bonds	**961.67**	900.87
Foreign currency term loans	**253.96**	235.33
Rupee term loans	**3,056.24**	2,753.01
Public deposits	**0.05**	0.16
Foreign currency bonds/notes	**521.77**	345.91
Others	**26.23**	73.14
	4,819.92	4,308.42
Other borrowing costs		
Bonds servicing & public deposit expenses	**2.34**	2.38
Guarantee fee	**33.50**	39.84
Management/arrangers fee	**16.41**	36.24
Foreign currency bonds/notes expenses	**1.07**	6.05
Insurance premium on foreign currency loans	**85.39**	27.39
Bond issue expenses	**10.60**	0.37
Others	**4.25**	2.30
	153.56	114.57
Exchange differences regarded as an adjustment to interest costs	**-**	(350.21)
	4,973.48	4,072.78
Less: Transferred to expenditure during construction period (net) - Note 28	**2,488.85**	2,101.90
Transferred to development of coal mines	**78.04**	46.52
Total	**2,406.59**	1,924.36

26. Generation, administration & other expenses

₹ Crore

For the year ended		31.03.2014	31.03.2013
Power charges	**249.73**		172.89
Less: Recovered from contractors & employees	**20.07**		18.47
		229.66	154.42
Water charges		**450.92**	488.67
Stores consumed		**47.60**	46.35
Rent	**30.66**		28.38
Less: Recoveries	**8.05**		7.83
		22.61	20.55
Load dispatch centre charges		**144.40**	41.66
Repairs & maintenance			
Buildings		**189.92**	170.91
Plant & machinery		**1,850.79**	1,782.45
Others		**126.67**	105.91
Insurance		**116.76**	104.62
Interest to customers		**59.37**	5.72
Rates and taxes		**34.00**	33.54
Water cess & environment protection cess		**38.13**	35.44
Training & recruitment expenses	**28.68**		24.32
Less: Receipts	**3.30**		1.56
		25.38	22.76
Communication expenses		**43.50**	43.88
Travelling expenses		**196.88**	182.76
Tender expenses	**30.62**		21.46
Less: Receipt from sale of tenders	**3.13**		2.96
		27.49	18.50

₹ Crore

For the year ended		31.03.2014	31.03.2013
Payment to auditors		**3.32**	3.01
Advertisement and publicity		**14.54**	13.31
Security expenses		**369.75**	327.23
Entertainment expenses		**14.26**	13.88
Expenses for guest house	**21.68**		18.94
Less: Recoveries	**2.80**		2.67
		18.88	16.27
Education expenses		**9.60**	9.31
Brokerage & commission		**2.65**	2.79
Community development and welfare expenses	**120.99**		84.79
Less: Grants-in-aid	**0.93**		0.39
		120.06	84.40
Donation		**0.15**	0.14
Ash utilisation & marketing expenses	**12.63**		10.87
Less: Sale of ash products	**-**		0.04
		12.63	10.83
Directors sitting fee		**0.45**	0.30
Books and periodicals		**2.96**	2.65
Professional charges and consultancy fee		**142.95**	28.40
Legal expenses		**31.13**	27.12
EDP hire and other charges		**17.70**	14.53
Printing and stationery		**13.65**	12.36
Oil & gas exploration expenses		**3.41**	8.78
Hiring of vehicles		**66.05**	55.23
Rebate to customers		**558.44**	521.71
Reimbursement of L.C.charges on sales realisation		**1.54**	0.60
Bank charges		**3.60**	2.93
Net loss in foreign currency transactions & translations		**17.50**	5.07
Horticulture expenses		**26.46**	22.73
Hire charges of helicopter/aircraft		**12.74**	13.21
Hire charges of construction equipments		**10.86**	14.18
Transport vehicle running expenses		**8.78**	8.50
Miscellaneous expenses		**55.34**	47.63
Stores written off		**0.44**	0.14
Survey & investigation expenses written off		**2.31**	2.37
Loss on disposal/write-off of fixed assets		**73.92**	59.91
		5,220.15	4,587.66
Less: Allocated to fuel cost		**305.49**	281.84
Transferred to development of coal mines		**129.63**	13.62
Transferred to deferred foreign currency fluctuation asset/liability		**2.98**	1.51
Transferred to NVVN for reimbursement from fly ash utilisation fund		**19.41**	5.67
Transferred to expenditure during construction period (net) - Note 28		**375.15**	318.70
		4,387.49	3,966.32

₹ Crore

For the year ended	31.03.2014	31.03.2013
Provisions for		
Tariff adjustments	**121.32**	166.35
Diminution in value of long term investments in joint venture	**0.02**	1.04
Doubtful loans, advances and claims	**1.58**	0.09
Shortage in stores	**1.33**	1.34
Obsolescence in stores	**10.34**	4.66
Shortage in construction stores	**0.19**	0.13
Unserviceable capital works	**6.63**	49.89
Unfinished minimum work programme for oil and gas exploration	**7.36**	5.08
Shortages in fixed assets	**5.44**	0.27
Arbitration cases	**2.15**	7.95
Others	**-**	32.56
	156.36	269.36
Total	**4,543.85**	4,235.68
a) Spares consumption included in repairs and maintenance	**1,091.63**	1,006.61
b) Details in respect of payment to auditors:		
As auditor		
Audit fee	**1.04**	1.00
Tax audit fee	**0.36**	0.35
Limited review	**0.62**	0.60
In other capacity		
Other services (certification fee)	**0.56**	0.35
Reimbursement of expenses	**0.42**	0.40
Reimbursement of service tax	**0.32**	0.31
Total	**3.32**	3.01

Payment to the auditors includes ₹ **0.13 crore** (previous year ₹ 0.24 crore) relating to earlier year.

c) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ **59.37 crore** (previous year ₹ 5.72 crore) has been accounted and disclosed as 'Interest to customers'.

27. Prior period items (net)

₹ Crore

For the year ended	31.03.2014	31.03.2013
Revenue		
Sales	**-**	(0.03)
Others	**0.08**	1.88
	0.08	1.85
Expenditure		
Employee benefits expense	**(0.37)**	(5.13)
Finance costs		
Interest	**-**	(12.00)
Other borrowing costs	**-**	(7.91)
Depreciation and amortisation	**2.35**	(0.25)
Generation, administration and other expenses		
Repairs and maintenance	**2.33**	0.39
Others	**7.40**	(13.06)
	11.71	(37.96)
Net expenditure/(revenue)	**11.63**	(39.81)
Less: Transferred to expenditure during construction period (net)-Note 28	**(1.24)**	(10.09)
Transferred to development of coal mines	**0.03**	-
Total	**12.84**	(29.72)

28. Expenditure during construction period (net)

₹ Crore

For the year ended			31.03.2014	31.03.2013
A.	**Employee benefits expense**			
	Salaries and wages		**453.69**	470.39
	Contribution to provident and other funds		**110.40**	38.81
	Staff welfare expenses		**38.72**	32.43
	Total (A)		**602.81**	541.63
B.	**Finance costs**			
	Interest on			
	Bonds		**426.37**	390.47
	Foreign currency term loans		**107.68**	94.88
	Rupee term loans		**1,532.39**	1,486.58
	Foreign currency bonds/notes		**284.19**	222.88
	Others		**22.92**	20.19
	Other borrowing costs			
	Foreign currency bonds/notes expenses		**1.07**	5.54
	Management/arrangers fee		**16.41**	36.24
	Insurance premium on foreign currency loans		**85.39**	27.39
	Others		**12.43**	2.98
	Exchange differences regarded as an adjustment to interest costs		**-**	(185.25)
	Total (B)		**2,488.85**	2,101.90
C.	**Depreciation and amortisation**		**268.95**	36.11
D.	**Generation, administration & other expenses**			
	Power charges	**163.61**		100.59
	Less: Recovered from contractors & employees	**1.94**		1.60
			161.67	98.99
	Water charges		**1.59**	10.76
	Rent		**6.19**	5.27
	Repairs & maintenance			
	Buildings	**5.41**		6.81
	Plant and machinery	**0.49**		0.74
	Others	**25.81**		22.73
			31.71	30.28
	Insurance		**1.12**	1.48
	Rates and taxes		**2.85**	0.84
	Communication expenses		**5.76**	5.56
	Travelling expenses		**38.02**	35.33
	Tender expenses		**6.61**	5.72
	Advertisement and publicity		**2.44**	1.49
	Security expenses		**46.53**	43.82
	Entertainment expenses		**2.49**	2.30
	Guest house expenses		**4.44**	4.13
	Books and periodicals		**0.87**	0.91
	Professional charges and consultancy fee		**6.63**	6.35
	Legal expenses		**5.80**	5.15
	EDP hire and other charges		**1.29**	1.22
	Printing and stationery		**1.49**	1.17
	Miscellaneous expenses		**47.65**	57.93
	Total (D)		**375.15**	318.70
E.	**Less: Other income**			
	Hire charges for equipment		**2.98**	3.70
	Sale of scrap		**0.02**	-
	Interest from contractors		**30.25**	22.34
	Interest others		**2.93**	0.87
	Miscellaneous income		**11.28**	11.93
	Total (E)		**47.46**	38.84
F.	**Prior period items (net)**		**(1.24)**	(10.09)
	Grand total (A+B+C+D-E+F)		**3,687.06***	2,949.41

*** Carried to Capital work-in-progress - (Note 13)**

29. Previous year figures have been regrouped /rearranged wherever considered necessary.

30. Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.

31. a) Some of the balances of trade/other payables and loans and advances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

    b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

32. Due to variation in the Gross Calorific Value (GCV) of coal supplied by coal companies and received at power stations, the Company w.e.f. October/November 2012 released payments on the basis of GCV measured at station end and the difference between the amount billed by the coal companies and the amounts admitted by the Company ("disputed billed amount") were disclosed as contingent liability with corresponding possible reimbursements from the beneficiaries. The issue was taken up with the coal companies directly and through the Ministry of Power and Ministry of Coal, Govt. of India for resolution. This resulted in incorporation of a provision for "Third party sample collection, preparation, testing and analysis" at the loading end in place of joint sampling in the Coal Supply Agreement (CSA), 2012 and amendment to CSA, 2009 which have since been signed with subsidiaries of Coal India Ltd (CIL).

    Based on the advice of Government of India, Board of Directors approved the modalities for extrapolation of the third party sample analysis results for the three month period starting October/November 2013 to the supplies during the past period from October/November 2012 till start of third party sampling. On this basis, settlement with some of the CIL subsidiaries has been reached and matter has been taken up with other CIL subsidiaries for early resolution. Following the principles approved by the Board, against the disputed billed amount of ₹ 4,102.87 crore, during the year the Company paid ₹ 1,438.69 crore and provided ₹ 1,440.39 crore. In respect of the balance disputed billed amount of ₹ 1,223.79 crore as at 31st March 2014, taking into account settlements already reached with some of the CIL subsidiaries, an amount of ₹ **1,055.14 crore** (previous year ₹ 2,531.10 crore) has been estimated as contingent liability with corresponding possible reimbursements from the beneficiaries {Refer Note 52 (a)(iii)} and remaining amount of ₹168.65 crore is considered as settled. Sales corresponding to variable charges recoverable for the amounts paid/provided as above have been recognized.

33. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

34. The environmental clearance ("clearance") granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's project was challenged before the National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MOEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgment of the NGT and for referring the matter to the Expert Appraisal Committee ("Committee") for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Aggregate cost incurred on the project upto 31st March 2014 is ₹ **4,455.73 crore** (previous year ₹ 1,691.63 crore).

35. **Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies'**

    During the year, following changes in accounting policies have been made:

    a) Policy A "Basis of Preparation" has been amended to reflect that the financial statements have been prepared inter alia, in accordance with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs and the Companies Act, 2013 (to the extent notified and applicable).

    b) Accounting of capital expenditure on assets not owned by the company for community development is disclosed in accounting policy D.4 instead of in M.a.10 for better presentation.

    c) Consequent to the revised guidance note on 'Accounting for Oil & Gas Producing Activities' issued by ICAI becoming effective from 1st April 2013, the policy to charge off exploratory wells-in-progress which have been found dry or not planned to be developed after two years from the date of completion of drilling has been modified and henceforth, such expenditure shall be charged off as and when the wells are determined to be dry/abandoned.

    d) Policy M.a.11 has been modified to state that leasehold land and buildings relating to generation of electricity business are fully amortised over the lease period or life of the related plant whichever is lower, to cover both hydro and thermal power plants.

    e) Policy H.5 and L.5 regarding accounting of derivative contracts and recovery of cost of hedging from the beneficiaries have been added consequent upon entering into derivative transactions for hedging as per the exchange risk management policy in the current year.

    f) In Policy N.1, contribution to pension fund has been included as an employee benefit following the implementation of a contributory pension scheme in the Company in the current year.

    g) Policy S "Taxes on Income" has been added for improved disclosures.

    There is no impact on the accounts due to the above changes.

36. **Disclosure as per Accounting Standard - 11 on 'Effects of Changes in Foreign Exchange Rates'**

The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) debited to the statement of profit & loss is ₹ **14.52 crore** (previous year ₹ 3.56 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of fixed assets is ₹ **1,850.39 crore** (previous year ₹ 1,056.01 crore).

37. **Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'**

Revenue grants recognised during the year is ₹ **0.93 crore** (previous year ₹ 0.39 crore).

38. **Disclosure as per Accounting Standard - 14 on 'Accounting for Amalgamation'**

Ministry of Corporate Affairs (MCA) has accorded approval for the Scheme of Amalgamation of NTPC Hydro Ltd. (NHL), a wholly owned subsidiary of NTPC Ltd. engaged in the business of setting up small hydro power projects, with NTPC Ltd. effective from 18th December 2013. As per the Scheme and order of MCA, all assets and liabilities of NHL have been transferred to and vested in the Company w.e.f 1st April 2013. The Company followed Pooling of Interests Method to reflect the amalgamation. Consequent to the amalgamation, the shares of NHL held by the Company were cancelled and all assets and liabilities of NHL became the assets and liabilities of the Company. Since NHL was a wholly owned subsidiary of the Company, no issue of shares or payment towards purchase consideration was made and no goodwill or capital reserve was recognised on amalgamation.

39. **Disclosure as per Accounting Standard - 15 on 'Employee Benefits'**

General description of various employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ **235.63 crore** (previous year ₹ 210.07 crore) to the funds for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligitions are as under:

₹ Crore

Particulars	31.03.2014	31.03.2013
Obligitions at the end of the year	**5,463.94**	4,755.00
Fair value of plan assets at the end of the year	**5,515.53**	4,812.77

B. Gratuity & Pension

(a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death.

(b) The Company has pension schemes at two of its stations in respect of employees taken over from erstwhile state government power utilities.

The existing schemes stated at (a) and at one of the power stations at (b) above are funded by the Company and are managed by separate trusts. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation. The Company's best estimate of the contribution towards gratuity/pension for the financial year 2014-15 is ₹ 44.90 crore.

(c) During the year, a defined contribution pension scheme of the Company has been implemented effective from 1st January 2007, for its employees. The scheme is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of Basic Pay and dearness allowance less employer's contribution towards provident fund, gratuity, PRMF or any other retirement benefits.

C. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which a retired employee and his / her spouse are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation.

D. Terminal Benefits

Terminal benefits include baggage allowance for settlement at home town for employees & dependents and farewell gift to the superannuating employees. Further, the Company also provides for pension in respect of employees taken over from erstwhile State Government Power Utility at another station referred at B (b) above. Liability for the same is recognised based on acturial valuation.

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 240 days (HPL). However, total amount of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

The above mentioned schemes (C, D and E) are unfunded and are recognised on the basis of actuarial valuation.

The summarised position of various defined benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures given in { } are for previous year)

i) Expenses recognised in Statement of Profit & Loss

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Current service cost	69.15 {65.23}	15.47 {13.81}	53.82 {50.12}	6.06 {5.55}
Interest cost on benefit obligation	114.71 {103.11}	36.08 {29.56}	68.27 {59.17}	21.76 {18.35}
Expected return on plan assets	(100.26) {(92.84)}	- {-}	- {-}	- {-}
Net actuarial (gain) / loss recognised in the year	(17.97) {48.14}	73.63 {51.03}	179.93 {184.16}	26.53 {30.21}
Less: Expenses transferred to capital work-in-progress	3.81 {5.94}	4.46 {3.72}	13.17 {8.24}	- {-}
Expenses recognised in the Statement of Profit & Loss	61.82 {117.70}	120.72 {90.68}	288.85 {285.21}	54.35 {54.11}
Actual return on plan assets	114.66 {102.20}	- {-}	- {-}	- {-}

ii) The amount recognised in the Balance Sheet

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2014	1,519.91 {1,433.87}	559.65 {451.06}	931.87 {853.42}	312.40 {271.85}
Fair value of plan assets as at 31.03.2014	1,383.31 {1,256.05}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	136.60 {177.82}	559.65 {451.06}	931.87 {853.42}	312.40 {271.85}

iii) Changes in the present value of the defined benefit obligations:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2013	1,433.87 {1,288.86}	451.06 {369.49}	853.42 {739.57}	271.85 {229.34}
Interest cost	114.71 {103.11}	36.08 {29.56}	68.27 {59.17}	21.76 {18.35}
Current service cost	69.15 {65.23}	15.47 {13.81}	53.82 {50.12}	6.06 {5.55}
Benefits paid	(94.23) {(80.84)}	(16.59) {(12.83)}	(223.57) {(179.60)}	(13.80) {(11.60)}
Net actuarial (gain)/ loss on obligation	(3.59) {57.51}	73.63 {51.03}	179.93 {184.16}	26.53 {30.21}
Present value of the defined benefit obligation as at 31.03.2014	1,519.91 {1,433.87}	559.65 {451.06}	931.87 {853.42}	312.40 {271.85}

iv) Changes in the fair value of plan assets:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2013	1,256.05 {1,162.97}	- {-}	- {-}	- {-}
Expected return on plan assets	100.26 {92.84}	- {-}	- {-}	- {-}
Contributions by employer	101.29 {67.22}	- {-}	- {-}	- {-}
Benefit paid	(88.67) {(76.35)}	- {-}	- {-}	- {-}
Net actuarial gain/(loss)	14.38 {9.37}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2014	1,383.31 {1,256.05}	- {-}	- {-}	- {-}

v) **Other disclosures:**

₹ Crore

Gratuity & Pension	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**
Present value of obligation as at the end of	1,519.91	1,433.87	1,288.86	1,185.28	1,065.02
Fair value of plan assets as at the end of	1,383.31	1,256.05	1,162.97	1,031.68	987.14
Surplus/(Deficit)	(136.60)	(177.82)	(125.89)	(153.60)	(77.88)
Experience adjustment on plan liabilities (loss)/gain	3.12	(50.04)	(18.87)	(59.49)	10.13
Experience adjustment on plan assets (loss)/gain	14.38	9.37	12.29	5.10	25.12

₹ Crore

PRMF	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**
Present value of obligation as at the end of	559.65	451.06	369.49	311.67	244.39
Experience adjustment on plan liabilities (loss)/gain	(73.63)	(19.53)	(30.60)	(33.27)	(12.65)

₹ Crore

Leave	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**
Present value of obligation as at the end of	931.87	853.42	739.57	651.90	585.07
Experience adjustment on plan liabilities (loss)/gain	(179.57)	(180.46)	(89.90)	(87.83)	(37.25)

₹ Crore

Terminal Benefits	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**
Present value of obligation as at the end of	312.40	271.85	229.34	192.29	167.47
Experience adjustment on plan liabilities (loss)/gain	(26.39)	(25.49)	(24.38)	(23.95)	(36.68)

vi) **The effect of one percentage point increase/decrease in the medical cost of PRMF will be as under:**

₹ Crore

	Increase by	**Decrease by**
Service and interest cost	12.10	(5.65)
Present value of obligation	86.51	(71.31)

F. Details of the Plan Assets

The details of the plan assets at cost are:

₹ Crore

	31.03.2014	31.03.2013
i) State government securities	**399.15**	337.46
ii) Central government securities	**322.97**	331.27
iii) Corporate bonds/debentures	**510.21**	465.84
iv) Money market instruments	**5.62**	7.50
v) Investment with insurance companies	**95.88**	76.34
vi) Fixed deposits with banks	**7.09**	5.16
Total	**1,340.92**	1,223.57

The amounts included in the value of plan assets in respect of the reporting enterprise's own financial instruments is ₹ **25.00 crore** (previous year ₹ 25.00 crore).

G. Actual return on plan assets ₹ **114.66 crore** (previous year ₹ 102.20 crore).

H. Other Employee Benefits

Provision for long service award and family economic rehabilitation scheme amounting to ₹ **3.45 crore** (previous year ₹ 3.36 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit & loss.

I. Actuarial Assumptions

Principal assumptions used for actuarial valuation for the year ended are:

	31.03.2014	31.03.2013
i) Method used	Projected Unit Credit Method	
ii) Discount rate	**8.50%**	8.00%
iii) Expected rate of return on assets:		
- Gratuity	**8.00%**	8.00%
- Pension	**7.00%**	7.00%
iv) Annual increase in costs	**6.50%**	6.00%
v) Future salary increase	**6.50%**	6.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

40. **Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'**

Borrowing costs capitalised during the year are ₹ **2,543.96 crore** (previous year ₹ 2,148.14 crore).

41. **Disclosure as per Accounting Standard - 17 on 'Segment Reporting'**

Segment information:

a) Business segments

The Company's principal business is generation and sale of bulk power to State Power Utilities. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.

b) Segment revenue and expense

Revenue directly attributable to the segments is considered as 'Segment Revenue'. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as 'Segment Expenses'.

c) Segment assets and liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Construction work-in-progress, construction stores and advances are included in unallocated corporate and other assets. Segment liabilities include operating liabilities and provisions.

₹ Crore

	Business Segments				Total	
	Generation		Others			
	Current year	Previous year	**Current year**	Previous year	**Current year**	Previous year
Segment Revenue						
Sale of energy/consultancy, project management and supervision fee *	**71,489.97**	64,252.68	**112.66**	126.81	**71,602.63**	64,379.49
Other income	**750.29**	1,663.77	**2.41**	1.65	**752.70**	1,665.42
Exceptional items	**-**	1,684.11	**-**	-	**-**	1,684.11
Unallocated corporate interest and other income					**2,352.49**	2,810.90
Total	**72,240.26**	67,600.56	**115.07**	128.46	**74,707.82**	70,539.92
Segment result #	**14,974.80**	16,645.05	**16.23**	16.14	**14,991.03**	16,661.19
Unallocated corporate interest and other income					**2,352.49**	2,810.90
Unallocated corporate expenses, interest and finance charges					**3,438.87**	2,893.46
Profit before tax					**13,904.65**	16,578.63
Income tax (net)					**2,929.91**	3,959.24
Profit after tax					**10,974.74**	12,619.39
Other information						
Segment assets	**95,868.58**	81,719.33	**1,315.19**	340.02	**97,183.77**	82,059.35
Unallocated corporate and other assets					**82,370.41**	79,057.11
Total assets	**95,868.58**	81,719.33	**1,315.19**	340.02	**179,554.18**	161,116.46
Segment liabilities	**13,840.48**	10,715.15	**412.65**	295.06	**14,253.13**	11,010.21
Unallocated corporate and other liabilities					**79,485.73**	69,718.74
Total liabilities	**13,840.48**	10,715.15	**412.65**	295.06	**93,738.86**	80,728.95
Depreciation (including prior period)	**4,109.89**	3,358.94	**0.24**	0.24	**4,110.13**	3,359.18
Non-cash expenses other than depreciation	**137.62**	169.63	**7.37**	5.08	**144.99**	174.71
Capital expenditure	**22,292.39**	18,629.53	**773.50**	596.89	**23,065.89**	19,226.42

* Includes ₹ **1,816.83 crore** (previous year ₹ 1,487.94 crore) for sales related to earlier years.

Generation segment result would have been ₹ **13,157.97 crore** (previous year ₹ 15,157.11 crore) without including the sales related to earlier years.

d) The operations of the Company are mainly carried out within the country and therefore, geographical segments are inapplicable.

42. **Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'**

a) Related parties:

i) Joint ventures:

Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd., National Power Exchange Ltd., Pan-Asian Renewables Private Ltd., Trincomalee Power Company Ltd. and Bangladesh - India Friendship Power Company Private Ltd.

ii) Key Management Personnel:

Shri Arup Roy Choudhury	Chairman and Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (Human Resources)
Shri S.C. Pandey	Director (Projects)[1]
Shri K. Biswal	Director (Finance)[2]
Shri A.K. Singhal	Director (Finance)[3]
Shri B.P. Singh	Director (Projects)[4]

1. W.e.f. 1st October 2013 2. W.e.f. 9th December 2013 3. Up to 8th October 2013

4. Superannuated on 30th September 2013

b) Transactions with the related parties at a (i) above are as follows:

₹ Crore

Particulars	**Current year**	Previous year
i) Transactions during the year		
• Contracts for works/services for services received by the Company:		
- Utility Powertech Ltd.	**439.74**	393.14
- NTPC-Alstom Power Services Private Ltd.	**0.94**	6.19
- National Power Exchange Ltd.	**0.36**	0.84
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.25**	0.51
- NTPC-Alstom Power Services Private Ltd.	**0.85**	1.23
- Trincomalee Power Company Ltd.	**0.96**	0.82
- Pan-Asian Renewables Private Ltd.	**0.33**	-
- Bangladesh-India Friendship Power Company Private Ltd.	**1.34**	0.13
ii) Dividend Received:		
- Utility Powertech Ltd.	**5.50**	4.00
- NTPC-Alstom Power Services Private Ltd.	**0.30**	0.36
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.17**	0.22
- NTPC-Alstom Power Services Private Ltd.	**0.04**	0.04
- National Power Exchange Ltd.	**0.14**	1.06
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**69.49**	64.27
- NTPC-Alstom Power Services Private Ltd.	**6.52**	7.86
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.10**	0.66
- NTPC-Alstom Power Services Private Ltd.	**0.66**	1.32
- Trincomalee Power Company Ltd.	**1.12**	0.97
- Bangladesh-India Friendship Power Company Private Ltd.	**1.34**	0.13
vi) Equity contributions made:		
- Pan-Asian Renewables Private Ltd.	**1.00**	-
- Bangladesh -India Friendship Power Company Private Ltd.	**6.12**	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **6.36 crore** (previous year ₹ 6.35 crore).

c) Remuneration to key management personnel for the year is ₹ **4.09 crore** (previous year ₹ 3.59 crore) and amount of dues outstanding to the Company as at 31st March 2014 are ₹ **0.03 crore** (previous year ₹ 0.07 crore).

₹ Crore

Managerial remuneration to Key management personnel	**31.03.2014**	31.03.2013
Shri Arup Roy Choudhury	**0.52**	0.54
Shri I.J. Kapoor	**0.59**	0.45
Shri N.N. Misra	**0.52**	0.44
Shri A.K. Jha	**0.56**	0.26
Shri U.P. Pani	**0.37**	0.02
Shri S.C. Pandey	**0.21**	-
Shri K. Biswal	**0.10**	-
Shri B.P. Singh	**0.58**	0.52
Shri A.K. Singhal	**0.64**	0.55
Shri D.K. Jain	**-**	0.38
Shri S.P. Singh	**-**	0.43
Total	**4.09**	3.59

43. **Disclosure as per Accounting Standard - 19 on 'Leases'**

a) **Finance leases**

(i) The Company has taken on lease certain vehicles and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under:

₹ Crore

	31.03.2014	31.03.2013
a) **Obligations towards minimum lease payments**		
• Not later than one year	**0.05**	0.24
• Later than one year and not later than five years	**-**	0.05
• Later than five years	**-**	-
Total	**0.05**	0.29
b) **Present value of (a) above**		
• Not later than one year	**0.05**	0.22
• Later than one year and not later than five years	**-**	0.05
• Later than five years	**-**	-
Total	**0.05**	0.27
c) **Finance charges (* ₹16,979/-)**	*	0.02

(ii) The Company has entered into an agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility shall be constructed in two phases of which Phase I has been completed and is under operation. Fair value of the entire facility is ₹ 90 crore and the assets and liability in respect of Phase-I have been recognised at ₹ 60 crore based on technical assessment. The minimum lease payments shall start on completion of Phase-II of the facility. Amounts payable for the coal transported through Phase-I of the facility are disclosed as contingent rent.

₹ Crore

	31.03.2014	31.03.2013
a) **Obligations towards minimum lease payments**		
• Not later than one year	**12.02**	-
• Later than one year and not later than five years	**82.41**	-
• Later than five years	**49.79**	-
Total	**144.22**	-
b) **Present value of (a) above**		
• Not later than one year	**5.27**	-
• Later than one year and not later than five years	**45.81**	-
• Later than five years	**38.92**	-
Total	**90.00**	-
c) **Finance charges**	**54.22**	-
d) **Contingent rent for the year**	**2.01**	-

b) **Operating leases**

The Company's other significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 24 - Employee benefits expense includes ₹ **65.85 crore** (previous year ₹ 76.38 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Note 26 – 'Generation, administration and other expenses'. Further, the Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges is included in 'Hire charges of helicopter/aircraft' (Note 26).

44. **Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'**

The elements considered for calculation of earning per share (Basic and Diluted) are as under:

	Current year	Previous year
Net profit after tax used as numerator - ₹ crore	**10,974.74**	12,619.39
Weighted average number of equity shares used as denominator	**824,54,64,400**	824,54,64,400
Earning per share (Basic and Diluted) - ₹	**13.31**	15.30
Nominal value per share - ₹	**10/-**	10/-

45. **Disclosure as per Accounting Standard - 26 on 'Intangible Assets'**

Research expenditure charged to revenue during the year is ₹ **98.52 crore** (previous year ₹ 91.85 crore).

46. **Disclosure as per Accounting Standard - 27 on 'Financial Reporting of Interest in Joint Ventures'**

a) Joint Venture Entities:

Company	**Proportion of ownership interest as at (excluding share application money)**	
	31.03.2014 (%)	31.03.2013 (%)
A. Joint Ventures incorporated in India		
1. Utility Powertech Ltd.	50.00	50.00
2. NTPC - Alstom Power Services Private Ltd.	50.00	50.00
3. NTPC-SAIL Power Company Private Ltd.	50.00	50.00
4. NTPC -Tamilnadu Energy Company Ltd.	50.00	50.00
5. Ratnagiri Gas and Power Private Ltd.*	32.86	33.41
6. Aravali Power Company Private Ltd.	50.00	50.00
7. NTPC - SCCL Global Ventures Private Ltd.*	50.00	50.00
8. Meja Urja Nigam Private Ltd.	50.00	50.00
9. NTPC - BHEL Power Projects Private Ltd.*	50.00	50.00
10. BF - NTPC Energy Systems Ltd.*	49.00	49.00
11. Nabinagar Power Generating Company Private Ltd.	50.00	50.00
12. National Power Exchange Ltd.*	16.67	16.67
13. International Coal Ventures Private Ltd.*	14.28	14.28
14. National High Power Test Laboratory Private Ltd.*	20.00	20.00
15. Transformers & Electricals Kerala Ltd.*	44.60	44.60
16. Energy Efficiency Services Ltd.*	25.00	25.00
17. CIL NTPC Urja Private Ltd.*	50.00	50.00
18. Anushakti Vidyut Nigam Ltd.	49.00	49.00
19. Pan-Asian Renewables Private Ltd.*	50.00	50.00
B. Joint Ventures incorporated outside India		
1. Trincomalee Power Company Ltd.* (incorporated in Srilanka)	50.00	50.00
2. Bangladesh -India Friendship Power Company Private Ltd.* (incorporated in Bangladesh)	50.00	50.00

* The accounts are unaudited.

The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2014 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

₹ Crore

		31.03.2014	31.03.2013
A.	**Assets**		
	• Non current assets	**15,076.16**	14,424.69
	• Current assets	**2,637.07**	1,961.71
	Total	**17,713.23**	16,386.40
B.	**Liabilities**		
	• Non current liabilities	**9,446.27**	8,879.94
	• Current liabilities	**2,425.04**	2,218.80
	Total	**11,871.31**	11,098.74
C.	**Contingent liabilities**	**247.21**	117.90
D.	**Capital commitments**	**9,903.06**	6,800.18
		Current year	Previous year
E.	**Income**	**4,512.04**	3,638.71
F.	**Expenses**	**4,041.50**	3,477.21

b) **Joint venture operations:**

i) The Company along-with some public sector undertakings has entered into Production Sharing Contracts (PSCs) with GOI for three exploration blocks namely KG-OSN-2009/1, KG-OSN-2009/4 and AN-DWN-2009/13 under VIII round of New Exploration Licensing Policy (NELP VIII) with 10% participating interest (PI) in each of the blocks.

Based on the un-audited statement of the accounts for the above blocks forwarded by M/s Oil & Natural Gas Corporation Ltd. (ONGC), the operator, the Company's share in respect of assets and liabilities as at 31st March 2014 and expenditure for the year are given below:

₹ Crore

Item	2013-14 (Un-audited)	2012-13 (Un-audited)
Expenses	**2.94**	2.28
Assets	**1.89**	0.06
Liabilities	**2.96**	1.43
Capital commitments (Unfinished MWP)	**65.76**	91.49

The expolaration activities in block KG-OSN-2009/4 were suspended w.e.f. 11.01.2012 due to non-clearance by the Ministry of Defence, GOI. Subsequently, DGH vide letter dated 29th April 2013 has informed ONGC that the block is cleared conditionally wherein block area is segregated between No Go zone, High-risk zone and Permitted zone.As the permitted area is only 38% of the total block area the consortium has submitted proposal to DGH for downward revision of MWP of initial exploration period.

In case of AN-DWN-2009/13, Gujarat State Petoleum Corporation (GSPC) has submitted notice for withdrawal from the block subsequent to completion of MWP and ONGC has decided to acquire 10% PI of GSPC.

ii) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions & withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year provision in this respect has been updated to ₹ **53.64 crore** from ₹ 46.27 crore along with interest in the previous year. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

The Company has accounted for expenditure of ₹ 0.01 crore for the year 2013-14 towards the establishment expenses of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities as at 31st March 2014 and expenditure for the year is as under:

₹ Crore

Item	2013-14 (Un-audited)	2012-13 (Un-audited)
Expenses	**0.01**	0.22
Assets	**14.47**	14.64
Liabilities	**2.32**	2.32
Contingent liabilities	**50.71**	41.42

47. **Disclosure as per Accounting Standard - 28 on 'Impairment of Assets'**

As required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006, an assessment of impairment of assets was carried out and based on such assessment, there has been no impairment loss during the year.

48. **Disclosure as per Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets'-(Refer Note-11)**

₹ Crore

Particulars	Balance as at 01.04.2013	Additions during the year	Payments during the year	Reversal / adjustments during the year	Balance as at 31.03.2014
Provision for obligations incidental to land acquisition	2,053.94	1,706.32	392.88	544.96	**2,822.42**
Provision for tariff adjustment	1,316.94	121.32	-	162.56	**1,275.70**
Provision for shortage in fixed assets pending investigation	1.09	5.45	-	0.37	**6.17**
Others	279.58	191.84	-	39.26	**432.16**
Total	**3,651.55**	**2,024.93**	**392.88**	**747.15**	**4,536.45**

49. **Foreign currency exposure**

a) **Hedged by a derivative instrument**

The derivative contracts outstanding as at 31st March 2014 are as under:

Particulars	Currency	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Currency Interest Rate Swap	JPY	**19.23**	-	**11.38**	-

There is no MTM loss on the above contract as at 31st March 2014.

The derivative contracts entered into by the Company are for hedging currency and/or interest rate risk on foreign currency loans.

b) **Not hedged by a derivative instrument or otherwise**

Particulars	Amount in Foreign Currency (Crore)			Amount (₹ Crore)	
		31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Borrowings, including interest accrued but not due thereon.	USD	**260.54**	252.41	**15,791.13**	13,859.96
	JPY	**4,560.37**	4,904.08	**2,697.46**	2,872.81
	EURO	**13.67**	12.22	**1,143.00**	860.17
Trade payables / deposits and retention monies	USD	**24.05**	20.55	**1,457.67**	1,128.52
	EURO	**8.88**	7.60	**743.05**	535.15
	Others	**91.33**	35.76	**74.18**	23.98
Trade receivables and Bank balances	USD	**0.02**	0.01	**1.33**	0.78
	Others	**0.84**	0.50	**0.54**	0.30
Unexecuted amount of contracts remaining to be executed	USD	**116.94**	96.13	**7,087.73**	5,278.73
	EURO	**62.72**	65.79	**5,245.90**	4,632.92
	Others	**1,011.68**	899.21	**732.42**	612.84

50. **Information in respect of micro and small enterprises as at 31st March 2014 as required by Micro, Small and Medium Enterprises Development Act, 2006**

₹ Crore

Particulars	**Amount**
a) Amount remaining unpaid to any supplier:	
Principal amount	20.29
Interest due thereon	0.04
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	0.01
d) Amount of interest accrued and remaining unpaid	0.01
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-

51. **Disclosure as required by Clause 32 of Listing Agreements:**

A. Loans and Advances in the nature of Loans:

1. To Subsidiary Companies

₹ Crore

Name of the company	**Outstanding balance as at**		**Maximum amount outstanding during**	
	31.03.2014	31.03.2013	**2013-14**	2012-13
Kanti Bijlee Utpadan Nigam Ltd.	**8.00**	12.57	**12.57**	17.14
NTPC Hydro Ltd. (Merged with NTPC w.e.f.01.04.2013)	**-**	32.27	**32.27**	32.27
Total	**8.00**	44.84	**44.84**	49.41

2. To Firms/companies in which directors are interested : Nil
3. Where there is no repayment schedule or repayment beyond seven year or no interest or interest as per Section 372A of the Companies Act, 1956 : ₹ 8.00 crore (Repayment schedule is beyond seven years)

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

52. **Contingent Liabilities:**

a) Claims against the company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for ₹ **4,134.85 crore** (previous year ₹ 3,966.11 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/ courts which are yet to be settled. Against such cases, contingent liability of ₹ **393.40 crore** (previous year ₹ 747.54 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues with coal companies as disclosed in Note 32, the difference between the amount billed by the coal companies and the payment released by the company amounts to ₹ **1,055.14 crore** (previous year ₹ 2,531.10 crore).

Further, an amount of ₹ **647.33 crore** (previous year ₹ 368.67 crore) towards surface transportation charges, customs duty on service margin on imported coal etc. has been disputed by the Company.

(iv) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, nala tax, water royalty etc. and by others, contingent liability of ₹ **1,088.23 crore** (previous year ₹ 862.81 crore) has been estimated.

(v) **Possible Reimbursement**

The contingent liabilities referred to in (i) above, include an amount of ₹ **994.83 crore** (previous year ₹ 961.24 crore) relating to the hydro power project stated in Note 15 A (b) - Other non current assets, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement is by way of recovery through tariff as per Regulations, 2009 is ₹ **1,694.00 crore** (previous year ₹ 2,792.06 crore).

b) **Disputed Income Tax/Sales Tax/Excise Matters**

Disputed Income Tax/Sales Tax/Excise matters pending before various Appellate Authorities amount to ₹ **1,907.49 crore** (previous year ₹ 1,547.61 crore). Many of these matters were disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimate possible reimbursement of ₹ **390.37 crore** (previous year ₹ 365.19 crore).

c) **Others**

Other contingent liabilities amount to ₹ **363.49 crore** (previous year ₹ 251.26 crore).

Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

53. **Capital and other commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 is ₹ **63,534.19 crore** (previous year ₹ 48,905.56 crore).

b) In respect of investments of ₹ **1,347.32 crore** (previous year ₹ 892.26 crore) in subsidiary Companies, the Company has restrictions for their disposal as at 31st March 2014 as under:

Name of the Subsidairy	**Period of restrictions for disposal of investments as per related agreements**	**Amount of investment (₹ crore)**
Bhartiya Rail Bijlee Company Ltd.	5 years from the date of commercial operation.	834.81
Kanti Bijlee Utpadan Nigam Ltd.	5 years from the date of commercial operation. Further, as per loan agreement, minimum equity of 51% shall be maintained at all times untill final settlement of loan i.e., 4 years moratorium period and subsequently 11 years for repayment.	512.51
Total		**1,347.32**

c) In respect of investments of ₹ **2,835.18 crore** (previous year ₹ 3,850.15 crore) in the joint venture entities, the Company has restrictions for their disposal as at 31st March 2014 as under:

Name of the Joint Ventrue Company	**Period of restrictions for disposal of investments as per related agreements**	**Amount of investment (₹ crore)**
Pan-Asian Renewables Private Ltd.	2 years from the date of commercial operation of the project having minimum capacity of 100 MW of renewable energy project or 5 years from the date of incorporation (i.e.14.10.2011) whichever is earlier.	1.50
NTPC-SAIL Power Company Private Ltd.	3 years from the date of allottment (last allotment made on 30.09.2012)	490.25
Transformers and Electricals Kerala Ltd.	3 years from the date of acquisition (i.e.19.06.2009) or upgradation capacity enhancement scheme whichever is later	31.34
NTPC BHEL Power Projects Private Ltd.	3 years from the date of completion of first EPC contract of single order value of not less than ₹500 crore or till further such time as mutually agreed.	50.00
National High Power Test Laboratory Private Ltd.	5 years from the date of incorporation (i.e. 22.05.2009) or completion of project whichever is later.	14.87
Energy Efficiency Services Ltd.	5 years from the date of incorporation (i.e. 10.12.2009).	22.50
NTPC-SCCL Global Ventures Private Ltd.	5 years from the date of incorporation (i.e. 31.07.2007) or commercial operation whichever is later.	0.05
National Power Exchange Ltd.	5 years from the date of commencement of business i.e Trading Operation or company issues shares to public at large (IPO) whichever is earlier.	2.19
CIL NTPC Urja Private Ltd.	5 years from the date of incorporation (i.e. 27.04.2010) or commercial operation whichever is later.	0.08
NTPC-Tamil Nadu Energy Company Ltd.	5 years from the date of incorporation (i.e. 23.05.2003) or commercial operation whichever is later.	1,325.60
International Coal Ventures Private Ltd.	5 years from the date of incorporation (i.e. 20.05.2009) or till such time an undertaking for non-disposal of such share is given to FI/Banks for their assistance to the company.	1.40
Trincomalee Power Company Ltd.	12 years from the initial operation date.	6.72
Bangladesh-India Friendship Power Company PVt.Ltd.	15 years from the date of commercial operation date.	6.12

Meja Urja Nigam Private Ltd.	5 years from the date of incorporation (i.e. 02.04.2008) or commercial operation whichever is later. Further, NTPC Shall hold atleast 50% of equity and voting rights untill final settlement of loan i.e., 5 years moratorium period and subsequently 10 years for repayment.	412.43
Nabinagar Power Generating Company Private Ltd.	5 years from the date of incorporation (09.09.2008) or commercial operation whichever is later. Further, NTPC shall not transfer / assign or pledge shares of the JV untill final settlement of loan i.e. 5 years moratorium and subsequently 15 years for repayment.	470.13
Total		**2,835.18**

d) The Company has commitments of ₹ **3,770.44 crore** (previous year ₹ 4,041.86 crore) towards further investment in the joint venture entities as at 31st March 2014.

e) The Company has commitments of ₹ **607.09 crore** (previous year ₹ 1,393.67 crore) towards further investment in the subsidiary companies as at 31st March 2014.

f) Company's commitment towards the minimum work programme in respect of oil exploration activity of Cambay Block (100% owned by the company) is ₹ **198.21 crore (USD 32.98 million)** (previous year ₹ 183.45 crore, USD 33.73 million).

g) Company's commitment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 46 b).

h) Company's commitment in respect lease agreements has been disclosed in Note 43.

54. **Other disclosures as per Schedule VI of the Companies Act, 1956**

₹ crore

Particulars			**Current year**	Previous year
a) Value of imports calculated on CIF basis:				
Capital goods			**2,472.14**	1,009.05
Spare parts			**115.46**	124.44
b) Expenditure in foreign currency:				
Professional and consultancy fee			**13.83**	4.16
Interest			**775.72**	625.38
Others			**66.22**	5.52
c) Value of components, stores and spare parts consumed (including fuel):	**Current year**		Previous year	
	%age	**Amount**	%age	Amount
Imported	**14.73**	**6,918.59**	10.86	4,570.55
Indigenous	**85.27**	**40,050.32**	89.14	37,500.66
			Current year	Previous year
d) Earnings in foreign exchange:				
Professional & consultancy fee			**3.08**	2.15
Others			**0.05**	0.10

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(K.Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K K Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Rakesh Kumar) Partner M No.087537	(S.S. Soni) Partner M No.094227	(V.Kothandaraman) Partner M No.025973
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A.R. & Co. Chartered Accountants Firm Reg. No. 002744C
(M. S. Balachandran) Partner M No. 024282	(Manoj Agrawal) Partner M No.076918	(Prabuddha Gupta) Partner M.No.400189

Place : New Delhi

Dated : 15th May 2014

Independent Auditors' Report

To
The Members of NTPC Limited
Report on the financial statements

We have audited the accompanying financial statements of NTPC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention to Note No. 32 to the financial statement in respect of accounting of fuel on GCV based pricing system.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order 2004, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
   (e) Being a Government Company, pursuant to the Notification No. GSR 829(E) dated 21st October 2003 issued by Government of India, provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, are not applicable to the Company.

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K. K. Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Rakesh Kumar) Partner M. No. 087537	(S.S. Soni) Partner M No.094227	(V. Kothandaraman) Partner M. No.025973
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A. R. & Co. Chartered Accountants Firm Reg. No. 002744C
(M. S. Balachandran) Partner M No. 024282	(Manoj Agrawal) Partner M. No.076918	(Prabuddha Gupta) Partner M. No.400189

Place : New Delhi
Dated : 15th May 2014

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of NTPC LIMITED on the accounts for the year ended 31st March 2014

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification to cover all assets over two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Substantial part of the fixed assets has not been disposed off during the year.

(ii) (a) The inventory has been physically verified by the management at reasonable intervals.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

(iii) (a) The Company has not granted any loans secured or unsecured to any companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956.

In view of the above, the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956.

In view of the above, the clauses 4(iii) (f) and 4(iii) (g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of electricity, goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956.

In view of the above, the clause 4(v)(b) of the Order is not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed with respect to Section 58A and 58AA, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of business.

(viii) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2014 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to ₹ 175.27 crore that have not been deposited on account of matters pending before appropriate authorities are detailed below:

Sl.No.	Name of Statute	Nature of dues	Forum where the dispute is pending	₹ Crore
1.	Central Sales Tax and Sales Tax/VAT Acts of Various States	Sales Tax/VAT	Additional Commissioner of Sales Taxes	40.66
			Commissioner of Sales Tax	13.61
			Dy. commissioner of Sales/ Commercial Taxes	5.34
			High Court	96.42
			Sales Tax Tribunal	3.89
			Joint Commissioner (Appeal) Trade tax	1.11
2.	Central Excise Act, 1944	Central Excise Duty/ Service tax	CESTAT	2.12
3.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	0.03
			Income Tax Appellate Tribunal/CIT	11.66
			Income Tax Officer	0.43
	Total			**175.27**

(x) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year.

(xix) According to the information and explanations given to us, the Company has created security or charge in respect of the Bonds issued by the Company during the year, except those disclosed in Note 5 of the financial statements.

(xx) According to the information and explanations given to us, the Company has disclosed the end use of money raised by public issue of tax free bonds during the year in Note 5 d) of the financial statements and the same has been verified by us.

(xxi) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the company and in accordance with generally accepted auditing practices in India, we have been informed that one case of frauds involving an aggregate amount of ₹ 0.01 crore towards non deposit of hospital receipts by an employee of the Company has been committed on the Company during the year. The Company has taken appropriate action against the employee and the matters are under investigation.

For O. P. Bagla & Co.
Chartered Accountants
Firm Reg. No. 000018N

(Rakesh Kumar)
Partner
M. No. 087537

For K. K. Soni & Co.
Chartered Accountants
Firm Reg. No. 000947N

(S.S. Soni)
Partner
M No.094227

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No. 003990S

(V. Kothandaraman)
Partner
M. No.025973

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No. 109208W

(M. S. Balachandran)
Partner
M No. 024282

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

(Manoj Agrawal)
Partner
M. No.076918

For A. R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Prabuddha Gupta)
Partner
M. No.400189

Place : New Delhi
Dated : 15th May 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NTPC LIMITED FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of NTPC Limited, New Delhi, for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 15 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of NTPC Limited, New Delhi, for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(Tanuja S. Mittal)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place : New Delhi
Dated : 19 June 2014

EMPLOYEE COST SUMMARY

₹ Crore

	Description	2009-10	2010-11	2011-12	2012-13	**2013-14**
A.	Salary, Wages and benefits (Incl. Provident fund and other contributions)	2,666.60	3,101.83	3,461.58	3,774.64	**4,323.07**
B.	Other Benefits					
1.	Staff welfare expenses	188.50	143.70	131.91	193.40	**248.30**
2.	Township	56.20	111.64	120.08	136.33	**163.53**
3.	Educational and school facilities	14.10	24.45	23.95	11.99	**12.98**
4.	Medical facilities	66.10	120.34	116.30	130.24	**160.27**
5.	Subsidised transport	2.40	5.04	5.31	7.55	**6.08**
6.	Social and cultural activities	13.20	14.84	11.62	7.51	**13.06**
7.	Subsidised canteen	18.50	22.23	27.46	32.91	**35.22**
	Total (B)	359.00	442.24	436.63	519.93	**639.44**
	Total (A+B)	**3,025.60**	**3,544.07**	**3,898.21**	**4,294.57**	**4,962.51**
8.	Year end No. of Employees	23,743	23,797	24,011	23,865	**23,411**
9.	Average No. of Employees	23,567	23,770	23,904	23,938	**23,638**
10.	Average Salary, wages and benefits per employee per annum (₹)	1,131,497	1,304,935	1,448,117	1,576,840	**1,828,865**
11.	Average Cost of other benefits per employer per annum (₹)	152,332	186,050	182,660	217,199	**270,514**
12.	Average cost of employees remuneration and benefits per annum (₹)	1,283,829	1,490,985	1,630,777	1,794,039	**2,099,379**

Note: 1. Previous years figures have been recast as per current year's basis of computation.

2. Staff welfare expenses are net of amounts included in Sl.no. 2 to Sl.no.7.

Revenue Expenditure on Social Overheads for the year ended 31st March 2014

₹ crore

S. No.	Particulars	Township	Educational & School Facilities	Medical Facilities	Subsidised Transport	Social and Cultural Activities	Subsidised Canteen	**Total**	Previous Year
1	Payment to Employees	63.08	0.07	165.03	0.11	-	-	**228.29**	195.49
2	Materials consumed	15.77	-	10.86	-	-	-	**26.63**	23.02
3	Rates & Taxes	2.67	-	-	0.04	-	-	**2.71**	3.25
4	Welfare xepenses	7.55	7.73	135.41	4.66	12.23	33.25	**200.83**	166.54
5	Others incl. repairs & maintenance	120.80	3.39	19.38	1.77	0.55	1.98	**147.87**	118.98
6	Depreciation	44.27	1.89	1.83	-	0.59	0.14	**48.72**	51.43
7	Sub Total (1 To 6)	254.14	13.08	332.51	6.58	13.37	35.37	**655.05**	558.71
8	Less: Recoveries	27.53	0.03	7.21	0.39	0.31	0.15	**35.62**	36.69
9	**Net Expenditure (7-8)**	**226.61**	**13.05**	**325.30**	**6.19**	**13.06**	**35.22**	**619.43**	**522.02**
10	Previous Year	188.24	11.99	273.70	7.55	7.51	33.03	**522.02**	

SUBSIDIARY COMPANIES

NTPC ELECTRIC SUPPLY COMPANY LIMITED

(A wholly owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To

Dear Members,

Your Directors have pleasure in presenting the Twelfth Annual Report on the working of the Company for the financial year ended on 31st March 2014 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS (₹ Crore)

	2013-14	2012-13
Total Revenue	**38.89**	**28.92**
Total Expenses	19.13	53.58
Profit/(Loss) before Tax	**19.76**	**(24.66)**
Tax expenses	-	(0.07)
Profit/(Loss) after Tax	**19.76**	**(24.59)**

DIVIDEND

Your Directors have recommended a dividend of ₹6 Crore @ ₹741.56 per equity share on the face value of fully paid-up equity share capital of ₹10/- each. The dividend shall be paid after your approval at the Annual General meeting.

OPERATIONAL REVIEW

Your Company is engaged in the electricity distribution sector in various capacities.

Your Company's distribution Joint Venture Company, KINESCO Power and Utilities Private Limited, engaged in retail distribution of electricity in an industrial area of Kochi, Kerala, recorded net sales of ₹40.06 crore during the financial year 2013-14. KINESCO has earned a profit of ₹0.42 crore during the financial year 2013-14.

During the financial year, your Company has undertaken rural electrification projects on deposit work basis under the Rajiv Gandhi Grameen Vidyutikaran Yojana in the States of West Bengal, Jharkhand, Chhattisgarh, Orissa and Madhya Pradesh. During this period, 1442 villages were electrified and 24742 Below Poverty Line (BPL) connections were provided. The cumulative achievement till March 31, 2014 is 33,807 villages and 26,27,485 BPL connections.

Your Company has also undertaken turnkey execution job on deposit work basis for setting up electrical distribution network within 5 kms of NTPC projects/stations.

Your Company has developed a comprehensive Corporate Plan mapping out business opportunities in short, medium and long term period and for outlining an operating model to galvanize your Company into a well-directed action path.

A detailed discussion on operations and performance for the year is given in "Management Discussion and Analysis", Annexure - I included as a separate section to this report.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2014.

AUDITORS' REPORT AND MANAGEMENT COMMENTS THEREON

The Comptroller & Auditor General of India (C&AG) has appointed M/s Bhudladia & Company, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2013-14.

In their report, the Statutory Auditors of the Company have drawn attention of the members on two issues. The first issue pertains to the Accounting Policy of the Company by which the Company recognizes revenue from project management services for service charges alone, without considering the gross value of the project cost. In their report, the Auditors have mentioned that such practice is in alignment with an expert opinion from Institute of Chartered Accountants of India (ICAI) on the matter but they are not in agreement with such expert opinion. The practice adopted by the Company is in line with the opinion of the Expert Advisory Committee of the ICAI.

The second issue highlighted by the Auditors pertains to the Note relating to Employee Benefits expenses, wherein the Auditors have stated that apportionment of liability towards employee benefits are made on the basis of allocation made by the holding company i.e. NTPC Limited, according to actuarial valuation prescribed in Accounting Standard 15 (AS 15). The auditors have further stated that related disclosures in Note 17 of the financial statements are not in compliance of paragraph 33-35 of AS 15, although it is unlikely to have any impact of material misstatement so far as the expenses and liability recognized are concerned. The aforesaid treatment has been given as the parent company has allocated superannuation and provident fund liabilities on a fixed percentage basis and since the Company has no further liability apart from such annual charge to its accounts, the scheme, as it applies to the Company, is a defined contribution plan which does not need such disclosures as suggested by the Auditors. However, the matter was referred to the Expert Advisory Committee of the ICAI by NTPC Limited. The opinion on the reference has been received, as per which the scheme is a defined contribution plan for the Company and detailed disclosures applicable to defined benefit plans are not required to be made.

C&AG REVIEW

A Supplementary Audit was conducted by the Comptroller & Auditor General (C&AG) of India under Section 619(3) (b) of the Companies Act, 1956. C&AG vide its letter dated July 15, 2014 have given comments under Section 619 (4) of the Companies Act, 1956. The comments of C&AG and management replies thereto on the accounts for the year 2013-14 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

There are no significant particulars, relating to conservation of energy, technology absorption under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, as your Company does not own any manufacturing facility. During the period under review, there are no foreign exchange earnings and outgo.

PARTICULARS OF EMPLOYEES

As per Notification No. GSR 289(E) dated 31 March, 2011 issued by the Ministry of Corporate Affairs, amending the provisions of the Companies (Particulars of Employees) Rules, 1975 issued in terms of section 217(2A) of the Companies Act, 1956, it is not necessary for Government companies to include the particulars of employees drawing salaries of ₹ 60 lakh or more per annum, employed throughout the financial year or, ₹5 lakh per month, if employed for part of the financial year. As your company is a Government company, the information has not been included as a part of the Directors' Report. However, during the period under review the Company had no employees of the category, falling, under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2013-14 and of the profit of the company for that period;

iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

During the financial year under review Shri A.K. Singhal, (DIN: 00011085) consequent upon resignation from services of NTPC Limited, has tendered his resignation and accordingly ceased to be Director of the Company w.e.f. October 8, 2013 (A/N).

The Board of Directors, consequent upon nomination received from NTPC Limited, appointed Shri G.K. Sadhu, (DIN: 02312601) Executive Director (Finance), NTPC Limited as an Additional Director of the Company. Subsequently, NTPC Limited nominated Shri Kulamani Biswal, (DIN: 03318539) Director (Finance), NTPC Limited in place of Shri G.K. Sadhu, w.e.f. May 3, 2014. The Board of Directors accordingly appointed Shri Kulamani Biswal as Additional Director who holds office up to the date of this Annual General Meeting and is eligible for appointment. The Company has received a requisite notice in writing from NTPC Limited, proposing his candidature for the office of Director liable to retire by rotation.

In accordance with the provisions of Companies Act, 2013, Shri N.N. Misra, (DIN: 00575501) Director shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for re-appointment.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the support, contribution and co-operation extended by the Ministry of Power, various state governments, state utilities, customers, contractors, vendors, the Auditors, the Bankers, NTPC Limited and the untiring efforts made by all employees to ensure that the company continues to perform and excel.

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman
DIN: 00659908

Place : New Delhi

Date : 18th July 2014

ANNEXURE-1
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

DISTRIBUTION

The Electricity Act, 2003 requires the state governments to set up State Electricity Regulatory Commissions for rationalization of energy tariffs and formulation of policy within each state. As of March 31, 2014, all the states have set up their Regulatory Commission. In addition, two Joint Electricity Regulatory Commissions have been set up for Manipur & Mizoram and Goa & UTs. Except Kerala and Jharkhand, all other state's electricity boards have so far been unbundled into separate generation, transmission and distribution companies. The aim is to bring in reforms in sector for efficient operation of the state electricity boards.

In India, the power transmission and distribution system is a three-tier structure comprising of distribution networks, state grids and regional grids. The distribution networks are owned by the distribution licensees and the state grids are primarily owned and operated by respective state utilities. In order to facilitate the transmission of power among neighboring states, state grids are interconnected to from regional grids.

Despite unbundling and corporatizing, the state governments are reluctant for giving away the license and acquisition of the state owned Discoms by other players and thus there has not been any substantial initiative or action towards this objective. The service quality till last mile connectivity still remains poor. Revenue realization in distribution sector continues to be low, causing poor financial health of state owned Discoms. Franchisee model is an option which the state governments have been considering. On the whole, even franchisee model has not thrown up any major opportunity on a large scale.

There is substantial potential for reform and growth in distribution sector where industrial and commercial consumers are willing to pay commensurate tariffs for quality and reliable power whereas Discoms due to their poor financial condition unable to purchase power and service the customers. Keeping this in mind, your Company is contemplating for acquisition of distribution circles either through franchisee bidding mode or through acquiring.

Development of Renewable Energy Sources (RES)

Today, the total installed capacity of the nation stands at 2,43,029 MW and RES at 31,707 MW, accounts for 13.05% of this total. The Electricity Regulators have made it mandatory for the Discoms to source certain percentage of its input power requirement through Renewable Energy sources, to be increased progressively each year. The Government, in its quest for long-term energy and environmental security, is seeking to enhance the share of renewable power in the overall energy basket. Over longer term, the importance of RES would be more strategic in view of its important role in mitigating the effects of climate change. It is imperative for India to build a certain level of self-reliance in renewable technologies of the future. 67% of renewable energy is contributed by wind power generation where potential exists for 45000 to 65000 MW of on-shore wind power. Going by emerging trends, it is amply clear that green technology is set to be the next growth sector.

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC Limited having a formidable track record in power project, engineering, construction, commissioning, operation and maintenance for the last 40 years. NTPC's formidable network, rapport and credibility with customer utilities, Discoms, its down stream power market and trading arm are added advantages to your Company.

The professional manpower from NTPC Ltd., on secondment at your Company, has been able to leverage the knowledge gained from power project engineering and execution to the distribution sector as well.

Your Company is exposed to the risk arising out of (i) delay in release of funds from owners /clients in the execution of deposit works on their behalf. (ii) Project taking over by the client and (iii) the risk of reduction in profit margins in case of time overrun of such projects.

OPPORTUNITIES AND OUTLOOK

The Electricity Act, 2003 and Government of India scheme for Financial Restructuring of State owned Distribution Companies for financial turnaround by restructuring their debt with support through a Transitional Finance Mechanism, has provided an opportunity to your Company to get involved aggressively in distribution business in cities and other areas. In the Financial Restructuring program, involvement of private participation in any mode has been made a mandatory condition for getting financial assistance from government.

To bring in competition and efficiency in the supply of electricity with more than one supply licensee offering supply of electricity to consumers in the same area, separation of carriage (wire network) and content (electricity) in the distribution sector is being looked at by the Government of India. Ministry of Power is planning to introduce multiple supply licensees in the content (electricity supply business) based on market principles. In this regard Power Ministry has proposed various amendments in certain sections of the Electricity Act, 2003. The proposed amendments will mandate distribution licensees to only operate and maintain the distribution system (wire business) with no concern for commercial supply of electricity. Your Company is continuously looking into these opportunities for making a footprint in this changed scenario of electricity distribution business as Distribution Network Operator and supply licensee as well.

With a major increase in capacity addition in generation sector in the country, there is an imminent requirement of extensive capacity addition in transmission/sub-transmission sector also for evacuation of this power. Another great opportunity is foreseen in development of transmission/sub-transmission infrastructure in different states of the country on Build-Operate-Own mode. Your Company is watching development in this sector closely so as to take advantage of the opportunity which it may offer in near future.

With the uncertainty in privatization and acquisition of state owned Discoms by other players, the Company feels that growing need of various industrial and SEZs in the country offer excellent opportunities in electricity distribution. A recent amendment to Electricity Act, 2003, provides that a developer of a SEZ shall be deemed to be a licensee for the purpose of distribution of electricity within the SEZ. Towards this, your Company may foray into distribution of electricity as a licensee by forging alliances with developers wherein pre-identified group of industrial and commercial consumers can be serviced by arranging required input power from upcoming power plants of NTPC and its JVs. Your Company is also exploring the possibility of alliance with Government owned SEZs for retail distribution of power in these SEZs. Exploratory actions have been initiated in this direction. If successful, this model can be replicated in various such places across the country.

With the implementation of the R-APDRP Part - B scheme being taken up by various Discoms, your Company is looking forward to the business in the distribution strengthening projects.

The above opportunities shall also mitigate concerns towards proper utilization and deployment of experienced manpower resource available with the Company.

With the increasing demand gap, the power sector is looking towards large infusion of investments. State owned transmission companies are seeking to augment bulk power transmission capacity. Your Company sees opportunities in not only the EPC area but in ownership model as well where prospects of dedicated transmission lines exist.

RISKS AND CONCERNS

So far the main thrust area of your Company has been project implementation on deposit work basis under RGGVY. This activity, in its current scope, is expected to last another 12 months after which a sudden decline in revenue stream is foreseen which is perceived as a major concern.

Although new Electricity Act, 2003 provides ample opportunities to new players in the field of retail distribution but in reality the state owned Discoms have not implemented the same in spirit. The Act envisaged growth of electricity distribution business through private licensees, introduction of open access and phased withdrawal of cross subsidy. But, so far, these regulations are quite far from realization. Therefore, one of the major risks anticipated by your Company is inability to make a perceptible presence in the distribution sector under prevalent scenario.

Today, total manpower strength of the Company is 85 spread over more than 16 locations across the country. In the event of a sharp decline in revenue stream on completion of RGGVY and other consultancy assignments, it may not be possible to sustain such large manpower resource. The frittering away of manpower which has gathered experience and capability in distribution engineering and execution, is another concern. In absence of any sustainable revenue source your Company, to address this concern, has been repatriating manpower back to NTPC Limited.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Your Company has adopted the internal control system of its holding company viz. NTPC Limited. The authorities vested in various levels are exercised within framework of appropriate checks and balances. The effectiveness of the checks and balances and internal control systems are reviewed during internal audit carried out by Internal Audit Department of NTPC Limited. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited.

PERFORMANCE DURING THE YEAR

Operations

During the year under review, your Company has undertaken rural electrification projects under RGGVY in the states of Madhya Pradesh, Chhattisgarh, Orissa, Jharkhand and West Bengal.

The scheme was launched in April 2005 by merging all ongoing rural electrification schemes. The programme aims at electrifying all villages and habitations, providing access to electricity to all rural households and providing electricity connection to Below Poverty Line (BPL) families free of charge. Under the programme, 90% grant is provided by the Govt. of India and 10% as loan by Rural Electrification Corporation Limited (REC) to the State Governments. REC has been appointed as a nodal agency for the program by the Government of India.

NTPC Limited had entered into a Memorandum of Understanding (MoU) with REC for implementing and achieving objectives of the programme. Your Company, on behalf of NTPC, is working as an implementing agency.

During the financial year 2013-14, against target of 11 un-electrified and de-electrified villages (UE/DE) villages set by the Govt. of India in the MoU, your Company achieved 13 UE/DE villages. Against revised target of 26,731 BPL connections, your Company achieved a performance of 24,742 connections. Further, against the target of energisation of 488 UE/DE villages, energisation of 443 UE/DE villages completed during the year. Energisation of balance 45 villages could not be achieved due to slow work progress in Left Wing Extremism (LWE) affected areas of Ranchi district in the state of Jharkhand. Energisations of these UE/ DE villages are proposed to be taken up progressively in coordination with state government.

In the implementation of electrical distribution network within 5 kms radius of NTPC projects/ stations, work has been completed in 4 projects/stations and balance 4 projects are expected to be competed in next financial year 2014-15.

Your Company has undertaken turnkey execution job on deposit work basis for setting up sub-station, transmission line and associated system along with street lighting for the coal mining project of NTPC at Pakri Barwadih, Chatti-Bariatu and Kerandari in the state of Jharkhand.

Your Company also provided Third Party Inspection Agency (TPIA) services of rural electrification projects for PGCIL. Your Company has also completed the assignment of Quality Monitors of RGGVY works on behalf of REC in the states of Andhra Pradesh and Gujarat won through competitive bidding. Your Company has carried out R&D activity in the field of AMR (Automatic Meter Reading) Technologies on pilot basis at NTPC residential Township, Noida and has also carried out a technical study for efficiency improvement in the distribution area around NTPC Kahalgaon STPS.

Project Management Consultancy Services

Your Company, during the year, has also provided Project Management Consultancy Services for the following assignments:

- Construction power supply arrangement for upcoming plants of NTPC at Gadarwara, Lara & Darlipalli.
- Construction and augmentation of 66/11 kV sub-stations for UT of Chandigarh.
- Power evacuation for Faridabad & Rajgarh solar PV projects of NTPC.
- Power supply arrangement for equipment manufacturing plant of NBPPL, a JV Company of NTPC and BHEL.
- Evaluation work of SCADA portion of R-APDRP scheme under implementation in Northern region on behalf of NTPC Consultancy Wing.

Financial Performance

The main revenue of your Company has been realized by consultancy, project management and supervision fees.

(₹ Crore)

	2013-14	2012-13
Sales	**28.20**	16.34
Other income	**10.69**	12.58
Total	**38.89**	28.92

Revenue from RGGVY projects during the financial year 2013-14 contributed approx. 44.77% of total sales as compared to 37.05% in the previous financial year. Interest from banks contributed 100% of the total other income as compared to 93% in the previous financial year.

The expenditure incurred by your Company on account of Employee benefits expense and Administration & other expenses for the current financial year as well as previous financial year is as follows:

(₹ Crore)

	2013-14	2012-13
Employee benefits expense	**12.62**	41.27
Administration & other expenses	**6.34**	12.13
Total operating expenses	**18.96**	53.40

The decrease in total operating expenses was mainly due to closing of a number of sites on completion of scope of some projects, rationalization of manpower as well as reimbursement from NTPC of expenditure incurred over and above income from RGGVY projects from REC.

The total expenses including operating expenses of the Company are as follows:-

(₹ Crore)

	2013-14	2012-13
Total operating expenses	**18.96**	53.40
Depreciation and amortization expense	**0.17**	0.18
Total expenses including operating expenses	**19.13**	53.58

The depreciation cost as compared to total expense is negligible since the fixed assets are represented by furniture and fixtures, EDP machines etc. and the Gross Block was of the order of ₹1.94 Crore as on 31.3.2014.

(₹ Crore)

	2013-14	2012-13
Profit/(Loss) before tax	**19.76**	(24.66)
Tax expenses	**-**	(0.07)
Profit /(Loss) for the year	**19.76**	(24.59)

During the current financial year, the Company has earned a profit of ₹19.76 Crore as compared to loss of ₹24.59 Crore during the previous financial year. The Company during the current financial year has earned a profit due to higher revenue as compared to the previous year as well as reimbursement from NTPC of expenditure incurred over and above income from RGGVY projects from REC.

Reserves & Surplus

During the current financial year a sum of ₹12.74 Crore has been added to Reserves and Surplus after appropriating dividend and dividend tax as compared to loss of ₹24.59 Crore transferred during the previous year.

Current Assets

The current assets at the end of the current year were ₹670.90 Crore as compared to ₹821.30 Crore in previous year.

(₹ Crore)

	31.03.2014	31.03.2013
Trade receivables	**8.09**	11.94
Cash and bank balances	**650.65**	786.96
Short-term loans and advances	**0.66**	1.02
Other current assets	**11.50**	21.38
Total Current Assets	**670.90**	821.30

The decrease in current assets was mainly on account of utilization of cash and bank balances for progressive contract payments.

Current Liabilities

During the financial year 2013-14, current liabilities have decreased to ₹679.24 Crore as compared to ₹824.88 Crore in the financial year 2012-13 mainly on account of decrease in other current liabilities relating to deposit works.

(₹ Crore)

	31.03.2014	31.03.2013
Trade payables	**5.78**	10.31
Other current liabilities	**666.44**	814.57
Short-term provisions	**7.02**	-
Total Current Liabilities	**679.24**	824.88

Cash Flow Statement (₹ Crore)

	2013-14	2012-13
Opening Cash and cash equivalents	**786.96**	920.54
Net cash from operating activities	**(152.02)**	(134.36)
Net cash from investing activities	**15.71**	6.59
Net cash flow from financing activities	**-**	(5.81)
Net Change in Cash and cash equivalents	**(136.31)**	(133.58)
Closing cash and cash equivalents	**650.65**	786.96

The closing cash and cash equivalents for the financial year ended March 31, 2014 has decreased to ₹650.65 Crore from ₹786.96 Crore.

Financial Indicators

The various performance indicators for the current year as compared to previous year are as under:

	2013-14	2012-13
Capital employed in ₹Crore	**40.73**	28.00
Net worth in ₹Crore	**40.73**	28.00
Return on capital employed (PBT/CE)	**48.50%**	(88.07%)
Return on net worth (PAT/NW)	**48.50%**	(87.82%)
Dividend as % of equity capital	**7415.65**	-
Earning per share in ₹	**2441.95**	(3038.77)

The capital employed as well as net worth has increased due to profit earned during the financial year 2013-14.

Human Resources

As on 31st March 2014, there were 85 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing in various technical, financial and commercial issues. Today, your Company is proud to state that it has built a competent manpower base required for its growth in the distribution sector.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward-looking" statements within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman
DIN: 00659908

Place : New Delhi
Date : 18th July 2014

NTPC ELECTRIC SUPPLY COMPANY LIMITED
BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**809100**	809100
Reserves and surplus	3	**406531777**	279150280
		407340877	279959380
Non-current liabilities			
Deferred tax liabilities (net)	4	**-**	-
Current liabilities			
Trade payables	5	**57737346**	103117041
Other current liabilities	6	**6664415082**	8145672235
Short-term provisions	7	**70215407**	18407
		6792367835	8248807683
TOTAL		**7199708712**	8528767063
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	**6732301**	9124148
Intangible assets	8	**106167**	-
Non-current investments	9	**3100000**	3100000
Long Term Loan & Advances	10	**480792465**	303562589
		490730933	315786737
Current assets			
Trade receivables	11	**80895178**	119440482
Cash and bank balances	12	**6506531374**	7869551438
Short-term loans and advances	13	**6544034**	10150633
Other current assets	14	**115007193**	213837773
		6708977779	8212980326
TOTAL		**7199708712**	8528767063

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.

For & on behalf of the Board of Directors

(R K Bhatnagar)	(Kulamani Biswal)	(Dr. Arup Roy Choudhury)
Chief Executive Officer	Director	Chairman

This is the Balance Sheet referred to in our report of even date.

For Bhudladia & Company
Chartered Accountants
Firm Reg No. 002511N

(Puneet Singla)
Partner
M No. 506277

Place : New Delhi
Dated : 03 May 2014

NTPC ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Note	31.03.2014	31.03.2013
Revenue from operations	15	**281982132**	163452184
Other income	16	**106910386**	125770574
Total revenue		**388892518**	289222758
Expenses			
Employee benefits expense	17	**126221916**	412713545
Depreciation and amortization expense	8	**1713095**	1811667
Administration & other expenses	18	**63379010**	121278017
Total expenses		**191314021**	535803229
Profit before tax		**197578497**	(246580471)
Tax expense:			
Current tax			
Current year (MAT)		**41413440**	-
Less : MAT credit entitlement		**(41413440)**	-
Net Current Tax		**-**	-
Deferred tax			
Current year		**-**	(713226)
Earlier years		**-**	-
Total tax expense		**-**	(713226)
Profit for the year		**197578497**	(245867245)
Earnings per equity share (Par value of ₹ 10/- each)			
Basic		**2441.95**	(3038.77)
Diluted		**2441.95**	(3038.77)

The accompanying notes form an integral part of these financial statements.
There are no exceptional or extraordinary items in the above periods.

For & on behalf of the Board of Directors

(R K Bhatnagar)	(Kulamani Biswal)	(Dr. Arup Roy Choudhury)
Chief Executive Officer	Director	Chairman

This is the Statement of Profit and Loss referred to in our report of even date.

For Bhudladia & Company
Chartered Accountants
Firm Reg No. 002511N

(Puneet Singla)
Partner
M No. 506277

Place : New Delhi
Dated : 03 May 2014

NTPC ELECTRIC SUPPLY COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(Amount in ₹)

		31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		**197578497**	(246580471)
Adjustment for:			
Depreciation		**1713095**	1811667
Provisions		**741485**	-
Interest Received		**(106910386)**	(117142574)
Operating Profit before Working Capital Changes		**93122691**	(361911378)
Adjustment for:			
Trade & Other Receivables	**38545304**		(39395326)
Trade Payables & Other Liabilities	**(1474819418)**		(855192102)
Other Current Assets	**(3426415)**		54476
Loans & Advances	**3606599**	**(1436093930)**	(4394208)
Cash generated from operations		**(1342971239)**	(1260838538)
Direct Taxes Paid		**177229876**	82745904
Net Cash from Operating Activities - A		**(1520201115)**	(1343584442)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		**(168900)**	(825619)
Interest Received		**157349951**	66703009
Net cash flow from Investing Activities - B		**157181051**	65877390
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		**-**	(50000000)
Tax on Dividend		**-**	(8111250)
Net Cash flow from Financing Activities - C		**-**	(58111250)
Net Increase/Decrease in Cash & Cash equivalents (A + B + C)		**(1363020064)**	(1335818302)
Cash & cash equivalents (Opening balance) (see Note below)		**7869551438**	9205369740
Cash & cash equivalents (Closing balance) (see Note below)		**6506531374**	7869551438

Notes:

Cash & Cash equivalents consist of Balance with Banks. Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amounts as per Note 12.

	31.03.2014	31.03.2013
Cash and cash equivalents	**-**	-
Demand deposit included in other bank balance	**6506531374**	7869551438
	6506531374	7869551438

For & on behalf of the Board of Directors

(R K Bhatnagar)	(Kulamani Biswal)	(Dr. Arup Roy Choudhury)
Chief Executive Officer	Director	Chairman

This is the cash flow statement referred to in our Report of even date.

For Bhudladia & Company
Chartered Accountants
Firm Reg No. 002511N

(Puneet Singla)
Partner
M No. 506277

Place : New Delhi
Dated : 03 May 2014

Note No. 1 - Significant Accounting Policies

1 BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

2 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

3 FIXED ASSETS

1 Tangible Assets are carried at historical cost less accumulated depreciation/amortisation.

2 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4 INVESTMENTS

1 Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

5 PROFIT AND LOSS ACCOUNT

5.1 Income Recognition

5.1.1 Income from consultancy, project management and supervision services is accounted for on the basis of actual progress / technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of incidental expenditure are recognised as other income, as per the terms of consultancy service contracts. Income from Project Management Services is accounted for on the service charges earned.

5.1.2 Interest / surcharge recoverable on advances to suppliers as well as warranty claims / liquidated damages wherever there is uncertainty of realization / acceptance are not treated as accrued and are therefore accounted for on receipt / acceptance.

5.2 Expenditure

5.2.1 Depreciation is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956.

5.2.2 Depreciation on the following assets is provided based on their estimated useful life:

a) Personal Computers and Laptops including peripherals	5 years
b) Photocopiers and Fax Machines	5 years
c) Water Coolers, Refrigerators and Air Conditioners	12 years

5.2.3 Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.

5.2.4 Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.

5.2.5 Cost of software recognized as intangible asset is amortised on straight line method over a period of legal right to use or 3 years, whichever is less.

5.2.6 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined based on rates specified in Schedule XIV of the Companies Act, 1956.

5.2.7 Expenses on ex-gratia payments under voluntary retirement scheme and training and recruitment are charged to revenue in the year incurred.

5.2.8 Amount received from the holding company (NTPC Limited) towards reimbursement of expenditure incurred over and above the service charges from REC Limited in respect of projects implemented under the RGGVY scheme has been recognised as reduction in expenditure.

5.2.9 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.

5.2.10 Pre-paid expenses and prior period expenses/income of items of ₹ 1,00,000/- and below are charged to natural heads of accounts.

5.2.11 The liabilities towards employee benefits are ascertained by the Holding Company i.e., NTPC Limited on actuarial valuation. The company provides for such employee benefits as apportioned by the Holding Company.

6 **PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

7 **CASH FLOW STATEMENTS**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

8 **TAXES ON INCOME**

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

Note No. 2 - Share Capital

(Amount in ₹)

As at	31.03.2014	31.03.2013
EQUITY SHARE CAPITAL		
AUTHORISED		
10,000,000 shares of par value of ₹ 10/- each (previous year 10,000,000 shares of par value of ₹ 10/- each)	**100000000**	100000000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
80,910 shares of par value of ₹ 10/- each (previous year 80,910 shares of par value of ₹ 10/- each) are held by the holding company, NTPC Ltd. and its nominees	**809100**	809100

a) During the year, the Company has not issued/bought back any shares.

b) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **All the 80,910 equity shares** valueing ₹ **8,09,100** (previous year 80,910 equity shares valuing ₹ 8,09,100) are held by the holding Co. i.e. NTPC Ltd. and its nominees.

Note No. 3 - Reserves and Surplus

(Amount in ₹)

As at	31.03.2014	31.03.2013
Reserves		
General reserve		
As per last balance sheet	**74859000**	74859000
Add: Transfer from surplus balance in the statement of profit & loss	**19758000**	-
Closing balance	**94617000**	74859000
Surplus		
As per last balance sheet	**204291280**	450158525
Add: Profit for the year from statement of profit & loss	**197578497**	(245867245)
Less: Transfer to general reserve	**19758000**	-
Proposed dividend	**60000000**	-
Tax on proposed dividend	**10197000**	-
Net surplus	**311914777**	204291280
Total	**406531777**	279150280

Note No. 4 - Deferred Tax Liabilities (Net)

The item-wise details of deferred tax liability are as under:

(Amount in ₹)

	As at 01.04.2013	Additions/ (Adjustments) during the year	As at 31.03.2014
Difference of book depreciation and tax depreciation	600634	(187906)	**412728**
Less: Deferred tax assets on unabsorbed depreciation	(600634)	187906	**(412728)**
Total	-	-	**-**

a) The net decrease during the year in the deferred tax liability of ₹ **1,87,906** (previous year decrease ₹1,12,592) has been credited to statement of Profit & Loss.

b) Deferred tax assets on unabsorbed depreciation and carried forward losses has not been recognised to the extent there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The net decrease during the year in the deferred tax assets of ₹ 1,87,906 (previous year increase ₹ 6,00,634) has been debited to statement of Profit & Loss.

Note No. 5 - Trade Payables

(Amount in ₹)

As at	31.03.2014	31.03.2013
For goods and services	**57737346**	103117041
Total	**57737346**	103117041

a) Amounts payable to Micro, Small and Medium Enterprises are NIL. (Previous year -NIL).

Note No. 6 - Other Current Liabilities

(Amount in ₹)

As at	31.03.2014	31.03.2013
Advances from customers and others	**89762204**	159061650
Other payables		
Tax deducted at source and other statutory dues	**8018804**	1321963
Amount received against deposit works	**6302134442**	7602172277
Payables to Employees	**26835157**	28717980
Payable to NTPC Ltd.	**237631645**	354380435
Others	**32830**	17930
Total	**6664415082**	8145672235

a) Amounts payable to Micro, Small and Medium Enterprises are NIL. (Previous year - NIL).

Note No. 7 - Short Term Provisions

(Amount in ₹)

As at	31.03.2014	31.03.2013
Provision for proposed dividend		
As per last balance sheet	**-**	50000000
Additions during the year	**60000000**	-
Amounts used during the year	**-**	50000000
Closing balance	**60000000**	-
Provision for tax on proposed dividend		
As per last balance sheet	**-**	8111250
Additions during the year	**10197000**	-
Amounts paid during the year	**-**	8111250
Closing balance	**10197000**	-
Provision for shortage in fixed assets pending investigation		
As per last balance sheet	**18407**	18,407
Additions during the year	**-**	-
Closing balance	**18407**	18407
Total	**70215407**	18407

Note No. 8 - Tangible & Intangible Assets

TANGIBLE ASSETS

(Amount in ₹)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Temporary erection	190550	-	190550	**-**	190550	-	190550	**-**	**-**	-
Furniture and fixtures	6501575	-	1157893	**5343682**	3840285	251900	745751	**3346434**	**1997248**	2661290
Office equipment	5587202	-	442160	**5145042**	1457558	357328	153342	**1661544**	**3483498**	4129644
EDP, WP machines and satcom equipment	8729323	21900	834846	**7916377**	6396109	1063034	794321	**6664822**	**1251555**	2333214
Total	**21008650**	**21900**	**2625449**	**18405101**	**11884502**	**1672262**	**1883964**	**11672800**	**6732301**	**9124148**
Previous year	20183031	825619	-	**21008650**	10072835	1811667	-	**11884502**	**9124148**	10110196

INTANGIBLE ASSETS

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Software	936895	147000	58552	**1025343**	936895	40833	58552	**919176**	**106167**	-
Total	**936895**	**147000**	**58552**	**1025343**	**936895**	**40833**	**58552**	**919176**	**106167**	**-**
Previous year	936895	-	-	**936895**	936895	-	-	**936895**	**-**	-

Deduction/adjustments from gross block and amortisation for the year includes:

	Gross Block		Depreciation/Amortisation	
	31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Disposal of assets	**(2684001)**	-	**(1942516)**	-
	(2684001)	-	**(1942516)**	-

Note No. 9 - Non-Current Investment

(Amount in ₹)

As at			**31.03.2014**	31.03.2013
	Number of shares Current Year / (Previous Year)	**Face value per share Current Year / (Previous Year) (₹)**		
Trade				
Equity instruments (fully paid up - unless otherwise stated)				
Unquoted				
Joint Venture Companies				
KINESCO Power and Utilities Pvt. Ltd.	50000 (50000)	10 (10)	**500000**	500000
Share application money pending allotment in:				
KINESCO Power and Utilities Pvt. Ltd.			**2600000**	2600000
Total			**3100000**	3100000

a) Investments have been valued considering the significant accounting policy no. 4 disclosed in Note no. 1 to these financial statements.

b) The Company has further commitment to invest in the Joint Venture Company to the extent of ₹ 9,00,000, dislcosed under other commitment, under Note - 26.

Note No. 10 - Long Term Loans and Advances

(Considered good, unless otherwise stated) (Amount in ₹)

As at	**31.03.2014**	31.03.2013
ADVANCES		
Advance tax deposit & tax deducted at source	**732586458**	513943142
Less: Provision for current tax	**251793993**	210380553
Total	**480792465**	303562589

Note No. 11 - Trade Receivables

(Considered good, unless otherwise stated) (Amount in ₹)

As at	**31.03.2014**	31.03.2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured	**26754543**	36236669
Others - Unsecured	**54140635**	83203813
Total	**80895178**	119440482

Note No. 12 - Cash & Bank Balances

(Amount in ₹)

As at		**31.03.2014**	31.03.2013
Cash & cash equivalents			
Balances with banks			
Other bank balances			
Deposits with original maturity of more than three months but not more than twelve months	**6510161897**		7880725638
Less : Cheque Issued against CLTD	**(3630523)**		(11174200)
		6506531374	7869551438
Total		**6506531374**	7869551438

a) Other bank balances - deposits include ₹ 544,55,19,150 (Previous year ₹ 645,98,05,664) towards advances received from REC Ltd. for RGGVY works.

Note No. 13 - Short-Term Loan and Advances

(Considered good, unless otherwise stated) (Amount in ₹)

As at	**31.03.2014**	31.03.2013
ADVANCES		
Others (unsecured)		
Cenvat credit receivables	**6390376**	6042904
Recoverable from JV Company (KINESCO)	**153658**	4107729
Total	**6544034**	10150633

Note No. 14 - Other Current Assets

(Amount in ₹)

As at		31.03.2014	31.03.2013
Interest accrued on :			
- Term deposits			
Deposit Work Amount of REC Ltd.		**110628829**	162446259
Others		**-**	50439565
- Advance to Contractors		**4360442**	934027
		114989271	213819851
Assets held for disposal		**17922**	17922
Total		**115007193**	213837773

Note No. 15 - Revenue from Operations

(Amount in ₹)

For the period ended	31.03.2014	31.03.2013
Consultancy, project management and supervision fees (including turnkey construction projects)	**281982132**	163452184
Total	**281982132**	163452184

Note No. 16 - Other Income

(Amount in ₹)

For the period ended	31.03.2014	31.03.2013
Interest from		
Others		
Indian banks	**106910386**	117142574
Other non-operating income		
EMD forfeited	**-**	8628000
Total	**106910386**	125770574

a) Interest from Indian bank is net of ₹ **65,10,39,448** (previous year ₹ 66,20,53,855) towards interest earned on investment of advances received from REC Ltd.which is not the income of the Company as it is attributable to REC Ltd. and has been transferred to amount received against deposit works under Other Current Liabilities - Other payables - Amount received against deposit works (Note No. 6).

Note No. 17 - Employee Benefits Expense

(Amount in ₹)

For the period ended	31.03.2014	31.03.2013
Salaries and wages	**212156300**	238307387
Contribution to provident fund and other Superannuation benefits	**25893067**	162682687
Staff welfare expenses	**10225830**	11723471
Reimbursement from NTPC	**(122053281)**	-
Total	**126221916**	412713545

a) All the employees of the Company are on secondment from the Holding Company, i.e. NTPC Ltd.

Note No. 18 - Administration and Other Expenses

(Amount in ₹)

For the period ended		31.03.2014	31.03.2013
Power charges		**705304**	794303
Rent		**4050121**	3674966
Repairs & maintenance		**477882**	148390
Insurance		**21884**	27909
Training & recruitment expenses		**316140**	376800
Communication expenses		**7469628**	7178403
Travelling expenses		**24944187**	28104488
Tender expenses	**3234800**		6961137
Less: Receipt from sale of tenders	**101250**		379125
		3133550	6582012
Payment to auditors (refer details below)		**137600**	196650
Advertisement and publicity		**-**	10,000
Security expenses		**3470127**	3840212
Entertainment expenses		**1207270**	1319093
Expenses for guest house		**356215**	436434
Community development and welfare expenses		**624035**	2298107

Note No. 18 - Administration and Other Expenses

(Amount in ₹)

For the period ended		31.03.2014	31.03.2013
Books and periodicals		**80446**	95885
Professional charges and consultancy fees		**65947050**	46940507
Legal expenses		**275283**	10500
EDP hire and other charges		**843525**	762949
Printing and stationery		**818215**	871321
Hiring of vehicles		**11847681**	15095287
Bank charges		**9684**	1803
Miscellaneous expenses		**1694178**	2508803
Loss on disposal/write-off of fixed assets		**-**	3195
Reimbursement from NTPC		**(65050995)**	-
		63379010	121278017
Total		**63379010**	121278017
a) Details in respect of payment to auditors:			
As auditor			
Audit fee	**90000**		80000
Tax audit fee	**27000**		26000
Reimbursement of expenses	**20600**		90650
		137600	196650

Other Notes:

19 Some of the balances of trade / other payables and loans and advances are subject to confirmation / reconciliation. Adjustments, if any will be accounted for on confirmation / reconciliation of the same, which in the opinion of the management will not have a material impact.

20 The Company is operating in a single segment, that is providing consultancy, project management and supervision services.

21 **Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'**

The elements considered for calculation of Earning Per Share (Basic & Diluted) are as under:

(Amount in ₹)

	Current Year	Previous Year
Net Profit after Tax used as numerator	**197,578,497**	(245,867,245)
Weighted average number of equity shares used as denominator	**80,910**	80,910
Earning Per Share (Basic & Diluted)	**2,441.95**	(3,038.77)
Face value per share	**10.00**	10.00

22 **Disclosure as per Accounting Standard - 19 on 'Leases'**

Operating Leases:

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note No. 17 - Employees' benefit expenses include ₹ **1,37,25,866** (Previous year ₹ 1,94,61,405) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and transit camps amounting to ₹ **40,50,121** (Previous year ₹ 36,74,966) are shown as Rent in Note No. 18 - Administration and other expenses.

23 **Disclosure as per Accounting Standard - 27 on 'Financial Reporting of Interests in Joint Ventures'**

Joint Venture Entities:

Company	Proportion of ownership interest as on (excluding Share Application Money)	
	31.03.2014	31.03.2013
KINESCO Power and Utilities Pvt. Ltd.	**50%**	50%

The above entity is incorporated in India. The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2014 and income and expenses for the year based on unaudited accounts are given below:

(Amount in ₹)

A	**Assets**	**31.03.2014**	31.03.2013
	Non-current assets	**85,213,166**	106,132,451
	Current assets	**26,306,971**	26,038,842
	Total	**111,520,137**	132,171,294
B	**Equity & liabilities**		
	Shareholders' funds	**(4,985,482)**	11,914,857
	Non-current liabilities	**11,736,232**	11,275,965
	Current liabilities	**104,769,387**	108,980,472
	Total	**111,520,137**	132,171,294
C	**Contingent liabilities**	**5,392,045**	8,464,414
D	**Capital commitments**	**28,353,681**	34,467,456
		Current Year	Previous Year
E	**Income**	**201,910,598**	152,751,509
F	**Expenses**	**199,618,894**	166,684,718

24 The common services being utilized by the Company for office at NOIDA are provided without any charges by the Holding Company.

25 Information in respect of consultancy contracts on deposit work basis:

(Amount in ₹)

Sl.	Particulars	Current Year	Previous Year
1	Amount of revenue recognised on consultancy contract on deposit work basis	**242,444,621**	128,567,204
2	Amount disbursed for consultancy contracts on deposit work basis	**2,030,255,218**	2,767,266,090
3	Amount of advance received from customers for consultancy contracts on deposit work basis	**607,151,271**	825,125,009
4	Gross amount due from customers for consultancy contracts on deposit work as an asset	**Nil**	Nil
5	Gross amount due to customers for consultancy contracts on deposit work basis as a liability	**Nil**	Nil

26 Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ **Nil** (Previous year ₹ Nil). Company has a commitment to further invest in the JV to the extent of ₹ 9,00,000.

27 Contingent Liabilities:

According to the order No. 29/commissioner/Noida/2012-13 dated 10.10.2012 of Commissioner Service Tax, an amount of ₹ 4,62,15,07,284 (including ₹ 2,31,07,53,642 as penalty) is imposed as additional service tax payable for the period 2006-07 to 2010-11. This is a pass through item the liability of which is on REC Ltd as per terms of contract. The order of the Commissioner is challenged before CESTAT and is pending disposal. Also Service Tax order for the year 2011-12 of Commissioner of Customs, Central Excise and Service Tax, Noida amounting to ₹ 20,85,97,984 has been challenged before the CESTAT.

28 Other disclosures as per Schedule VI of the Companies Act, 1956

(Amount in ₹)

Particulars		Current Year	Previous Year
a)	Expenditure in foreign currency:		
	Others	**164,093**	Nil

29 Previous year's figures have been regrouped/rearranged wherever necessary.

For & on behalf of the Board of Directors

(R K Bhatnagar)	(Kulamani Biswal)	(Dr. Arup Roy Choudhury)
Chief Executive Officer	Director	Chairman

These are the notes referred to in Balance Sheet and Statement of Proft and Loss.

For Bhudladia & Company
Chartered Accountants
Firm Reg No - 002511N

(Puneet Singla)
Partner
M No. 506277
Place : New Delhi
Dated : 03 May 2014

AUDITOR'S REPORT

To,
The Members of
NTPC ELECTRIC SUPPLY COMPANY LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s NTPC Electric Supply Company Limited, New Delhi (a wholly owned subsidiary of NTPC Ltd.) which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to section 211(3C) of the Companies Act, 1956(" the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) In the case of Balance sheet, of the state of affairs of the Company as at 31st March 2014;

(b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to :

a) Note-1 'Accounting policies' para No. E.1 related to recognition of revenue from Project Management Services only for the service charges alone, without considering the gross value of the project cost recovered. This policy is in alignment with an expert opinion from ICAI on the matter which states that the Project Management Services rendered by the company are covered under the scope of Accounting Standard-7, yet the income from the same needs to be recognized only for the service charges alone. We are not in agreement with the said Expert Opinion as AS-7 does not prescribe any revenue recognition on net basis for a construction contract, falling with in AS 7; instead it has to be accounted on gross basis. However the difference in presentation is unlikely to result in any material misstatement so far as the net profit of the company is concerned;

b) Note-1 'Accounting policies' para No. E.1 of recognizing revenue from Project Management Services on the basis of actual progress / technical assessment. We have relied upon the estimates given by the technical experts about the percentage of completion of each of the project.

c) Note-1 'Accounting policies' para F.11 related to 'Employee benefits' which describes that the company has followed apportionment of liability towards employee benefits on the basis of allocation made by the holding company i.e. NTPC Limited according to actuarial valuation prescribed in AS 15 (Employee benefits). However the related disclosures in Note-17 of the financial statements are not in compliance of paragraph 33-35 of AS 15, although it is unlikely to have any impact of material misstatement so far as the expenses and liability recognized are concerned.

Our opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a Statement on the matters specified in paragraph 4 and 5 of the Order.
3. As required by section 227(3) of the Act, we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to section 211(3C) of the Companies Act, 1956, except for items covered by point 3 below;
   e) Being a Government Company, pursuant to the Notification No. GSR 829(E) dated 17.07.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Company;
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Bhudladia & Company
Chartered Accountants
Firm's Reg. No. 002511N

(CA. Puneet Singla)
(Partner)
Membership No. 506277

Place : New Delhi
Date : 03/05/2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date on the financial statements M/s NTPC Electric Supply Company Ltd.)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company are verified by the management at the intervals of two years. Physical verification of fixed assets has been carried out by an internal committee, appointed for the purpose, which is in our opinion considered reasonable having regard to the size and nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to the explanations given to us, there is no substantial disposal of fixed assets during the year.

(ii) The Company does not have any inventory. Consequently, clauses (ii) (a) to (ii) (c) of paragraph 4 of the Order are not applicable.

(iii) According to information and explanations given to us, the Company has not granted or taken any secured or unsecured loans, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii)(a) to (g) of paragraph 4 of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

(v) (a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangement of the Company, referred to in Section 301 of the Companies Act, 1956, which requires to be entered in the register required to be maintained under that section.

In view of (v) (a) above, the clause (v) (b) of paragraph 4 of the Order is not applicable.

(vi) The Company has not accepted any public deposits during the year.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 is not applicable to the Company, as the Company has not commenced any activities related to distribution of electricity.

(ix) (a) The Company has been generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues, with appropriate authorities Being a wholly owned subsidiary of M/s NTPC Ltd. all the employees are on secondment basis, therefore Provident fund on their salaries is being deposited by the holding company.

(b) According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2014.

(c) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2014 as given herein below:

Statue	Nature of Dues	Amount (₹)	Forum where disputes are pending
Income Tax Act, 1961	Tax Demanded u/s 143(3)	14,20,92,750/-	CIT (Appeals), Delhi
Finance Act, 1994	Service Tax on Deposit works	462,15,07,284/-	CESTAT, Delhi
Finance Act, 1994	Service Tax on Deposit works	20,85,97,984/-	CESTAT, Delhi

(x) The Company has no accumulated losses as at the end of the relevant year and immediately preceding financial year. The company has not incurred cash losses during the financial year covered under audit, however in the immediately preceding year cash losses were incurred.

(xi) The Company has not taken any loans from any financial institution, bank or by way of issue of debentures. Consequently clause (xi) of paragraph 4 of Order is not applicable.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause (xiii) of paragraph 4 of Order is not applicable to the Company.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Consequently, clause (xiv) of paragraph 4 of the Order is not applicable to the Company.

(xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) The Company has not raised any term loams.

(xvii) According to the information and explanations given to us, the Company has not raised any short term or long-term funds.

(xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the Company has not issued any debentures during the year.

(xx) According to the information and explanations given to us, the Company has not raised money through a public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For Bhudladia & Company
Chartered Accountants
Firm's Reg. No. 002511N

(CA. Puneet Singla)
(Partner)
Membership No. 506277

Place : New Delhi
Date : 03/05/2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NTPC ELECTRIC SUPPLY COMPANY LIMITED, NEW DELHI, FOR THE YEAR ENDED 31 MARCH 2014 AND MANAGEMENT REPLIES THEREON

<table>
<tr><th>Comment</th><th>Management Reply</th></tr>
<tr><td>The preparation of financial statements of NTPC Electric Supply Company Limited, New Delhi, for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 3 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of NTPC Electric Supply Company Limited, New Delhi, for the year ended 31 March 2014. The supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956, which has come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report:

1. General

Other Notes
Contingent Liabilities (Note No. 27)

The above does not include:

(a) Amount of ₹ 22.56 crore of Income Tax demand raised by Assistant Commissioner of Income Tax under section 156 of Income Tax Act, 1961.

(b) Amount of interest of ₹ 138.30 crore on Service Tax amounting to ₹ 231 crore alongwith the amount of penalty of ₹ 231 crore raised by the Commissioner of Customs, Central Excise & Service tax for period April 2007 to March 2014.

(c) Penalty of ₹ 5 crore and interest of ₹ 4.94 crore on Service Tax of ₹ 20.86 crore demanded by the Commissioner of Customs, Central Excise & Service Tax for the period from April 2012 to March 2014.

Thus the Contingent Liabilities are understated to the extent of ₹170.80 crore.</td><td>Noted</td></tr>
<tr><td>2. Independent Auditor's Report

Annexure to the Auditors' Report (ix) (C)

The Statutory Auditors have not reported the following disputed Statutory dues not deposited by the company as required by Para 4 (ix) (b) of Companies (Auditor's Report) Order, 2003:

(d) Amount of interest of ₹138.30 crore on Service Tax amounting to ₹ 231 crore along-with the amount of penalty of ₹ 231 crore raised by the Commissioner of Customs, Central Excise & Service Tax for April 2007 to March 2014.

(e) Penalty of ₹ 5 crore and interest of ₹ 4.94 crore on Service Tax of ₹ 20.86 crore demanded by the Commissioner of Customs, Central Excise & Service Tax for the period from April 2012 to March 2014.</td><td>Noted</td></tr>
</table>

For and on behalf of Comptroller & Auditor General of India

(Tanuja S. Mittal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Dated : 15.7.2014
Place : New Delhi

For and on behalf of the Board of Directors

(Dr. Arup Roy Choudhury)
Chairman

Dated : July 18, 2014
Place : New Delhi

NTPC VIDYUT VYAPAR NIGAM LIMITED

(A wholly owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To

Dear Members,

Your Directors have pleasure in presenting the Twelfth Annual Report on the working of the Company for the financial year ended on 31st March 2014 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ in Crore)

	2013-14	2012-13
Total Revenue	**3532.32**	3075.32
Total Expenses	**3441.04**	3012.28
Profit /(Loss) before exceptional and extraordinary items	**91.28**	63.04
Exceptional Items	-	(115.82)
Profit/(Loss) before Tax	**91.28**	(52.78)
Tax expenses	**31.04**	(17.94)
Profit/(Loss) for the year	**60.24**	(34.84)

DIVIDEND

During the financial year 2013-14, Directors have not recommended any dividend.

ENERGY TRADING-BUSINESS

In accordance with Central Electricity Regulatory Commission (CERC) notification, your Company is a trading Licensee under Category I (highest category).

During the financial year under review margin from trade of energy was ₹52.47 Crore from trade of 9322 million units including 1297 million units traded under SWAP arrangements and 4390 million units traded under Solar & Thermal Bundled energy, as compared to margin of ₹43.04 Crore from trade of energy of 8382 million units including 1520 million units traded under SWAP arrangements and 1590 million units traded under Solar & Thermal Bundled energy in the financial year 2012-13. The overall volume of energy traded by Company during the financial year 2013-14 has increased by 11.21% over last financial year 2012-13.

BUSINESS INITIATIVES

The Government of India has designated your company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM) with a mandate for purchase of power from the solar power projects connected to grid at 33 KV and above at tariff regulated by CERC and for sale of such power bundled with the power sourced from NTPC coal power stations to Distribution Utilities under Phase I (2010-2013) of JNNSM which envisages setting up of 1000 MW solar capacity.

Your company had successfully conducted the process of Selection of the Solar Power Developers based on Guidelines issued by the Ministry of New and Renewable Energy.

As on 31st March 2014, a total solar capacity of 548 MW (498 MW of Solar PV and 50 MW of Solar Thermal) has been commissioned and corresponding allocation of NTPC coal power has been made by Ministry of Power. During the Financial Year 2013-14, a total of 4390MUs of bundled power (including 913 MUs of Solar Power) has been supplied by your company to Discoms/Utilities of States of Punjab, Uttar Pradesh, Odisha, West Bengal, Karnataka, Rajasthan, Andhra Pradesh, Tamil Nadu, Maharashtra, Assam and DVC, the power being supplied to all the 5 Electricity Regions of India

Your Company has also been designated as the nodal agency for cross border trading of power with Bangladesh and Bhutan. The Power Purchase Agreement (PPA) for supply of 250 MW power from NTPC stations for 25 years was signed on Feb 28, 2012 between NVVN and Bangladesh Power Development Board (BPDB).

With the setting up of HVDC link between India and Bangladesh, First Cross-Border transfer of power (Testing power of 50 MW to 175 MW) took place from 27th to 30th Sept'2013. Regular power flow to Bangladesh from NTPC's coal stations has started with power capacity of 175 MW from 5th Oct'2013 and power capacity of 250 MW from 4th Dec'2013 during the year.

Your Company has excelled in many fields including expanding customer base, selling captive power, selling power of Independent Power Producers (IPPs), entering into power banking arrangements etc. The customer base of the Company has increased to 100 which include private Discoms and also utilities. The Company has maintained a strong presence in all the five Electricity regions of India.

The business initiative for sale of Fly ash and Cenosphere were started during the year 2005-06. During the financial year 2013-14, 4653424 MT of Fly Ash was sold as compared to 4198471 MT of Fly Ash sold in the Financial Year 2012-13. The Ash sale revenue contributes to Ash Fund constituted in line with MOEF Notification of November 3, 2009. Addition to Ash Fund in 2013-14 was ₹91.30 crore (including an interest of ₹17.01 crore) as compared to ₹107.96 crore (including an interest of ₹19.69 crore) in the financial year 2012-13.

The domestic sale of Cenosphere is being conducted through E-auction portal of MSTC Limited, a public sector company. During the year under review the Company has sold 225 MT of Cenosphere as compared to 240 MT of Cenosphere in the financial year 2012-13.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) appointed M/s Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company for the financial Year 2013-14. The Auditors have expressed their qualified opinion on the accounts and emphasized on certain issues. The Management replies to the auditor's qualifications/ observations are as under:

Auditor's qualifications/ observations No.1

The company contends that, since the Fly Ash Utilization Fund does not belong to the company, the interest income earned on Fly Ash Utilization Fund being an accretion to the said fund also belongs to the fund.

The company, however, has accounted for interest income on Fly Ash Utilization Fund as its income under other Income in the Statement of Profit & Loss. The company thereafter transferred the said interest income (net of tax) to the Fly Ash Utilization Fund through appropriation out of the surplus in the Statement of Profit and Loss. [Refer Note No. 3 (a) & 4(b)].

In our opinion the interest income on Fly Ash Utilization Fund ab-initio does not belong to the company and accounting for such income in the Statement of Profit & Loss has resulted in profit after tax for the year being overstated to the extent of ₹17,01,18,786 being interest earned on Fly Ash Utilization Fund (net of tax) with consequent effect on Provision for taxation overstated by ₹5,40,18,706, MAT credit entitlement understated by ₹3,35,79,196, Fly Ash Utilization Fund understated by ₹8,75,97,902 & Tax deducted at source overstated by ₹2,57,71,669.

Management reply

Gazette notification No. 1799 dated 03.11.2009 of Ministry of Environment & Forest (MoEF), Government of India (GoI) states that the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion and facilitation activities for use of fly ash until 100 percent fly ash utilisation level achieved. The said notification does not specify regarding the accountal of any accretions (in the form of interest) to the amounts so collected from sale of fly ash. The company has taken up the matter with MoEF for clarifications and a reply is awaited.

In the absence of any clarification from MoEF, on the advice of an Independent Tax Consultant, the company has accounted the interest income on the ash utilisation fund to avoid any penal or other consequences.

Auditor's qualifications/ observations No.2

In our opinion since the Fly Ash Utilization Fund has been created vide notification dated 3rd November, 2009 by the Ministry of Environment & Forests (MoEF)- Govt. of India and NVVN is only administering the fund it is incumbent that the policy guidelines as framed by NTPC/NVVN dated 25th March 2014 be approved/ confirmed by the said Ministry.[Refer Note 4(c)]

Management reply

As per the MoEF notification, the amounts collected from sale of fly ash can be utilized only for the development of infrastructure or facility, promotion and facilitation activities for use of fly ash. The said notification does not mention any requirement to obtain prior consent/approval of MoEF/GOI for guidelines on utlisation of fly ash fund.Further, an opinion of an Independent Legal Counsel was also sought on the requirement of approval from the administrative ministry (MoEF) and it was opined that it does not require any approval from MoEF.

The policy guidelines formulated in this regards by NTPC Limited have been adopted by the Board of the Company.

Auditor's qualifications/ observations No.3

The amount collected from the sale of fly ash/ fly ash products and amount realized from encashment of bank guarantees are not considered as income of the company and amount is held by the NVVN in the Fly Ash Utilization Fund/Retention on Account BG Encashment (Solar) and as such no provision for taxation has been made on said fund/retention account. We have however, not been produced any general or specific exemption on the taxability of these fund/retention account and impact it may have, on NVVN on the balances shown under the respective heads in the accounts. [Refer Note 4 (e) & 8 (e)].

Management reply

As per Gazette Notification amendment dated 03.11.2009 of MoEF, the company, being 100% subsidiary of NTPC Limited, is permitted for sale of fly ash and the amount collected from sale of fly ash and fly ash based products shall be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion and facilitation activities for use of fly ash until 100 percent fly ash utilisation level is achieved; thereafter as long as 100% fly ash utilisation level is maintained, the thermal power station would be free to utilize the amount collected for the other development programmes also.

Therefore, the amounts collected from sale of fly ash are being kept in a separate account by NVVN known as Fly Ash Utilisation Fund. Since the said notification is silent on the taxability to the amounts collected through sale of fly ash, NVVN sought an opinion from Independent Tax Consultant. The consultant opined that "there is a transfer of sale proceeds (income) by overriding effect because the sale proceeds do not belong to the company since it has to be used for specified purposes. The amounts collected shall be a liability being collected as a trustee and there will be no tax liability." Accordingly, all receipts from the sale of fly ash are held separately since date of applicability of the notification i.e. w.e.f. 3rd Nov 2009.

As per the directions received from Ministry of New and Renewable Energy (MNRE) and clarifications thereafter, it is stated that the amount received from encashment of Bank Guarantees (BG's) is to be kept separately in maximum interest bearing accounts. Further this money is not to be treated as income of NVVN. The matter related to the taxability of the above receipts was also referred to the Independent Tax Consultant and as per his opinion, the amounts received from the encashment of BG's will not be liable for tax in the hands of the company in view of the letter/ clarifications issued by MNRE.

Auditor's qualifications/ observations No.4

The Gross interest accrued on Retention on Account BG encashment (solar) is credited to the said account, however the company has considered the Tax deducted at source on such interest as TDS of the company, thereby overstating the tax deducted at source to the extent of ₹62,74,891 [Refer Note No. 8 (b)].

The net impact of para 1 to 4 above has resulted in profit after tax for the year overstated by ₹17,01,18,786, Long term loans & advances understated by ₹ 5,40,18,706, Short term loans & advances understated by ₹ 3,35,79,196 and Fly Ash Utilization Fund understated by ₹8,75,97,902.

Management reply

The interest on amounts received from the encashment of BG's is not liable for tax in the hands of company in view of the letter/ clarifications issued by MNRE. However, since the tax deduction at source is being made by the banks in the name of the company, the gross interest accrued on this BG retention account has been shown as income and the same is transferred to Solar BG Retention A/c by deducting from the said income, so that company becomes entitled to claim the TDS as its advance tax paid.

The above is supported by the opinion of an Independent Tax Consultant.

Emphasis of matter

The auditors have also supplied emphasis to note no. 4(c) regarding utilisation from Fly Ash Utilisation Fund and note no. 22(c) regarding disclosure of employee benefits as per AS-15. The issues have been adequately explained in the relevant notes to the accounts.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India, through letter dated 22nd July 2014 has given 'NIL' comments on the Financial Statements of your company for the year ended 31st March 2014 under section 619(4) of the companies Act, 1956. As advised by the office of the Comptroller and Auditor General of India (C&AG), the comments of C&AG for the year 2013-14 are being placed with the report of Statutory Auditors of your company elsewhere in this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

There are no significant particulars, relating to conservation of energy, technology absorption under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, as your Company does not own any manufacturing facility.

During the financial year under review the Company has earned ₹211.85 crore in foreign currency as compared to ₹ nil foreign currency earned during the financial year 2012-13. An expenditure of ₹0.08 crore in foreign currency has been incurred mainly towards travelling of employees and other payments/ reimbursements during the financial year under review as compared to ₹0.02 crore expenses incurred towards travelling of employees during the financial year 2012-13.

PARTICULARS OF EMPLOYEES

As per Notification No. GSR 289(E) dated 31 March, 2011 issued by the Ministry of Corporate Affairs, amending the provisions of the Companies (Particulars of Employees) Rules, 1975, it is not necessary for the Company being a Government company to include the particulars of employees drawing salaries of ₹60 lakh or more per annum, employed throughout the financial year or ₹5 lakh per month, if employed for part of the financial year. However, such particulars shall be made available to the shareholders on a specific request made by them during the course of this Annual General Meeting.

AUDIT COMMITTEE

As per the provisions of Section 292A of the Companies Act, 1956, your Company has an Audit Committee of the Board comprising of Shri I.J. Kapoor, Shri K. Biswal and Shri N.N. Misra, Directors of the Company. Three meetings of the Audit Committee were held during the financial year 2013-14. The senior-most Director on the Audit Committee Chaired the meeting and quorum is of two Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2013-14 and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

During the financial year under review Shri A.K. Singhal, (DIN: 00011085), consequent upon resignation from services of NTPC Limited, has tendered his resignation and accordingly ceased to be Director of the Company w.e.f. October 8, 2013 (A/N).

The Board of Directors, consequent upon nomination received from NTPC Limited, appointed Shri Sudhir Arya, (DIN: 05135780) Executive Director (Finance), NTPC Limited as an Additional Director of the Company. Subsequently, NTPC Limited nominated Shri Kulamani Biswal, (DIN: 03318539) Director (Finance), NTPC Limited in place of Shri Sudhir Arya w.e.f. June 17, 2014. NTPC Limited also nominated Mrs. A. Sathyabhama, (DIN: 06904946) on the Board of the Company. The Board of Directors accordingly appointed Shri Kulamani Biswal and Mrs. A. Sathyabhama as Additional Directors who holds office up to the date of this Annual General Meeting and are eligible for appointment. The Company has received a requisite notice in writing from NTPC Limited, proposing their candidature for the office of Director liable to retire by rotation.

In accordance with the provisions of Companies Act, 2013, Shri N.N. Misra, Director (DIN: 00575501) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Electricity Boards, Statutory Auditors, Office of the Comptroller and Auditor General of India and the Bankers of the Company.

For and on behalf of the Board of Directors

(Dr. ARUP ROY CHOUDHURY)

CHAIRMAN

DIN: 00659908

Place : New Delhi

Date : July 23, 2014

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Trading is an essential tool for optimisation of resources and plays an important role in the current market scenario of deficit power as it enables the state utilities to fully utilise the existing and captive sources of generation. The quantum of power being traded in short term has been increasing over the years along with declining trend of prices. With the Electricity Act 2003, recognising Trading as a distinct activity, Trading of Electricity has been growing since then. The multi-buyer and multi-seller market model has helped in the growth of trading business with increasing number of trading licensees.

Short term Trading is also essential for balancing the demand with supply besides meeting the contingency demand of States.

The grant of Trading License for Inter-state trading is governed by CERC Regulations, 2009 including its Amendment issued from time to time.

CERC has fixed a ceiling trading margin for short term trade at 7 paise per kWh in case the sale price is exceeding ₹3 per kWh and 4 paise per kWh where sale price is less than or equal to ₹3 per kWh. However, Transactions through power swapping/ banking are out of purview of the CERC Regulations for Short Term Trading.

During the last four years, 65 traders have obtained licenses for serving the needs of the various clients, out of which 22 nos. of licensees have been surrendered/ cancelled. The traders are issued license under categories I, II or III depending on the volume of units proposed to be traded and net worth. During 2013-14 out of the electricity generation of approximately 963 billion units, approximately 83 billion units were traded, representing 8.62% of trading to total generation.

Structure of Power Market in India*

(i)	Long –Term (89.1%)	858 BU
(ii)	Power Trading (8.6%)	83 BU
(iii)	Balancing Market (UI)(2.2%)	22BU
	Total	963BU

The trading of Power in India*

(i)	Bilateral Trading	36 BU
(ii)	Bilateral Direct	17 BU
(iii)	Through Power Exchange	30 BU
	Total	83 BU

*Source: CERC (2013-14)

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with strong promoter viz. NTPC Limited having formidable network, established rapport, credibility with potential buyers & sellers and backed with professional manpower from NTPC.

Your Company is exposed to credit risk due to buyer's inability to make timely payments without any strong payment security mechanism in place.

OPPORTUNITIES AND THREATS

Ministry of Power, Government of India plans to enhance the existing inter regional power transfer capacity of 40050 MW to 72250 MW by end of 12th Plan period. This would provide considerable opportunities for enhancement of trading volumes. Many Independent Power Producers are setting up generation capacities reserved as merchant capacity for sale in the market. This will provide opportunity to the Company for capturing such merchant capacity for trading.

In recent times the number of private traders has increased and they are trading power without proper back-to-back payment security mechanism. In view of the above your company is having the threat of non timely payment by buyers.

OUTLOOK

Your Company has been designated as one of the nodal agencies for cross border trading of power with Bhutan and Bangladesh. The Power Purchase Agreement between NVVN and BPDB for supply of 250 MW power from NTPC stations for 25 years was signed on Feb 28, 2012. The Power supply to Bangladesh has commenced from 5th October 2013. Cross border trading of power from Bhutan is expected to commence from 2016-17 with the commissioning of new projects.

Your Company has also been designated as nodal agency for buying power from solar power developers in India and selling to distribution utilities after bundling with unallocated capacity from NTPC power stations. The business of selling bundled power to Discoms have commenced from FY 2011-12.

Your Company is also selling fly ash from NTPC plant at Dadri, Unchahar Kahalgaon, Ramagundam, Farakka and Badarpur.

RISKS AND CONCERNS

The trading margin capped by CERC for electricity trading limits revenues of trading companies. The risk gets further enhanced due to large number of private players offering lower trading margin than the capped trading margin. Your Company continues to focus on increasing its market share in power trading with emphasis on back-to-back arrangements in order to mitigate risks while making endeavors to increase the business.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Your Company has adopted the internal control system of its holding company viz. NTPC Limited. The authorities vested in various levels are exercised within framework of appropriate checks and balances. Effectiveness of all checks and balances and internal control systems is reviewed during internal audit carried out by Internal Audit Department of NTPC Limited. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited. The Internal Audit Reports are regularly reviewed by the Audit Committee of the Board of Directors.

PERFORMANCE DURING THE YEAR

Operations

Your company has been issued license under category "I" which allows trading of 1000 million units and above every year without any upper limit.

The details of the energy traded by the Company are as follows:

	Fiscal 2014	Fiscal 2013
Trading of energy	Million units	
Power	**3635**	5272
Solar Bundled Power	**4390**	1590
Power SWAP Arrangements	**1297**	1520
Total	**9322**	8382

During the Financial Year 2013-14, your company traded 9322 million units of power, which includes 4390 MUs of bundled solar power under Jawaharlal Nehru National Solar Mission. The overall volume of power traded by Company has increased by 11.21% over last year.

In the past three years your company has developed a good customer base and has served over 100 customers including State Government/Private Power Utilities, Captive Power Generators etc. in all five regions in the country.

In addition to energy trading, your Company is also trading fly ash and cenosphere. The details of the fly ash and cenosphere traded by the Company are as follows:

	Fiscal 2014	Fiscal 2013
	Metric Ton	
Fly ash	**4653424**	4198471
Cenosphere	**225**	240

Financial Performance

The main revenue of your Company has been realized by trading of energy of 9322 million units contributing to 98% of total revenue.

(₹ in Crore)

	2013-14		2012-13	
Sales				
Bilateral energy	**1447.32**		2244.49	
Solar & Thermal Bundled Energy	**1989.22**		756.47	
Energy under SWAP Arrangements	**4.99**	**3441.53**	5.78	3006.74
Other operating income		**34.18**		36.22
Fly Ash and Cenosphere	**122.55**		108.86	
Less: Transfer to Fly Ash Utilization Fund	**122.55**	-	108.86	
Other income		**56.61**		32.36
Total		**3532.32**		3075.32

The Ministry of Environment and Forest, Government of India, through its notification dated November 3, 2009, directed that the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for development of infrastructure or facilities, promotion and facilitation activities for use of fly ash until 100 % fly ash utilization level is achieved; thereafter as long as 100% fly ash utilization levels are maintained, the thermal power station would be free to utilize the amount collected for other development programmes also and in case, there is a reduction in the fly ash utilization levels in the subsequent year(s), the use of financial return from fly ash shall get restricted to development of infrastructure or facilities and promotion or facilitation activities for fly ash utilization until 100% fly ash utilization level is again achieved and maintained.

The amount transferred during the current financial year to the fly ash utilization fund net of amounts utilized as per the above notification is of ₹74.29 Crore as compared to ₹88.27 Crore transferred during the previous financial year.

The Total operating expenses of the Company are as follows:-

(₹ in Crore)

	2013-14	2012-13
Purchase of energy	**3389.06**	2963.70
Rebate on energy sale	**28.97**	36.40
Employee benefits expense	**8.59**	7.98
Administration & other expenses	**14.31**	4.15
Total operating expenses	**3440.93**	3012.23

Due to notification by the Ministry of Environment and Forest, Government of India, the operating expenses of fly ash business during 2013-14 have been met out of the Fly Ash Utilization Fund, hence not included in operating expenses.

The total expenses including operating expenses of the Company are as follows:-

(₹ in Crore)

	2013-14	2012-13
Total operating expenses	**3440.93**	3012.23
Finance cost	**0.04**	-
Depreciation & amortization expense	**0.07**	0.05
Total expenses including operating expenses	**3441.04**	3012.28

The depreciation cost as compared to total expense is negligible since the fixed assets in the company are represented by furniture and fixtures, EDP machines etc. and the Gross Block was of the order of ₹0.92 Crore as on 31.3.2014.

(₹ in Crore)

	2013-14	2012-13
Profit/(Loss) before exceptional and extraordinary items & tax	**91.28**	63.04
Exceptional items	**-**	(115.82)
Profit /(Loss) before tax	**91.28**	(52.78)

During the financial year under review the Company does not have any Exceptional item as compared to recognition of loss, in the previous year, of ₹115.82 Crore under the head "Exceptional Items", as per the directions received from the Ministry of New and Renewable Energy (MNRE) and clarifications sought thereafter.

(₹ in Crore)

	2013-14	2012-13
Profit/(Loss) before tax	**91.28**	(52.78)
Tax expenses	**31.04**	(17.94)
Profit /(Loss) for the year	**60.24**	(34.84)

Dividend

During the financial year 2013-14, Directors have not recommended any dividend.

Reserves & Surplus

During the financial year 2013-14, a sum of ₹9 Crore have been added to General Reserve as compared to ₹19.69 Crore transferred in the previous year from Reserves & Surplus to Fly Ash Utilization Fund.

Current Assets

The current assets at the end of the financial year 2013-14 were ₹1194.19 Crore as compared to ₹935.60 Crore in financial year 2012-13 registering an increase of 27.64%.

(₹ in Crore)

	31.03.2014	31.03.2013
Inventories	**0.01**	0.01
Trade receivables	**268.28**	158.36
Cash and Bank balances	**637.60**	523.03
Short term loan and advances	**7.80**	2.92
Other current assets	**280.50**	251.28
Total Current Assets	**1194.19**	935.60

The increase was mainly on account of increase in trade receivables and cash and bank balance. During the financial year under review, trade receivables has increased to ₹268.28 Crore from ₹158.36 Crore. The major amount of receivables has now been recovered from various buyers and balance amount would be realized soon. The Cash and Bank Balance has increased to ₹637.60 Crore from ₹523.03 Crore due to increase in CLTDs/FD and the Other Current assets has increased to ₹280.50 Crore from ₹251.28 Crore mainly due to increase in unbilled revenue.

Current Liabilities

During the financial year 2013-14, Current Liabilities have increased to ₹710.89 Crore as compared to ₹603.94 Crore in the financial year 2012-13, mainly on account of increase in other current liabilities.

(₹ in Crore)

	31.03.2014	31.03.2013
Trade payables	**477.11**	438.38
Other current liabilities	**233.78**	165.56
Total Current Liabilities	**710.89**	603.94

Cash Flow Statement

(₹ in Crore)

	31.03.2014	31.03.2013
Opening cash and cash equivalents	523.03	339.55
Net cash from operating activities	82.67	186.92
Net cash from investing activities	31.90	19.80
Net cash flow from financing activities	-	(23.24)
Net change in cash and cash equivalents	114.57	183.48
Closing cash and cash equivalents	637.60	523.03

The closing cash and cash equivalent for the financial year ended March 31, 2014 has increased by 21.90% from ₹523.03 Crore in the previous year to ₹637.60 Crore in the current year.

Financial Indicators

The various performance indicators for the financial year 2013-14 as compared to financial year 2012-13 are as under:-

(₹ in Crore)

	Description	2013-14	2012-13
A	i) Capital employed	**186.28**	143.06
	ii) Net worth	**186.28**	143.06
B	i) Return on Capital Employed (PBT/CE)	**49%**	(37%)
	ii) Return on net worth (PAT/NW)	**32%**	(24%)
C	Dividend as % of Equity Capital	**-**	-
D	Earning per share in ₹ (EPS) before exceptional item	**30.12**	21.30
E	Earning per share in ₹ (EPS) after exceptional item	**30.12**	(17.42)

The capital employed as well as net worth has increased due to addition of profit earned during the current financial year and such increase has also resulted increase in Return on Capital Employed, Return on Net Worth and EPS of the Company.

Human Resources

As on 31st March 2014, there were 53 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious growth targets, the company has drawn professional manpower from NTPC who have rich experience in dealing in various technical, financial and commercial issues. Continual training and up-gradation of skills of employees is ensured through mandatory training every year.

Corporate Social Responsibility

Your company is presently collaborating and contributing through NTPC CSR, which is following global practice of addressing CSR issues in an integrated multi stake-holder approach covering environmental and social aspects. During the financial year 2013-14, a total expenditure of ₹10.33 crore was incurred towards Corporate Social Responsibility.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describes the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

(Dr. ARUP ROY CHOUDHURY)
CHAIRMAN
DIN: 00659908

Place: New Delhi
Date: July 23, 2014

NTPC VIDYUT VYAPAR NIGAM LIMITED
BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**200,000,000**	200,000,000
Reserves and surplus	3	**1,662,832,414**	1,230,591,152
		1,862,832,414	1,430,591,152
Fly Ash Utilization Fund	4	**3,262,301,631**	2,349,334,677
Non-current liabilities			
Deferred tax liability (net)	5	**463,641**	-
Other Long-term liabilities	6	**9,857,306**	9,906,036
		10,320,947	9,906,036
Current liabilities			
Trade payables	7	**4,771,151,370**	4,383,807,302
Other current liabilities	8	**2,337,765,785**	1,655,595,363
Short-term provisions	9	**-**	-
		7,108,917,155	6,039,402,665
TOTAL		**12,244,372,147**	9,829,234,530
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**4,375,144**	4,207,524
Intangible assets	10	**8,400**	14,700
Capital work in progress	11	**340,811**	-
Deferred tax assets (net)	5	**-**	179,268,996
Long-term loans and advances	12	**297,723,497**	289,761,188
		302,447,852	473,252,408
Current assets			
Inventories	13	**111,244**	134,246
Trade receivables	14	**2,682,838,753**	1,583,544,255
Cash and bank balances	15	**6,376,004,726**	5,230,290,672
Short-term loans and advances	16	**78,011,339**	29,205,705
Other current assets	17	**2,804,958,233**	2,512,807,244
		11,941,924,295	9,355,982,122
TOTAL		**12,244,372,147**	9,829,234,530

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.

For and on behalf of Board of Directors

(Nitin Mehra)	(N.K.Sharma)	(K. Biswal)	(Dr. Arup Roy Choudhury)
Company Secretary	Chief Executive Officer	Director	Chairman

This is the Balance Sheet referred to in our report of even date.

For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N

(C. Chuttani)
Partner
M.No.90723

Place : New Delhi
Dated : 17 June, 2014

NTPC VIDYUT VYAPAR NIGAM LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Note	31.03.2014	31.03.2013
Revenue from operations	18	**34,757,159,048**	30,429,610,119
Other income	19	**566,088,263**	323,571,108
Total Revenue		**35,323,247,311**	30,753,181,227
Expenses			
Purchase of energy	20	**33,890,629,901**	29,637,035,567
Rebate on energy sale		**289,745,050**	363,962,495
Cost of fly ash/ash products	21	**-**	-
Employee benefits expense	22	**85,920,961**	79,769,148
Finance costs	23	**437,750**	2,629
Depreciation and amortization expense	10	**696,270**	573,782
Administration & other expenses	24	**143,063,887**	41,469,043
Total expenses		**34,410,493,819**	30,122,812,664
Profit/(Loss) before exceptional and extraordinary items and tax		**912,753,492**	630,368,563
Exceptional items	25	**-**	(1,158,216,659)
Profit/(Loss) before extraordinary items and tax		**912,753,492**	(527,848,096)
Extraordinary Items		**-**	-
Profit/(Loss) before tax		**912,753,492**	(527,848,096)
Tax expense:			
Current tax		**191,289,024**	-
Deferred tax		**179,732,637**	(179,408,903)
MAT credit entitlement		**(60,628,217)**	-
Total Tax expense		**310,393,444**	(179,408,903)
Profit/(Loss) for the year		**602,360,048**	(348,439,193)
Significant Accounting Policies	1		
Earnings per equity share (Par value of ₹ 10/- each) before Exceptional items			
Basic		**30.12**	21.30
Diluted		**30.12**	21.30
Earnings per equity share (Par value of ₹ 10/- each) after Exceptional items			
Basic		**30.12**	(17.42)
Diluted		**30.12**	(17.42)

The accompanying notes form an integral part of these financial statements.

For and on behalf of Board of Directors

(Nitin Mehra)	(N.K.Sharma)	(K. Biswal)	(Dr. Arup Roy Choudhury)
Company Secretary	Chief Executive Officer	Director	Chairman

This is the Statement of Profit and Loss referred to in our report of even date

For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N

(C. Chuttani)
Partner
M.No.90723

Place : New Delhi
Dated : 17 June, 2014

NTPC VIDYUT VYAPAR NIGAM LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in ₹)

		31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax		**912,753,492**	(527,848,096)
Adjustment for:			
Depreciation	696,270		573,782
Interest Charges	437,750		2,629
Interest income	(408,628,689)		(303,520,421)
Profit on disposal of fixed asset	(405)		-
Loss on disposal of fixed asset	85,789		-
Increase in Fly Ash Utilization Fund	742,848,168		882,637,126
		335,438,883	579,693,116
Operating Profit before Working Capital Changes		**1,248,192,375**	51,845,020
Adjustment for:			
Trade and other receivables	(1,348,995,767)		(735,043,233)
Inventories	23,002		18,489
Trade payable and other liabilities	1,069,465,760		2,612,020,663
Loans and advances	10,134,793		251,262,295
		(269,372,212)	2,128,258,214
Cash generated from operations		**978,820,163**	2,180,103,234
Direct taxes paid		**(152,153,447)**	(310,853,283)
Net Cash from Operating Activities-A		**826,666,716**	1,869,249,951
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(1,329,665)		(2,352,927)
Disposal of fixed assets	45,880		28,776
Interest on Investments Received	367,866,759		240,176,092
Income Tax on Interest on Investments	(47,534,877)		(39,847,596)
Net Cash used in Investing Activities -B		**319,048,097**	198,004,345
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		-	(200,000,000)
Tax on dividend		-	(32,445,000)
Interest Paid		**(759)**	(2,629)
Net Cash flow from Financing Activities-C		**(759)**	(232,447,629)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		**1,145,714,054**	1,834,806,667
Cash and Cash equivalents (Opening balance) *		**5,230,290,672**	3,395,484,005
Cash and Cash equivalents (Closing balance)*		**6,376,004,726**	5,230,290,672

NOTES
1. Cash and Cash Equivalents consist of Cash in Hand & Balance with Banks.
2. Previous year figures have been regrouped/rearranged wherever necessary.

*Includes ₹ **25000/-** (Previous year ₹ 25000/-) deposited as security with Sales Tax Authority which is not available for use.

For and on behalf of Board of Directors

(Nitin Mehra)	(N.K.Sharma)	(K. Biswal)	(Dr. Arup Roy Choudhury)
Company Secretary	Chief Executive Officer	Director	Chairman

This is the cash flow statement referred to in our report of even date

For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N

(C. Chuttani)
Partner
M.No.90723

Place : New Delhi
Dated : 17 June, 2014

Notes to the financial statement for the year ended 31st March 2014

1. Significant accounting policies

A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) including accounting standards notified there under.

B. Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

C. Fly Ash Utilisation Fund

1. Sale of fly ash/ ash products are accounted for based on rates agreed with the customers. Amounts collected are kept under separate account head "Fly Ash Utilization Fund" in accordance with the gazette notification dated 3rd November' 2009 issued by Ministry of Environment and Forests (MoEF), Government of India.
2. Interest earned (net of Income Tax) on "Fly Ash Utilization Fund" is credited to the fund.
3. Expenses incurred by the company/ holding company in relation to utilisation of fly ash are charged to the "Fly Ash Utilization Fund".

D. Fixed Assets

1. Tangible Assets are carried at historical cost less accumulated depreciation.
2. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
3. Fixed Assets acquired out of fly ash utilization fund are directly charged to the fly ash utilization fund.

E. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate.

F. Inventories

1. Inventories are valued at the lower of, cost determined on weighted average basis, and net realizable value.
2. The diminution in value of obsolete / unserviceable items is ascertained on review and provided for.

G. Income recognition

1. Sale of energy is accounted for based on the rates agreed with the customers.
2. Interest earned on "Fly Ash utilization fund" is credited to other income.
3. The surcharge on late payment/overdue trade receivables for sale of energy and liquidated damages are recognized when no significant uncertainty as to measurability or collectability exists.

H. Expenditure

a) Depreciation /amortisation

1. Depreciation is charged on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets, depreciation on which is charged based on their estimated useful life as mentioned below:

a) Personal Computers and Laptops including peripherals	5 Years
b) Photocopiers and Fax Machines	5 Years
c) Air Conditioners, Water coolers and Refrigerators	12 Years

2. Depreciation on additions to/ deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.

3. Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.
4. Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

b) **Other expenditure**

1. Expenses on training & recruitment and research & development are charged to revenue in the year incurred.
2. Prepaid expenses and prior period expenses/income of items of ₹ 1,00,000/- and below are charged to natural heads of accounts.

I. Employee benefits

The contributions in respect of liabilities for employee benefits expense towards leave, provident fund, superannuation and all other benefits in respect of employees posted on secondment basis are accounted for as determined and apportioned by the holding company i.e. NTPC Limited at a fixed percentage as per the stated policy.

J. Operating lease

Assets acquired on lease where a significant portion of the risk and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.

K. Provision and contingent liabilities

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

L. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

M. Taxes on Income

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable / virtual certainty that the asset will be realized in future. Deferred taxes are reviewed at each reporting date.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2 SHARE CAPITAL

(Amount in ₹)

As at	31.03.2014	31.03.2013
Equity Share Capital		
Authorised		
2,00,00,000 shares of par value of ₹ 10/- each (Previous year 2,00,00,000 shares of par value of ₹ 10/- each)	**200,000,000**	200,000,000
Issued, subscribed and fully paid-up		
2,00,00,000 shares of par value of ₹ 10/- each (Previous year 2,00,00,000 shares of par value of ₹ 10/- each)	**200,000,000**	200,000,000

a) During the year, the company has not issued/bought back any equity shares.

b) The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of its shareholders subject to approval of the shareholders.

c) All shares are held by the Holding Company i.e. NTPC Limited and its nominees.

d) Details of shareholders holding more than 5% shares in the company:

Particulars	31.03.2014		31.03.2013	
	No. of shares	**%age holdings**	No. of shares	%age holdings
NTPC Limited and its nominees	**20,000,000**	**100**	20,000,000	100

3. RESERVES AND SURPLUS

(Amount in ₹)

As at	31.03.2014	31.03.2013
General Reserve		
As per last financial statements	**1,567,938,002**	1,764,883,956
Add/(Less) : Transfer from/ to Surplus in the Statement of Profit and Loss	**90,000,000**	(120,649,969)
(Less) : Transfer to Fly Ash Utilisation Fund (interest) (Note 4)	**-**	(76,295,985)
Closing balance	**1,657,938,002**	1,567,938,002
Surplus in the Statement of Profit and Loss		
As per last financial statements	**(337,346,850)**	11,092,343
Add : Profit/(Loss) after tax for the year from Statement of Profit & Loss	**602,360,048**	(348,439,193)
(Less)/ Add : Transfer to/from General Reserve	**(90,000,000)**	120,649,969
(Less) : Transfer to Fly Ash Utilisation Fund (interest) (Note 4)	**(170,118,786)**	(120,649,969)
Net surplus/(deficit)	**4,894,412**	(337,346,850)
Total	**1,662,832,414**	1,230,591,152

a) During the current year, interest of ₹ **17,01,18,786/-** (net of income tax) (previous year ₹19,69,45,954/- net of income tax) on Fly Ash Utilisation Fund has been transferred to the fund (Note 4).

4. FLY ASH UTILIZATION FUND

(Amount in ₹)

As at	31.03.2014	31.03.2013
As per last financial statements	**2,349,334,677**	1,269,751,597
Add: Transfer from sales (Note 18)	**1,225,513,224**	1,088,620,403
Transfer from reserve and surplus (Interest) (Note 3)	**170,118,786**	196,945,954
Less: Utilized during the year		
Capital expenditure (Note 10)	**4,915,087**	466,999
Cost of fly ash/ash products (Note 21)	**28,905,770**	23,438,456
Employee benefits expense (Note 22)	**57,327,339**	69,405,332
Administration & other expenses (Note 24)	**51,313,853**	55,950,600
Fly ash utilisation expenses incurred by holding company	**340,203,007**	56,721,890
	482,665,056	205,983,277
Total	**3,262,301,631**	2,349,334,677

a) The Company sells fly ash and cenosphere given free of cost by its holding company NTPC Limited. As per the gazette notification dated 3rd November'2009 issued by Ministry of Environment and Forests (MoEF), Government of India, the amounts collected from sale of fly ash and fly ash based products shall be kept in a separate account head and be utilized only for development of infrastructure or facilities, promotion and facilitation activities for use of fly ash until 100% fly ash utilization level is achieved. In compliance with the said notification, the company has created a fly ash utilization fund in its books of accounts to which the entire sale proceeds of fly ash and cenosphere for the year amounting to ₹ **1,22,55,13,224/-** (previous year ₹1,08,86,20,403/-) has been transferred.

b) Further, during current year, interest earned on the fund amounting to ₹ **17,01,18,786/-** (net of income tax) (previous year ₹ 19,69,45,954/-, net of income tax) has been transferred from "Reserve and surplus" (Note3).

c) (i) During the current year the holding company framed a policy guideline for utilisation of Ash Fund created from sale of fly ash/ fly ash products, in reference to the above notification dated 03.11.2009, including employee cost and other administrative expenditure incurred at its various coal based generating stations/ offices. These expenses mainly pertain to the development of infrastructure or facilities, promotion and facilitation activities so as to increase the utilisation of fly ash. Therefore, during the current year company has charged an amount of

₹ **48,26,65,056/-** (previous year ₹20,59,83,277/) to the fund as fly ash utilisation expenses, which includes ₹**34,02,03,007/-** (previous year ₹5,67,21,890/-) incurred by holding company.

(ii) Out of ₹ 34,02,03,007/-, the holding company incurred an expenditure towards employee and other related costs of ₹ 15,48,16,093 /- (previous year ₹ Nil).

(iii) The above amount incurred by holding company is netted by ₹ 87,38,760/- collected against sale proceeds at NTPC Farakka.

d) The indirect expenses incurred by the company amounting to ₹ 6,06,34,412/- on account of employee cost, administration and other expenses have been allocated in the ratio of gross margin on sale of power and fly ash & its products.

e) Considering the opinion of the tax consultant, there is a transfer of sale proceeds(income) by overriding effect because the sale proceeds do not belong to the company since it has to be used for specified purposes. The amounts collected shall be a liability being collected as a trustee and there will be no tax liability. Hence, no provision has been made for Income Tax on the net receipts arising on account of sale of fly ash and cenosphere.

5. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

As at	31.03.2014	31.03.2013
Deferred tax liability		
Difference of book depreciation and tax depreciation	463,641	277,721
Less: Deferred tax asset		
On account of carry forward losses for tax purposes	-	179,546,717
Total	**463,641**	(179,268,996)

a) The net change in deferred tax of ₹ **17,97,32,637/-** [Previous year (₹ 17,94,08,903/-)] has been charged to Statement of Profit and Loss.

b) Deferred tax asset and deferred tax liability have been offset as they relate to the same governing law.

6. OTHER LONG-TERM LIABILITIES

(Amount in ₹)

As at	31.03.2014	31.03.2013
Deposits from customers	9,857,306	9,906,036
Total	**9,857,306**	9,906,036

Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 30.

7. TRADE PAYABLES

(Amount in ₹)

As at	31.03.2014	31.03.2013
- Energy	4,687,911,818	4,363,829,303
- Open access charges(OAC)	74,431,233	14,652,495
- Other services	8,808,319	5,325,504
Total	**4,771,151,370**	4,383,807,302

Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 30.

8. OTHER CURRENT LIABILITIES

(Amount in ₹)

As at	31.03.2014	31.03.2013
Advances from customers and others	74,778,233	35,752,127
Payable for capital expenditure	340,811	106,850
Other payables		
-Tax deducted at source and other statutory dues	15,170,725	3,813,614
- Deposits from customers and others	39,045,369	21,876,854
- Payable to holding company	270,359,888	88,217,273
- Payable to employees	18,404,539	19,912,266
- Retention on A/c BG encashment (Solar)	1,618,161,629	1,378,038,503
- Payable to Solar Payment Security Account	183,598,578	-
- Others	117,906,013	107,877,876
Total	**2,337,765,785**	1,655,595,363

a) Other payables-Payable to holding company and payable to employees includes payable on account of Fly Ash Utilisation Fund.

b) Other payables-Retention on A/c BG encashment (solar)comprises of:

Particulars	As at 31.03.2013	For the year ended 31.03.2014	As at 31.03.2014
Amount received as liquidated damages on late commissioning of solar power plants	1,287,640,000	**186,649,003**	**1,474,289,003**
Add: Interest accrued on above (Note 19)	94,147,106	**62,748,914**	**156,896,020**
Less: Legal expenses	3,748,603	**9,274,791**	**13,023,394**
Net Balance- Retention on A/c BG encashment (Solar)	1,378,038,503	**240,123,126**	**1,618,161,629**

- The above treatment in "Retention on A/c BG encashment (Solar)" is made as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29.06.2012 and clarifications thereafter.
- During the year, company utilised ₹ **97,79,06,201/-** (previous year ₹ Nil) from "Retention on A/c BG encashment (Solar)" for non payment of dues by its customers under JNNSM scheme .
- Interest on refund, if any received from the income tax department on account of above shall be credited to "Retention on A/c BG encashment (Solar)".

c) Other payables-Payable to Solar Payment Security Account : During the current year , the company has withdrawn an amount of ₹ 18,35,98,578/- (net) on account of default by its customers from Solar Payment Security Account as per the directions received from the Ministry of New and Renewable Energy (MNRE).

d) Other payables- Others include the amount received on encashment of the Bank Guarantee of ₹ 9,50,65,000/- on 02.11.2011 invested in Fixed Deposit as per the directive from the Hon'ble High Court of Delhi till the matter is settled through Arbitration. Further, interest accrued thereon upto current year amounting to ₹ **2,28,41,013/-** (upto previous year ₹ 1,28,03,887/-) also stands credited in the said account.

e) Considering the directions received from MNRE and opinion of the tax consultant, there is a transfer of proceeds from BG encashment by overriding effect because the proceeds from BG encashment do not belong to the company since it has to be used for specified purposes and there will be no tax liability. Hence, no provision has been made for Income Tax on the proceeds from BG encashment.

9. SHORT-TERM PROVISIONS

(Amount in ₹)

As at	31.03.2014	31.03.2013
Provision for current tax		
Opening balance	-	88,004,813
Additions during the year	-	-
Less: Set off against taxes paid	-	88,004,813
Closing balance	-	-
Provision for proposed dividend		
Opening balance	-	200,000,000
Additions during the year	-	-
Amounts paid during the year	-	200,000,000
Closing balance	-	-
Provision for tax on proposed dividend		
Opening balance	-	32,445,000
Additions during the year	-	-
Amounts paid during the year	-	32,445,000
Closing balance	-	-
Total	-	-

10. FIXED ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As At 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. Tangible Assets										
Plant and machinery(including associated civil works)	1,195,000	-	-	**1,195,000**	208,129	56,762	-	**264,891**	**930,109**	986,871
Furniture and fixtures	951,445	56,502	-	**1,007,947**	229,379	58,181	-	**287,560**	**720,387**	722,066
Office equipment	1,238,967	33,600	11,900	**1,260,667**	879,836	90,405	11,305	**958,936**	**301,731**	359,131
EDP, WP machines and satcom equipment	4,642,326	898,752	160,275	**5,380,803**	2,610,936	479,343	29,606	**3,060,673**	**2,320,130**	2,031,390
Communication equipments	111,146	-	-	**111,146**	3,080	5,279	-	**8,359**	**102,787**	108,066
Total (A)	8,138,884	988,854	172,175	**8,955,563**	3,931,360	689,970	40,911	**4,580,419**	**4,375,144**	4,207,524
B. Assets created from fly ash utilization fund										
Plant & machinery	3,419,707	4,915,087	-	**8,334,794**	-	-	-	**-**	**8,334,794**	3,419,707
Furniture and fixtures	45,754	-	-	**45,754**	-	-	-	**-**	**45,754**	45,754
Office equipment	135,334	-	-	**135,334**	-	-	-	**-**	**135,334**	135,334
Roads,bridges,culverts	35,284,854	-	-	**35,284,854**	-	-	-	**-**	**35,284,854**	35,284,854
Temporary erection	2,044,208	-	-	**2,044,208**	-	-	-	**-**	**2,044,208**	2,044,208
Total	40,929,857	4,915,087	-	**45,844,944**	-	-	-	**-**	**45,844,944**	40,929,857
Less: Set off against Fly Ash Utilization Fund(Note 4)	40,929,857	4,915,087	-	**45,844,944**	-	-	-	**-**	**45,844,944**	40,929,857
Total (B)	-	-	-	**-**	-	-	-	**-**	**-**	-
Grand Total (A+B)	8,138,884	988,854	172,175	**8,955,563**	3,931,360	689,970	40,911	**4,580,419**	**4,375,144**	4,207,524
Previous year	6,290,639	2,334,027	485,782	**8,138,884**	3,818,784	574,069	461,493	**3,931,360**	**4,207,524**	2,471,855
C. Intangible Assets										
Software	255,491	-	-	**255,491**	240,791	6,300	-	**247,091**	**8,400**	14,700
Total (C)	255,491	-	-	**255,491**	240,791	6,300	-	**247,091**	**8,400**	14,700
Previous year	241,078	18,900	4,487	**255,491**	241,078	(287)	-	**240,791**	**14,700**	-

11. CAPITAL WORK-IN PROGRESS

(Amount in ₹)

Particulars	As At 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2014
EDP, WP machines and satcom equipment	-	340,811	-	-	**340,811**
Total	-	340,811	-	-	**340,811**
Previous year	-	-	-	-	**-**

12. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

As at	31.03.2014	31.03.2013
(Unsecured, considered good, unless otherwise stated)		
Deposits*	**2,550,000**	2,550,000
Advances		
Refund due from Income Tax Authority	**17,668,864**	3,671,044
Advance tax & tax deducted at source	**1,029,806,426**	996,464,891
Less:- Provision for taxation	**752,301,793**	712,924,747
	295,173,497	287,211,188
Total	**297,723,497**	289,761,188

*Deposit with Sales Tax Authority ₹ 50,000/- (previous year ₹ 50,000/-) and Indian Energy Exchange (IEX) ₹25,00,000/- (previous year ₹ 25,00,000/-).

13. INVENTORIES

(Amount in ₹)

As at	31.03.2014	31.03.2013
Stock-in-Trade-Cenosphere	**111,244**	134,246
Total	**111,244**	134,246

Stock-in-Trade-Cenosphere has been valued considering the significant accounting policy No. F.1 of Note 1 to these financial statements.

14. TRADE RECEIVABLES

(Amount in ₹)

As at	31.03.2014	31.03.2013
(Unsecured, Considered good, unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Energy	**1,105,877,827**	845,757,221
Open Access Charges(OAC)	**9,541,179**	973,261
	1,115,419,006	846,730,482
Others		
Energy	**1,406,038,094**	593,478,695
Open Access Charges(OAC)	**161,381,653**	143,335,078
Ash	**-**	-
	1,567,419,747	736,813,773
Total	**2,682,838,753**	1,583,544,255

Unbilled revenues of ₹ **2,63,51,64,327/-** (previous year ₹ 2,38,54,63,058/-) is stated in Note 17.

15. CASH & BANK BALANCES

(Amount in ₹)

As at	31.03.2014	31.03.2013
Cash & cash equivalents		
Balances with banks		
- Current Accounts	**571,637,044**	633,765,481
- Current Account-Fly Ash	**1,251,682**	619,825

15. CASH & BANK BALANCES

(Amount in ₹)

As at	31.03.2014	31.03.2013
Other bank balances		
Bank deposits with original maturity of more than three months but not more than twelve months	**5,803,091,000**	4,595,880,366
Others-Term deposit as security with Sales Tax Authorities, not available for use	**25,000**	25,000
Total	**6,376,004,726**	5,230,290,672

Cash & bank balances include fly ash utilization fund balance and retention on A/c of BG encashment (solar) .

16. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

As at	31.03.2014	31.03.2013
(Unsecured, considered good, unless otherwise stated)		
Advances		
MAT credit entitlement	**60,628,217**	-
Others*	**7,359,462**	3,364,305
Deposits	**10,023,660**	25,841,400
Total	**78,011,339**	29,205,705

* Others include advance to Arbitrators ₹ **39,09,454/-** (previous year ₹27,37,505/-) , OAC advance ₹ **28,88,208/-** (previous year ₹ 65,000/-) and advance to Indian Energy Exchange ₹ **5,61,800/-** (previous year ₹ 5,61,800/-).

17. OTHER CURRENT ASSETS

(Amount in ₹)

As at	31.03.2014	31.03.2013
(Unsecured, considered good, unless otherwise stated)		
Interest accrued on term deposits	**168,106,116**	127,344,186
Amounts recoverable	**1,687,790**	-
Unbilled revenues*	**2,635,164,327**	2,385,463,058
Total	**2,804,958,233**	2,512,807,244

* Unbilled revenues are for sales of energy for which the bills have been raised to customers subsequent to the reporting date.

18. REVENUE FROM OPERATIONS

(Amount in ₹)

For the year ended		31.03.2014	31.03.2013
Sales			
Bilateral energy	14,473,177,562		22,444,881,453
Solar & thermal bundled energy	19,892,228,969		7,564,750,557
Energy under swap arrangements	49,915,703		57,809,715
		34,415,322,234	30,067,441,725
Fly Ash	1,212,442,482		1,076,166,984
Cenosphere	13,070,742		12,453,419
		1,225,513,224	1,088,620,403
Less: Transferred to Fly Ash Utilization Fund (Note 4)		1,225,513,224	1,088,620,403
		-	-
		34,415,322,234	30,067,441,725
Other Operating Income			
Rebate on energy purchase		341,836,814	362,168,394
Total		34,757,159,048	30,429,610,119

a) Sale of bilateral energy and energy under SWAP arrangements in million units (Mus) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Sale of bilateral energy includes compensation received of ₹ **25,75,135/-** (previous year ₹2,11,79,344/-) due to lesser supply/drawl of power by the supplier /buyers and open access charges on energy trading borne by the company.

c) Sale of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

d) Sale of energy under Swap arrangements is billed by margin only to buyers.

19. OTHER INCOME

(Amount in ₹)

For the year ended		31.03.2014	31.03.2013
Interest from			
Banks	**471,377,603**		387,590,868
Less: transferred to retention on A/c BG encashment (Solar) (Note 8)	**62,748,914**		84,070,447
		408,628,689	303,520,421
Other non-operating income			
Earnest Money/Security Deposit forfeited		**-**	444,653
Surcharge/ other recoveries from Customers		**149,637,942**	5,904,116
Management fees		**7,743,238**	-
Profit from disposal of fixed assets		**405**	-
Miscellaneous Income #		**77,989**	13,701,918
Total		**566,088,263**	323,571,108

\# Miscellaneous income includes ₹ Nil (previous year ₹ 1,36,30,994/-) on a/c of sundry balance written back.

20. PURCHASE OF ENERGY

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
Purchase of energy		
Bilateral energy	**14,305,684,390**	22,183,565,757
Solar & thermal bundled energy	**19,584,945,511**	7,453,469,810
Total	**33,890,629,901**	29,637,035,567

a) Purchase of energy in million units (Mus) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Bilateral energy purchase includes compensation payment of ₹ **25,58,042/-** (previous year ₹2,10,87,434/-) due to lesser supply/drawl of power by the Company.

c) Purchase of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

21. COST OF FLY ASH/ASH PRODUCTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
Fly Ash-duty & taxes	**28,682,615**	23,097,658
Cenosphere -collection & packing charges	**223,155**	340,798
	28,905,770	23,438,456
Less: Transferred to Fly Ash Utilization Fund (Note 4)	**28,905,770**	23,438,456
Total	**-**	-

The Company sells fly ash and cenosphere given free of cost by its holding company NTPC Limited.

22. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
Salaries and wages	**115,251,361**	113,069,369
Contribution to provident and other funds	**20,987,717**	30,518,942
Staff welfare expenses	**7,009,222**	5,586,169
	143,248,300	149,174,480
Less: Transferred to Fly Ash Utilization Fund (Note 4)	**57,327,339**	69,405,332
Total	**85,920,961**	79,769,148

a) All the employees of the Company are on secondment basis from its Holding Company i.e. NTPC Limited.

b) Employee benefits expense includes fixed contribution amounting to ₹ **2,09,87,717/-** for the year (previous year ₹3,05,18,942/- which includes ₹ 1,34,00,970/- for earlier years) towards leave, superannuation and all other benefits in respect of employees posted on secondment basis from NTPC Limited.

c) The contributions in respect of liabilities for employee benefits expense towards leave, provident fund, superannuation and all other benefits in respect of employees posted on secondment basis are accounted for as determined and charged by the holding company at a fixed percentage as per the stated policy, considering the provisions of DPE Guidelines . The fixed contribution of employee benefits expenses are charged to the company by its holding company and thereafter there is no liability of the company. In view of the Management the fixed contribution plan is a defined contribution as per Accounting standard (AS-15) i.e. Employee benefits and as such the disclosure requirement of AS-15 are not attracted in the case of company. However, the holding company makes all the disclosures as per AS-15 in its financial statements. During the year, the holding company has sought the opinion of expert advisory committee of ICAI on the present practice adopted by the subsidiary i.e. company with regard to compliance of AS- 15 and the same is still awaited.

d) Employee benefits expense includes Managerial Remuneration paid/ payable to Chief Executive Officer ₹ **39,23,423/-** (previous year ₹ 31,60,492/-).

23. FINANCE COSTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
Interest on :		
Others*	**437,750**	2,629
Total	**437,750**	2,629

*Others include interest accrued on account of deferment of advance tax under the provisions of the Income Tax Act, 1961 during the previous year.

24. ADMINISTRATION & OTHER EXPENSES

(Amount in ₹)

For the year ended		31.03.2014	31.03.2013
Power charges		**556,673**	1,236,904
Rent		**38,124,678**	35,535,169
Repairs & maintenance			
Office	**3,409,684**		1,974,293
Others	**261,928**		5,222,714
		3,671,612	7,197,007
Insurance		**27,777**	17,374
Rates and taxes		**4,000,000**	6,823,146
Training & recruitment expenses		**115,818**	173,855
Communication expenses		**2,555,354**	2,191,005
Inland Travel		**8,754,300**	9,027,299
Foreign Travel		**807,747**	263,334
Tender expenses	**4,083,650**		2,764,841
Less: Receipt from sale of tenders	**1,010,000**		400,000
		3,073,650	2,364,841
Payment to auditors			
Audit fee to statutory auditors	**84,270**		112,360
Statutory Auditor-Other capacity	**33,708**		-
		117,978	112,360
Advertisement and publicity		**-**	165,520
Entertainment expenses		**827,733**	706,199
Brokerage & commission		**383,108**	384,015
Community development and welfare expenses		**1,033,222**	1,175,593
Ash utilisation & marketing expenses		**371,712**	-
Books and periodicals		**20,730**	10,645
Professional charges		**27,420,981**	24,546,371
Surcharge expenses		**96,324,167**	-
Legal expenses		**646,949**	97,914
EDP hire and other charges		**77,340**	288,238
Printing and stationery		**292,132**	653,458
Hiring of vehicles		**824,406**	600,569
Bank charges/LC Charges		**2,803,398**	1,685,025
Miscellaneous expenses		**1,460,486**	2,163,802
Loss on disposal/write-off of fixed assets		**85,789**	-

24. ADMINISTRATION & OTHER EXPENSES

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
	194,377,740	97,419,643
Less: Transferred to Fly Ash Utilization Fund (Note 4)	**51,313,853**	55,950,600
Total	**143,063,887**	41,469,043

25. EXCEPTIONAL ITEMS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
Bank guarantee encashment-solar	**-**	(1,148,140,000)
Interest on bank guarantee encashment-solar	**-**	(10,076,659)
Total	**-**	(1,158,216,659)

* During the previous year ₹ 7,65,65,000/- (gross) (received in financial year 2010-11) and ₹1,07,15,75,000/-(gross) (received in financial year 2011-12) by way of BG encashment in accordance with the guidlines issued by the Government of India under Jawahar Lal Nehru National Solar Mission (JNNSM) scheme i.e. migration and phase I- Batch I & II along with the interest accrued amounting to ₹1,00,76,659/- (gross) upto 31.03.2012 on the amount invested out of BG encashment (solar) and taken as income in the earlier years under other income/exceptional items by NVVN was reversed and kept as "Retention on A/c BG encashment (solar)" as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29.06.2012 and clarifications thereafter.

26 In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

27 Disclosure regarding leases:

The Company's significant leasing arrangement are in respect of operating leases of the premises for residential use of the employees amounting to ₹ **89,01,690/-** (Previous year ₹ 1,03,58,826/-) and are included in Note 22-"Employees Benefits Expense". Similarly, lease payments in respect of premises for offices amounting to ₹ **3,81,10,072/-** (Previous year ₹3,55,35,169/-) are shown in Rent in Note 24-"Administration and Other Expenses". The significant leasing arrangements for such leases are entered into by the Company and its Holding Company i.e. NTPC Limited and these leasing arrangements are usually renewable on mutually agreed terms but are not non-cancelable.

28 Estimated amount of contract remaining to be executed on capital account and not provided for as at 31st March 2014 is ₹ **Nil** (previous year ₹ 3,57,611).

29 Disclosure as per Accounting Standard - 20 on 'Earnings Per Share' :

The elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

		Current year	Previous year
i)	Net profit/(loss) after Tax before exceptional items used as numerator(₹)	**602,360,048**	425,970,673
	Weighted average number of equity shares used as denominator	**20000000**	20000000
	Earning per share (Basic & Diluted)-(₹)	**30.12**	21.30
	Face Value per share-(₹)	**10.00**	10.00
ii)	Net profit/(loss) after Tax used as numerator(₹)	**602,360,048**	(348,439,193)
	Weighted average number of equity shares used as denominator	**20000000**	20000000
	Earning per share (Basic & Diluted)-(₹)	**30.12**	(17.42)
	Face Value per share-(₹)	**10.00**	10.00

30 Disclosure in respect of Micro, Small and Medium Enterprises as at 31st March 2014 as required by Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 'Nil' (previous period ₹ 'Nil').

31 There are no external/internal indicators which leads to any impairment of assets of the company as required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006.

32 Contingent Liabilities:

a) Liability, if any, on account of late payment to suppliers is unascertainable.

b) Others:

- Various solar power developers challenged the encashment/ forfeiture of EMD/Bid bond under provisions of PPA before arbitrator/High Courts. The contingent liability of ₹ 97,65,00,510/- and interest claim of ₹ **23,48,98,770/-** thereon (previous year contingent liability ₹80,30,43,860/- and interest of ₹9,44,30,478/-) has been estimated. Any possible liability crystalised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 8).
- One party has challenged the invocation of BG of ₹ 1,00,00,000/- on the ground of non conclusion of contract with the company for Ash Business. Interest on above has been estimated till currrent year ₹45,51,781/- (till previous year ₹ 27,51,781/-).
- The claim for default in power supply has been settled in favour of the company. The contingent liability of ₹ **'Nil'** (Previous year ₹ 23,30,55,860/-) .
- 380 Mus (previous year 454 Mus) energy supplied by the seller under SWAP arrangements are yet to be returned back by the buyers- Amount uncertainable.

33 Quantitative information: (As certified by the Management)

		Current year	Previous year
a)	Trading of energy (MUs)		
	Bilateral energy	**3635**	5272
	Solar & thermal bundled energy	**4390**	1590
	Energy under swap arrangements	**1297**	1520
b)	Trading of Fly Ash / Cenosphere (MTs)		
	Fly Ash	**4653424**	4198471
	Cenosphere	**225**	240

			Current year	Previous year
34	a)	Expenditure in foreign currency (₹):		
		i) Travelling Expenses	**490,073**	150,926
		ii) Others	**272,650**	-
	b)	Earning in foreign currency (₹)		
		Trading of Power	**2,118,538,172**	-

35 Segment information :

The Company's principal businesses are trading of energy and trading of fly ash/ ash products. The amount collected from sale of fly ash/ash products are dealt with as per significant accounting policy No.C.1. of Note 1. As such there is no reportable segment as at 31.03.2014.

36 The company's management is of the opinion that its domestic transactions with related parties are at arms length and will not have any impact on financial statements for the year ended 31.03.2014.

37 Figures in the Financial Statements have been rounded off to nearest rupee.

38 Previous year figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of Board of Directors

(Nitin Mehra)	(N.K.Sharma)	(K. Biswal)	(Dr. Arup Roy Choudhury)
Company Secretary	Chief Executive Officer	Director	Chairman

These are the notes refered to in Balance Sheet and Statement of Profit and Loss

For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N

(C. Chuttani)
Partner
M.No.90723

Place : New Delhi
Dated : 17 June, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of NTPC VIDYUT VYAPAR NIGAM LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NTPC VIDYUT VYAPAR NIGAM LIMITED ("the Company"),** which comprise the Balance sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. The company contends that, since the Fly Ash Utilization Fund does not belong to the company, the interest income earned on Fly Ash Utilization Fund being an accretion to the said fund also belongs to the fund.

   The company, however, has accounted for interest income on Fly Ash Utilization Fund as its income under other Income in the Statement of Profit & Loss. The company thereafter transferred the said interest income (net of tax) to the Fly Ash Utilization Fund through appropriation out of the surplus in the Statement of Profit and Loss. [Refer Note No. 3 (a) & 4(b)].

   In our opinion the interest income on Fly Ash Utilization Fund ab-initio does not belong to the company and accounting for such income in the Statement of Profit & Loss has resulted in profit after tax for the year being overstated to the extent of ₹ 17,01,18,786 being interest earned on Fly Ash Utilization Fund (net of tax) with consequent effect on Provision for taxation overstated by ₹ 5,40,18,706 , MAT credit entitlement understated by ₹ 3,35,79,196 , Fly Ash Utilization Fund understated by ₹ 8,75,97,902 & Tax deducted at source overstated by ₹ 2,57,71,669.

2. In our opinion since the Fly Ash Utilization Fund has been created vide notification dated 3rd November, 2009 by the Ministry of Environment & Forests (MoEF)-Govt. of India and NVVN is only administering the fund it is incumbent that the policy guidelines as framed by NTPC/NVVN dated 25th March 2014 be approved/confirmed by the said Ministry.[Refer Note 4(c)]

3. The amount collected from the sale of fly ash/ fly ash products and amount realized from encashment of bank guarantees are not considered as income of the company and amount is held by the NVVN in the Fly Ash Utilization Fund/Retention on Account BG Encashment (Solar) and as such no provision for taxation has been made on said fund/retention account. We have however, not been produced any general or specific exemption on the taxability of these fund/retention account and impact it may have, on NVVN on the balances shown under the respective heads in the accounts. [Refer Note 4 (e) & 8 (e)].

4. The Gross interest accrued on Retention on Account BG encashment (solar) is credited to the said account, however the company has considered the Tax deducted at source on such interest as TDS of the company, thereby overstating the tax deducted at source to the extent of ₹ 62,74,891 [Refer Note No. 8 (b)]

   The net impact of para 1 to 4 above has resulted in profit after tax for the year overstated by ₹ 17,01,18,786, Long term loans & advances understated by ₹ 5,40,18,706 , Short term loans & advances understated by ₹ 3,35,79,196 and Fly Ash Utilization Fund understated by ₹ 8,75,97,902.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

1. The company has appropriated from Fly Ash Utilization Fund, inter-alia, expenses incurred by the holding company i.e. NTPC of ₹ 34,89,41,767 (including employee cost for the year of ₹ 15,48,16,093 which were not being charged in the earlier years) which are stated to have been made on the basis of policy guidelines as framed by NTPC/NVVN dated 25th March 2014 in reference to the notification dated 03-11-2009 issued by Ministry of Environment & Forests, Govt. of India. In this regard we have relied upon a certificate issued by one of the Statutory Auditors of the holding company i.e NTPC, confirming that the above expenditures has been incurred by NTPC for Fly Ash Utilization activities in terms of the above said notification dated 03-11-2009.[Refer Note No. 4(c)]

2. Note 22 (c,) in regard to Accounting Standards (AS)-15 “Employees Benefits”, the company during the year has made fixed contributions as determined and charged by the holding company amounting to ₹ 2,09,87,717 in respect of liabilities for employee benefits expenses in regard to employees posted on secondment basis as per the company’s policy. In view of the Management the same is in the nature of defined contribution plan as per Accounting Standard-15 and as such there is no further disclosure requirement as per AS-15.

   However holding company i.e NTPC has referred the matter to the Expert Advisory Committee of the Institute of Chartered Accountants of India for its opinion/ clarification on the present practice adopted by its subsidiaries i.e. company with regard to compliance of AS-15, however the reply from the Expert Advisory Committee of ICAI is still awaited.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure (A) a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013;

   (e) being a Government Company, pursuant to the Notification No. GSR 829 (E) dated 21.10.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Company;

   (f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Aiyar & Co.
Chartered Accountants
Firm’s Reg. No. 001174N

(C.Chuttani)
Partner
M.No. 90723

Place : New Delhi
Date : 17th June 2014

ANNEXURE (A) TO THE INDEPENDENT AUDITOR’S REPORT

Statement referred to in our report of even date to the members of **NTPC VIDYUT VYAPAR NIGAM LIMITED** on the financial statements for the year ended 31st March 2014.

We report that:

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) Substantial part of fixed assets has not been disposed off during the year.

(ii) (a) As explained to us inventories have been physically verified by the management at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventories.

(iii) (a) The company has not granted any loans secured or unsecured to any company, firm or other party listed in the register maintained under section 301 of the Companies Act, 1956.

In view of clause (iii) (a) above, the clause (iii) (b), (iii) (c) and (iii) (d) are not applicable.

(e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of the clause (iii) (e) above, the clause (iii) (f) and (iii) (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and also for sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control systems except the delay in accounting of the expenditures incurred and transferred by the holding company relating to the Fly Ash Utilization Fund.

(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956.

(b) In view of clause (v) (a) above, the clause (v) (b) is not applicable.

(vi) The company has not accepted deposits from the public.

(vii) In our opinion, the company has an Internal Audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed maintenance of cost accounts and records under section 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The employees of the company i.e. NVVN are on secondment basis from its holding company i.e. NTPC Ltd. As explained to us, the holding company is regular in depositing statutory dues including dues like Provident Fund with appropriate authorities. Moreover, Income Tax and Sales Tax are being deposited by the company. According to the information and explanations given to us, there are no undisputed Provident Fund, Income Tax, Sales Tax, etc. in arrear as at 31.03.2014 for a period of more than six month from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax and other applicable statutory dues which have not been deposited on account of any dispute.

(x) The company has no accumulated losses as at 31st March 2014 and it has not incurred cash loss during the financial year covered by our audit, however has incurred cash loss in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not taken any loan from the financial institutions, banks or raised money against debentures. Accordingly, the para (xi) of order is not applicable to the company.

(xii) According to the information and explanations given to us, company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a Nidhi / Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (xiii) (a), (b), (c) & (d) of the order are not applicable to the company.

(xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the order is not applicable to the company.

(xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) The company has not taken term loan during the year and as such provision of para (xvi) of the order is not applicable to the company.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

(xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares during the year.

(xix) According to the information and explanations given to us, the company has not issued debentures during the year, therefore the provision of para (xix) of the order is not applicable to the company.

(xx) According to the information and explanations given to us, the company has not raised any money by public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Aiyar & Co.
Chartered Accountants
Firm's Reg. No. 001174N

(C.Chuttani)
Partner
M.No. 90723

Place : New Delhi
Date : 17th June 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC VIDYUT VYAPAR NIGAM LIMITED, NEW DELHI FOR THE YEAR ENDED, 31 MARCH, 2014

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited, New Delhi, for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17 June 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of NTPC Vidyut Vyapar Nigam Limited, New Delhi, for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Tanuja S. Mittal)
Principal Director of Commercial Audit & Ex-officio
Member Audit Board-III,
New Delhi

Place : New Delhi
Dated : 22 July, 2014

KANTI BIJLEE UTPADAN NIGAM LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Eighth Annual Report on the working of the Company together with Audited Accounts and Auditors' Report thereon for year ended on 31st March 2014.

PERFORMANCE OF THE COMPANY

Pursuant to Memorandum of Agreement dated 26.12.2005 between NTPC, Government of Bihar and Bihar State Electricity Board for reviving and operating Stage-I (2X110 MW), your Company is doing renovation and modernization (R&M) of existing units of Muzaffarpur Thermal Power Plant (MTPP). The work of R&M of main plant has been awarded to Bharat Heavy Electricals Limited (BHEL) and of the balance of plant is being done by the Company itself.

The R&M of Unit#1 of Stage-I has been completed and the unit has been synchronized on 5th July 2013. Unit # 1 is under commercial operation since 01.11.2013. The R&M of Unit#2 of Stage-I is in progress and is expected to be completed by Aug 2014.

Your Company is implementing expansion of MTPP by adding 2X195 MW units in the available land. Out of 31 packages, 28 packages have been awarded excluding one annulled package and balance two packages are at different stages of award.

MOU targets of Boiler hydro test of Unit # 4 & TG erection start of Unit # 4 have been achieved in Aug'13 & Sep'13 respectively in excellent category.

Major highlights during the year were:

1) Casting have been completed for PA # 3B & FD # 3B Fan decks, TG deck of Unit # 4, PA # 4B & FD # 4B Fan decks, ID # 4A Fan deck, Feeder floor of Unit # 3, All fan deck slab of CT # 3.
2) Erection have been completed for Unit # 3 Condenser tube support plate, Condenser - Front lower dome wall, condenser tubing, Condenser tube expansion, HPH 5, HPT Module of Unit # 3, FD Fan of Unit # 3A, FST & Deaerator of Unit # 3
3) Mill - A & B Gear Box of Unit # 3 is placed in position.
4) All SG & TG ECW Pump & Motor & SG PHE Unit # 3 erected.
5) TG bearing pedestal alignment of Unit # 3 completed.
6) Joints non drainable of Boiler # 3 & 4 completed.
7) Pedestal Grouting of TG # 3 completed.
8) Generator Stator of Unit # 3 lifted.
9) LP Girder placement of Unit # 3 completed.
10) Flue can erection of Unit # 4 completed.
11) Erection has been started for ID 3B Fan & LT SWGR Panel of Unit # 3, PA # 3B Fan.

To take care of environmental norms, your Company has awarded to carry out quality checks of ambient air, drinking water, effluent water and stack monitoring. Ambient Air Quality Monitoring, analysis of drinking water and effluent water was done on monthly basis at plant and township area to keep check on emission of pollutants in the air and to maintain the quality of the air and water around the project. Stack monitoring of Unit # 1 is being done regularly w.e.f. Aug'13.

Out of total 1,28,773 MT ash generated from Unit#1 during the period under review, 14,143 m³ ash has been utilised for civil construction activities.

Your Company organized environmental awareness program amongst employees and people in and around plant. World Environment Day was celebrated on 05.06.2013. On this day, seeds were planted; employees and other people took environment walk, took oath for polythene free environment and distributed eco-friendly carry bags to avoid use of polythene bags.

The Board of your Company has approved the proposal for rehabilitation and resettlement plan for Stage-II for ₹ 20.03 crore which, inter-alia, includes R&R plan, community development activities and infrastructure development activities.

Your Company distributed blankets to 300 persons below poverty line and so called Mahadalit families in Kanti Block and 300 number of sarees were distributed to Chhat Vrati women below poverty line.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2014 are as under:-

Balance Sheet Items as at	31.03.2014	31.03.2013
Paid-up Share Capital	7,276,942,050	5,49,46,34,360
Reserves and Surplus	3,485,323,618	3,64,89,18,572
Share Capital Deposit Pending Allotment	714,620,938	88,61,43,347
Non-current liabilities	16,393,848,768	12,00,93,73,109
Current liabilities	3,247,004,653	2,39,68,28,220
Non-current assets	30,009,414,562	23,64,21,85,583
Current assets	1,108,325,465	79,37,12,025

Items from Statement of Profit and Loss for the year ended	31.03.2014	31.03.2013
Total Revenue	1,621,508,496	9,92,85,679
Total Expenses	1,628,119,792	24,07,44,185
Profit/ (Loss) before Tax	(6,611,296)	(14,14,58,506)
Total Tax Expenses	(1,199,206)	(1,24,10,916)
Profit/ (Loss) for the year	(5,412,090)	(12,90,47,590)

Information under Schedule VI & applicable Accounting Standards:

The information as per schedule VI & applicable Accounting Standards is as under:

a) Contingent liability related to a contract works out to ₹ 1,50,53,693.
b) Restructuring of St-II loan is in process due to shifting of COD of Unit#3 & Unit#4. After proposed re-structuring, amount of loan of ₹ 73,04,69,826 would become non-current.

The financial statements of the Company have been discussed in the Management Discussion & Analysis section which is at Annex-1 to this Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Energy audit was done during November 2013 at MTPP for further reduction in Auxiliary power consumption. CFLs have been installed in townships, office and plant for conserving energy. After the R&M of both the units (2X110 MW) is completed, consumption of auxiliary power and fossil fuel would be reduced.

During the period under review, there was no earning in the foreign exchange. The outgo in foreign exchange was INR 1,53,498 (USD 1775 and AED 2010).

AUDIT COMMITTEE

As on 31.03.2014, the Audit Committee of the Board of Directors comprised S/ Shri U. P. Pani, Sandeep Poundrik, S. Roy, G. K. Sadhu and J. Srivastav, Directors as members of the Committee. However, due to change in Directors, the Board reconstituted the Audit Committee on 09.07.2014 and presently, the Audit Committee comprises Shri U.P. Pani, Shri P. Amrit, Shri S. Roy, Shri J. Srivastava and Ms. S. Bhatia, Directors as members of the Committee.

Two meetings of the Audit Committee were held during the year on 30.04.2013 and 23.07.2013.

AUDITORS' REPORT

The Comptroller & Auditor General of India through letter dated 13.08.2013 had appointed M/s B.B. Mathur & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2013-14. The Statutory Auditors has submitted their report on the financial statements and there is no adverse comment or remark in their report.

COMPTROLLER & AUDITOR GENERAL OF INDIA REVIEW

The Comptroller & Auditor General of India, through letter dated 02.07.2014, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31st March 2014 under section 619(4) of the Companies Act,1956. As advised by the Office of the Comptroller & Auditor General of India (C&AG), the contents of letter dated 02.07.2014 of C&AG for the year 2013-14 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

COST AUDITORS

As per the requirements of the Cost Accounting Records (Electricity Industry) Rules, 2001, the Board, in its meeting held on 30.04.2013, had appointed M/s V.P. Gupta, Cost Accountants, NOIDA as the Cost Auditor of the Company for the financial year 2013-14.

The Board, in its Meeting held on 09.07.2014, had appointed M/s V.P. Gupta, Cost Accountants as the Cost Auditor of the Company for the financial year 2013-14.

The due date for filing consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2013 was September 27, 2013 and the Cost Audit Report for your Company was filed with the Central Government on 27.09.2013. The due date for filing consolidated Cost Audit Report for the financial year ended March 31, 2014 is September 27, 2014 and the consolidated Cost Audit Report as prescribed for the financial year 2013-14 shall be filed within the prescribed time period.

PARTICULARS OF EMPLOYEES

As per provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, every company is required to provide particular of employees whose remuneration is more than ₹ 60 lac per financial year, if employed for whole of the year or more than ₹ 5 lac per month, if employed for part of the year in the Directors' Report.

However, as per notification dated 31.03.2011 issued by Ministry of Corporate Affairs, amending aforesaid provisions of the Companies (Particulars of Employees) Rules, 1975 has exempted Government companies for not including such particular in the Directors' Report. As your Company is a Government Company, such particulars have not been included as part of Director's Report.

Further, any member desirous of obtaining such particulars may write to the Company. Also, such particulars shall be made available to the shareholder(s) on a specific request made by them during Annual General Meeting scheduled for 09.07.2014.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2013-14 and of the loss of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the Annual Accounts on a going concern basis.

BOARD OF DIRECTORS

Shri A.K. Singhal tendered his resignation consequent upon his appointment as Member, Central Electricity Regulatory Commission and ceased to be the Director of the Company with effect from 09.10.2013. In his place, Shri G.K. Sadhu, Executive Director, NTPC was nominated to be the Director of the Company and the Board appointed him as the Director of the Company w.e.f. 29.11.2013.

Dr. Arup Roy Choudhury ceased to be the Chairman of the Company w.e.f. 06.12.2013. In his place, NTPC nominated Shri N. N. Misra, Director as the Chairman of the Company. The Board appointed him as the Chairman of the Company w.e.f. 23.12.2013.

Shri U.P. Pani, Director (Human Resources), NTPC was nominated by NTPC as the Director of the Company. The Board appointed him as the Director w.e.f. 23.12.2013.

Shri Anand Kishor ceased to be the Director of the Company w.e.f. 27.01.2014 and in his place BSPGCL nominated Shri J. Srivastava, Managing Director, BSPGCL as the Director of the Company. The Board appointed him as the Director w.e.f. 19.03.2014.

Shri N.N. Misra ceased to be the Chairman of the Company w.e.f. 21.03.2014 consequent upon withdrawal of his nomination by NTPC. In his place, NTPC again nominated Dr. Arup Roy Choudhury, CMD, NTPC as the Chairman of the Company. The Board appointed him as the Chairman of the Company w.e.f. 28.04.2014.

Shri G.K. Sadhu ceased to be the Director of the Company w.e.f. 29.04.2014 consequent upon withdrawal of his nomination by NTPC. In compliance of the Proviso to Section 149 (1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, NTPC had nominated Ms. S. Bhatia, General Manager, NTPC as the Director of the Company. The Board appointed her as the Director of the Company w.e.f. 09.07.2014.

Shri Sandeep Poundrik ceased to be the Director of the Company w.e.f. 07.06.2014 consequent upon withdrawal of his nomination by BSPGCL. In his place, BSPGCL had nominated Shri P. Amrit, CMD, BSPHCL as the Director of the Company. The Board appointed him as the Director of the Company w.e.f. 09.07.2014.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri A.K. Singhal, Shri N.N. Misra, Shri Sandeep Poundrik, Shri Anand Kishor and Shri G.K. Sadhu during their association with the Company.

As per the provisions of the Companies Act, 2013, Shri S. Roy, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ACKNOWLEDGEMENT

Your Directors acknowledge, with deep sense of appreciation, the co-operation extended by Ministry of Power/ Government of India, Government of Bihar, Bihar State Power Generation Company Limited (erstwhile Bihar State Electricity Board), Planning Commission, Central Electricity Regulatory Commission, Ministry of Environment and Forests and Airports Authority of India.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Auditors, Bankers, Contractors, Vendors and Consultants of the Company.

We wish to place on record our appreciation for the untiring efforts and contributions by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 9th July 2014

(Dr. Arup Roy Choudhury)
Chairman

Annex-1 to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SECTOR AND DEVELOPMENTS

Sustained growth of the power sector is critical for enabling the high economic growth targets of India. Government's focus on attaining "Power for All" has accelerated capacity addition in the country.

India ranks among the top 5 countries in terms of electricity generation and is the number 3 electricity generator amongst the BRICS countries next only to China. (Source : CEA) India lags China in generation by almost 5 times inspite of the fact that population size of the two countries is similar.

India has lowest per capita electricity consumption amongst the BRICS nations. The all India per capita consumption of electricity in financial year 2012-13 was 917.18 KWh (provisional). The low per capita electricity consumption suggests a large latent demand in the country.

As per a recent World Bank report India has emerged as the third largest economy ahead of Japan, based on purchasing power. To sustain and achieve higher growth the power sector has to grow in tandem. Hence, the long term outlook for power demand remains strong.

GENERATION

Review of Installed Capacity & Capacity Addition during financial year 2013-14

The total installed capacity in the country as on March 31, 2014 was 243,028.95 MW with State Sector having a share of 38%, followed by Private Sector with 34% share and balance 28% contributed by Central Sector entities.

Sector	Total Capacity (MW)	% share
State	92,187.70	38.00
Private	82,715.30	34.00
Central	68,125.95	28.00
Total*	**2,43,028.95**	**100.00**

(*Source: CEA)

Almost 43% (38,447.81 MW) of the XII Plan target of 88,537 MW (excluding RES) has been achieved in two years.

Existing Generation

The total power generation in the country during financial year 2013-14 was 967.15 BU as compared to 912.06 BU during last year, registering a growth of 6%.

Sector wise and fuel wise break-up of generation in BU for the financial year 2013-14 and financial year 2012-13 is detailed as under:

Sector	FY 2013-14	FY 2012-13	Y-o-Y % Change	Fuel	FY 2013-14	FY 2012-13	% of Fuel Mix w.r.t. the total generation
Central	384.91	375.97	**2.38**	**Thermal**	792.48	760.68	82%
State	350.40	347.15	**0.94**	**Hydro**	134.85	113.72	14%
Private	226.24	184.14	**22.87**	**Nuclear**	34.23	32.87	3%
Bhutan Import	5.60	4.80	**16.74**	**Bhutan Import**	5.60	4.79	1%
Total	**967.15**	**912.06**	**6.04**	**Total**	**967.15**	**912.06**	

(Source: CEA)

The fuel mix in financial year 2013-14 has remained almost same as in the previous financial year.

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). Though, the overall generation in the country has increased due to higher capacity, the Plant Load Factor of coal and lignite stations (PLF) has dwindled and fallen below the levels it was a decade back. It was 65.55% in the financial year 2013-14 as compared to 70.13% during the financial year 2012-13.

Demand, Supply and Consumption Position

Demand, supply and consumption trends will be key in defining the future of Indian power sector. Of late power sector has been facing a reduction in demand. The energy and peak deficit, which was more than 11% in financial year 2008-09, has dropped to 4.2% and 4.5% respectively in financial year 2013-14 (provisional).

The fall in power demand could be a short term issue mainly arising from the industrial slowdown, lack of power procurement by utilities and seasonal fluctuations.

The power supply position in the country during 2010-11 to 2013-14:

Year	Energy				Peak			
	Require-ment	Availa-bility	Surplus/ Deficits (-)		Peak Demand	Peak Met	Surplus/ Deficits (-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2010-11	8,61,591	7,88,355	(73,236)	(8.5)	1,22,287	1,10,256	(12,031)	(9.8)
2011-12	9,37,199	8,57,886	(79,313)	(8.5)	1,30,006	1,16,191	(13,815)	(10.6)
2012-13	9,95,500	9,08,574	(86,926)	(8.7)	1,35,453	1,23,294	(12,159)	(9.0)
2013-14	10,02,257	9,59,829	(42,428)	(4.2)	1,35,918	1,29,815	(6,103)	(4.5)

The power supply position in Eastern Region and Bihar during 2013-14 and anticipated power supply position in Eastern Region and Bihar during 2014-15 is as under:

Particulars	Year 2013-14			Year 2014-15 (Anticipated)		
	Req (MU)	Avail (MU)	Surplus/ (Deficit)	Req (MU)	Avail (MU)	Surplus/ (Deficit)
Energy Requirement						
Eastern Region	1,08,203	1,06,783	(1,420 MUs) (1.3%)	1,18,663	1,14,677	(3,986 MUs) (3.4%)
Bihar	15,391	14,759	(632 MUs) (4.1%)	15,917	13,477	(2,440 MUs) (15.3%)
Peak Requirement						
Eastern Region	15,888	15,598	(290 MUs) (1.8%)	17,068	17,782	174 MUs 1.0%
Bihar	2,465	2,312	(153 MUs) (6.2%)	2,750	2,038	(712 MUs) (25.9%)

From the above, it is evident that there have been energy and peak shortages in the Eastern Region as well as in Bihar during the year 2013-14. In the year 2014-15, though sufficient energy is available in the Eastern Region, energy and peak shortages still remains in Bihar.

SWOT ANALYSIS

Strength/ Opportunity

In the scenario of high demand versus low supply of power, implementing the Company's project is justified. It has full support of NTPC, the promoter and major stake holder. The holding Company, i.e. NTPC Limited is providing engineering and management expertise from planning to commission and operating power plant.

The other promoter i.e. Bihar State Power Generation Company Limited (erstwhile Bihar State Electricity Board) is also the beneficiary of the Company.

R&M of Unit#1 of Stage-I (1X110MW) was completed and the Unit has been declared commercial on 01.11.2013. R&M of Unit#2 of Stage-I (1X110MW) is being done by Bharat Heavy Electricals Limited. Almost all the packages have been awarded for Stage- II (2x 195 MW). Your Company has tied up 16.04 MT/ year of coal with Central Coalfields Limited for Stage- II.

Weakness/ Threats:

The beneficiary i.e. South Bihar Transmission Co. Ltd. has overdue payment towards energy bills raised by the Company and thus the working capital is required to be channelized from other sources. The area in which the plant is located experiences heavy rainfall and floods.

RISKS AND CONCERN

The risks to which company is exposed and the initiatives taken by the company to mitigate such risks are given below:

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake or cyclone, floods etc.

Risk associated with protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the govt. authorities and company is formulating its own guidelines in this regard. Risk arising out of accidents, fire etc is protected through insurance policies and limited through contractual agreements wherever possible.

Financial Risks includes tie-up of term loan for construction of ash dyke and AWRS for Stage-I.

The Company is in the process of tying up with Banks/Financial Institutions.

Rising prices of Coal & oil and its subsequent impact on cost of energy sales needs to be addressed.

As the COD of Unit# 3 and Unit# 4 has been delayed, the lenders (i.e. the consortium led by State Bank of India) has stopped the drawal of loan by KBUNL and now as per the requirements of the lenders, the loan is required to be restructured.

Operational risks are associated with systems, processes and people and cover areas such as succession planning, attrition and retention of people, operational failure or interruption, disruption in supply chain, failure of research & development facilities and faulty application of information technology. Ash Dyke is to be constructed for Ash Water Recirculation Systems for Stage- I for which investment approval has been accorded and loan is being tied- up.

The Company has always endeavour to give best to their employees in form of salary, perquisites and other facilities including paying of profit related payment so that the best talent is retained. The Company is employing professional experts of various fields who are deputed from NTPC and BSPGCL. The Company has taken up expansion plan to succeed in this competitive environment.

The policies and process framework of the company supported by the proactive approach of management mitigate operational risks to great extent.

The Company has approved Rehabilitation and Resettlement Plan for Stage-II for ₹ 20.03 crore towards its commitment to society.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The accounts are being prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India from time to time and as per the guidelines issued from NTPC Limited. The Company has implemented SAP in all modules like HR, Accounting, Engineering, etc. It is helping the Company a lot in retrieving data and maintaining systematic backup.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in coordination with Internal Audit Department of NTPC Limited. The Company has constituted an Audit Committee to oversee the financial performance of the company. The scope of this Committee includes compliance with Internal Control Systems.

FINANCIAL DISCUSSION AND ANALYSIS

Unit #1 of Stage I of the plant was declared commercial on 01.11.2013 at 80% capacity. It generated 319.09 MUs at a PLF of 80.05%. Unit#2 is under renovation & modernization (R&M) and is expected to be operational by August' 2014. Provisional tariff order for Unit#1 was received on 21.02.2014 on the basis of which energy bills have been raised. The construction activities of Stage-II are in progress and the details of progress are given in Directors' report.

During the financial year 2013-14, 11,58,50,000 shares were issued to NTPC and 6,23,80,769 shares were issued to Bihar State Power Generation Company Limited (BSPGCL) (erstwhile BSEB). The equity share capital of ₹ 727,69,42,050 is in the ratio of 65:35 between NTPC and BSPGCL at the end of financial year 2013-14. The share application money pending for allotment at the end of financial year amounted to ₹ 71,46,20,938. An amount of ₹ 10,08,85,281 received from BSPGCL as reimbursement of entry tax has been treated as equity contribution from BSPGCL.

The grants received from Backward Region Grants Fund (Rashtriya Sam Vikas Yojna) was credited to capital reserve account initially and the same was treated as income in the same proportion as the depreciation written off on the assets acquired out of grants. The grants received during the year was ₹ 19,67,00,000 out of which ₹ 15,48,82,864 crore has been recognised as income during the year.

Your Company has drawn secured term loan of ₹ 1590,09,54,312 from consortium led by State Bank of India till 31.03.2014 for Stage-II (2X195 MW) expansion project. The unsecured loan from the Holding Company stood at ₹ 8,00,00,000 at the end of the financial year. Your company has made no defaults in repayment of any of the loans or interest thereon as at the end of the year.

The net tangible assets as at 31.03.2014 were ₹ 512,99,58,748 as compared to ₹ 231,04,23,747 as at 31.03.2013. The net intangible assets as at 31.03.2014 were ₹ 64,977 as compared to ₹ 4,36,392 as at 31.03.2013. The capital work-in-progress was ₹ 23,71,26,01,417 as at 31.03.2014 as compared to ₹ 19,58,53,08,393 as at 31.03.2013. The current assets stood at ₹ 110,83,25,465 as at 31.03.2014, while the current assets as at 31.03.2013 were ₹ 79,37,12,025.

Borrowing costs attributable to the fixed assets during construction, renovation and modernisation have been capitalised. Such borrowing costs have been apportioned on the average balance of capital work-in-progress for the year. Other borrowing costs are recognised as an expense in the period in which they are incurred. The borrowing costs capitalised during the year ended 31.03.2014 amounted to ₹ 163,67,05,592 (Previous year ₹ 83,10,72,290).

The revenue from operations amounting to ₹ 161,48,84,282 during the financial year including energy sales, energy internally consumed and capital grants recognised as income during the year. The expenses were ₹ 162,81,19,792, which included fuel, employee benefit expenses, finance cost, depreciation & amortisation expenses, generation and administration expenses. The deferred tax amounted to (₹ 11,99,206). The loss for the year was ₹ 54,12,090 as against for the last year loss of ₹ 12,90,47,590.

HUMAN RESOURCE

Presently, the Company has total strength of 200 employees, out of which, 171 employees are deputed from the Holding Company i.e. NTPC Limited (including 7 ETs), 22 employees are deputed from BSEB and 7 employees are on the rolls of KBUNL. Out of the total strength, the company has employed 29 SC candidates, 10 ST candidates and 40 OBC candidates as a socially responsible and conscious organisation.

The Company is paying adequate perks and also making employees part of profit sharing by giving Profit Related Payment. They are being imparted training for their professional up gradation from time to time as an endeavour of your company to become a learning organisation. The Company had incurred ₹ 30,53,46,746 (previous year ₹ 32,49,51,264) - towards Salaries, Wages, Allowances, Benefits, Contribution to Provident and other Funds and welfare expenses. Out of ₹ 30,53,46,746 (previous year ₹ 32,49,51,264) the amount transferred to Expenditure during Construction amounted to ₹ 20,09,98,558 (previous year ₹ 28,54,61,950).

During the year, the Company organised four meetings with the employees/ representatives & an open house with all executives to know their problems and to resolve the same to make the environment congenial.

Safe methods are practised in all areas of Operation & Maintenance and Construction & erection activities for the protection of workers against injury and diseases. Occupational safety at workplace is given utmost importance.

OUTLOOK

The company's outlook is very bright. It will generate sufficient revenue for growth and development of the company once the plant becomes operational. It will also boost employment opportunities to the local inhabitants.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic condition, Government policies and other incidental/ related factors.

For and on behalf of Board of Directors

(Dr. Arup Roy Choudhury)
Chairman

Place : New Delhi
Dated: 9th July 2014

KANTI BIJLEE UTPADAN NIGAM LTD
BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**7,276,942,050**	5,494,634,360
Reserves and surplus	3	**3,485,323,618**	3,648,918,572
Share application money pending allotment	4	**714,620,938**	886,143,347
Non-current liabilities			
Long-term borrowings	5	**15,213,341,629**	11,099,676,356
Deferred tax liabilities (net)	6	**-**	1,199,206
Other Long term liabilities	7	**1,180,507,139**	908,497,547
Current liabilities			
Short term borrowing	8	**763,432,151**	350,535,236
Trade payables	9	**234,625,579**	419,146,810
Other current liabilities	10	**2,048,800,801**	1,393,758,745
Short-term provisions	11	**200,146,122**	233,387,429
Total		**31,117,740,027**	24,435,897,608
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**5,129,958,748**	2,310,423,747
Intangible assets	12	**64,977**	436,392
Capital work-in-progress	13	**23,712,601,417**	19,585,308,393
Long-term loans and advances	14	**1,166,789,420**	1,746,017,051
Current assets			
Inventories	15	**207,113,147**	230,040,626
Trade receivables	16	**519,104,121**	433,220,337
Cash and bank balances	17	**240,127,342**	108,542,401
Short-term loans and advances	18	**126,571,043**	19,348,033
Other current assets	19	**15,409,812**	2,560,628
Total		**31,117,740,027**	24,435,897,608

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.

For & on behalf of the Board of Directors

(Ruchi Aggrawal)	**(S. Poundrik)**	**(Dr. Arup Roy Choudhury)**
Company Secretary	Director	Chairman

This is the Balance Sheet referred to in our report of even date.

For B.B. Mathur & Co.
Chartered Accountants
(Firm Regn. No.-000290N)

(Rajneesh Behari Mathur)
Partner
Mem No. 088034

Place : New Delhi
Dated : 28.04.2014

KANTI BIJLEE UTPADAN NIGAM LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Note	31.03.2014	31.03.2013
Revenue			
Revenue from operations(Gross)	20	**1,614,884,282**	98,792,528
Other income	21	**6,624,214**	493,151
Total Revenue		**1,621,508,496**	99,285,679
Expenses:			
Fuel		**1,130,916,248**	-
Employee benefits expense	22	**98,037,500**	39,489,314
Finance costs	23	**40,661,924**	10,174,602
Depreciation and amortization expense	12	**244,366,973**	228,189,425
Generation, administration & other expenses	24	**114,137,147**	15,984,028
Prior period items (Net)	25	**-**	(53,093,184)
Total expenses		**1,628,119,792**	240,744,185
Profit/(Loss) before tax		**(6,611,296)**	(141,458,506)
Tax expense:			
Deferred tax		**(1,199,206)**	(12,410,916)
Total tax expense		**(1,199,206)**	(12,410,916)
Profit/(Loss) for the year		**(5,412,090)**	(129,047,590)
Expenditure during construction period (Net)	26		
Significant accounting policies	1		
Earning Per Equity share (Par value of ₹ 10/- each)	31		
Basic		**(0.01)**	(0.25)
Diluted		**(0.01)**	(0.22)

The accompanying notes form an integral part of these financial statements.

There are no exceptional or extraordinary items in the above periods.

For & on behalf of the Board of Directors

(Ruchi Aggrawal)	**(S. Poundrik)**	**(Dr. Arup Roy Choudhury)**
Company Secretary	Director	Chairman

This is the Statement of Profit and Loss referred to in our report of even date

For B.B. Mathur & Co.
Chartered Accountants
(Firm Regn. No.-000290N)

(Rajneesh Behari Mathur)
Partner
Mem No. 088034

Place : New Delhi
Dated : 28.04.2014

KANTI BIJLEE UTPADAN NIGAM LTD
CASH FLOW STATEMENT

(Amount in ₹)

FOR THE YEAR ENDED MARCH 31,		2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and after Prior Period Adjustments		**(6,611,296)**	(141,458,506)
Adjustment for:			
Depreciation/Amortisation	**244,366,973**		228,189,425
Grants adjustment as income	**(154,882,864)**		
Provisions	**9,706,908**		2,565,954
Interest income	**(4,734,555)**		(20,547)
Interest charge	**40,661,924**		10,174,602
Guarantee fee & other finance charges	**3,481,609**	**138,599,995**	1,340,545
Operating Profit before Working Capital Changes		**131,988,699**	100,791,473
Adjustment for:			
Trade and other receivables	**(85,883,784)**		124,269,081
Inventories	**22,927,479**		(42,485,062)
Trade Payables & Other Liabilities	**709,289,110**		1,174,824,515
Loans & advances	**473,004,621**		508,120,581
Other Current Assets	**(12,849,184)**	**1,106,488,242**	135,620,326
Cash generated from operations		**1,238,476,941**	2,001,140,914
Income Tax/Advance Tax Paid		**(1,000,000)**	-
Net Cash from Operating Activities - A		**1,237,476,941**	2,001,140,914
B. CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		**(5,567,306,508)**	(9,086,767,158)
Interest income		**4,734,555**	20,547
Net Cash Flow from Investing Activities - B		**(5,562,571,953)**	(9,086,746,611)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long term borrowing		**4,526,562,188**	6,408,846,149
Grants-in-aid received		**(3,300,000)**	241,831,954
Proceeds from Issue of Share Capital/Share Capital Deposit		**1,610,785,281**	712,011,906
Interest paid		**(1,673,885,907)**	(839,906,347)
Guarantee fee & other finance charges		**(3,481,609)**	(1,340,545)
Net Cash Flow from Financing Activities - C		**4,456,679,953**	6,521,443,117
Net increase/Decrease in cash and cash equivalents (A+B+C)		**131,584,941**	(564,162,580)
Cash and cash equivalents (Opening Balance)		**108,542,401**	672,704,981
Cash and cash equivalents (Closing Balance)		**240,127,342**	108,542,401

NOTES:

1. Cash and cash equivalents consists of Cash in hand and balance with Banks. Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amount as per note-17

	2014	2013
Cash and cash equivalent	**24,836,847**	29,203,591
Deposits with banks	**215,290,495**	79,338,810
Cash and cash equivalent as per note-17	**240,127,342**	108,542,401

2. Previous year's figures have been regrouped/ rearranged wherever necessary.

For & on behalf of the Board of Directors

(Ruchi Aggrawal)	**(S. Poundrik)**	**(Dr. Arup Roy Choudhury)**
Company Secretary	Director	Chairman

This is the cash flow statement referred to in our report of even date

For B.B. Mathur & Co.
Chartered Accountants
(Firm Regn. No.-000290N)

(Rajneesh Behari Mathur)
Partner
Mem No. 088034

Place : New Delhi
Dated : 28.04.2014

KANTI BIJLEE UTPADAN NIGAM LTD
Notes to the Financial Statements for the year ended 31st March 2014

Note No. – 1 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under and the provisions of Electricity Act 2003 to the extent applicable.

B. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

C. GRANTS-IN-AID

Grants-in-aid received from the Central Government or other authorities towards capital expenditure are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.

D. FIXED ASSETS

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
5. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
6. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

E. CAPITAL WORK-IN-PROGRESS

1. Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
2. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
3. Unsettled liability for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

F. FOREIGN CURRENCY TRANSACTIONS

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Foreign exchange differences arising from settlement / translation of long term foreign currency monetary items are adjusted in the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.

G. BORROWING COSTS

Borrowing costs attributable to the fixed assets during construction/ exploration, renovation and modernisation are capitalised. Such borrowing costs are apportioned on the average balance of capital work-in-progress for the year. Other borrowing costs are recognised as an expense in the period in which they are incurred.

H. INVENTORIES

1. Inventories are valued at the lower of, cost determined on weighted average basis, realisable value.
2. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

I. INCOME RECOGNITION

1. Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the

orders of Appellate Tribunal for Electricity to the extent applicable. In case the tariff rates are yet to be approved, provisional rates are adopted.

2. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
3. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore accounted for on receipt/acceptance.
4. Scrap other than steel scrap is accounted for as and when sold.
5. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

J. EXPENDITURE

1. Depreciation on the assets is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 provided under Section 616 (c) of the Companies Act, 1956.
2. Depreciation on the following assets is provided based on their estimated useful life:

a) Kutcha Roads	2 years
b) Enabling works - residential buildings including their internal electrification. - non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	 15 years 5 years
c) Personal computers & laptops including peripherals	5 years
d) Photocopiers and fax machines	5 years
e) Water coolers and refrigerators	2 years

3. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.
4. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
5. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or 25 years whichever is less.
6. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively at the rates and methodology notified by CERC Tariff Regulations, 2009.
7. Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.
8. Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery.
9. Expenditure for community development is charged off to revenue.
10. Leasehold land and buildings relating to generation of electricity business are fully amortised over lease period or life of the related plant whichever is lower following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.
11. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
12. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
13. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
14. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
15. Transit and handling losses of coal as per norms are included in cost of coal.

K. OPEARATING LEASE

Assets acquired on lease where a significant portion of the risk and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.

L. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

M. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

N. TAXES ON INCOME

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

NOTE NO. 2 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
SHARE CAPITAL		
Equity Share Capital		
AUTHORISED		
1,000,000,000 equity shares of par value of ₹ 10/- each (Previous year 1,000,000,000 shares of par value of ₹ 10/- each)	**10,000,000,000**	10,000,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
72,76,94,205 equity shares of par value of ₹ 10/- each fully paid up (Previous year 54,94,63,436 equity shares of par value of ₹ 10/- each fully paid-up)	**7,276,942,050**	5,494,634,360

a) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT BEGINNING AND AT END OF THE YEAR

Particulars	2013-14	2012-13
Number of shares outstanding at the beginning of the year	**549,463,436**	527,872,460
Shares issued during the year/period	**178,230,769**	21,590,976
Number of shares outstanding at the close of the year	**727,694,205**	549,463,436

b) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **SHARES IN RESPECT OF EACH CLASS IN THE COMPANY HELD BY ITS HOLDING COMPANY:**

Holding Company- NTPC Ltd. - 47,30,01,233 Equity shares of ₹ 10/- each (Previous year 35,71,51,233 Equity shares ₹10/- each)

d) **DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY:**

Particulars	31.03.2014		31.03.2013	
	No. of shares	**%age holding**	No. of shares	%age holding
- NTPC LTD.	**473,001,233**	**65**	357,151,233	65
- BSPGCL	**254,692,972**	**35**	192,312,203	35

NOTE NO. 3 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
RESERVES AND SURPLUS		
Capital Reserve		
As per last balance sheet	3,871,023,737	3,629,191,783
Add: Grants received during the year	196,700,000	400,000,000
Less: Grants recognised as Income	154,882,864	91,553,365
Less: Adjustments during the year	200,000,000	66,614,681
Closing Balance	3,712,840,873	3,871,023,737
Surplus in the statement of Profit and Loss		
As per last balance sheet	(222,105,165)	(93,057,575)
Add(Less):-Profit/(Loss) after tax for the year from Statement of Profit & Loss	(5,412,090)	(129,047,590)
Closing Balance	(227,517,255)	(222,105,165)
Total	3,485,323,618	3,648,918,572

NOTE NO. 4 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Share application money	714,620,938	886,143,347

1. 7,14,62,093 Equity shares of ₹ 10/- each shall be issued against the Share application money.
2. The shares are likely to be allotted in the financial year 2014-15.
3. The authorised share capital of the Company is sufficient to cover the share capital amount on allotment of shares out of above share application money.
4. No amount is refundable out of above share application money and no interest is payable.

NOTE NO. 5 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
LONG TERM BORROWINGS		
Term Loans		
From Banks		
Secured	11,761,694,986	8,325,104,927
From Others		
Secured	3,408,789,500	2,686,000,000
Unsecured	42,857,143	88,571,429
Total	15,213,341,629	11,099,676,356

1 a) Loan from consortium led by State Bank of India for expanansion project (2*195MW) is secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land of 987.9293 acres. The security will rank pari-pasu with all term lenders of the project. The charge has been created in favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor of security trustee has been executed for 594.84 acres of land.

b) Total sanctioned amount of loan and guarantee facility is ₹ 2341 crores and ₹100 Crores respectively.

c) The Loan bears floating rate of interest linked to the SBI Base Rate.

d) The charge with Registrar of Companies (ROC) was filed on 27.09.2011 and ROC issued Certificate of Registration of Mortgage on 28.09.2011, Certifying that the Mortgage/charge has been registered for ₹ 2441.28 crore in their office in accordance with the provisions contained in Section 125 to 130 of the Companies Act, 1956 on 28th September 2011.

e) Repayble in 11 years on quarterly basis starting from 30th September 2014.

f) Details of terms of repayment

Particulars	Non current portion		Current portion	
Term Loans	**31.03.2014**	31.03.2013	**31.03.2014**	31.03.2013
Secured				
Banks	**11,761,694,986**	8,325,104,927	**678,559,326**	-
Others	**3,408,789,500**	2,686,000,000	**51,910,500**	-

2 a) Loan from Holding company NTPC Ltd.

b) Repayable in 7 years on half yearly basis starting from 30th September 2008.

c) The rate of interest is at par with SBAR (State Bank Advance Rate) as adjusted to half yearly rests with a year of 365 days.

d) **Details of terms of repayment**

Particulars	Non current portion		Current portion	
Term Loans	**31.03.2014**	31.03.2013	**31.03.2014**	31.03.2013
Unsecured				
Others (NTPC Ltd.)	**42,857,143**	88,571,429	**37,142,857**	37,142,857

3 There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

NOTE NO. 6 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	01.04.2013	Addition/ (adjustments) during the year	31.03.2014
DEFERRED TAX LIABILITIES (NET)			
Difference of book depreciation and tax depreciation	12,895,641	(12,895,641)	-
Less: Deferred tax assets	-	-	
Provisions & Other disallowances for tax purposes	11,696,435	(11,696,435)	-
Disallowances u/s 43B of the Income Tax Act, 1961	-	-	-
Total	1,199,206	(1,199,206)	-

a) The net decrease during the year in the deferred tax liability of ₹ **(1199206)** (previous year ₹ 1,24,10,916) has been debited to statement of profit & loss.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

NOTE NO. 7 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
OTHER LONG TERM LIABILITIES		
Trade Payable	650,101	209,908
Other Liabilities		
Payable For Capital Expenditure	1,179,857,038	908,287,639
Total	1,180,507,139	908,497,547

Disclosure w.r.t. Micro, small and medium enterprises as required by MSMED Act, 2006 is made in Note No.-33

NOTE NO. 8 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
SHORT TERM BORROWINGS		
Secured		
Cash Credit Loan-State Bank of India	763,432,151	350,535,236

1. The Cash Credit loan is secured by hypothecation of stock in trade, Book Debt of Stage-I. The outstanding balance is repayable on demand. The Loan bears floating rate of interest linked to the SBI Base Rate.
2. There has been no default in repayment of loan or interest thereon as at the end of the year.

NOTE NO. 9 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
TRADE PAYABLES		
For Goods & Services	234,625,579	419,146,810

Disclosure w.r.t. Micro, small and medium enterprises as required by MSMED Act, 2006 is made in Note No.-33.

NOTE NO. 10 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
OTHER CURRENT LIABILITIES		
Current maturity of long term borrowings		
From Banks		
Secured		
Term Loan	**678,559,326**	-
From Others		
Secured		
Term Loan	**51,910,500**	-
Unsecured		
Term Loan(NTPC Ltd.)	**37,142,857**	37,142,857
Book Overdraft	**-**	25,270,852
Payable for Capital Expenditure	**796,211,866**	878,563,974
Other Payables		
Tax deducted at source and other statutory dues	**22,588,123**	115,786,025
Deposit From Contractors & Others	**14,111,744**	15,870,232
Payable to Employees	**17,116,677**	1,874,950
Payable to NTPC Ltd	**315,218,463**	256,744,267
Others	**115,941,245**	62,505,588
Total	**2,048,800,801**	1,393,758,745

a) Disclosure w.r.t. Micro, small and medium enterprises as required by MSMED Act, 2006 is made in Note no.-33.

b) Details in respect of rate of interest and terms of repayment of unsecured current maturities of long term borrowings indicated above are disclosed in Note no-5.

NOTE NO. 11 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
SHORT TERM PROVISIONS		
Provision for Employee Benefits		
As per last Balance Sheet	**33,087,429**	29,393,775
Additions during the year		3,901,599
Adjustment during the year*	**33,087,429**	
Amounts reversed during the year	-	207,945
	-	33,087,429
Provision for obligations incidental to land acquisition		
As per last balance sheet	**200,300,000**	131,000,000
Amounts paid during the year	**153,878**	-
Additions during the year	**-**	69,300,000
	200,146,122	200,300,000
Total	**200,146,122**	233,387,429

* Refer Note no.--34

Note No. 12 to the Financial Statements

TANGIBLE ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2013	Additions	Deduction/ Adjustment	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deduction/ Adjustment	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Land :										
(including development expenses)										
Freehold	1,078,460,470	55,929,715		**1,134,390,185**	-	-	-	-	**1,134,390,185**	1,078,460,470
Leasehold	33			**33**	6	1	-	7	**26**	27
Roads, bridges, culverts & helipads	12,430,863			**12,430,863**	3,166,912	356,997	-	3,523,909	8,906,954	9,263,951
Building :										
Freehold										
Main plant	113,508,719	-	-	**113,508,719**	44,449,409	6,471,974	-	**50,921,383**	**62,587,336**	69,059,310
Others	191,498,666	-	-	**191,498,666**	44,433,603	6,414,347	-	**50,847,950**	**140,650,716**	147,065,063
Water Supply, drainage & sewerage system	4,444,628	-	-	**4,444,628**	1,138,259	107,191	-	**1,245,450**	**3,199,178**	3,306,369
MGR track and signalling system	18,393,666	-	(70,564,748)	**88,958,414**	4,598,417	3,155,140	-	**7,753,557**	**81,204,857**	13,795,249
Plant and machinery (including associated civil works)	1,421,379,758	13,105,981	(2,918,604,521)	**4,353,090,260**	526,215,401	234,661,961	-	**760,877,362**	**3,592,212,898**	895,164,357
Furniture and fixtures	17,027,386	341,402	(4,387)	**17,373,175**	4,347,713	956,514	(48,477)	**5,352,704**	**12,020,471**	12,679,673
Vehicles including speedboats:										
Owned	-	152,190	-	**152,190**	-	3,636	-	**3,636**	**148,554**	-
Office equipment	5,336,759	2,253,713	23,580	**7,566,892**	1,668,579	644,522	58,682	**2,254,419**	**5,312,473**	3,668,180
EDP, WP machines and satcom equip.	11,088,300	1,611,870	196,443	**12,503,727**	5,190,316	1,532,291	34,185	**6,688,422**	**5,815,305**	5,897,984
Construction equipments	12,702,164	17,837,660		**30,539,824**	2,167,281	2,969,189	-	**5,136,470**	**25,403,354**	10,534,883
Electrical Installations	63,791,181	-	14,900	**63,776,281**	2,366,649	3,402,291	2,950	**5,765,990**	**58,010,291**	61,424,532
Communication Equipments	112,567	-	-	**112,567**	17,111	7,126	-	**24,237**	**88,330**	95,456
Hospital Equipments	34,946	-	-	**34,946**	26,703	423	-	**27,126**	**7,820**	8,243
Total	**2,950,210,106**	**91,232,531**	**(2,988,938,733)**	**6,030,381,370**	**639,786,359**	**260,683,603**	**47,340**	**900,422,622**	**5,129,958,748**	**2,310,423,747**
	2,528,860,926	479,164,957	57,815,777	2,950,210,106	393,552,938	232,953,658	(13,279,763)	639,786,359	2,310,423,747	2,135,307,988

Deduction / Adjustment from gross block and depreciation/amortisation for the year includes:

(Amount in ₹)

	Gross Block		Depreciation/Amortisation	
	31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Cost adjustment including exchange difference	**(2,989,169,269)**	58,729,577		(13,612,685)
Assets capitalised with retrospective effect/write back of excess capitalisation	**192,056**	(603,426)	**-**	-
Others	**38,480**	(310,374)	**47,340**	332,922
	(2,988,938,733)	57,815,777	**47,340**	(13,279,763)

a) The conveyancing of the title of 341.22 acre of freehold land in possession of the company of value ₹ **87,81,60,471** (Previous year 341.22 acre of value ₹ 87,81,60,471), in favor of the Company are awaiting completion of legal formalities.

b) The borrowing costs capitalised during the year ended 31st March 2014 is ₹ **163,67,05,592** (previous year ₹ 83,10,72,290). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/ Adjsutment' column are given below:

	(Amount in ₹)	(Amount in ₹)
	For the year ended 31st March 2014	For the year ended 31st March 2013
	Borrowing costs included in fixed assets/CWIP	Borrowing costs included in fixed assets/CWIP
Building		
Main plant	**283,962,579**	190,757,305
Others	**784,360**	695,887
MGR track	**10,771,308**	5,151,282
Railway siding	**-**	-
Plant and equipment	**1,274,341,502**	634,168,034
Others	**66,845,843**	299,782
Total	**1,636,705,592**	831,072,290

INTANGIBLE ASSETS (Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2013	Additions	Deduction/ Adjustment	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deduction/ Adjustment	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Software	2,373,253	-	-	**2,373,253**	1,936,861	371,415	-	**2,308,276**	**64,977**	436,392
Total	**2,373,253**	**-**	**-**	**2,373,253**	**1,936,861**	**371,415**	**-**	**2,308,276**	**64,977**	**436,392**
Previous year	2,274,542	98,711	-	**2,373,253**	1,461,313	475,548	-	**1,936,861**	**436,392**	813,229

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2014	31.03.2013
Charged to Statement of Profit & Loss	**244,366,973**	228,189,425
Allocated to fuel cost	**8,370,033**	-
Transferred to expenditure during construction period (net)-Note-26	**8,318,013**	5,239,781
	261,055,019	233,429,206

NOTE NO. 13 TO THE FINANCIAL STATEMENTS

NON CURRENT ASSETS (Amount in ₹)

	As at 01.04.2013	Addition	Deduction/ Adjustment	Capitalised	**As at 31.03.2014**
CAPITAL WORK-IN-PROGRESS					
Development of land	444,617,559	192,983,894	-	-	**637,601,453**
Roads, bridges, culverts & helipads	1,458,427	1,951,186	-	-	**3,409,613**
Buildings :					
Main plant	2,584,379,003	1,019,120,321	-	-	**3,603,499,324**
Others	58,857,387	22,749,276	-	-	**81,606,663**
Temporary erection	-	628,711	-	-	**628,711**
MGR track and signalling system	267,310,363	29,887,495	106,380,774	70,564,748	**120,252,336**
Earth Dam Reservoir	-	2,011,252	-	-	**2,011,252**
Plant and machinery	13,832,459,903	6,209,487,511	(404,530,128)	2,918,604,521	**17,527,873,021**
Furniture and fixtures	62,566	1,268	-	-	**63,834**
EDP/WP Machines & Satcom Equipments	7,036,148	703,798	-	-	**7,739,946**
Construction equipments	539,245	858,539	-	-	**1,397,784**
Electrical Installation	-	76,981,133	-	-	**76,981,133**
	17,196,720,601	**7,557,364,384**	**(298,149,354)**	**2,989,169,269**	**22,063,065,070**

NOTE NO. 13 TO THE FINANCIAL STATEMENTS

NON CURRENT ASSETS

(Amount in ₹)

	As at 01.04.2013	Addition	Deduction/ Adjustment	Capitalised	As at 31.03.2014
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	648,229,060	39,216,432	63,451,983	-	**623,993,509**
Pre-commissioning expenses (net)	13,408,089	221,289,282	234,697,371	-	
Expenditure during construction period (net)-Note 26	-	2,068,229,318*	-	-	**2,068,229,318**
Less: Allocated to related works	-	2,068,229,318	-	-	**2,068,229,318**
	661,637,149	260,505,714	298,149,354	-	**623,993,509**
Construction stores (net of provision)	1,726,950,643	(694,665,737)	-	-	**1,025,542,838**
Total	**19,585,308,393**	**7,123,204,361**	**-**	**2,989,169,269**	**23,712,601,417**
Previous year	10,074,303,791	9,644,217,141	66,696,932	66,515,607	**19,585,308,393**

*Brought from expenditure during construction period (net) - Note 26

Construction stores are net of provision for shortages pending investigation amounting to ₹ **93,08,022** (previous year ₹25,65,954)

NOTE NO. 14 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
LONG TERM LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
CAPITAL ADVANCES		
Unsecured		
Covered by Bank Guarantee	**724,811,754**	1,096,673,293
Others	**423,542,684**	637,254,132
Deposit with Customs port trust & others (Unsecured)	**8,463,400**	8,463,400
Advance tax deposited & tax deducted at source	**9,971,582**	3,626,226
Total	**1,166,789,420**	1,746,017,051

NOTE NO. 15 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
INVENTORIES		
Coal	**33,570,991**	78,172,617
Fuel oil	**54,022,669**	71,719,485
Components and spares	**68,067,686**	36,563,594
Chemicals & consumables	**8,247,528**	1,059,884
Loose tools	**589,641**	589,641
Steel Scrap	**31,725,408**	39,123,360
Others	**11,595,000**	9,247,067
	207,818,923	236,475,648
Less: Provision for shortages	**705,776**	6,435,022
Total	**207,113,147**	230,040,626
Inventories include material-in-transit		
Stores & spares	**4,316,446**	-
Others	**518,915**	-
	4,835,361	

a) Inventory items, other than steel scrap, have been valued considering the significant accounting policy no. H disclosed in Note no. -1 to these financial statement. Steel scrap has been valued at estimated realisable value.

b) Inventories-Others includes steel, cement etc.

NOTE NO. 16 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**-**	-
Others, unsecured, considered good	**519,104,121**	433,220,337
Total	**519,104,121**	433,220,337

NOTE NO. 17 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at		31.03.2014	31.03.2013
CASH & BANK BALANCES			
Cash & cash equivalents			
Balances with Banks			
Current Accounts		**24,836,847**	29,203,591
Deposits with original maturity of less than three months	**217,803,352**		
Less: Cheque issued but not presented	**2,512,857**	**215,290,495**	79,338,810
Total		**240,127,342**	108,542,401

NOTE NO. 18 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
SHORT TERM LOANS & ADVANCES		
ADVANCES		
Contractors & Suppliers, including material issued on loan		
Unsecured	**115,124,396**	15,305,470
Others		
Prepaid Insurance	**11,446,647**	4,042,563
Total	**126,571,043**	19,348,033

NOTE NO. 19 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2014	31.03.2013
OTHER CURRENT ASSETS		
Interest accrued on		
Term deposits	**44,935**	88,629
Advance to contractor	**14,816,284**	-
Claims recoverable		
Unsecured, considered good	**500,747**	2,424,154
Asset Held for Disposal	**47,846**	47,845
Total	**15,409,812**	2,560,628

NOTE NO. 20 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
REVENUE FROM OPERATIONS		
Sales		
Energy Sales	**1,442,078,902**	-
	1,442,078,902	-
Energy internally consumed	**9,228,430**	-
Other operating revenues		
Grants recognised as Income during the year	**154,882,864**	91,553,365
Provision written back		
Shortage in stores	**6,128,132**	1,433,717
Shortage in Construction stores	**2,565,954**	5,357,116
Obsolecence in stores	**-**	448,330
	172,805,380	98,792,528
Total	**1,614,884,282**	98,792,528

a) Commercial Operation of Unit-I has commenced w.e.f. 01.11.2013. The Central Electricity Regulatory Commission (CERC) issued provissional tariff order w.e.f. 01.11.2013 for Unit-I of KBUNL. Beneficiaries are billed in accordance with the said provisional order.

b) Revenue from operations include ₹ **92,28,430** (previous year nil) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note-24).

NOTE NO. 21 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
OTHER INCOME		
Interest from		
Indian Banks	**4,734,555**	20,547
Interest from Contractor	**46,517,854**	15,400,667
Interest from Income Tax refund	**-**	44,148
Other non-operating income		
Other Receipts from Contractors/ Suppliers	**654,473**	3,263,954
Sale of Scrap	**1,232,084**	12,554,227
Miscellaneous income	**3,854,760**	4,586,341
	56,993,726	35,869,884
Less: Transferred to expenditure during construction period (net) - Note 26	**50,369,512**	35,376,733
Total	**6,624,214**	493,151

Miscellaneous income includes EMD forfeited, LD recovered and township recoveries.

NOTE NO. 22 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**256,542,618**	213,831,498
Contribution to provident and other funds	**35,871,452**	102,073,850
Staff welfare expenses	**12,932,676**	9,045,916
	305,346,746	324,951,264
Less: Transferred to fuel cost	**6,310,688**	
Less: Transferred to expenditure during construction period (net) - Note 26 (net)	**200,998,558**	285,461,950
Total	**98,037,500**	39,489,314

Employee benefits expense include ₹ **3,35,25,006** for the year (previous year ₹ 3,52,49,043) towards leave, superannuation and other benefits in respect of employees posted on secondment basis from NTPC Ltd. ₹ **96,75,824** for the year (previous year ₹ 39,18,895) in respect of KBUNL and employees posted on deputation from BSPGCL towards pension and leave contribution.

NOTE NO. 23 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
FINANCE COSTS		
Interest on :		
Rupee term loans	**1,622,655,089**	808,633,388
Cash Credit Loan	**34,374,311**	10,174,602
Others(Loan From Holding Company)	**16,856,507**	21,098,357
Sub-Total	**1,673,885,907**	839,906,347
Other Borrowing Costs :		
Guarantee fee	**3,425,429**	-
Up-front fee	**56,180**	1,340,545
Sub-Total	**3,481,609**	1,340,545
	1,677,367,516	841,246,892
Less: Transferred to Expenditure during construction period (net)- Note 26	**1,636,705,592**	831,072,290
Total	**40,661,924**	10,174,602

NOTE NO. 24 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended		31.03.2014	31.03.2013
GENERATION, ADMINISTRATION & OTHER EXPENSES			
Power charges	**114,572,299**		50,203,750
Less: Recovered from contractors & employees	**1,168,977**		356,719
		113,403,322	49,847,031
Stores consumed		**4,938,184**	2,841,863
Rent		**938,286**	1,029,136
Repairs & maintenance			
Buildings	**9,191,035**		5,170,315
Plant & Machinery	**80,979,067**		29,107,040
Others	**2,932,379**		1,239,737
		93,102,481	35,517,091
Insurance		**9,099,170**	7,616,620
Rates and taxes		**421,962**	3,293,897
Water cess & environment protection cess		**287,777**	119,918
Training & recruitment expenses		**420,461**	846,393
Communication expenses		**4,421,828**	6,289,788
Travelling expenses		**18,807,094**	17,067,635
Foreign Travel		**153,499**	257,043
Tender expenses	**612,908**		3,010,980
Less: Receipt from sale of tenders	**39,825**		142,875
		573,083	2,868,105
Payment to auditors		**268,740**	188,963
Security expenses		**93,232,746**	80,398,499
Entertainment expenses		**1,593,128**	1,208,836
Expenses for guest house	**8,557,306**		8,597,234
Less: Recoveries	**90,720**		109,755
		8,466,586	8,487,479
Brokerage & commission		**667,512**	734,993
Community development expenses		**288,535**	432,000
Books and periodicals		**30,981**	27,426
Professional charges and consultancy fees		**14,906,211**	12,545,776
Legal expenses		**375,343**	128,070
EDP hire and other charges		**488,243**	565,410
Printing and stationery		**730,239**	1,384,247
Hiring of vehicles		**7,862,354**	8,579,030
Bank charges		**5,816,159**	1,193,903
Rebate to customer		**77,576**	-
Miscellaneous expenses		**3,296,863**	1,568,611
Loss on asset write-off		**25,377**	-
		384,693,740	245,037,764
Less: Allocated to fuel cost		**7,686,834**	-
Less: Transferred to Expenditure during Construction period (net)- Note 26		**272,576,667**	237,906,127
		104,430,239	7,131,637
Provisions for			
Shortage in stores		**398,886**	6,286,437
Shortage in construction stores		**9,308,022**	2,565,954
		9,706,908	8,852,391
Total		**114,137,147**	15,984,028
a) Spares consumption included in repairs and maintenance		**27,934,705**	9,458,127
b) Details in respect of payment to auditors:			
As auditor			
Audit fees		**80,000**	80,000
Tax audit fee		**20,000**	20,000
In other capacity			
Other services		**66,854**	10,000
Reimbursement of expenses		**101,886**	78,963
		268,740	188,963

NOTE NO. 25 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the year ended	31.03.2014	31.03.2013
PRIOR PERIOD ITEMS		
REVENUE		
Grants Recognised	-	66,614,681
	-	66,614,681
EXPENDITURE		
Employee Benefit expenses	-	-
Depreciation & amortisation	-	13,541,026
Rent	-	236,276
Communication Expenses	-	1,244,978
	-	15,022,280
Net Expenditure/(Income)	-	(51,592,401)
Less: Transferred to Expenditure during construction period (net)-Note- 26	-	1,500,783
Total	-	(53,093,184)

NOTE NO. 26 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended		31.03.2014	31.03.2013
EXPENDITURE DURING CONSTRUCTION PERIOD			
A. Employee benefits expense			
Salaries and wages		161,635,656	264,119,642
Contribution to provident and other funds		27,756,760	13,187,174
Staff welfare expenses		11,606,142	8,155,134
Total (A)		200,998,558	285,461,950
B. Finance Costs			
Interest on			
Rupee term loans		1,633,223,983	829,731,745
Guarantee fee		3,425,429	-
Upfront Fee		56,180	1,340,545
Total (B)		1,636,705,592	831,072,290
C. Depreciation and amortisation		8,318,013	5,239,781
D. Generation , administration and other expenses			
Power charges	110,258,610		49,934,184
Less: Recovered from contractors & employees	1,080,065		257,556
		109,178,545	49,676,628
Rent		16,500	1,029,136
Repairs & maintenance			
Buildings	9,191,036		4,302,985
Others	37,834,024		27,555,860
		47,025,059	31,858,845
Insurance		5,200,606	7,616,620
Rates and taxes		1,530	3,208,175
Water cess & environment protection cess		287,777	-
Communication expenses		4,079,968	6,215,654
Travelling expenses		14,797,631	16,710,540
Tender expenses	595,153		3,010,980
Less: Income from sale of tenders	30,825		142,875
		564,328	2,868,105
Security expenses		57,633,308	80,398,499
Entertainment expenses		1,201,628	1,053,258
Guest house expenses		3,569,919	8,487,479
Payment to auditors		141,773	188,963
Brokerage & Commission		667,512	734,993
Books & periodical		30,169	27,426
Professional charges and consultancy fee		14,088,995	12,238,828
Legal expenses		138,810	128,070
EDP Hire and other charges		447,211	565,410

NOTE NO. 26 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2014	31.03.2013
Printing and stationery	614,495	1,384,246
Miscellaneous expenses	12,890,903	13,515,252
Total (D)	272,576,667	237,906,127
Total (A+B+C+D)	2,118,598,830	1,359,680,148
E. Less: Other Income		
Interest From Bank	902,017	-
Interest from contractors	45,121,212	15,400,667
Sale of scrap	1,232,084	12,554,227
Other Receipts from Contractors/ Suppliers	7,285	3,263,954
Miscellaneous income	3,106,914	4,157,885
TOTAL (E)	50,369,512	35,376,733
F. Prior Period Items (net)	-	1,500,783
GRAND TOTAL (A+B+C+D-E+F)*	2,068,229,318	1,325,804,198

*** Balance carried to Capital Work-in-progress - (Note 13)**

27. Balances shown under trade receivables, trade/other payables and loans & advances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. With regard to this, about 61.34% of the vendor balances outstanding as on 31.12.2013, have been confirmed.

28. **Disclosure as per Accounting Standard – 12 on 'Accounting for Government Grants'**

    As per the MOU on 9th May 2006, Govt. of India sanctioned a grant of ₹4,71,80,00,000 through Govt. of Bihar for renovation & modernization of the taken over station under RSVY grant. Out of the said amount, ₹ 2,49,67,00,000 paid to M/s BHEL against R&M contract on behalf of the Company and an amount of ₹ 1,60,00,00,000 paid to KBUNL till 31.03.2014 have been accounted as 'Grants received' in Note -3. Reversal of ₹ 20,00,00,000 has been done subsequent to confirmation of grants account by M/s BHEL.

29. **Disclosure as per Accounting Standard – 16 on 'Borrowing Costs'**

    Borrowing costs capitalized (taken to CWIP) during the year are ₹ **163,67,05,592** (previous year ₹ 83,10,72,290).

30. **Disclosure as per Accounting Standard – 19 on 'Leases'**

    Operating Lease:

    The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancelable. Note 22-Employee benefit expenses include ₹ **40,87,476** (Previous Year ₹ 34,33,194) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for office included under 'Rent' in Note-24– 'Generation, Administration and Other Expenses'.

31. **Disclosure as per Accounting Standard – 20 on 'Earning Per Share'**

    The elements considered for calculation of earnings per share (Basic and Diluted) are as under:

Particulars	Current year	Previous year
Net Profit / (Loss)after tax used as numerator (₹)	(66,11,296)	(12,90,47,590)
Weighted average number of equity shares used as denominator- Earning Per Share	59,78,05,480	52,30,57,502
Earning per share (₹)	(0.01)	(0.25)
Weighted average number of equity shares used as denominator – Diluted Earning Per Share	70,30,43,000	58,65,79,954
Diluted Earning per share(₹)	(0.01)	(0.22)
Face value per share (₹)	10	10

32. **Foreign Currency Exposure not hedged by a derivative instrument or otherwise:**

Particulars	Currencies	Amount in Foreign Currency		Amount ₹	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Unexecuted amount of contracts remaining to be executed	USD	1,78,379	1,78,379	108,11,604	97,94,839
	JPY	190,92,401	190,92,401	112,93,155	111,84,328

33. **Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006.**

Particulars	Amount ₹
a) Amount remaining unpaid to any supplier:	
Principal amount	5,12,45,245
Interest due thereon	-
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-
d) Amount of interest accrued and remaining unpaid	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act	-

34. An amount of ₹ 3,30,87,429 relating to benefits in respect of BSPGCL (Erstwhile BSEB) deputationist has been transferred to liability account.

35. **Contingent Liabilities:**

Disputed Entry Tax Demand

Year	Amount (₹)	Particulars
2008-09	96,83,843	Interest and penalty on differential Entry Tax (16%-8%) on purchase of LDO.
2009-10	41,29,325	

36. **Capital and other commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 is ₹ **1023,69,51,186** (previous year ₹1421,41,20,367).

37. **Other disclosure as per Schedule VI of the Companies Act, 1956**

Particulars	**Current year amount ₹**	**Previous year amount ₹**
a) Expenditure in foreign currency :		
Others-Foreign Travel	1,53,498	2,57,043
b) Value of component, stores and spare parts consumed	2,79,34,705	94,58,127

38. Figures have been rounded off to nearest rupee.

39. Previous year figures have been regrouped/ rearranged wherever necessary.

For & On Behalf of the Board of Directors

(Ruchi Aggarwal)	**(S. Poundrik)**	**(Dr. Arup Roy Choudhury)**
Company Secretary	Director	Chairman

For M/s B.B. Mathur & Co
Chartered Accountants
Firm Regn No.000290N

(Rajneesh Behari Mathur)
Partner
M. No. 088034

Dated: 28th April, 2014
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of
KANTI BIJLEE UTPADAN NIGAM LTD.

Report on Financial Statements

1. We have audited the attached Balance Sheet of **KANTI BIJLEE UTPADAN NIGAM LTD** ("the Company") which comprises of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
   (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
   (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

7. As required by Section 227 (3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
   (e) Being a Government Company, pursuant to the Notification No. GSR 829(E) dated 21st October, 2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the company.

For M/s B.B. Mathur & Co.
Chartered Accountants
Firm Regn No.000290N

(Rajneesh Behari Mathur)
Partner
M. No. 088034

Dated : April 28, 2014
Place : New Delhi

ANNEXURE TO AUDITORS' REPORT

{Referred to in paragraph (6) under "Report on other Legal and Regulatory Requirements section of our report of even date }

(i) (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets. In respect of assets taken over from erstwhile Muzaffarpur Thermal Power Station from Bihar State Electricity Board the records have been maintained from the date of such acquisition after due physical verification of such assets.

(b) There is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and according to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) During the year under reference there has been no substantial disposal of fixed assets of the company.

(ii) (a) The Inventory of the company has been physically verified by the management at regular Intervals. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(b) The company has taken an unsecured loan from NTPC, its holding company. The maximum amount outstanding during the year was ₹ 12,57,14,286/- and the closing balance as on 31st March, 2014 was ₹ 8,00,00,000/-.

(c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and sale of electricity. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal control system.

(v) According to the information and explanations given to us, we are of the opinion that there are no transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits, from the public, covered by the directives issued by the Reserve Bank of India, the provisions of section 58-A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) The Company does not have its own internal audit department and the Internal Audit of the company has been entrusted to a firm of Chartered Accountants. In our opinion, the internal audit system so adopted was commensurate with the size and nature of the business of the company.

(viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act,1956 and we are of the opinion that prima facie the presented accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

(ix) (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, and employees state insurance, income tax, sales tax, Wealth Tax, Service tax, custom duty, excise duty, cess and other material statutory dues applicable to it and there are no such undisputed dues outstanding as at 31st March, 2014, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income tax, Sale tax, Wealth tax, Service tax, Custom duty, Excise duty and cess which have not been deposited on account of any dispute except Interest and Penalty on Entry tax amounting to ₹ 1,38,13,168/-which is disputed in a Writ Petition before the Patna High Court. Contingent liability for the same has been duly reflected in Note No. 35 to the Balance Sheet under "Contingent Liabilities".

(x) The company does not have accumulated losses of more than 50% of its equity capital and has not suffered cash losses during the current year and the immediately preceding financial year. Hence this clause is not applicable.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks.

(xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on shot-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, during the year under reference.

(xix) According to the information and explanations given to us the company has not issued any debentures.

(xx) According to the information and explanation given to us the company has not raised any money by way of public issues.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M/s B.B. Mathur & Co.
Chartered Accountants
Firm Regn No.000290N

(Rajneesh Behari Mathur)
Partner
M. No. 088034

Dated : April 28, 2014
Place : New Delhi

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF KANTI BIJLEE UTPADAN NIGAM LTD., NEW DELHI FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of KANTI BIJLEE UTPADAN NIGAM LTD., for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with Standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28 April 2014 and revised Audit Report dated 18 June 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of financial statement of Kanti Bijlee Utpadan Nigam Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Tanuja S. Mittal)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place : New Delhi
Dated : 02 July 2014

BHARTIYA RAIL BIJLEE COMPANY LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report on the working of the Company together with Audited Accounts and Auditors' Report thereon for year ended on 31st March 2014.

PERFORMANCE OF THE COMPANY

Your Company is setting up 4X250 MW Thermal Power Project at Nabinagar, Bihar to meet the traction and non-traction electric power requirement of Railways. For setting up this project, out of total requirement of 1,596.92 acres of land, 1,412.38 acres of land has been acquired and efforts are being made to acquire balance land. Your Company has adopted Rehabilitation and Resettlement Scheme 2010, as applicable in NTPC, for giving compensation to Project Affected Persons (PAPs).

Construction works was going in full swing at site until 17.06.2014 but the same was stopped due to demand from land oustees for land compensation to be settled by Government of Bihar. The work was thereafter resumed from 30.06.2014.

Major highlights are as under:

1. In Main Plant area – all four Units Boiler drums lifted in its position.
2. All drainable pressure joints completed
3. Hydro test of Unit #1 boiler completed.
4. Hydro test of Unit #2 boiler is planned in October '2014.
5. ESP#1 – Collecting electrode erection & Inlet Funnel Duct erection for all four Pass completed.
6. Other erection works like equipments in Mills of Unit #1, duct erection between Mill to Bottom of Furnace (Boiler#1) are in progress.
7. For Main Plant Civil works – Unit # 1 Main Power house structural erection near completion, TG #1 Deck casting completed, Chimney #1 reached at EL +11.0/220 mtr and activities for casting of TG deck of Unit # 2 are under progress, foundation works of one nos. ID, FD, PA, BFP etc. are completed & erection work of Fan is in progress.
8. Raft casting of Chimney #2 completed.
9. Foundations of LDO & HFO tanks in fuel handling area, Deaerator floor at 27 mtr. have been handed over for its erection.
10. Foundations of Bottom Ash Hopper is in advance stage of completion. In Coal Handling Plant - Fabrication – 2515 MT & erection - 950 MT completed.
11. Civil work of Crusher House & tunnel work of Conveyor 2A/2B in progress.
12. Civil & erection works of other plant works like Pre-treatment Plant, DM Plant, Erection of both the LDO tanks completed, staircase work in progress, CW channel, erection of HFO tanks Fuel handling system, laying of 1100 meter length of make-up water line inside plant, construction of ash slurry pump house & pedestals for laying of ash handling pipes, village diversion roads, plant roads & drain, ash dykes, etc. are also going in full swing.
13. The Rail corridor work inside the plant has already been awarded and works have been taken for laying rail lines.
14. Award of contract for rail corridor work outside the plant is under progress.
15. Forest Clearance for land falling under Railway Corridor has been obtained on 04.04.13 from MoEF.
16. Other contract packages related to coal transportation are also under various stages of award.

Your Company has taken number of steps towards rehabilitation and resettlement which are detailed in the Management and Discussion Analysis Report, Annex-1 to the Directors Report.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31 March 2014 are as under:-

Balance Sheet Items as at	**31.03.2014**	**31.03.2013**
Paid-up Share Capital	10,46,15,23,090	6,88,46,00,000
Reserves and Surplus	(75,92,961)	(69,05,337)
Share Capital Deposit Pending Allotment	60,66,15,910	83,00,39,000
Non-current liabilities	28,30,91,71,519	17,15,35,68,401
Current liabilities	3,63,74,56,801	2,82,69,92,707
Non-current assets	42,93,16,61,668	27,53,88,52,877
Current assets	7,55,12,691	14,94,41,894
Items from Statement of Profit and Loss for the year ended	**31.03.2014**	**31.03.2013**
Total Revenue	-	-
Total Expenses	6,87,624	16,43,171
Profit/(Loss) for the year	(6,87,624)	(16,43,171)

The financial statements of the Company have been discussed in the Management Discussion & Analysis section which is at Annex-1 to this Report.

AUDIT COMMITTEE

As on 31.03.2014, the Audit Committee of the Board of Directors comprised S/Shri S.C. Pandey, S.K. Saxena and Sudhir Arya as members of the Committee. However, due to change in Directors, the Board reconstituted the Audit Committee on 10.07.2014 and presently, the Audit Committee comprises Shri S.C. Pandey, Shri S.K. Saxena and Ms. S. Bhatia, Directors as members of the Committee.

Two meetings of the Audit Committee were held during the year on 06.05.2013 and 29.07.2013.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period ending 31st March 2014.

PARTICULARS OF EMPLOYEES

As per provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, every company is required to provide particular of employees whose remuneration is more than ₹ 60 lac per financial year, if employed for whole of the year or more than ₹ 5 lac per month, if employed for part of the year in the Directors' Report.

However, as per notification dated 31.03.2011 issued by Ministry of Corporate Affairs, amending aforesaid provisions of the Companies (Particulars of Employees) Rules, 1975 has exempted Government companies for not including such particular in the Directors' Report. As your Company is a Government Company, such particulars have not been included as part of Director's Report.

Further, any member desirous of obtaining such particulars may write to the Company. Also, such particulars shall be made available to the shareholder(s) on a specific request made by them during Annual General Meeting scheduled for 10.07.2014.

AUDITORS' REPORT

The Comptroller & Auditor General of India through letter dated 21.08.2013 has appointed M/s N.C. Aggarwal & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2013-14. The Statutory Auditors has submitted their report and there is no adverse comment or remark in their report.

COMPTROLLER & AUDITOR GENERAL REVIEW

The Comptroller & Auditor General of India, through letter dated 01.07.2014, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31st March 2014 under section 143(5) of the Companies Act, 2013. As advised by the Office of the Comptroller & Auditor General of India (C&AG), the contents of letter dated 01.07.2014 of C&AG for the year 2013-14 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As a measure to conserve energy, the Company installed 5 solar panels, three at project site, 1 each at township and ITI and 1 at police station near project site. During the period under review, there was no earning or outgo in foreign currency.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2013-14 and of the loss of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the Annual Accounts on a going concern basis.

DIRECTORS

Shri B.P. Singh ceased to be the Chairman of the Company with effect from 30.09.2013 on attaining the age of superannuation. NTPC nominated Shri S.C. Pandey, Director (Projects), NTPC as Part-time Chairman of the Company in place of Shri B.P. Singh. He was appointed as the Chairman of the company with effect from 16.10.2013.

Shri R.K.S. Gahlowt ceased to be the Director of the Company with effect from 30.06.2013 on attaining the age of superannuation. NTPC nominated Shri Sudhir Arya, Executive Director, NTPC as Director on the Board of the Company in place of Shri R.K.S. Gahlowt. The Board appointed Shri Sudhir Arya as the Director of the Company with effect from 29.07.2013.

Shri Sudhir Arya ceased to be the Director of the Company w.e.f. 12.05.2014 consequent upon withdrawal of his nomination by NTPC. In compliance of the Proviso to Section 149 (1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, NTPC had nominated Ms. S. Bhatia, General Manager, NTPC as the Director of the Company. The Board appointed her as the Director of the Company w.e.f. 10.07.2014.

The Board places on record its deep appreciation for the services rendered by Shri B.P. Singh during his tenure as the Chairman of the Company. The Board places on record its deep appreciation for the services rendered by Shri R.K.S. Gahlowt and Shri Sudhir Arya during their tenure as Directors of the Company.

As per the provisions of the Companies Act, 2013, Shri S. Roy, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation for the co-operation extended by Ministry of Power and Ministry of Railways.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Power Finance Corporation Limited, Rural Electrification Corporation Limited, auditors, bankers, contractors, vendors and consultants of the Company.

We wish to place on record our appreciation for the untiring efforts and contributions by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Place : New Delhi **(S.C. Pandey)**
Dated : 10th July 2014 **Chairman**

Annex-1 to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SECTOR AND DEVELOPMENTS

Sustained growth of the power sector is critical for enabling the high economic growth targets of India. Government's focus on attaining "Power for All" has accelerated capacity addition in the country.

India ranks among the top 5 countries in terms of electricity generation and is the number 3 electricity generator amongst the BRICS countries next only to China. (Source: CEA). India lags China in generation by almost 5 times inspite of the fact that population size of the two countries is similar.

India has lowest per capita electricity consumption amongst the BRICS nations. The all India per capita consumption of electricity in financial year 2012-13 was 917.18 KWh (provisional). The low per capita electricity consumption suggests a large latent demand in the country.

As per a recent World Bank report India has emerged as the third largest economy ahead of Japan, based on purchasing power. To sustain and achieve higher growth the power sector has to grow in tandem. Hence, the long term outlook for power demand remains strong.

GENERATION

Review of Installed Capacity & Capacity Addition during financial year 2013-14

The total installed capacity in the country as on March 31, 2014 was 243,028.95 MW with State Sector having a share of 38%, followed by Private Sector with 34% share and balance 28% contributed by Central Sector entities.

Sector	Total Capacity (MW)	% share
State	92187.70	38.00
Private	82715.30	34.00
Central	68125.95	28.00
Total*	**243028.95**	**100.00**

(*Source: CEA)

Almost 43% (38447.81 MW) of the XII Plan target of 88,537 MW (excluding RES) has been achieved in two years.

Existing Generation

The total power generation in the country during financial year 2013-14 was 967.15 BU as compared to 912.06 BU during last year, registering a growth of 6%.

Sector wise and fuel wise break-up of generation in BU for the financial year 2013-14 and financial year 2012-13 is detailed as under:

Sector	FY 2013-14	FY 2012-13	Y-o-Y % Change	Fuel	FY 2013-14	FY 2012-13	% of Fuel Mix w.r.t. the total generation
Central	384.91	375.97	**2.38**	**Thermal**	792.48	760.68	82%
State	350.40	347.15	**0.94**	**Hydro**	134.85	113.72	14%
Private	226.24	184.14	**22.87**	**Nuclear**	34.23	32.87	3%
Bhutan Import	5.60	4.80	**16.74**	**Bhutan Import**	5.60	4.79	1%
Total	**967.15**	**912.06**	**6.04**	**Total**	**967.15**	**912.06**	

(Source: CEA)

The fuel mix in financial year 2013-14 has remained almost same as in the previous financial year.

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). Though, the overall generation in the country has increased due to higher capacity, the Plant Load Factor of coal and lignite stations (PLF) has dwindled and fallen below the levels it was a decade back. It was 65.55% in the financial year 2013-14 as compared to 70.13% during the financial year 2012-13.

Demand, Supply and Consumption Position

Demand, supply and consumption trends will be key in defining the future of Indian power sector. Of late power sector has been facing a reduction in demand. The energy and peak deficit, which was more than 11% in financial year 2008-09, has dropped to 4.2% and 4.5% respectively in financial year 2013-14 (provisional).

The fall in power demand could be a short term issue mainly arising from the industrial slowdown, lack of power procurement by utilities and seasonal fluctuations.

The power supply position in the country during 2010-11 to 2013-14:

Year	Energy				Peak			
	Requirement	Availability	Surplus/ Deficits (-)		Peak Demand	Peak Met	Surplus/ Deficits (-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2010-11	8,61,591	7,88,355	(73,236)	(8.5)	1,22,287	1,10,256	(12,031)	(9.8)
2011-12	9,37,199	8,57,886	(79,313)	(8.5)	1,30,006	1,16,191	(13,815)	(10.6)
2012-13	9,95,500	9,08,574	(86,926)	(8.7)	1,35,453	1,23,294	(12,159)	(9.0)
2013-14	10,02,257	9,59,829	(42,428)	(4.2)	1,35,918	1,29,815	(6,103)	(4.5)

The power supply position in Eastern Region and Bihar during 2013-14 and anticipated power supply position in Eastern Region and Bihar during 2014-15 is as under:

Particulars	Year 2013-14			Year 2014-15 (Anticipated)		
	Req (MU)	Avail (MU)	Surplus/ (Deficit)	Req (MU)	Avail (MU)	Surplus/ (Deficit)
Energy Requirement						
Eastern Region	1,08,203	1,06,783	(1,420 MUs) (1.3%)	1,18,663	1,14,677	(3,986 MUs) (3.4%)
Bihar	15,391	14,759	(632 MUs) (4.1%)	15,917	13,477	(2,440 MUs) (15.3%)
Peak Requirement						
Eastern Region	15,888	15,598	(290 MUs) (1.8%)	17,068	17,782	174 MUs 1.0%
Bihar	2,465	2,312	(153 MUs) (6.2%)	2,750	2,038	(712 MUs) (25.9%)

From the above, it is evident that there have been energy and peak shortages in the Eastern Region as well as in Bihar during the year 2013-14. In the year 2014-15, though sufficient energy is available in the Eastern Region, energy and peak shortages still remains in Bihar.

SWOT ANALYSIS

Strength/ Opportunity

The Company is backed by strong promoters i.e. Ministry of Railways and NTPC Limited. NTPC is the consultant for the Company which is having wide experience in engineering and management expertise from planning to commissioning and operating power plants. Indian Railways, being a big transport organization, consumes about 2% of the total power generation of the country which is likely to go up with the current pace of electrification. Presently, the peak power requirement of IR is about 4000 MW which is being fed to the electric traction network of IR through its odd 400 traction sub stations spread across the length and breadth of the country. Out of this requirement, Nabinagar power plant having 1000 MW capacity will cater the captive need of 900 MW of Indian Railways and 100 MW will be given to the Bihar Government. Thus BRBCL has good future prospects of dealing with the organisation like IR having sound financial fundamentals.

The Company is able to acquire major portion of land for establishing the project. Bharat Heavy Electricals Limited is the main plant contractor. The Company has tied up loan with Power Finance Corporation Limited and with Rural Electrification Limited for meeting its debt portion. The Company has coal linkage for 4X250 MW capacity. However, Fuel Supply Agreement has been signed between the Company and Central Coalfields Limited.

Weakness/ Threats:

The major threat the company is facing in acquiring parts of land. Also, the Company often faces agitation from land oustees for their land compensation, which halts the entire construction work at the project. Law and order situation and project security of the project has been also a considerable concern for the Company.

RISKS AND CONCERN

The risk to which company is exposed and the initiatives taken by the company to mitigate such risks are given below:

The project is delayed as there is delay in the land acquisition due to which contractors are demanding compensation.

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake etc.

Operational risks are associated with systems, processes & people and cover areas such as succession planning, attrition and retention of people, operational failure or interruption, disruption in supply chain, failure of research & development facilities and faulty application of information technology and non-compliance of regulatory provisions.

As the Company is in construction phase of project, it is not exposed to all such operational risks.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. It is following delegation of powers as is being followed in NTPC Limited. The accounts are being prepared in accordance with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. The Company has implemented SAP in all of its modules like HR, Accounting, Engineering, etc. which helps in retrieving data and maintaining systematic backup.

During the year under review, internal audit was done by an external agency for accounts and contracts & materials systems of your Company. The accounts system and C&M systems complied with the established robust rules and policies of the organization.

FINANCIAL DISCUSSION AND ANALYSIS

During the financial year 2013-14, the Company had issued 35,76,92,309 equity shares of ₹ 10/- each. The share capital as on 31.03.2014 stood at ₹ 10,46,15,23,090. It was ₹ 6,88,46,00,000 on 31.03.2013. The share application money pending allotment was ₹ 60,66,15,910. The Company had withdrawn cumulative loan of ₹ 25,37,18,88,070 upto FY 2013-14 as against ₹ 15,81,14,95,391 upto FY 2012-13 from PFC and REC. Borrowing costs capitalized during the year was ₹ 2,36,64,02,011.

The tangible assets after depreciation amounted to ₹ 3,69,57,83,565 as at 31.03.2014 as against ₹ 3,55,44,50,787 as at 31.03.2013. The tangible assets included capital expenditure of ₹ 22,35,86,080 incurred on assets not owned by the Company.

The intangible assets after depreciation amounted to ₹ 1,68,847 and ₹ 1,61,769 as at 31.03.2014 and 31.03.2013 respectively. The depreciation transferred to Expenditure During Construction (EDC) for the financial year 2013-14 was ₹ 1,23,40,631. The capital work-in-progress stood at ₹ 36,16,84,29,928 and ₹ 21,46,51,38,770 as at 31.03.2014 and 31.03.2013 respectively.

As the project is in construction stage, the income and expenses were transferred to EDC account. The expenses (net of income) transferred to EDC amounted to ₹ 3,37,48,10,237. The expenses incurred on training & recruitment was charged to statement of profit and loss. The total loss charged to statement of profit and loss was ₹ 6,87,624 which was transferred to reserves and surplus. The net loss for the financial year 2012-13 was 16,43,171.

HUMAN RESOURCE

Presently, the Company has total strength of 125 employees (including 7 Executive Trainees), out of which 123 employees have been deputed from the Holding Company i.e. NTPC Limited and 2 employees have been deputed from Ministry of Railways. As a socially responsible and socially conscious organization, the Company has deployed 26 SC employees, 7 ST employees and 27 OBC employees out of the total strength of 123 employees deputed from NTPC.

The Company is paying Performance Related Pay to its employees in order to boost their morale and also extending the facility of retention of family anywhere in India. Quarters have been hired at Dalmianagar as a Temporary Township until Permanent Township at the site is constructed.

The employee benefits expense (salaries & wages, contribution to provident & other funds and staff welfare expenses) was ₹ 20,45,07,736 for the financial year 2013-14, which have been transferred to expenditure during construction account as the project is in construction stage. It included ₹ 2,16,95,517 debited by the Holding Company towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the Holding Company.

REHABILITATION AND RESETTLEMENT ACTIVITIES

Your Company has taken number of steps towards rehabilitation and resettlement like infrastructure developments of approaches/roads in villages, providing solar street lights, installation of drinking water hand pumps in all the project affected villages, providing drinking water through tankers during draught in nearby villages, distribution of scholarships for ITI students of PAPs, distribution of playing kits among schools in PAPs' villages, establishing stitching centres for ladies, providing deep well boring facility for irrigation of agricultural fields, assisting cultural programmes, maintaining heritages in villages, providing mobile health clinic for the Project Affected Villagers and construction of crematoriums. The Company has provided training in association with CIDC to PAPs & their dependants in construction trades by Construction Industry Development Council (CIDC), New Delhi to make them more employable in the industry.

OUTLOOK

The company's outlook is very bright. It will generate sufficient revenue for the growth and development of the company as well as of the nearby community at large once the plant becomes operational.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic condition, Government policies and other incidental/ related factors.

For and on behalf of Board of Directors

(S.C. Pandey)
Chairman

Place : New Delhi
Dated : 10th July 2014

BHARTIYA RAIL BIJLEE COMPANY LIMITED
BALANCE SHEET AS AT

Amount in ₹

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**10,461,523,090**	6,884,600,000
Reserves and surplus	3	**(7,592,961)**	(6,905,337)
		10,453,930,129	6,877,694,663
Share Application money pending allotment	4	**606,615,910**	830,039,000
Non-current liabilities			
Long-term borrowings	5	**25,371,888,070**	15,811,495,391
Other long term liabilities	6	**2,937,283,449**	1,342,073,010
		28,309,171,519	17,153,568,401
Current liabilities			
Trade payable	7	**339,844**	17,818,773
Other current liabilities	8	**2,535,311,311**	1,705,795,513
Short-term provisions	9	**1,101,805,646**	1,103,378,421
		3,637,456,801	2,826,992,707
TOTAL		**43,007,174,359**	27,688,294,771
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**3,695,783,565**	3,554,450,787
Intangible assets	10	**168,847**	161,769
Capital work-in-progress	11	**36,168,429,928**	21,465,138,770
Other non-current assets	12	**58,659,064**	21,996,078
Long-term loans and advances	13	**3,008,620,264**	2,497,105,473
		42,931,661,668	27,538,852,877
Current assets			
Cash and bank balances	14	**74,539,825**	146,487,542
Short-term loans and advances	15	**36,728**	89,932
Other current assets	16	**936,138**	2,864,420
		75,512,691	149,441,894
TOTAL		**43,007,174,359**	27,688,294,771

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

(K. K. Singh)	**(S. K. Saxena)**	**(S. C. Pandey)**
Chief Executive Officer	Director	Chairman

This is the Balance Sheet referred to in our report of even date.

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M No. 086622

Place : New Delhi
Dated : 5th May 2014

BHARTIYA RAIL BIJLEE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Amount in ₹

Particulars	Note	31.03.2014	31.03.2013
Other income	17	**-**	-
Total revenue		**-**	-
Expenses			
Employee benefits expense	18	**-**	-
Finance costs	19	**-**	-
Administration & other expenses	20	**687,624**	1,643,171
Total expenses		**687,624**	1,643,171
Profit / (Loss) before tax		**(687,624)**	(1,643,171)
Total Tax Expense		**-**	-
Profit / (Loss) for the year		**(687,624)**	(1,643,171)
Significant accounting policies	1		
Expenditure During Construction Period	21		
Earnings per equity share (Par value of ₹ 10/- each)	22		
Basic		**(0.00)**	(0.00)
Diluted		**(0.00)**	(0.00)

The accompanying notes form an integral part of these financial statements.

There are no exceptional or extraordinary items in the above periods.

For and on behalf of the Board of Directors

(K. K. Singh)	**(S. K. Saxena)**	**(S. C. Pandey)**
Chief Executive Officer	Director	Chairman

This is the Statement of Profit and Loss referred to in our report of even date.

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M No. 086622

Place : New Delhi
Dated : 5th May 2014

BHARTIYA RAIL BIJLEE COMPANY LIMITED
CASH FLOW STATEMENT

Amount in ₹

For the year ended March 31,		2014	2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Loss as per statement of Profit and Loss	**(687,624)**	(1,643,171)
	Adjustment for		
	Increase/(Decrease) in Current liabilities	**810,464,094**	1,546,662,521
	Increase/(Decrease) in Other Current Assets	**588,599**	(8,014,891)
	Increase/(Decrease) in Loans & Advances	**53,204**	(49,762)
	Cash generated from operations	**811,105,897**	1,538,597,868
	Direct taxes paid	**1,339,684**	7,302,810
	Net Cash from Operating Activities-A	**811,757,957**	1,544,257,507
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets and CWIP	**(12,502,453,226)**	(13,603,760,566)
	Long term loan and advances	**(511,514,791)**	1,041,615,662
	Net Cash used in Investing Activities -B	**(13,013,968,017)**	(12,562,144,904)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Share Capital/Share capital deposit	**3,353,500,000**	-
	Proceeds from Long Term Borrowings	**11,155,603,117**	11,314,431,495
	Interest paid	**(2,378,840,775)**	(1,127,893,202)
	Net Cash flow from Financing Activities -C	**12,130,262,342**	10,186,538,293
	Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	**(71,947,718)**	(831,349,104)
	Cash and Cash equivalents (Opening Balance)	**146,487,542**	977,836,646
	Cash and Cash equivalents (Closing Balance)	**74,539,825**	146,487,542

NOTES : 1. Cash and Cash Equivalents consists of balance with Banks
2. Figures for Previous year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

(K. K. Singh)	(S. K. Saxena)	(S. C. Pandey)
Chief Executive Officer	Director	Chairman

This is the Cash Flow Statement referred to in our report of even date.

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M No. 086622

Place : New Delhi
Dated : 5th May 2014

Notes to the financial statements for the year ended 31st March 2014

Note 1. SIGNIFICANT ACCOUNTING POLICIES-2013-14

A. BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 1956 including accounting standards notified there under and the provisions of Electricity Act, 2003 to the extent applicable.

B. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

C. FIXED ASSETS

1. Tangible Assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Capital expenditure on assets not owned by the Company relating to generation of electricity is reflected as a distinct item in Capital work-in-progress till the period of completion and thereafter in the tangible assets. However, similar expenditure for community development is charged off to revenue.
5. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
6. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
7. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

D. CAPITAL WORK-IN-PROGRESS

1. Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
2. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
3. Unsettled liability for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

E. FOREIGN CURRENCY TRANSACTIONS

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Exchange differences arising from settlement/translation of long term foreign currency monetary items are adjusted in carrying cost of related assets.
4. Other exchange differences are recognised as income or expense in the period in which they arise.
5. Exchange differences on account of transaction of foreign currency borrowing recoverable or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulation are accounted as 'Deferred foreign currency fluctuation asset/ liability. The increase or decrease in depreciation or interest and finance charge for the year due to the accounting of such exchange difference as per accounting policy No. E is adjusted in depreciation, as the case may be.

F. BORROWING COSTS

Borrowing costs attributable to the fixed assets during construction, renovation and modernisation are capitalised. Such borrowing costs are apportioned on the average balance of capital work-in-progress for the year. Other borrowing costs are recognised as an expense in the period in which they are incurred.

G. INVENTORIES

1. Inventories are valued at the lower of, cost determined on weighted average basis, and net realisable value.
2. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

H. EXPENDITURE

a. Depreciation/amortisation

1. Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 in accordance with section 616(c) of the Companies Act, 1956.
2. Depreciation on the following assets is provided based on their estimated useful life:

a)	Kutcha Roads	2 years
b)	Enabling works	
	- residential buildings including their internal electrification.	15 years
	- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c)	Personal computers & laptops including peripherals	5 years
d)	Photocopiers and fax machines	5 years
e)	Water coolers and refrigerators	12 years

3. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.
4. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
5. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.
6. Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation.
7. Where the life and/or efficiency of an asset is increased due to renovation and modernisation, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.
8. Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery.
9. Capital expenditure on assets not owned by the company referred in policy C-4 is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use.

I. OTHER EXPENDITURE.

10. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
11. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.

J. EMPLOYEE BENEFITS

1. Defined contribution plan

Company's contribution paid/payable during the year to provident fund is recognised in the statement of profit and loss. The same is paid to a fund administered through a separate trust.

2. Defined benefit plan

Company's liability towards gratuity, leave benefits (including compensated absences), post retirement medical facility and other terminal benefits are determined by independent actuary, at the year end using the projected unit credit method. Past service cost are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains or losses are recognised immediately in the statement of profit and loss. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.

3. Short term employee benefits

These are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

K. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

L. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

M. TAXES ON INCOME

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one Year and are capable of reversal in one or more subsequent years. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

2. SHARE CAPITAL Amount in ₹

As at	31.03.2014	31.03.2013
Equity Share Capital		
AUTHORISED		
1606,000,000 Equity shares of face value of ₹10/- each, (previous year 1606,000,000 Equity shares of face value of ₹10/- each)	**16,060,000,000**	16,060,000,000
Issued, subscribed and fully paid up		
1,046,152,309 Equity shares of face value of ₹10/- each (Previous year 688,460,000 Equity shares of face value of ₹10/- each)	**10,461,523,090**	6,884,600,000
Total	**10,461,523,090**	6,884,600,000

a) During the year, the company has issued 357,692,309 Equity shares.

	NTPC Ltd	Min. of Railways	Total
Opening Balance as on 01.04.2013	509,460,000	179,000,000	688,460,000
Addition during the year	264,692,309	93,000,000	357,692,309
Closing Balance as on 31.03.2014	774,152,309	272,000,000	1,046,152,309

b) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the company

Particulars	31.03.2014		31.03.2013	
	No. of shares	% age holding	No. of shares	% age holding
NTPC Ltd. and their nominees	**774,152,309**	**74**	509,460,000	74
Ministry of Railways and their nominees	**272,000,000**	**26**	179,000,000	26

3. RESERVES AND SURPLUS Amount in ₹

As at	31.03.2014	31.03.2013
Surplus in the statement of profit and loss		
As per last balance sheet	**(6,905,337)**	(5,262,166)
Add: Loss for the year from statement of profit and loss	**(687,624)**	(1,643,171)
Net surplus	**(7,592,961)**	(6,905,337)
Total	**(7,592,961)**	(6,905,337)

4. SHARE APPLICATION MONEY PENDING FOR ALLOTMENT Amount in ₹

As at	31.03.2014	31.03.2013
Amount received for allotment and is pending for allotment		
Received from NTPC Ltd and	**606,615,910**	39,000
Received from Ministry of Railways	–	830,000,000
Total	**606,615,910**	830,039,000

1. 606,615,91 Equity Shares of ₹ 10/- each shall be issued against the Shares application money.
2. The shares are likely to be allotted in the financial year 2014-15
3. The authorised share capital of the company is ₹ 16,060,000,000 which is sufficient to cover the share capital amount on allotment of shares out of above share application money.
4. No amount is refundable out of above share application money.

5. LONG-TERM BORROWINGS Amount in ₹

As at	31.03.2014	31.03.2013
Term loans		
From Financial Institutions		
Secured		
Rupee loans	**25,371,888,070**	15,811,495,391
Total	**25,371,888,070**	15,811,495,391

Details of Securities

a) Secured by Equitable mortgage/hypothecation of all present and future fixed and movable assets of Nabinagar TPP(4*250 MW), as first charge, ranking pari pasu with charge created with PFC for 60 % of total debts and balance 40% with REC.

b) Interest on term loan is payable at the applicable three year "AAA" Bond yield rate plus agreed margin. The Moratorium period for the project is up to 6 months from the COD. The facility is available for a period of 48 months from the date of documentation or till the actual completion of the project plus 06 months (moratorium period), whichever is earlier. The repayment schedule is for a period of 15 years, beginning after 06 months from COD, in 60 quarterly instalments.

c) There has been no defaults in repayment of interest on loan as at the end of the year.

6. OTHER LONG-TERM LIABILITIES Amount in ₹

As at	31.03.2014	31.03.2013
Other liabilities		
Payable for capital expenditure	**2,937,283,449**	1,342,073,010
Total	**2,937,283,449**	1,342,073,010

7. Trade Payables Amount in ₹

As at	31.03.2014	31.03.2013
For goods and services	**339,844**	17,818,773
Total	**339,844**	17,818,773

8. OTHER CURRENT LIABILITIES Amount in ₹

As at	31.03.2014	31.03.2013
Interest accrued but not due on borrowings	**346,753,215**	216,301,025
Payable for capital expenditure	**2,054,140,549**	1,408,031,494
Other payables		
Tax deducted at source and other statutory dues	**24,784,828**	22,382,486
NTPC Ltd	**49,103,615**	43,917,057
Ministry of Railways	**1,302,803**	1,302,803
Payable to employees	**19,444,583**	13,459,239
Others *	**39,781,718**	401,409
Total	**2,535,311,311**	1,705,795,513

* Other payables - others include stale cheque and amount payable to club and association etc.

9. SHORT TERM PROVISIONS Amount in ₹

As at	31.03.2014	31.03.2013
Provision for obligations incidental to land acquisition		
Opening Balance	**1,103,378,421**	-
Additions during the year	**-**	1,103,378,421
Amount paid during the year	**1,615,414**	-
Amount reversed during the year	**-**	-
Closing balance	**1,101,763,007**	1,103,378,421
Provision for shortage in fixed asset pending investigation		
Opening Balance	**-**	-
Additions during the year	**42,639**	
Amount paid during the year	**-**	-
Amount reversed during the year	**-**	-
Closing balance	**42,639**	-
Total	**1,101,805,646**	1,103,378,421

10. TANGIBLE ASSETS Amount in ₹

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Land : (including development expenses)										
Freehold	3,235,933,908	125,953,029	-	**3,361,886,937**	-	-	-	**-**	**3,361,886,937**	3,235,933,908
Roads, bridges, culverts & helipads	534,632	-	-	**534,632**	481,168	-	-	**481,168**	**53,464**	53,464
Building - Others	46,215,451	13,308,011	-	**59,523,462**	916,574	2,305,108	-	**3,221,682**	**56,301,780**	45,298,877
Temporary erection	15,629,859	3,710,153	-	**19,340,012**	15,312,130	3,575,559	-	**18,887,689**	**452,323**	317,729
Water supply, drainage & sewerage system	194,953	332,502	-	**527,455**	83,848	89,271	-	**173,119**	**354,336**	111,105
Plant and equipment	1,355,775	-	-	**1,355,775**	273,814	65,166	-	**338,980**	**1,016,795**	1,081,961
Furniture and fixtures	14,454,402	2,941,962	-	**17,396,364**	2,764,442	1,125,946	-	**3,890,388**	**13,505,976**	11,689,960
Office equipment	4,771,982	2,553,609	-	**7,325,591**	1,671,347	902,332	-	**2,573,679**	**4,751,912**	3,100,635
EDP, WP machines and satcom equipment	8,399,209	780,449	-	**9,179,658**	2,830,711	1,363,621	-	**4,194,332**	**4,985,326**	5,568,498
Construction equipments	19,442,887	-	-	**19,442,887**	5,472,259	1,859,560	-	**7,331,819**	**12,111,068**	13,970,628
Electrical Installations	13,589,289	2,667,511	-	**16,256,800**	1,601,007	728,676	-	**2,329,683**	**13,927,117**	11,988,282
Communication Equipments	2,030,510	1,253,603	-	**3,284,113**	280,850	152,812	-	**433,662**	**2,850,451**	1,749,660
Laboratory and workshop equipments	17,747	-	-	**17,747**	17,747	-	-	**17,747**	**-**	-
Capital expenditure on assets not owned by the Company	223,586,080	-	-	**223,586,080**	-	-	-	**-**	**223,586,080**	223,586,080
Total	**3,586,156,684**	**153,500,829**	**-**	**3,739,657,513**	**31,705,897**	**12,168,051**	**-**	**43,873,948**	**3,695,783,565**	**3,554,450,787**
Previous year	1,847,640,400	56,609,806	(1,681,906,478)	3,586,156,684	24,056,061	7,804,343	154,507	31,705,897	3,554,450,787	1,823,584,339

Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

	Gross Block		Depreciation/Amortisation	
	31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Retirement of assets	**-**	168,194	**-**	168,194
	-	168,194	**-**	168,194

a) The holding company has received an opinion from the EAC of the ICAI on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the statement of profit & loss as and when incurred. The holding company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication from ICAI regarding the review, existing treatment has been continued as per the relevant accounting policy.

b) The borrowing costs capitalised during the year ended 31st March 2014 is ₹ **2,366,402,011** (previous year ₹ 1,088,716,241). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Similarly, exchange differences for the year are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustment' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustment' column are given below:

	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Exch.Difference incl in fixed assets/CWIP	**Borrowing Costs incl in fixed assets/CWIP**	Exch.Difference incl in fixed assets/CWIP	Borrowing Costs incl in fixed assets/CWIP
Building:				
Main Plant	**-**	**263,702,109**	-	152,584,301
Others	**-**	**237,289,270**	-	14,900,208
Plant & Machinery	**152,823,482**	**1,721,103,538**	5,710,365	836,297,724
MGR Track and Signalling system	**-**	**51,674,578**	-	33,714,503
Electrical Installation	**-**	**92,005,386**	51,107,848	-
Others including pending allocation	**-**	**627,130**	-	111,657
	152,823,482	**2,366,402,011**	5,710,365	1,088,716,241

INTANGIBLE ASSETS

	Gross Block				Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Software	1,022,208	179,659	_	**1,201,867**	860,439	172,581	_	**1,033,020**	**168,847**	161,769
Total	1,022,208	179,659	_	**1,201,867**	860,439	172,581	_	**1,033,020**	**168,847**	161,769
Previous year	1,035,896	-	13,688	1,022,208	562,332	311,795	13,688	860,439	161,769	473,564

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2014	31.03.2013
Transfer to EDC	**12,340,631**	8,116,136
	12,340,631	8,116,138

11. CAPITAL WORK-IN-PROGRESS

	As at 01.04.2013	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2014**
Development of land	370,362,737	281,285,365	-	-	**651,648,102**
Roads, bridges, culverts & helipads	156,325	294,031	-	-	**450,356**
Buildings :					
Main plant	2,328,077,547	1,104,324,308		-	**3,432,401,855**
Others	218,066,341	147,487,443	732,666	13,308,011	**351,513,107**
Temporary erection	1,862,768	5,994,520	-	-	**7,857,288**
Water supply, drainage and sewerage system	836,444	128,955	-	-	**965,399**
MGR track and signalling system	449,025,228	237,943,116	-	-	**686,968,344**
Plant and equipment	13,349,587,437	12,948,180,490		-	26,297,767,927
Furniture and fixture	-		(732,666)	732,666	**-**
EDP/WP machines & satcom equipment	936,987	814,922		858,653	**893,256**
Electrical installations	714,469,457	465,497,515	-	-	**1,179,966,972**
Capital expenditure on assets not owned by the company	19,150,000		-		**19,150,000**
Sub total :	17,452,531,271	15,191,950,665	(0)	14,899,330	**32,629,582,606**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	852,808,649	-		-	**852,808,649**
Expenditure during construction period (net)	2,248,096,131	3,333,210,513 *		-	**5,581,306,644**
Less Allocated to related works	(2,248,096,131)	(3,333,210,512)	-	-	**(5,581,306,643)**
	18,305,339,920	15,191,950,666	(0)	14,899,330	**33,482,391,256**
Construction stores	3,159,798,850	(473,760,177)	-	-	**2,686,038,672**
Total	21,465,138,770	14,718,190,489	(0)	14,899,330	**36,168,429,928**
Previous year	8,469,655,673	13,073,945,619	-	78,462,522	21,465,138,770

* Brought from expenditure during construction period (net) - Note 21

12. OTHER NON-CURRENT ASSETS

Amount in ₹

As at	**31.03.2014**	31.03.2013
Deferred foreign currency fluctuation asset *	**58,659,064**	21,996,078
Total	**58,659,064**	21,996,078

* In line with accounting policy No.E.5 disclosed in Note 1, deferred foreign currency fluctuation asset to the extent of ₹ **58,659,064** (previous year ₹ 21,966,078) has been made.

13. LONG-TERM LOANS AND ADVANCES

Amount in ₹

(Considered good, unless otherwise stated)

As at	**31.03.2014**	31.03.2013
CAPITAL ADVANCES		
Unsecured		
Covered by bank guarantee	**1,876,527,227**	1,729,277,183
Others	**468,401,488**	748,069,901
	2,344,928,715	2,477,347,084
SECURITY DEPOSITS (unsecured)		
Advance Tax and Tax deducted at Source	**21,098,073**	19,758,389
Deposit with Govt. Department	**642,593,476**	
	663,691,549	19,758,389
Total	**3,008,620,264**	2,497,105,473

14. CASH AND BANK BALANCES

Amount in ₹

As at	**31.03.2014**	31.03.2013
CASH & CASH EQUIVALENTS		
Balances with banks		
Current accounts	**74,539,825**	146,487,542
	74,539,825	146,487,542

15. SHORT-TERM LOANS AND ADVANCES

Amount in ₹

(Considered good, unless otherwise stated)

As at	**31.03.2014**	31.03.2013
Advances		
Employees		
Unsecured	**36,728**	24,432
Contractors & Suppliers, including material issued on loan		
Unsecured	**-**	65,500
Total	**36,728**	89,932

16. OTHER CURRENT ASSETS

Amount in ₹

As at	**31.03.2014**	31.03.2013
Other Recoverable	**936,138**	2,864,420
Total	**936,138**	2,864,420

17. OTHER INCOME Amount in ₹

For the year ended	31.03.2014	31.03.2013
Interest from-Contractors	**41,174,655**	40,039,152
Other non-operating income		
Miscellaneous income	**425,069**	4,864,183
	41,599,724	44,903,335
Less: Transferred to expenditure during construction period (net) - Note 21	**41,599,724**	44,903,335
Total	**-**	-

a) Miscellaneous income includes income from LD, Recoveries from Contractor, Hire Charges etc.

18. EMPLOYEE BENEFITS EXPENSE Amount in ₹

For the year ended	31.03.2014	31.03.2013
Salaries and wages	**162,579,504**	117,343,278
Contribution to provident and other funds	**21,695,517**	59,209,652
Staff welfare expenses	**20,232,715**	13,068,687
	204,507,736	189,621,617
Less : Transferred to expenditure during construction period (net)- Note 21	**204,507,736**	189,621,617
Total	**-**	-

Employee benefit include ₹ **21,695,517/-** (Previous Year: ₹ 49,906,783/-) towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the holding company/NTPC Ltd.

19. FINANCE COSTS Amount in ₹

For the year ended	31.03.2014	31.03.2013
Interest on		
Rupee term loans	**2,378,840,775**	1,127,193,202
Less: Interest from Short Term Deposit	**12,438,764**	39,540,259
	2,366,402,011	1,087,652,943
Other borrowing costs		
Commitment Charges	**-**	1,063,298
	2,366,402,011	1,088,716,241
Less: Transferred to expenditure during construction period (net) - Note 21	**2,366,402,011**	1,088,716,241
Total	-	-

20. ADMINISTRATION & OTHER EXPENSES Amount in ₹

For the year ended		31.03.2014	31.03.2013
Power charges	**665,425,995**		39,496,217
Less: Recovered from contractors & employees	**48,110**		25,298
		665,377,885	39,470,919
Rent	**9,524,845**		8,622,606
Less: Recoveries	**168,944**		53,071
		9,355,901	8,569,535
Repairs & maintenance			
Repair to Building	**11,019,399**		6,796,367
Repair to Machinery	**3,906,692**		3,623,694
Others	**3,368,937**		
		18,295,028	10,420,061
Insurance		**163,958**	13,504
License Fee		**-**	75,000
Training & recruitment expenses		**644,985**	1,643,171
Postage & Telegram/ courier		**285,622**	256,459
Communication expenses		**3,826,327**	4,377,125
Travelling expenses		**12,137,634**	8,742,407
Tender expenses	**2,488,685**		1,119,945
Less: Receipt from sale of tender documents	**26,732**		18,000
		2,461,953	1,101,945

20. ADMINISTRATION & OTHER EXPENSES Amount in ₹

For the year ended		31.03.2014	31.03.2013
Payment to auditors (refer details below) *		**159,269**	84,270
Advertisement and publicity		**1,247,339**	1,281,538
Security expenses		**11,624,534**	7,790,529
Entertainment expenses		**1,492,232**	1,195,498
Expenses for guest house	**473,476**		591,699
Less: Recoveries	**910**		7,940
		472,566	583,759
Community development and welfare expenses		**-**	3,994,586
Books and periodicals		**20,422**	69,471
Professional charges and consultancy fees		**7,292,727**	10,705,760
Legal expenses		**704,952**	2,609,909
EDP hire and other charges		**696,464**	465,127
Printing and stationery		**1,129,271**	1,178,464
Hire charge of vehicles		**14,962,502**	11,208,115
Hire Charge Heli/Air.		**1,568,609**	-
Hire charge of construction Equipment		**3,053,756**	33,000
DG Set operating expenses		**5,320,391**	3,528,475
Furnishing Expenses		**111,131**	116,321
Hiring Charge- Office Equipment		**188,422**	270,500
Horticulture Expenses		**101,069**	24,620
Bank charges		**26,813,229**	7,848,757
Net loss in foreign currency transactions & translations		**36,662,986**	5,616,018
Miscellaneous expenses		**2,654,027**	1,034,111
Provision for shortage in fixed assets		**42,639**	-
		828,867,830	134,308,954
Less: Transferred to deferred foreign currency fluctuation asset/liability		**36,662,986**	5,616,018
Transferred to expenditure during construction period (net) - Note 21		**791,517,220**	127,049,765
Total		**687,624**	1,643,171

* Details in respect of payment to auditors:

As auditor - Audit fee	**50,000**		50,000
In other Capacity - Other services (certification fees)			
Reimbursement of expenses	**103,089**		28,090
Reimbursement of service tax	**6,180**		6,180
	159,269	**159,269**	84,270

21. Expenditure during construction period (net) Amount in ₹

For the year ended		31.03.2014	31.03.2013
A. Employee benefits expense			
Salaries and wages		**162,579,504**	117,343,278
Contribution to provident and other funds		**21,695,517**	59,209,652
Staff welfare expenses		**20,232,715**	13,068,687
Total (A)		**204,507,736**	189,621,617
B. Finance costs			
Interest on Rupee Term Loan		**2,366,402,011**	1,087,652,943
Other Borrowing costs - Commitment Charge		**-**	1,063,298
Total (B)		**2,366,402,011**	1,088,716,241
C. Depreciation and amortisation		**12,340,631**	8,116,136
D. Administration and other expenses			
Power charges	**665,425,995**		39,496,217
Less: Recovered from contractors & employees	**48,110**		25,298
		665,377,885	39,470,919

21. Expenditure during construction period (net) Amount in ₹

For the year ended		**31.03.2014**	31.03.2013
Rent		**9,355,901**	8,569,535
Repairs & maintenance			
Repair to Building		**11,019,399**	6,796,367
Repair to Machinery		**3,906,692**	3,623,694
Others		**3,368,937**	-
Insurance		**163,958**	13,504
License Fee		**-**	75,000
Postage & Telegram/ Courier		**285,622**	256,459
Communication expenses		**3,826,327**	4,377,125
Travelling expenses		**12,137,634**	8,742,407
Tender expenses	**2,488,685**		1,119,945
Less: Receipt from sale of tender documents	**26,732**		18,000
		2,461,953	1,101,945
Payment to Auditors		**159,269**	84,270
Advertisement and publicity		**1,247,339**	1,281,538
Security expenses		**11,624,534**	7,790,529
Entertainment expenses		**1,492,232**	1,195,498
Expenses for Guest house		**472,566**	583,759
Community development and welfare expenses		**-**	3,994,586
Books and periodicals		**20,422**	69,471
Professional charges and consultancy fee		**7,292,727**	10,705,760
Legal expenses		**704,952**	2,609,909
EDP Hire and other charges		**696,464**	465,127
Printing and stationery		**1,129,271**	1,178,464
Hire Charges of Vehicle		**14,962,502**	11,208,115
Hire Charge Heli/Air.		**1,568,609**	-
Hire charge of construction Equipment		**3,053,756**	33,000
DG Set operating expenses		**5,320,391**	3,528,475
Furnishing Expenses		**111,131**	116,321
Hiring Charge- Office Equipment		**188,422**	270,500
Horticulture Expenses		**101,069**	24,620
Bank Charges		**26,813,229**	7,848,757
Miscellaneous expenses		**2,654,027**	1,034,111
Provision for shortage in fixed assets		**42,639**	-
Total (D)		**791,559,859**	127,049,765
Total (A+B+C+D)		**3,374,810,237**	1,413,503,759
E. Less: Other income			
Interest from contractors		**41,174,655**	40,039,152
Miscellaneous income		**425,069**	4,864,183
Total (E)		**41,599,724**	44,903,335
Grand total (A+B+C+D-E)		**3,333,210,513***	1,368,600,424

* Balance carried to capital work-in-progress - (Note 11)

22 Previous year figure has been regrouped / rearranged wherever considered necessary.

23 Amount in the financial statements are presented in ₹ .

24 a) Certain loans & advances and creditors, so far as these have since not been realised/discharged or adjusted are subject to confirmation/ reconciliation and consequent adjustment, if any.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

25 Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'

Borrowing costs capitalised during the year are ₹**2,366,402,011** (previous year ₹ 1,088,716,241)

26 Disclosure as per Accounting Standard - 19 on 'Leases'

Expenses on operating leases of the premises for residential use of the employees amounting to ₹ **9,449,845** (previous year: ₹8,622,606) are included in "Rent Lease Accommodation".

27 Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'

The elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

	Current Year	Previous Year
Net profit after tax used as numerator - ₹	**(687,624)**	(1,643,171)
Weighted average number of equity shares used as denominator for Basic EPS	**803,113,461**	688,460,000
Earning per share - Basic	**(0.00)**	(0.00)
Earning per share - Diluted	**(0.00)**	(0.00)
Face value per share - ₹	**10/-**	10/-

28 Foreign currency exposure not hedged by a derivative instrument or otherwise:

Particulars	Currencies	Amount in ₹	
		31.03.2014	31.03.2013
Sundry Creditors/deposit and retention monies	USD	**-**	-
	EURO	**1,406,016,617**	824,829,460
Unexecuted amount of contracts remaining to be executed	USD	**79,348,248**	71,886,031
	EURO	**1,217,115,043**	5,033,042,114

29 Based on information available with the company, there are no suppliers/ contractors/service providers who are registered as micro, small or medium, enterprise under "The Micro, Small and Medium Enterprises Development Act, 2006.

30 Contingent liability:

a) Demand notice received from the Commercial Tax Office, Aurangabad, Bihar for ₹ **1,405,404,683/-** on account of penalty and interest under Bihar Entry Tax Act for the FY 2011-12 & 2012-13. Revision petition has been filed before the court of Commissioner of Commercial Taxes, Patna for waiver of interest and penalty imposed but commissioner has turn down our request. BRBCL has gone to Tribunal against the order which is under subjudice.

b) BRBCL has Filled Income Tax Return for the year 2011-12. The Assessee officer has disallowed Income from other sources of ₹ 22,587,464.00. Accordingly, department has imposed Tax Liability of ₹ 6,671,710.00 including interest upto 31.01.2014 (Date of order) of ₹ 1,692,826.00. In the assessment income from other sources has been considered as revenue in nature instead of considering the revenue to be capital in nature. BRBCL has made an appeal against the assessment /fine/penalty to the Commissioner of Income Tax Appeal-V New Delhi for settlement of the issue. Further Interest of ₹ 149,366.00 for the period Feb-14 and Mar-14.

31 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 is ₹ **21,731,094,523/-** (previous year ₹ 29,752,263,794/-).

32 Other disclosures as per Schedule VI of the Companies Act, 1956

Amount in ₹

Particulars			Current year	Previous year
a) Value of imports calculated on CIF basis:				
Capital goods			Nil	Nil
Spare parts			Nil	Nil
b) Expenditure in foreign currency:			Nil	Nil
Professional and consultancy fee			Nil	Nil
Interest			Nil	Nil
Others			Nil	Nil
c) Value of components, stores and spare parts consumed (including fuel):	**Current year**		Previous year	
	% age	Amount	% age	Amount
Imported	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	Nil	Nil
			Current year	Previous year
d) Earnings in foreign exchange:			Nil	Nil
Professional & consultancy fee			Nil	Nil
Others			Nil	Nil

For and on behalf of the Board of Directors

(K.K.Singh)	**(S.K.Saxena)**	**(S.C.Pandey)**
Chief Executive Officer	Director	Chairman

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M. No. 086622

Place : New Delhi
Dated : 5th May 2014

INDEPENDENT AUDITORS' REPORT

To

The Members of BHARTIYA RAIL BIJLEE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BHARTIYA RAIL BIJLEE COMPANY LIMITED,** which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) In the case of the Statement of Profit and Loss, of theloss for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e) being a government company, pursuant to the notification No. GSR 829(E) dated 21st October, 2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the company.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No.086622

Date: 5th May, 2014
Place: New Delhi

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained all proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   (c) In our opinion, and according to the information and explanations given to us, the Company has not disposed off substantial part of the fixed assets during theyear and the going concern status of the company is not affected.

2. The company does not have inventory. Accordingly, the provision of clause 4(ii) (b) & (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause4 (iii)(a) to (d) of the Order are not applicable to the company and hence not commented upon.

   According to the information and the explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause4 (iii)(e)to (g) of the Order are not applicable to the company and hence not commented upon.

   However, Share Capital Deposit still has a unadjusted balance of ₹ 60.66 crores as on March 31st, 2014 against which no share have been allotted by company so far.

4. In our opinion and according to the information and the explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with the regard to the purchase of fixed assets. The company has not made any purchase / sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness or continuing failure in the internal control system of the company in respect of these areas.

5. According to the information given to us, there are no transactions that need to be entered in register maintained u/s 301 of the Companies Act, 1956.

6. According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

7. The company has no internal audit system adequate with the size and nature of business. However, Internal Audit is being conducted by the Jai Prakash Vaibhav & Associates.

8. The maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act is not applicable to the company since it has not commenced any activity related to the generation of electricity.

9. (a) According to information and explanations given to us, no undisputed amounts payable in respect of the provident fund, investor education and the protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable as at 31st March, 2014.

(b) In our opinion and according to the information & explanations given to us, there are no dues in respect of wealth tax, service tax, income-tax, custom duty, excise duty and cess that have not been deposited with appropriate authority on account of any dispute except the dues of ₹ 140.54 crores in respect of sales tax (Entry Tax) for the period 2011-12 to 2012-13 and the same have not been deposited with the appropriate authority on account of dispute which is pending in revision petition before the Court of Commissioner of Commercial Taxes, Patna.

10. The company has accumulated losses ₹ 75,92,961/- (including current years' loss) at the end of the financial year.Company has incurred ₹ 6,87,624/- cash loss in the current financial year. The net worth of the company is ₹ 10,45,39,30,129/- and accumulated loss is 0.072% of net worth.

11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions.There is no amount of dues to banks.

12. According to the information and the explanations given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

14. According to the records of the Company examined by us and the information and explanations given to us, the Company, during the year, has not dealt with/ traded in shares, securities and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.

16. According to the information and explanation furnished to us, the term loan taken from financial institution has been applied for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.

18. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.

19. The Company has not issued any debentures. Hence, para (ix) of the Order for creation of security on issue of debenture is not applicable to the Company.

20. The company has not made any public issue during the year.

21. During the course of our examination of the books and records of the company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For N.C. Aggarwal & Co.

Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No. 086622

Date: 5th May, 2014
Place: New Delhi

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the Standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 05 May 2014 and revised Audit Report dated 12 June 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of financial statement of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Tanuja S. Mittal)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place : New Delhi
Dated : 01 July 2014

CONSOLIDATED BALANCE SHEET AS AT

₹ Crore

Particulars	Note	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**8,245.46**	8,245.46
Reserves and surplus	3	**78,758.03**	72,995.49
		87,003.49	81,240.95
Deferred revenue	4	**1,609.88**	1,244.05
Fly ash utilisation fund		**326.23**	234.93
Minority interest		**680.43**	644.81
Non-current liabilities			
Long-term borrowings	5	**75,542.30**	64,587.72
Deferred tax liabilities (net)	6	**1,239.31**	1,080.72
Other long-term liabilities	7	**3,081.58**	2,217.66
Long-term provisions	8	**896.80**	761.20
		80,759.99	68,647.30
Current liabilities			
Short-term borrowings	5A	**433.64**	382.16
Trade payables	9	**7,427.70**	5,862.29
Other current liabilities	10	**14,223.44**	13,165.07
Short-term provisions	11	**7,575.13**	7,289.02
		29,659.91	26,698.54
TOTAL		**200,039.93**	178,710.58
ASSETS			
Non-current assets			
Goodwill on consolidation		**0.62**	0.62
Fixed assets			
Tangible assets	12	**83,957.77**	71,578.34
Intangible assets	12	**249.59**	253.75
Capital work-in-progress	13	**53,819.15**	46,553.36
Intangible assets under development	13	**5.81**	1.28
Non-current investments	14	**1,663.46**	3,300.42
Long-term loans and advances	15	**14,151.11**	11,058.61
Other non-current assets	15A	**1,805.99**	1,503.91
		155,653.50	134,250.29
Current assets			
Current investments	16	**1,636.96**	1,622.46
Inventories	17	**5,988.48**	4,575.78
Trade receivables	18	**6,725.66**	6,096.15
Cash and bank balances	19	**17,050.67**	18,738.12
Short-term loans and advances	20	**3,231.19**	1,718.34
Other current assets	21	**9,753.47**	11,709.44
		44,386.43	44,460.29
TOTAL		**200,039.93**	178,710.58

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

(A.K. Rastogi) Company Secretary	(K. Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director

This is the Consolidated Balance Sheet referred to in our report of even date

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K. K. Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Neeraj Kumar Agarwal) Partner M No. 094155	(Abhinav Aggarwal) Partner M No. 517358	(G. Shankar) Partner M No. 024042
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A. R. & Co. Chartered Accountants Firm Reg. No. 002744C
(Ajay Gupta) Partner M No. 090104	(Monika Agrawal) Partner M No. 093769	(Pawan K. Goel) Partner M.No. 072209

Place : New Delhi
Dated : 15th May 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

₹ Crore

Particulars	Note	31.03.2014	31.03.2013
Revenue			
Revenue from operations (gross)	22	**79,619.15**	72,669.65
Less: Electricity duty / Excise duty		**697.49**	571.56
Revenue from operations (net)		**78,921.66**	72,098.09
Other income	23	**2,777.44**	3,181.16
Total revenue		**81,699.10**	75,279.25
Expenses			
Fuel		**47,790.26**	42,827.77
Electricity purchased		**2,189.97**	2,673.49
Employee benefits expense	24	**4,055.95**	3,607.22
Cost of material and services		**317.47**	312.24
Finance costs	25	**3,203.07**	2,480.54
Depreciation and amortisation expense	12	**4,769.99**	3,823.22
Generation, administration & other expenses	26	**4,874.78**	4,545.89
Prior period items (net)	27	**11.85**	(33.78)
Total expenses		**67,213.34**	60,236.59
Profit before tax and exceptional items		**14,485.76**	15,042.66
Exceptional items		**-**	1,568.29
Profit before tax		**14,485.76**	16,610.95
Tax expense			
Current tax			
Current year		**3,372.68**	3,905.82
Earlier years		**(438.09)**	(162.01)
Deferred tax			
Current year		**158.59**	316.23
Less : MAT credit recoverable		**10.82**	35.31
Total tax expense		**3,082.36**	4,024.73
Profit after tax		**11,403.40**	12,586.22
Less: Share of Profit /(loss)-Minority interest		**(0.21)**	(4.56)
Group profit after tax		**11,403.61**	12,590.78
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value of ₹ 10/- each)	45		
Basic & Diluted (₹)		**13.83**	15.27

The accompanying notes form an integral part of these financial statements.

There are no extraordinary items in the above periods.

Total revenue, total expenses and profit after tax includes ₹ **4,532.23 crore** (previous year ₹ 3,653.98 crore), ₹ **4,062.44 crore** (previous year ₹ 3,492.62 crore) and ₹ **349.23 crore** (previous year ₹ 75.35 crore) respectively towards share of jointly controlled entities.

For and on behalf of the Board of Directors

(A.K. Rastogi) Company Secretary	(K. Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K. K. Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Neeraj Kumar Agarwal) Partner M No. 094155	(Abhinav Aggarwal) Partner M No. 517358	(G. Shankar) Partner M No. 024042
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A. R. & Co. Chartered Accountants Firm Reg. No. 002744C
(Ajay Gupta) Partner M No. 090104	(Monika Agrawal) Partner M No. 093769	(Pawan K. Goel) Partner M.No. 072209

Place : New Delhi
Dated : 15th May 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ Crore

Particulars			31.03.2014	31.03.2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before tax		**14,485.76**	16,610.95
	Adjustment for:			
	Depreciation/amortisation	**4,769.99**		3,823.22
	Prior period depreciation/amortisation	**3.73**		3.93
	Provisions	**160.54**		272.33
	Deferred revenue on account of advance against depreciation	**(16.06)**		(9.87)
	Deferred foreign currency fluctuation asset/liability	**(215.77)**		238.75
	Deferred income from foreign currency fluctuation	**516.36**		79.56
	Exchange differences on translation of foreign currency cash and cash equivalents	**(0.19)**		-
	Interest charges	**3,164.29**		2,457.80
	Guarantee fee & other finance charges	**38.78**		22.74
	Interest/income on term deposits/bonds/investment	**(2,130.45)**		(2,475.64)
	Dividend income	**(139.06)**		(217.79)
	Provisions written back	**(200.86)**		(908.53)
			5,951.30	3,286.50
	Operating profit before working capital changes		**20,437.06**	19,897.45
	Adjustment for:			
	Trade receivables	**(629.02)**		1,417.14
	Inventories	**(1,154.24)**		(186.21)
	Trade payables, provisions and other liabilities	**1,408.65**		1,778.39
	Loans & advances and other current assets	**(906.42)**		(3,419.44)
			(1,281.03)	(410.12)
	Cash generated from operations		**19,156.03**	19,487.33
	Direct taxes paid		**(2,686.65)**	(2,979.54)
	Net cash from operating activities - A		**16,469.38**	16,507.79
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets	**(18,948.45)**		(20,405.74)
	Purchase of investments	**(11,426.58)**		(17,955.00)
	Sale of investments	**13,049.04**		19,583.83
	Interest/income on term deposits/bonds/investments received	**2,453.40**		2,474.48
	Income tax paid on interest income	**(775.89)**		(760.53)
	Dividend received	**139.06**		217.79
	Net cash used in investing activities - B		**(15,509.42)**	(16,845.17)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings	**14,523.70**		14,381.51
	Repayment of long term borrowings	**(5,189.74)**		(4,603.31)
	Proceeds from short term borrowings	**51.48**		232.00
	Grant received/ Fly ash utilisation fund,etc.	**81.78**		162.85
	Interest paid	**(6,088.36)**		(4,922.38)
	Guarantee fee & other finance charges paid	**(154.55)**		(139.40)
	Dividend paid	**(5,018.96)**		(3,550.10)
	Tax on dividend	**(852.95)**		(573.06)
	Net cash from financing activities - C		**(2,647.60)**	988.11
D.	**Exchange differences on translation of foreign currency cash and cash equivalents**		**0.19**	-
	Net increase/decrease in cash and cash equivalents (A+B+C+D)		**(1,687.45)**	650.73
	Cash and cash equivalents at the beginning of the year (see Note 1 below)		**18,738.12**	18,087.39
	Cash and cash equivalents at the end of the year (see Note 1 below)		**17,050.67**	18,738.12
NOTES				
1.	Cash and cash equivalents consist of cheques, drafts, stamps on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 19:			
	Cash and cash equivalents		**930.65**	553.54
	Deposits included in other bank balances		**16,104.94**	18,110.68
	Other bank balances-Others*		**15.08**	73.90
	Cash and cash equivalents as restated (Note-19-Cash and bank balances)		**17,050.67**	18,738.12
	* Amounts which are not available for use towards:			
	1) Unpaid dividend account balance		**14.21**	15.67
	2) Unpaid refund account balance		**0.52**	-
	3) Out of margin money kept with RBI earmarked for fixed deposits from public		**0.02**	1.77
	4) Deposited as security with governement authorities		**0.02**	0.01
	5) Margin money with banks		**0.31**	56.45
			15.08	73.90
2.	Previous year figures have been regrouped/rearranged wherever considered necessary.			

For and on behalf of the Board of Directors

(A. K. Rastogi)	(K. Biswal)	(Dr. Arup Roy Choudhury)
Company Secretary	Director (Finance)	Chairman & Managing Director

This is the Consolidated Cash Flow Statement referred to in our report of even date

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K. K. Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Neeraj Kumar Agarwal) Partner M No. 094155	(Abhinav Aggarwal) Partner M No. 517358	(G. Shankar) Partner M No. 024042
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A. R. & Co. Chartered Accountants Firm Reg. No. 002744C
(Ajay Gupta) Partner M No. 090104	(Monika Agrawal) Partner M No. 093769	(Pawan K. Goel) Partner M.No. 072209

Place : New Delhi
Dated : 15th May 2014

Notes forming part of Consolidated Financial Statements

1. Significant accounting policies

A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006, read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs, provisions of the Companies Act, 1956, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

B. Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

C. Grants-in-aid

1. Grants-in-aid received from the Central Government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.
2. Where the ownership of the assets acquired out of the grants vests with the government, the grants are adjusted in the carrying cost of such assets.
3. Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

D. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Capital expenditure on assets not owned by the Company relating to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter in the tangible assets. However, similar expenditure for community development is charged off to revenue.
5. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
6. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
7. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

E. Capital work-in-progress

1. Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
2. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
3. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

F. Oil and gas exploration costs

1. The Company follows 'Successful Efforts Method' for accounting of oil & gas exploration activities.
2. Cost of surveys and prospecting activities conducted in search of oil and gas is expensed off in the year in which it is incurred.
3. Acquisition and exploration costs are initially capitalized as 'Exploratory wells-in-progress' under Capital work-in-progress. Such exploratory wells in progress are capitalised in the year in which the producing property is created or written off in the year when determined to be dry/abandoned.

G. Development of coal mines

Expenditure on exploration and development of new coal deposits is capitalized as 'Development of coal mines' under capital work-in-progress till the mines project is brought to revenue account.

H. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Exchange differences arising from settlement/translation of foreign currency loans, deposits/liabilities relating to fixed assets/capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement/translation of long term foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.
5. Derivative contracts in the nature of forward contracts, options and swaps are entered into to hedge the currency and interest rate risk of foreign currency loans. Premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contracts. Exchange differences on such contracts, which relate to long-term foreign currency monetary items referred to in Policy H.3 are adjusted in the carrying cost of related assets. Other derivative contracts are marked-to-market at the Balance Sheet date and losses are recognised in the Statement of Profit and Loss. Gains arising on such contracts are not recognised, until realised, on grounds of prudence.

Notes forming part of Consolidated Financial Statements

I. Borrowing costs

Borrowing costs attributable to the qualifying fixed assets during construction/exploration, renovation and modernisation are capitalised. Such borrowing costs are apportioned on the average balance of capital work-in-progress for the year. Other borrowing costs are recognised as an expense in the period in which they are incurred.

J. Investments

1. Current investments are valued at lower of cost and fair value determined on an individual investment basis.
2. Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
3. Premium paid on long term investments is amortised over the period remaining to maturity.

K. Inventories

1. Inventories are valued at the lower of, cost determined on weighted average basis and net realizable value.
2. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

L. Income recognition

1. Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted.
2. Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.
3. Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in depreciation.
4. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/payable.
5. Premium, discount and exchange differences in respect of forward exchange contracts and mark to market losses in respect of other derivative contracts referred to in accounting policy no. H.5 recoverable from/payable to the beneficiaries as per CERC Tariff Regulations, are recognised in sales.
6. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
7. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.
8. Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.
9. Scrap other than steel scrap is accounted for as and when sold.
10. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

M. Expenditure

a) Depreciation/amortisation

1. Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 in accordance with Section 616 (c) of the Companies Act, 1956.
2. Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business, is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956.
3. Depreciation on the following assets is provided based on their estimated useful life:

a) Kutcha Roads	2 years
b) Enabling works	
- residential buildings including their internal electrification.	15 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	5 years
d) Photocopiers and fax machines	5 years
e) Water coolers and refrigerators	12 years

4. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
5. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
6. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

Notes forming part of Consolidated Financial Statements

7. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.
8. Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.
9. Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery.
10. Capital expenditure on assets not owned by the company referred in policy D.4 is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use.
11. Leasehold land and buildings relating to generation of electricity business are fully amortised over lease period or life of the related plant whichever is lower following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.
12. Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of balance useful life of the project. Other leasehold land acquired for mining business is amortised over the lease period or balance life of the project whichever is less.

b) Other expenditure

13. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.
14. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
15. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
16. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
17. Transit and handling losses of coal as per Company's norms are included in cost of coal.

N. Employee benefits

Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

1. Company's contributions paid/payable during the year to provident fund and pension fund is recognised in the statement of profit and loss. The same is paid to funds administered through separate trusts.
2. Company's liability towards gratuity, leave benefits (including compensated absences), post retirement medical facility and other terminal benefits is determined by independent actuary, at year end using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of profit and loss. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.
3. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

O. Leases

1. Finance lease

1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.

1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. M.a.1 or M.a.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.

1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

2. Operating lease

Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.

P. Impairment

The carrying amount of cash generating units is reviewed at each balance sheet date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognised in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

Q. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

R. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

S. Taxes on income

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

Notes forming part of Consolidated Financial Statements

2. Share capital

₹ Crore

As at	31.03.2014	31.03.2013
Equity share capital		
Authorised		
10,00,00,00,000 shares of par value ₹10/- each (previous year 10,00,00,00,000 shares of par value ₹10/- each)	**10,000.00**	10,000.00
Issued, subscribed and fully paid-up		
8,24,54,64,400 shares of par value ₹10/- each (previous year 8,24,54,64,400 shares of par value ₹10/- each)	**8,245.46**	8,245.46

a) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31.03.2014		31.03.2013	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	**618,40,98,300**	**75.00**	618,40,98,300	75.00
- Life Insurance Corporation of India	**70,67,78,072**	**8.57**	63,12,94,191	7.66

3. Reserves and surplus

₹ Crore

As at	31.03.2014	31.03.2013
Capital reserve		
As per last financial statements	**408.97**	391.33
Add : Transfer from surplus	**4.98**	0.97
Add : Grants received during the year	**20.32**	41.24
Less : Adjustments during the year	**33.30**	24.57
	400.97	408.97
Securities premium account		
As per last financial statements	**2,228.11**	2,228.11
Add : Received during the year	**0.23**	-
	2,228.34	2,228.11
Foreign currency translation reserve	**0.15**	(0.41)
Debt service reserve		
As per last financial statements	**81.84**	-
Add : Transfer from surplus	**162.17**	81.84
	244.01	81.84
Self insurance reserve		
As per last financial statements	**50.11**	50.11
Less : Transfer to surplus	**27.49**	-
Less : Adjustments during the year	**0.82**	-
	21.80	50.11
Bonds redemption reserve		
As per last financial statements	**2,535.33**	2,389.04
Add : Transfer from surplus	**576.08**	492.79
Less : Transfer to surplus	**346.50**	346.50
	2,764.91	2,535.33
General reserve		
As per last financial statements	**66,958.67**	60,339.89
Add : Transfer from surplus	**5,012.08**	6,643.18
Less: Adjustments during the year	**4.92**	24.40
	71,965.83	66,958.67

Notes forming part of Consolidated Financial Statements

₹ Crore

As at	31.03.2014	31.03.2013
Surplus		
As per last financial statements	**732.87**	632.70
Add: Profit for the year as per Statement of Profit and Loss	**11,403.61**	12,590.78
Transfer from bond redemption reserve	**346.50**	346.50
Transfer from self insurance reserve	**27.49**	-
Less: Transfer to bond redemption reserve	**576.08**	492.79
Transfer to capital reserve	**4.98**	0.97
Transfer to fly ash utilisation fund	**17.01**	12.06
Transfer to debt service reserve	**162.17**	81.84
Transfer to general reserve	**5,012.08**	6,643.18
Dividend paid	**3,300.69**	3,094.07
Tax on dividend paid	**560.96**	501.94
Proposed dividend	**1,491.07**	1,718.27
Tax on proposed dividend	**253.41**	291.99
Net surplus	**1,132.02**	732.87
Total #	**78,758.03**	72,995.49

Includes ₹ **758.91 crore** (previous year ₹ 475.25 crore) share of jointly controlled entities.

a) Addition to Securities premium account represents premium received on issue of tax free bonds through private placement.

b) Debt service reserve has been created as per the loan agreement equivallent to two quarters' interest and principal repayment in respect of Aravali Power Company Pvt. Ltd..

c) Self insurance reserve has been created by Ratnagiri Gas & Power Private Ltd. to cover machinery break-down for which no insurance cover agreement has been entered.

d) Capital reserve includes an amount of ₹ **241.33 crore** (previous year ₹ 251.62 crore) relating to grant received from GOI through Government of Bihar for renovation and modernisation of Kanti Bijlee Utpadan Nigam Ltd.

4. Deferred revenue

₹ Crore

As at	31.03.2014	31.03.2013
On account of advance against depreciation	**692.55**	708.60
On account of income from foreign currency fluctuation	**917.33**	535.45
Total #	**1,609.88**	1,244.05

Includes ₹ **Nil** (previous year ₹ Nil) share of jointly controlled entities.

a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholders' funds and liabilities.

b) In line with significant accounting policy no. L.2 (Note 1), an amount of ₹ **16.05 crore** (previous year ₹ 9.87 crore) has been recognized during the year from the AAD and included in energy sales (Note 22).

c) Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of fixed assets, which is recoverable from the customers in future years as provided in accounting policy no. L.3 (Note 1). This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from shareholder's funds and liabilities.

Notes forming part of Consolidated Financial Statements

5. Long-term borrowings

₹ Crore

As at	31.03.2014	31.03.2013
Bonds		
Secured		
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3A)VII	**312.03**	-
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3B)VII	**399.97**	-
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2A)VII	**249.95**	-
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2B)VII	**91.39**	-
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1A)VII	**488.02**	-
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1B)VII	**208.64**	-
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 04th May 2023 and ending on 04th May 2027 (Forty fourth issue - private placement)VII	**500.00**	500.00
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 1st May 2023 (Seventeenth issue - private placement)I	**50.00**	50.00
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th April 2023 (Forty ninth issue - private placement)VII	**200.00**	-
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7th March 2023 (Forty eighth issue - private placement)VII. Secured during the current year.	**300.00**	300.00
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 25th January 2023 and ending on 25th January 2027 (Forty second issue - private placement)III	**500.00**	500.00
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th October 2022 (Forty seventh issue - private placement)VII	**390.00**	390.00
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19th January 2021 (Thirty seventh issue - private placement)III	**300.00**	300.00
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31st March 2020 (Thirty third issue- private placement)III	**195.00**	195.00
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 9th March 2020 (Thirty first issue- private placement)III	**500.00**	500.00
11.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in five equal annual installments commencing from 6th Nov 2019 and ending on 6th Nov 2023 (Twenty seventh issue - private placement)III	**350.00**	350.00
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5th May 2019 (Thirtieth issue - private placement)III	**700.00**	700.00
8.65% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th February 2019 (Twenty ninth issue - private placement)III	**550.00**	550.00
7.50% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 12th January 2019 (Nineteenth issue - private placement)II	**50.00**	50.00
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 21st November 2018 (Twenty eighth issue - private placement)III	**1,000.00**	1,000.00
9.3473% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 20th July 2018 and ending on 20th July 2032 (Forty sixth issue - private placement)VII	**75.00**	75.00
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 16th May 2018 and ending on 16th May 2032 (Forty fifth issue - private placement)VII	**75.00**	75.00

8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 10th April 2018 (Sixteenth issue -private placement)[I]	**100.00**	100.00
9.2573% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 2nd March 2018 and ending on 2nd March 2032 (Forty third issue - private placement)[III]	**75.00**	75.00
9.6713 % Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 23rd December 2017 and ending on 23rd December 2031 (Forty first issue - private placement)[III]	**75.00**	75.00
9.558 % Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 29th July 2017 and ending on 29th July 2031 (Fortieth issue - private placement)[III]	**75.00**	75.00
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 9th June 2017 and ending on 9th June 2031 (Thirty ninth issue - private placement)[III]	**105.00**	105.00
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 22nd March 2017 and ending on 22nd March 2031 (Thirty eighth issue - private placement)[III]	**75.00**	75.00
8.8086% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th December 2016 and ending on 15th December 2030 (Thirty sixth issue - private placement)[III]	**75.00**	75.00
8.785% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th September 2016 and ending on 15th September 2030 (Thirty fifth issue - private placement)[III]	**120.00**	120.00
8.71% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 10th June 2016 and ending on 10th June 2030 (Thirty fourth issue - private placement)[III]	**150.00**	150.00
8.8493% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 25th March 2016 and ending on 25th March 2030 (Thirty second issue - private placement)[III]	**105.00**	105.00
9.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty fifth issue - private placement)[III]	**285.50**	357.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty sixth issue - private placement)[III]	**285.50**	357.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - private placement)[IV]	**300.00**	350.00
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5th August 2011 and ending on 5th February 2021 (Twenty third issue - private placement)[IV]	**300.00**	350.00
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd July 2011 and ending on 2nd January 2021 (Twenty second issue - private placement)[IV]	**300.00**	350.00
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd August 2010 and ending on 2nd February 2020 (Twenty first issue - private placement)[V]	**500.00**	600.00
7.552% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 23rd September 2009 and ending on 23rd March 2019 (Twentieth Issue - private placement)[VI]	**200.00**	250.00

Notes forming part of Consolidated Financial Statements

9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each with ten equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of the 6th year and in annual installments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth issue - Part B - private placement)VIII	**225.00**	300.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each redeemable at par in ten equal annual installments commencing from the end of 6th year and upto the end of 15th year respectively from 18th April 2002 (Thirteenth issue -Part A - private placement)VIII	**225.00**	300.00
Unsecured*		
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2034 (Fifty First Issue C - Private Placement)*	**320.00**	-
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2029 (Fifty First Issue B - Private Placement)*	**105.00**	-
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24th March 2024 (Fifty Second Issue - private placement)*	**750.00**	-
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4th March 2024 (Fifty First Issue A - Private Placement)*	**75.00**	-
	12,311.00	9,704.00
Foreign currency notes		
Unsecured		
4.75 % Fixed rate notes due for repayment on 3rd October 2022	**3,030.50**	2,745.50
5.625 % Fixed rate notes due for repayment on 14th July 2021	**3,030.50**	2,745.50
5.875 % Fixed rate notes due for repayment on 2nd March 2016	**1,818.30**	1,647.30
Term loans		
From Banks		
Secured		
Rupee loansIX	**3,399.34**	2,986.65
Unsecured		
Foreign currency loans	**6,290.80**	4,766.70
Rupee loans	**18,905.07**	13,919.18
From Others		
Secured		
Rupee loansIX	**9,708.46**	8,313.13
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,456.03**	2,604.09
Other foreign currency loans	**2,026.88**	1,864.55
Rupee loans	**12,503.04**	13,090.55
Deposits		
Unsecured		
Fixed deposits	**0.09**	0.52
Others		
Unsecured		
Bonds application money pending allotment	**-**	200.00
Long term maturities of finance lease obligations		
Secured	**-**	0.05
Unsecured	**62.29**	-
Total#	**75,542.30**	64,587.72

Includes ₹ **9,082.32 crore** (previous year ₹ 8,651.80 crore) share of jointly controlled entities.

* Formalities for creation of security as per terms of bond issue are in progress.

Notes forming part of Consolidated Financial Statements

5. Long-term borrowings

a) Details of terms of repayment and rate of interest

₹ Crore

Particulars	Non current portion		Current portion	
	31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Term loans				
Secured				
Rupee loans - Banks	**3,399.34**	2,986.65	**310.00**	192.87
Rupee loans - Others	**9,708.46**	8,313.13	**395.34**	357.82
Foreign currency loan (guaranteed by GOI) - Others	**-**	-	**-**	96.44
	13,107.80	11,299.78	**705.34**	647.13
Unsecured				
Foreign currency loans (guaranteed by GOI) - Others	**2,456.03**	2,604.09	**173.40**	171.73
Foreign currency loans - Banks	**6,290.80**	4,766.70	**257.84**	233.59
Other foreign currency loans - Others	**2,026.88**	1,864.55	**393.67**	576.19
Rupee loans - Banks	**18,905.07**	13,919.18	**1,764.06**	1,759.13
Rupee loans - Others	**12,503.04**	13,090.55	**1,591.23**	1,367.73
	42,181.82	36,245.07	**4,180.20**	4,108.37
Fixed deposits (unsecured)	**0.09**	0.52	**0.43**	0.11

i) Secured rupee term loan from banks carry interest linked to SBI base rate or fixed interest rate ranging from 8% to 11.25% p.a., with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly/half-yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of four to fifteen years after a moratorium period of six months from the COD or three to five years from the date of the loan agreement.

ii) Secured rupee term loan from others carry interest linked to SBI base rate, SBI Advance Rate,rate notified by the lender for category 'A' public scetor undertaking, AAA bond yield rates plus agreed margin or fixed interest rate ranging from 7.71% to 13.00 % p.a., with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly/half-yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of four to fifteen years after a moratorium period of six months from the COD or three to five years from the date of the loan agreement.

iii) Unsecured Foreign Currency Loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 25 to 34 semi annual installments as of 31st March 2014.

iv) Unsecured Foreign Currency Loans – Banks include loans of ₹ **589.81 crore** (previous year ₹ 591.81 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ **5,958.83 crore** (previous year ₹ 4,408.48 crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 24 semiannual instalments as of 31st March 2014, commencing after moratorium period if any, as per the terms of the respective loan agreements.

v) Unsecured Foreign Currency Loans – Others include loans of ₹ **1,424.92 crore** (previous year ₹ 1,071.57 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a. and loans of ₹ **995.63 crore** (previous year ₹ 1,277.60 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR. These loans are repayable in 6 to 24 semiannual installments as of 31st March 2014, commencing after moratorium period if any, as per the terms of the respective loan agreements.

vi) Unsecured rupee term loans carry interest rate ranging from 5.707 % p.a. to 12.40 % p.a. with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly / half-yearly / yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of seven to fifteen years after a moratorium period of six months to five years.

vii) Unsecured fixed deposits carry interest ranging from 7.00% to 8.00% p.a. payable quarterly / monthly for non-cumulative schemes and on maturity in case of cumulative schemes compounded quarterly. As per the terms, deposits are repayable during a period of one to three years from the date of issue. However, same may be repaid earlier than their respective maturity in pursuance to applicable provisions and regulations of Companies Act, 2013.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four to seven years.

c) During the year, the Company made public issue of ₹1,750 crore (Fiftieth issue - stated above) pursuant to Notification No.61/2013.F.No.178/37/2013-(ITA.I) dated 8th August 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GOI. The Company has utilised the issue proceeds as per the objects of the issue stated in the prospectus dated 25th November 2013 i.e funding of capital expenditure and refinancing for meeting the debt requirement in ongoing projects, including recoupment of expenditure already incurred.

d) There has been no default in repayment of any of the loans or interest thereon as at the end of the year except that one of the Joint Venture Companies in which the Company has 32.86% share has defaulted in payment of principal and interest amounting to ₹ 53.48 crore and ₹ 145.69 crore respectively as at the end of the year for a period varying from 30 to 198 days.

Notes forming part of Consolidated Financial Statements

Details of securities

I Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.

II Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.

III Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.

IV Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II)Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.

V Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.

VI Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.

VII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

VIII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Singrauli Super Thermal Power Station by extension of charge already created.

IX (i) Secured by equitable mortagage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Bhilai Expansion Project (CPP - III) belonging to Joint Venture entity.

(ii) Secured by equitable mortagage/hypothecation of all the present and future Fixed Assets and Moveable Assets of CPP-II at Rourkela, Durgapur, Bhilai & Corporate office belonging to Joint Venture entity.

(iii) Secured by first charge by way of hypothecation of all moveable assets of Indira Gandhi Super Thermal Power Project (3 X 500 MW) Coal Based Thermal Power Project at Jhajjar Distt. in state of Haryana belonging to Joint Venture entity, comprising its movable plant and machinery, machinery spares, tools and accessories, furniture & fixture, vehicles and all other movable assets, present and future, including intangible assets, goodwill, uncalled capital, revenue and receivable of the project except for specified receivables on which first charge would be ceded to working capital lenders present and future and

Secured by first charge by way of mortgage by deposit of title deed of lands (approx 2049.11 acres) and other immovable properties of Indira Gandhi Super Thermal Power Project (3 x 500 MW) coal based thermal power project at jhajjar district in State of Haryana together with buildings and structure erected / constructed / standing thereon and all plant and machinery, and equipment attached to the earth or permanently fastened to the earth comprised therein, in respect of which the Joint venture entity, as a owner seized and possessed of and otherwise well and fully entitled to, both present and future assets.

(iv) Secured by equitable mortgage / hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4*250) MW of Bharitiya Rail Bijilee Company Ltd., a subsidiary company, as first charge, ranking pari passu with charge already created with PFC for 60% of total debts and balance 40% with REC.

(v) Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Power Plant and associated LNG facilities at village Anjanwel, Guhagar, Distt. Ratnagiri belonging to Joint Venture entity.

(vi) Secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land, in respect of loan from consortium led by SBI for Kanti Bijlee Utpadan Nigam Ltd. expansion project. The security will rank pari-pasu with all term lenders of the project. The charge has been created in favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor of security trustee has been executed for 594.84 acres out of 987.93 acres.

Notes forming part of Consolidated Financial Statements

(vii) Secured by Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Meja Thermal Power Project. Deed of Hypothecation for all present and future movable assets of Meja Urja Nigam Private Limited has also been executed with the Security Trustee and the Indenture of Mortgage with the Security Trustee has been registered with appropriate authority.

(viii) Secured by a first priority charge on all assets of the Nabinagar Power Generating Company Pvt.Ltd., present and future, movable and immovable through a deed of hypothecation and simple mortgage of land.

(ix) Secured by first charge on all movable and immovable, present and future assets of the NTPC Tamilnadu Energy Company Ltd.

X Security cover mentioned at sl. no. I to IX is above 100% of the debt securities outstanding.

5A. Short-term borrowings

₹ Crore

As at	**31.03.2014**	31.03.2013
Loans repayable on demand		
From Banks		
Secured		
Cash Credit	**433.64**	382.16
Total #	**433.64**	382.16

Includes ₹ **361.01 crore** (previous year ₹ 347.12 crore) share of jointly controlled entities.

a) Includes cash credit secured by hypothecation of stock in trade, book debts of Stage-I of Kanti Bijlee Utpadan Nigam Ltd. with floating rate of interest linked to the bank's base rate.

b) Includes borrowings secured by way of first pari-passu charge along with Power Finance Corporation Ltd. on the fixed assets, revenue and receivables of Aravali Power Company Pvt. Ltd.. Rate of interest is applicable at the base rate of the respective banks.

c) Includes cash credit secured by charge on spares, present and future stock of coal and fuel at various places of NTPC Tamilnadu Energy Company Limited and Debtors with floating rate of interest linked to bank's base rate.

d) There has been no default in payment of principal and interest as at the end of the year.

6. Deferred tax liabilities (net)

₹ Crore

	As at 01.04.2013	Additions/ (Adjustments) during the year	**As at 31.03.2014**
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,519.89	392.76	**6,912.65**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	789.64	(12.08)	**777.56**
Disallowances u/s 43B of the Income Tax Act, 1961	334.13	59.00	**393.13**
	5,396.12	345.84	**5,741.96**
Less: Recoverable from beneficiaries	4,315.40	187.25	**4,502.65**
Total #	1,080.72	158.59	**1,239.31**

Includes ₹ **187.26 crore** (previous year ₹ 183.23 crore) share of jointly controlled entities.

a) The net increase during the year in the deferred tax liability of ₹ **158.59 crore** (previous year ₹ 316.23 crore) has been debited to Statement of Profit and Loss.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

7. Other long-term liabilities

₹ Crore

As at	31.03.2014	31.03.2013
Trade payables	6.00	6.83
Deferred foreign currency fluctuation liability	151.99	135.60
Other liabilities		
Payable for capital expenditure	2,853.96	2,070.39
Others	69.63	4.84
Total #	**3,081.58**	2,217.66

Includes ₹ **156.35 crore** (previous year ₹ 21.36 crore) share of jointly controlled entities.

a) In line with accounting policy no.L.3 (Note 1) deferred foreign currency fluctuation liability to the extent of ₹ **16.39 crore** (previous year ₹ 1.17 crore) has been made during the year.

b) Other liabilities - Others include deposits received from contractors, customers and other parties.

8. Long-term provisions

₹ Crore

As at	31.03.2014	31.03.2013
Provision for		
Employee benefits	886.71	752.48
Contractual obligations	10.09	8.72
Total #	**896.80**	761.20

Includes ₹ **17.44 crore** (previous year ₹ 21.26 crore) share of jointly controlled entities.

a) Disclosure required by AS 15 on 'Employee Benefits' has been made in Note-40.

b) Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note-48.

9. Trade payables

₹ Crore

As at	31.03.2014	31.03.2013
For goods and services#	7,427.70	5,862.29

Includes ₹ **287.98 crore** (previous year ₹ 237.30 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

10. Other current liabilities

₹ Crore

As at	31.03.2014	31.03.2013
Current maturities of long term borrowings		
Bonds-Secured	**593.00**	693.00
From Banks		
Secured		
Rupee term loans	**310.00**	192.87
Unsecured		
Foreign currency loans	**257.84**	233.59
Rupee term loans	**1,764.06**	1,759.13
From Others		
Secured		
Rupee term loans	**395.34**	357.82
Foreign currency loan (guaranteed by GOI)	**-**	96.44
Unsecured		
Foreign currency loans (guaranteed by GOI)	**173.40**	171.73
Other foreign currency loans	**393.67**	576.19
Rupee term loans	**1591.23**	1367.73
Fixed deposits	**0.43**	0.11
	5,478.97	5,448.61
Current maturities of finance lease obligations-Secured	**0.07**	0.29
Interest accrued but not due on borrowings	**811.80**	670.55
Interest accrued and due on borrowings	**47.87**	-
Unpaid dividends	**14.21**	15.67
Unpaid matured deposits and interest accrued thereon	**0.22**	0.20
Unpaid matured bonds and interest accrued thereon	**0.58**	0.59
Unpaid bond refund money-Tax free bonds	**0.52**	-
Book overdraft	**3.07**	20.88
Advances from customers and others	**508.10**	424.50
Payable for capital expenditure	**5,279.85**	4,218.05
Other payables		
Tax deducted at source and other statutory dues	**255.49**	195.45
Deposits from contractors and others	**952.28**	1,264.91
Gratuity obligations	**30.10**	93.12
Payable to employees	**288.68**	468.81
Others	**551.63**	343.44
Total #	**14,223.44**	13,165.07

Includes ₹ **1,640.00 crore** (previous year ₹ 1,490.20 crore) share of jointly controlled entities.

a) Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term borrowings indicated above are disclosed in Note 5.

b) Interest accrued and due on borrowings pertains to one of the Joint Venture Companies. Refer Note 5 d).

c) Unpaid dividends, matured deposits and bonds including the interest accrued thereon include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/fixed deposits or are on hold pending legal formalities etc. Out of the above, no amount is due for payment to investor education and protection fund.

d) Payable for capital expenditure includes liabilities of ₹ **165.11 crore** (previous year ₹ 378.77 crore) towards an equipment supplier pending evaluation of performance and guarantee test results of steam/turbine generators at some of the stations. Pending settlement, liquidated damages recoverable for shortfall in performance of these equipments, if any, have not been recognised.

e) Other payables - Others include amount payable to hospitals, retired employees etc.

Notes forming part of Consolidated Financial Statements

11. Short-term provisions

₹ Crore

As at	31.03.2014	31.03.2013
Provision for		
Employee benefits	**1,088.52**	1,429.83
Proposed dividend	**1,491.06**	1,718.27
Tax on proposed dividend	**253.41**	291.99
Obligations incidental to land acquisition	**3,001.72**	2,228.72
Tariff adjustment	**1,293.69**	1,333.29
Shortage in fixed assets pending investigation	**6.17**	1.09
Others	**440.56**	285.83
Total #	**7,575.13**	7,289.02

Includes ₹ **146.50 crore** (previous year ₹ 155.18 crore) share of jointly controlled entities.

a) Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 40.

b) Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note 48.

c) The Company aggrieved over many of the issues as considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. Towards the above and other anticipated tariff adjustments, provision of ₹ **122.96 crore** (previous year ₹ 166.35 crore) has been made during the year and in respect of some of the stations, an amount of ₹ **162.56 crore** (previous year ₹ 63.11 crore) has been written back.

d) Other provisions include ₹ **53.64 crore** (previous year ₹ 46.27 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 31 C (ii)] and ₹ **378.52 crore** (previous year ₹ 200.84 crore) towards provision for litigation cases.

Notes forming part of Consolidated Financial Statements

12. Tangible assets

₹ Crore

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions / Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions / Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Land (including development expenses)										
Freehold	5,203.64	761.20	(994.28)	**6,959.12**	-	-	-	**-**	**6,959.12**	5,203.64
Leasehold	1,529.13	838.46	(71.74)	**2,439.33**	173.86	268.38	(2.16)	**444.40**	**1,994.93**	1,355.27
Roads,bridges, culverts & helipads	638.27	92.51	(10.93)	**741.71**	206.89	27.24	0.08	**234.05**	**507.66**	431.38
Buildings										
Freehold										
Main plant	5,087.31	313.51	(18.36)	**5,419.18**	1,396.68	157.04	2.99	**1,550.73**	**3,868.45**	3,690.63
Others	2,636.65	255.71	(40.36)	**2,932.72**	990.20	111.28	(2.64)	**1,104.12**	**1,828.60**	1,646.45
Leasehold	51.61	-	0.02	**51.59**	27.74	1.90	-	**29.64**	**21.95**	23.87
Temporary erection	38.17	2.89	0.11	**40.95**	35.35	1.88	0.20	**37.03**	**3.92**	2.82
Water supply, drainage & sewerage system	688.82	37.05	(3.91)	**729.78**	322.15	23.08	0.09	**345.14**	**384.64**	366.67
MGR track and signalling system	1,355.56	33.52	(19.37)	**1,408.45**	635.88	49.20	-	**685.08**	**723.37**	719.68
Railway siding	497.71	153.38	(1.92)	**653.01**	179.73	28.92	0.06	**208.59**	**444.42**	317.98
Earth dam reservoir	337.19	0.16	(1.72)	**339.07**	111.84	16.79	-	**128.63**	**210.44**	225.35
Plant and equipment										
Owned	93,336.04	10,538.42	(3,042.35)	**106,916.81**	36,654.71	4,609.21	210.72	**41,053.20**	**65,863.61**	56,681.33
Leased	-	60.00	-	**60.00**	-	1.06	-	**1.06**	**58.94**	-
Furniture and fixtures	444.02	40.01	1.88	**482.15**	254.85	19.04	1.55	**272.34**	**209.81**	189.17
Vehicles including speedboats										
Owned	11.61	1.95	1.54	**12.02**	6.08	0.82	1.20	**5.70**	**6.32**	5.53
Leased	2.33	-	1.74	**0.59**	2.02	0.22	1.70	**0.54**	**0.05**	0.31
Office equipment	164.09	21.43	2.70	**182.82**	79.21	10.98	2.31	**87.88**	**94.94**	84.88
EDP, WP machines and satcom equipment	402.62	24.42	13.61	**413.43**	275.47	28.18	12.22	**291.43**	**122.00**	127.15
Construction equipments	175.36	14.11	(2.10)	**191.57**	90.77	11.18	1.47	**100.48**	**91.09**	84.59
Electrical installations	415.99	42.26	(6.61)	**464.86**	166.43	17.08	0.50	**183.01**	**281.85**	249.56
Communication equipments	98.34	7.63	(0.24)	**106.21**	53.47	5.15	0.71	**57.91**	**48.30**	44.87
Hospital equipments	32.51	4.37	0.36	**36.52**	16.27	1.24	0.22	**17.29**	**19.23**	16.24
Laboratory and workshop equipments	53.00	9.55	(0.12)	**62.67**	15.28	2.53	0.04	**17.77**	**44.90**	37.72
Assets under 5 KM scheme of the GOI	0.53	86.24	(13.03)	**99.80**	0.01	20.66	-	**20.67**	**79.13**	0.52
Capital expenditure on assets not owned by the Company	225.30	38.74	4.55	**259.49**	152.57	16.82	-	**169.39**	**90.10**	72.73
Assets of Government	2.81	-	-	**2.81**	-	-	-	**-**	**2.81**	2.81
Less:Grants from Government	2.81	-	-	**2.81**	-	-	-	**-**	**2.81**	2.81
Assets created from fly ash utilisation fund	-	0.49	(4.09)	**4.58**	-	-	-	**-**	**4.58**	-
Less: set off against fly ash utilisation fund	-	0.49	(4.09)	**4.58**	-	-	-	**-**	**4.58**	-
Total #	**113,425.80**	**13,377.52**	**(4,200.53)**	**131,003.85**	**41,847.46**	**5,429.88**	**231.26**	**47,046.08**	**83,957.77**	**71,578.34**
Previous year	88,553.19	22,624.73	(2,247.88)	113,425.80	37,639.72	4,323.29	115.55	41,847.46	71,578.34	50,913.47

Netblock includes ₹ **11,204.26 crore** (previous year ₹ 8,270.35 crore) share of jointly controlled entities.

a) The conveyancing of the title to **11,666 acres** of freehold land of value ₹ **2,614.90 crore** (previous year 12,211 acres of value ₹ 1,788.36 crore), buildings & structures of value ₹ **61.27 crore** (previous year ₹ 136.74 crore) and also execution of lease agreements for **11,071 acres** of land of value ₹ **749.88 crore** (previous year 10,703 acres, value ₹ 476.70 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **818 acres** valuing ₹ **29.67 crore** (previous year 2,002 acres valuing ₹ 642.07 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include value of **33 acres** (previous year 1,181 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes **1,523 acres** of value ₹ **173.82 crore** (previous year 1,233 acres of value ₹ 14.99 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **168.41 crore** (previous year ₹ 152.48 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

Notes forming part of Consolidated Financial Statements

f) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of freehold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value ₹ **0.21 crore** (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ **0.21 crore**. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note -10 - 'Other Current Liabilities -as other liabilities'.

g) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22nd September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ **6.24 crore** (previous year ₹ 6.20 crore) has been charged to the Statement of Profit & Loss.

h) During the year, the accounting of 'Expenditure towards diversion of forest land' disclosed under Capital Work-in-progress (Note-13) was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 233.70 crore has been classified as Tangible Assets-Leasehold land and amortised from the effective date of commencement of lease.

i) The Company has received an opinion from the EAC of the ICAI on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the Statement of Profit & Loss as and when incurred. The Company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication from ICAI regarding the review, existing treatment has been continued as per the relevant accounting policy.

j) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP),Government of India scheme.

k) From the accounting periods commencing on or after 7th December 2006, the Company adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items relating to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

l) Refer Note 44 (a) (ii) regarding plant and equipment under finance lease.

m) The borrowing costs capitalised during the year ended 31st March 2014 is ₹ **3,158.17 crore** (previous year ₹ 2,718.48 crore). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/ Adjustments' column are given below:

₹ Crore

	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Exch. difference incl. in fixed assets/ CWIP	**Borrowing costs incl. in fixed assets/ CWIP**	Exch. difference incl. in fixed assets/ CWIP	Borrowing costs incl .in fixed assets/ CWIP
Buildings				
Main plant	**5.90**	**197.64**	2.15	165.89
Others	**0.92**	**65.20**	0.18	33.92
Hydraulic works, barrages, dams, tunnels and power channel	**-**	**302.47**	-	194.24
MGR track and signalling system	**0.03**	**19.18**	-	12.82
Railway siding	**0.03**	**22.93**	0.03	18.42
Plant and equipment	**1,152.13**	**2,244.18**	655.55	1,906.36
Others including pending allocation	**723.73**	**306.57**	398.10	386.83
Total	**1,882.74**	**3,158.17**	1,056.01	2,718.48

Notes forming part of Consolidated Financial Statements

Intangible assets

₹ Crore

	Gross Block				Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	**As at 31.03.2014**	Upto 01.04.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Software	98.44	2.78	(0.02)	**101.24**	93.50	3.41	-	**96.91**	**4.33**	4.94
Right of Use- Land	49.06	5.17	3.87	**50.36**	4.89	2.97	(0.19)	**8.05**	**42.31**	44.17
- Others	229.85	-	(7.82)	**237.67**	25.21	9.51	-	**34.72**	**202.95**	204.64
Total #	**377.35**	**7.95**	**(3.97)**	**389.27**	**123.60**	**15.89**	**(0.19)**	**139.68**	**249.59**	**253.75**
Previous year	326.24	44.53	(6.58)	377.35	108.84	14.53	(0.23)	123.60	253.75	217.40

Net block includes ₹ **8.54 crore** (previous year ₹ 5.01 crore) share of jointly controlled entities.

a) The right of use of land & others are amortized over the period of legal right to use or life of the related plant, whichever is less.

b) Right to use – land includes ₹ **44.49 crore** (previous year ₹ 43.18 crore) and right to use-others includes ₹ **234.15 crore** (previous year ₹ 226.33 crore) which are amortised over a period of more than ten years considering the useful life of these assets as per the related agreements / arrangements.

c) During the year, the accounting of 'Expenditure towards diversion of forest land' disclosed under Capital Work-in-progress (Note-13) was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 0.31 crore has been classified as Intangible Assets-Right of use-Land and amortised from the effective date of diversion.

d) Cost of acquisition of the right for drawl of water amounting to ₹ **234.15 crore** (previous year ₹ 226.33 crore) is included under intangible assets – Right of use - Others.

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

₹ Crore

	31.03.2014	31.03.2013
Charged to Statement of Profit and Loss	**4,769.99**	3,823.22
Allocated to the fuel cost	**266.41**	216.33
Transferred to expenditure during construction period (net) - Note 28	**273.56**	41.37
Transferred to development of coal mines	**1.33**	1.20
Adjustment with deferred income/expense from deferred foreign currency fluctuation	**134.48**	255.70
	5,445.77	4,337.82

13. Capital work-in-progress

₹ Crore

	As at 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	**As at 31.03.2014**
Development of land	579.25	302.56	67.00	-	**814.81**
Roads, bridges, culverts & helipads	89.10	122.99	(39.67)	92.51	**159.25**
Piling and foundation	901.27	95.88	170.82	-	**826.33**
Buildings					
Main plant	2,078.87	1,358.43	130.02	313.51	**2,993.77**
Others	735.41	490.59	32.34	255.71	**937.95**
Temporary erection	6.85	39.66	10.51	2.89	**33.11**
Water supply, drainage and sewerage system	64.43	43.89	7.04	35.88	**65.40**
Hydraulic works, barrages, dams, tunnels and power channel	4,096.10	753.09	93.33	-	**4,755.86**
MGR track and signalling system	317.05	94.91	29.99	33.52	**348.45**
Railway siding	367.15	169.23	81.67	153.38	**301.33**
Earth dam reservoir	50.53	5.47	5.61	0.16	**50.23**

Notes forming part of Consolidated Financial Statements

₹ Crore

	As at 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	**As at 31.03.2014**
Plant and equipment	31,632.21	14,779.41	1,630.17	10,373.70	**34,407.75**
Furniture and fixtures	11.99	23.70	(2.67)	18.75	**19.61**
Vehicles	0.64	0.21	0.41	0.24	**0.20**
Office equipment	3.32	6.07	1.69	4.00	**3.70**
EDP/WP machines & satcom equipment	4.31	1.82	0.17	3.83	**2.13**
Construction equipments	0.11	0.43	0.01	-	**0.53**
Electrical installations	152.51	126.83	(1.25)	39.40	**241.19**
Communication equipments	3.08	1.84	1.32	1.52	**2.08**
Hospital equipments	0.15	0.34	-	0.15	**0.34**
Laboratory and workshop equipments	0.16	0.37	0.02	0.14	**0.37**
Assets under 5 KM scheme of the GOI	58.23	40.79	0.28	86.25	**12.49**
Capital expenditure on assets not owned by the company	33.26	55.53	(3.15)	33.91	**58.03**
Exploratory wells-in-progress	7.64	-	7.64	-	-
Development of coal mines	376.16	260.37	-	-	**636.53**
	41,569.78	18,774.41	2,223.30	11,449.45	**46,671.44**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	335.55	88.04	27.40	-	**396.19**
Difference in exchange on foreign currency loans	851.36	947.50	298.61	-	**1,500.25**
Expenditure towards diversion of forest land	234.00	-	234.00	-	-
Pre-commisioning expenses (net)	100.39	399.03	361.26	-	**138.16**
Expenditure during construction period (net)	632.24	4,493.44 *	(168.57)	-	**5,294.25**
Less: Allocated to related works	-	4,664.77	-	-	**4,664.77**
	43,723.32	20,037.65	2,976.00	11,449.45	**49,335.52**
Less: Provision for unserviceable works	71.44	6.63	8.84	**-**	**69.23**
Construction stores (net of provision)	2,901.48	1,651.38	-	-	**4,552.86**
Total #	46,553.36	21,682.40	2,967.16	11,449.45	**53,819.15**
Previous year	50,396.99	16,375.87	(21.53)	20,241.03	**46,553.36**

Includes ₹ **2,944.28 crore** (previous year ₹ 5,242.45 crore) share of jointly controlled entities.

* Brought from expenditure during construction period (net) - Note 28

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **0.27 crore** (previous year ₹ 0.63 crore).

b) Pre-commissioning expenses for the year amount to ₹ **436.68 crore** (previous year ₹ 672.32 crore) and after adjustment of pre-commissioning sales of ₹ **37.65 crore** (previous year ₹ 300.68 crore) resulted in net pre-commissioning expenditure of ₹ **399.03 crore** (previous year ₹ 371.64 crore).

c) Additions to the development of coal mines includes expenditure during construction period of ₹ **260.37 crore** (previous year ₹ 96.42 crore).

d) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP), Government of India scheme.

e) During the year, the accounting of 'Expenditure towards diversion of forest land' was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 233.70 crore has been classified as Tangible Assets-Leasehold land and an amount of ₹ 0.31 crore has been classified under Intangible Assets-Right of use-Land, in Note 12.

Intangible Assets Under Development ₹ Crore

	As at 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	**As at 31.03.2014**
Software	1.28	2.55	1.29	-	**2.54**
License fee for technical colabration	-	-	(1.34)	-	**1.34**
Exploratory wells-in-progress	-	1.91	(7.66)	-	**9.57**
	1.28	4.46	(7.71)	-	**13.45**
Less: Provision for unserviceable works	-	-	(7.64)	-	**7.64**
Total #	1.28	4.46	(0.07)	**-**	**5.81**
Previous year	1.27	0.05	0.04	-	1.28

Includes ₹ **3.88 crore** (previous year ₹ 1.28 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

14. Non-current Investment

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
Long term - Trade				
Equity instruments (fully paid up - unless otherwise stated)				
Quoted				
PTC India Ltd.	12000000 (12000000)	10 (10)	**12.00**	12.00
			12.00	12.00
Cooperative societies			*	*
Bonds (fully paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of				
Andhra Pradesh	1260650 (2521300)	1000 (1000)	**126.07**	252.13
Assam	51464 (102928)	1000 (1000)	**5.15**	10.29
Bihar	1894400 (3788800)	1000 (1000)	**189.44**	378.88
Chattisgarh	483220 (966440)	1000 (1000)	**48.32**	96.64
Gujarat	837240 (1674480)	1000 (1000)	**83.72**	167.45
Haryana	1075000 (2150000)	1000 (1000)	**107.50**	215.00
Himachal Pradesh	33388 (66776)	1000 (1000)	**3.34**	6.68
Jammu and Kashmir	367360 (734720)	1000 (1000)	**36.74**	73.47
Jharkhand	960136 (1920256)	1000 (1000)	**96.01**	192.03
Kerala	1002400 (2004800)	1000 (1000)	**100.24**	200.48
Madhya Pradesh	830840 (1661680)	1000 (1000)	**83.08**	166.17
Maharashtra	381400 (762800)	1000 (1000)	**38.14**	76.28
Orissa	1102874 (2205748)	1000 (1000)	**110.29**	220.57
Punjab	346230 (692460)	1000 (1000)	**34.62**	69.25
Rajasthan	290000 (435000)	1000 (1000)	**29.00**	43.50
Sikkim	34196 (68392)	1000 (1000)	**3.42**	6.84
Uttar Pradesh	3989900 (7979800)	1000 (1000)	**398.99**	797.98
Uttaranchal	399650 (799300)	1000 (1000)	**39.97**	79.93
West Bengal	1174248 (2348496)	1000 (1000)	**117.42**	234.85
			1,651.46	3,288.42
Total#			**1,663.46**	3,300.42
# Share of jointly controlled entities is Nil (previous year Nil).				
Quoted investments				
Book value			**12.00**	12.00
Market value			**81.36**	71.94
Unquoted investments				
Book value			**1,651.46**	3,288.42

Investments have been valued considering the accounting policy no. J (Note1).

* Equity shares of ₹ **30,200/-** (previous year ₹ 30,200/-) held in various employee co-operative societies.

Notes forming part of Consolidated Financial Statements

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2014	31.03.2013
Capital advances		
Secured	**26.56**	62.90
Unsecured		
Covered by Bank Guarantee	**5,266.24**	4,725.28
Others	**4,374.53**	3,281.30
Considered doubtful	**2.59**	2.54
Less: Allowance for bad & doubtful advances	**2.59**	2.54
	9,667.33	8,069.48
Security deposits (unsecured)	**147.05**	93.86
Loans		
Related parties		
Unsecured	**0.01**	0.03
Employees (including accrued interest)		
Secured	**405.97**	400.27
Unsecured	**144.58**	144.14
Loan to state government in settlement of dues from customers (unsecured)	**143.59**	239.31
Others		
Secured	**40.00**	14.29
Unsecured	**0.59**	-
Doubtful	**0.22**	-
Less: Allowance for bad & doubtful loans	**0.22**	-
	734.74	798.04
Advances		
Unsecured		
Contractors & Suppliers, including material issued on loan	**623.78**	92.18
Others	**2.03**	0.18
	625.81	92.36
Advance tax deposit & tax deducted at source	**9,932.14**	11,932.58
Less: Provision for current tax	**7,044.34**	10,036.37
	2,887.80	1,896.21
MAT credit recoverable	**86.20**	106.72
Cenvat Credit / Service tax recoverable	**2.18**	1.94
Total #	**14,151.11**	11,058.61

Includes ₹ **906.21 crore** (previous year ₹ 926.65 crore) share of jointly controlled entities.

a) Capital advances include ₹ **252.22 crore** (previous year ₹ 226.27 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted in the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.

b) Other loans (secured) represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

15A. Other non-current assets

₹ Crore

As at	31.03.2014	31.03.2013
Long term trade receivables		
Unsecured, considered good	**11.67**	9.33
Deferred foreign currency fluctuation asset	**1,368.32**	1,136.16
Claims recoverable	**426.00**	358.42
Total #	**1,805.99**	1,503.91

Includes ₹ **13.36 crore** (previous year ₹ 10.53 crore) share of jointly controlled entities.

a) In line with accounting policy no.L.3 (Note 1), deferred foreign currency fluctuation asset has been accounted and (-) ₹ **257.31 crore** (previous year (-) ₹ 296.96 crore) being exchange fluctuations on account of foreign currency loans has been recognised as energy sales in Note 22.

b) Claims recoverable represents the cost incurred upto 31st March 2014 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power, GOI. This includes ₹ **176.22 crore** (previous year ₹ 109.65 crore) in respect of arbitration awards challenged/being challenged by the Company before High Court. In the event the High Court grants relief to the Company, the amount would be adjusted against Short Term Provisions - Others (Note 11). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary. Also refer Note 21(c).

Notes forming part of Consolidated Financial Statements

16. Current investments

₹ Crore

As at	Number of bonds/ securities Current year/ (previous year)	Face value per bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
Trade				
Current maturities of long term investments				
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of				
Andhra Pradesh	1260650 (1260650)	1000 (1000)	**126.07**	126.07
Assam	51464 (51464)	1000 (1000)	**5.15**	5.15
Bihar	1894400 (1894400)	1000 (1000)	**189.44**	189.44
Chattisgarh	483220 (483220)	1000 (1000)	**48.32**	48.32
Gujarat	837240 (837240)	1000 (1000)	**83.73**	83.73
Haryana	1075000 (1075000)	1000 (1000)	**107.50**	107.50
Himachal Pradesh	33388 (33388)	1000 (1000)	**3.34**	3.34
Jammu and Kashmir	367360 (367360)	1000 (1000)	**36.74**	36.74
Jharkhand	960120 (960120)	1000 (1000)	**96.01**	96.01
Kerala	1002400 (1002400)	1000 (1000)	**100.24**	100.24
Madhya Pradesh	830840 (830840)	1000 (1000)	**83.08**	83.08
Maharashtra	381400 (381400)	1000 (1000)	**38.14**	38.14
Orissa	1102874 (1102874)	1000 (1000)	**110.29**	110.29
Punjab	346230 (346230)	1000 (1000)	**34.62**	34.62
Rajasthan	145000 (-)	1000 (-)	**14.50**	-
Sikkim	34196 (34196)	1000 (1000)	**3.42**	3.42
Uttar Pradesh	3989900 (3989900)	1000 (1000)	**398.99**	398.99
Uttaranchal	399650 (399650)	1000 (1000)	**39.96**	39.96
West Bengal	1174248 (1174248)	1000 (1000)	**117.42**	117.42
Total#			**1,636.96**	1,622.46
# Share of jointly controlled entities is **Nil** (previous year Nil).				
Unquoted investments				
Book value			**1,636.96**	1,622.46

a) Investments have been valued considering the accounting policy no. J (Note 1).

b) The above investments are unquoted and hence market value is not applicable.

17. Inventories

₹ Crore

As at	31.03.2014	31.03.2013
Coal	**2,185.29**	1,039.74
Fuel oil	**371.89**	400.27
Naphtha	**166.82**	146.77
Stores and spares	**2,783.86**	2,440.60
Chemicals & consumables	**68.08**	76.96
Loose tools	**7.20**	6.76
Steel Scrap	**28.16**	25.89
Others	**450.25**	503.86
	6,061.55	4,640.85
Less: Provision for shortages	**2.26**	2.56
Provision for obsolete/ unserviceable items / dimunition in value of surplus inventory	**70.81**	62.51
Total #	**5,988.48**	4,575.78
# Includes ₹ **594.41 crore** (previous year ₹ 495.57 crore) share of jointly controlled entities.		
Inventories include material-in-transit, valued at cost		
Coal	**164.99**	79.71
Stores and spares	**47.78**	31.56
Chemicals & consumables	**0.83**	0.62
Loose tools	**0.27**	0.05
Others	**4.35**	2.75
	218.22	114.69

a) Inventory items, other than steel scrap have been valued considering the accounting policy no. K.1 (Note 1). Steel scrap has been valued at estimated realisable value.

b) Inventories-Others include steel, cement, ash bricks etc.

18. Trade Receivables

₹ Crore

As at	31.03.2014	31.03.2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**455.33**	204.12
Considered doubtful	**0.03**	0.03
Less: Allowance for bad & doubtful receivables	**0.03**	0.03
	455.33	204.12
Others- Unsecured, considered good	**6,270.33**	5,892.03
Total #	**6,725.66**	6,096.15

Includes ₹ **1,177.30 crore** (previous year ₹ 517.53 crore) share of jointly controlled entities.

19. Cash and bank balances

₹ Crore

As at	31.03.2014	31.03.2013
Cash & cash equivalents		
Balances with banks		
Current accounts	**165.29**	389.91
Deposits with original maturity of upto three months	**667.97**	59.53
Cheques & drafts on hand	**66.52**	74.98
Balance with Reserve Bank of India	**30.79**	29.03
Others (stamps on hand)	**0.08**	0.09
	930.65	553.54
Other bank balances		
Deposits with original maturity of more than three months[(a)]	**16,104.94**	18,110.68
Others*	**15.08**	73.90
Total #	**17,050.67**	18,738.12

Includes ₹ **419.57 crore** (previous year ₹ 533.54 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

₹ Crore

As at	31.03.2014	31.03.2013
a) Includes bank deposits with original maturity of more than twelve months amounting to ₹ **6.07 crore** (previous year ₹ 0.02 crore).		
* Not available for use to the Company and include:		
Unpaid dividend account balance	**14.21**	15.67
Unpaid refund account balance	**0.52**	-
Balance with Reserve Bank of India##	**0.02**	1.77
Security with government authorities	**0.02**	0.01
Margin money with banks	**0.31**	56.45
	15.08	73.90

Out of margin money kept with Reserve Bank of India in terms of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975 for fixed deposits from public.

20. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2014	31.03.2013
Loans		
Related parties		
Unsecured	**0.09**	0.04
Employees(including accrued interest)		
Secured	**77.93**	76.92
Unsecured	**95.49**	91.68
Loan to state government in settlement of dues from customers-Unsecured	**95.73**	95.73
Others		
Secured	**10.00**	35.71
Unsecured	**0.06**	-
	279.30	300.08
Advances		
Related parties		
Unsecured	**3.54**	4.08
Employees		
Unsecured	**10.86**	9.21
Considered doubtful	**0.03**	0.11
Contractors & suppliers, including material issued on loan		
Secured	**-**	6.71
Unsecured	**1,908.24**	605.88
Considered doubtful	**2.33**	1.53
Others		
Unsecured	**132.70**	131.95
Considered doubtful	**1.03**	1.03
Less: Allowance for bad & doubtful advances	**3.39**	2.67
	2,055.34	757.83
Security deposits (Unsecured)	**896.55**	660.43
Total #	**3,231.19**	1,718.34

Includes ₹ **200.87 crore** (previous year ₹ 107.42 crore) share of jointly controlled entities.

a) Other loans (secured) represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

b) Other advances mainly represent prepaid expenses amounting to ₹ **64.92 crore** (previous year ₹ 57.89 crore).

c) Security deposit (unsecured) includes ₹ **211.92 crore** (previous year ₹ 200.35 crore) sales tax deposited under protest with sales tax authorities.

Notes forming part of Consolidated Financial Statements

21. Other current assets

₹ Crore

As at	31.03.2014	31.03.2013
Interest accrued on		
Bonds	**174.24**	243.19
Term deposits	**621.02**	875.02
Others	**48.46**	23.98
	843.72	1,142.19
Claims recoverable		
Unsecured, considered good	**1,743.50**	4,423.59
Considered doubtful	**13.77**	13.05
Less: Allowance for doubtful claims	**13.77**	13.05
	1,743.50	4,423.59
Unbilled revenue	**7,148.37**	6,127.57
Assets held for disposal	**2.68**	3.01
Others	**15.20**	13.08
Total #	**9,753.47**	11,709.44

Includes ₹ **247.59 crore** (previous year ₹ 285.44 crore) share of jointly controlled entities.

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **7,550.01 crore** (previous year ₹ 6,508.72 crore) billed to the beneficiaries after 31st March for energy sales, sale of goods and services.

c) Claims recoverable are net of the first phase amount of ₹ **536.30 crore,** received from the GOI in September 2013 towards the cost incurred in respect of one of the hydro power projects which has been discontinued on the advice of Ministry of Power, GOI. Balance amount of ₹ 426.00 crore recoverable from the GOI is disclosed in Note 15A (b).

22. Revenue from operations (gross)

₹ Crore

For the year ended		31.03.2014	31.03.2013
Energy sales (including electricity duty)		**78,618.65**	70,654.25
Consultancy, project management and supervision fee (including turnkey construction projects)		**451.51**	401.67
Sale of goods (including excise duty)		**78.30**	126.69
		79,148.46	71,182.61
Energy internally consumed		**87.08**	93.17
Sale of fly ash and cenosphere [net of expenditure of ₹ **2.89 crore** (previous year ₹ 2.34 crore)]	**119.66**		106.52
Less: Transferred to fly ash utilisation fund	**119.66**		106.52
		-	-
Other operating revenues			
Interest from customers		**131.48**	432.60
Recognized from deferred foreign currency fluctuation liability		**1.56**	3.52
Others		**49.71**	49.22
Provisions written back			
Tariff adjustment		**162.56**	63.11
Doubtful debts		**-**	840.67
Doubtful loans, advances and claims		**0.06**	0.33
Shortage in construction stores		**0.80**	1.12
Shortage in stores		**1.49**	0.71
Obsolescence in stores		**2.26**	1.30
Unserviceable capital works		**1.21**	0.90
Others		**32.48**	0.39
		200.86	908.53
Total#		**79,619.15**	72,669.65

Includes ₹ **4,556.46 crore** (previous year ₹ 3,642.66 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, and First, Second and Third Amendments thereto in May 2011, June 2011 and December 2012 respectively (Regulations, 2009). In line with the Regulations, 2009, the CERC has issued provisional/final tariff orders w.e.f. 1st April 2009 for all the stations except for four stations. Beneficiaries are billed in accordance with the said provisional/final tariff orders except for four stations where it is done on provisional basis. The amount billed for the year ended 31st March 2014 on this basis is ₹ **68,704.03 crore** (previous year ₹ 61,794.68 crore).

b) In respect of stations for which the CERC has issued final tariff orders under the Regulations, 2009 and Renewable Energy Regulations, 2009, sales have been recognised at ₹ **66,209.42 crore** for the year ended 31st March 2014 (previous year ₹ 61,650.23 crore) after truing up capital expenditure to arrive at the capacity charges. For other stations, pending determination of station-wise final tariff by the CERC, sales have been provisionally recognised at ₹ **3,386.70 crore** for the year ended 31st March 2014 (previous year ₹ 998.24 crore) on the basis of principles enunciated in the said Regulations, 2009 after truing-up capital expenditure to arrive at the capacity charges.

c) Sales include ₹ **2,086.82 crore** for the year ended 31st March 2014 (previous year ₹ 1,241.90 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) Sales include (-) ₹ **269.99 crore** for the year ended 31st March 2014 (previous year ₹ 246.04 crore) on account of income-tax recoverable from the beneficiaries as per Regulations, 2004. Sales also include ₹ **77.02 crore** for the year ended 31st March 2014 (previous year ₹ 53.16 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2009.

e) Electricity duty on energy sales amounting to ₹ **691.04 crore** (previous year ₹ 564.35 crore) has been reduced from sales in the statement of profit and loss.

f) Revenue from operations include ₹ **87.08 crore** (previous year ₹ 93.17 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note 26).

g) CERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **131.48 crore** (previous year ₹ 432.60 crore) has been accounted as 'Interest from customers'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to customers' (Note 26).

23. Other income

₹ Crore

For the year ended		31.03.2014	31.03.2013
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**382.95**	520.86
Others			
Loan to state government in settlement of dues from customers (8.5% tax free)		**26.44**	34.58
Loan to employees		**31.20**	29.21
Contractors		**55.70**	43.84
Deposits with banks / Reserve Bank of India		**1,689.38**	1,920.20
Income tax refunds	**155.20**		39.48
Less : Refundable to customers	**80.53**		0.02
		74.67	39.46
Others		**9.12**	9.36
Dividend from			
Long-term investments in			
Joint ventures		**73.90**	103.66
Current investments in			
Mutual funds		**65.16**	114.13
Other non-operating income			
Surcharge received from customers		**92.61**	88.67
Hire charges for equipment		**3.14**	4.35
Net gain in foreign currency transactions & translations		**51.65**	28.12
Sale of scrap		**85.60**	89.06
Liquidated damages recovered		**12.89**	11.82
Profit on redemption of current investments		**28.53**	-
Net gain on sale of current investments		**3.15**	0.18
Miscellaneous income		**197.68**	228.45
Profit on disposal of fixed assets		**12.86**	4.76
		2,896.63	3,270.71
Less: Transferred to expenditure during construction period (net)-Note 28		**60.38**	53.35
Transferred to development of coal mines		**7.16**	8.30
Transferred to deferred foreign currency fluctuation asset/liability		**51.65**	27.90
Total#		**2,777.44**	3,181.16

Includes ₹ **48.17 crore** (previous year ₹ 56.57 crore) share of jointly controlled entities.

Miscellaneous income includes income from township recoveries and receipts towards insurance claims.

24. Employee benefits expense

₹ Crore

For the year ended	31.03.2014	31.03.2013
Salaries and wages	3,556.61	3,549.75
Contribution to provident and other funds	1,013.77	566.81
Staff welfare expenses	466.36	373.11
	5,036.74	4,489.67
Less: Allocated to fuel cost	245.73	197.62
Transferred to fly ash utilisation fund	21.21	6.94
Transferred to development of coal mines	41.10	34.31
Transferred to expenditure during construction period (net)- Note 28	672.75	643.58
Total #	4,055.95	3,607.22

Includes ₹ **170.63 crore** (previous year ₹ 138.06 crore) share of jointly controlled entities.

a) Disclosures required by AS 15 in respect of provision made towards various employee benefits are made in Note 40.

b) Salary and wages include special allowance paid by the Company to eligible employees serving in difficult and far flung areas w.e.f. 26th November 2008. As per the Office Memorandum dated 26th November 2008 of DPE relating to revision of pay scales w.e.f 1st January 2007, special allowance can be paid to such employees upto 10% of basic pay as approved by concerned administrative ministry. In line with the office memorandum dated 22nd June 2010 of DPE, Board of Directors has approved the Special Allowance (Difficult and Far Flung Areas) to eligible employees. The approval of MOP for the same is awaited.

c) During the year, a defined contribution pension scheme of the Company has been implemented effective from 1st January 2007. Employee benefits expense for the year include ₹ 346.56 crore as additional contribution for the period from 1st January 2007 to 31st March 2013.

25. Finance costs

₹ Crore

For the year ended	31.03.2014	31.03.2013
Interest on		
Bonds	961.67	900.87
Foreign currency term loans	253.96	235.33
Rupee term loans	4,460.84	3,833.62
Public deposits	0.05	0.16
Foreign currency bonds/notes	521.77	345.91
Cash credit	4.46	21.01
Others	26.86	73.22
	6,229.61	5,410.12
Other borrowing costs		
Bonds servicing & public deposit expenses	2.34	2.38
Guarantee fee	33.97	40.19
Management/arrangers fee	16.41	36.24
Up-front fee	0.01	23.87
Foreign currency bonds/notes expenses	1.07	6.05
Insurance premium on foreign currency loans	85.39	27.39
Bond issue expenses	10.60	0.37
Others	4.76	2.91
	154.55	139.40
Exchange differences regarded as an adjustment to interest costs	-	(350.21)
	6,384.16	5,199.31
Less: Transferred to expenditure during construction period (net)-Note 28	3,103.05	2,672.25
Transferred to development of coal mines	78.04	46.52
Total#	3,203.07	2,480.54

Includes ₹ **794.06 crore** (previous year ₹ 557.26 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

26. Generation, administration & other expenses

₹ Crore

For the year ended		31.03.2014	31.03.2013
Power charges	340.33		204.31
Less: Recovered from contractors & employees	20.47		18.88
		319.86	185.43
Water charges		471.59	508.16
Stores consumed		52.02	49.90
Rent	40.35		37.16
Less:Recoveries	8.07		7.84
		32.28	29.32
Load dispatch centre charges		146.11	42.41
Repairs & maintenance			
Buildings		197.57	181.08
Plant & machinery		2,024.64	1,924.26
Others		133.31	113.35
Insurance		130.75	111.61
Interest to customers		59.80	5.72
Rates and taxes		42.44	38.11
Water cess & environment protection cess		38.58	35.82
Training & recruitment expenses	29.67		26.05
Less: Receipts	3.30		1.60
		26.37	24.45
Communication expenses		47.90	48.82
Travelling expenses		214.27	198.82
Tender expenses	33.85		24.52
Less: Receipt from sale of tenders	3.32		3.11
		30.53	21.41
Payment to auditors		3.64	3.29
Advertisement and publicity		15.37	13.92
Security expenses		406.69	357.79
Entertainment expenses		15.64	15.09
Expenses for guest house	24.14		21.26
Less:Recoveries	2.88		2.75
		21.26	18.51
Education expenses		10.00	9.41
Brokerage & commission		3.22	3.47
Community development and welfare expenses	104.00		86.96
Less: Grants-in-aid	0.93		0.39
		103.07	86.57
Donation		0.22	0.14
Ash utilisation & marketing expenses	11.92		10.93
Less: Sale of ash products	-		0.04
		11.92	10.89
Directors sitting fee		0.47	0.35
Books and periodicals		3.02	2.72
Professional charges and consultancy fees		159.25	41.14
Legal expenses		32.53	28.34
EDP hire and other charges		18.48	15.34
Printing and stationery		14.94	13.70
Oil & gas exploration expenses		3.41	8.78
Hiring of Vehicles		75.47	63.22
Rebate to customers		590.61	579.81
Reimbursement of L.C.charges on sales realisation		1.54	0.60
Bank charges		8.43	4.90
Net loss in foreign currency transactions & translations		22.57	6.11
Horticulture expenses		26.46	22.73
Hire charges of helicopter/aircraft		12.74	13.21
Hire charges of construction equipments		10.86	14.18

Notes forming part of Consolidated Financial Statements

₹ Crore

For the year ended	31.03.2014	31.03.2013
Transport vehicle running expenses	**8.78**	8.50
Miscellaneous expenses	**61.72**	54.27
Stores written off	**2.33**	0.14
Survey & investigation expenses written off	**3.91**	4.12
Loss on disposal/write-off of fixed assets	**75.51**	62.25
	5,692.08	4,982.16
Less: Allocated to fuel cost	**312.03**	285.83
Transferred to fly ash utilisation fund	**23.67**	11.27
Transferred to development of coal mines	**129.63**	13.62
Transferred to deferred foreign currency fluctuation asset/liability	**6.84**	2.30
Transferred to expenditure during construction period(net) - Note 28	**505.67**	395.58
	4,714.24	4,273.56
Provisions for		
Tariff adjustments	**122.96**	166.35
Doubtful loans, advances and claims	**1.84**	0.09
Shortage in stores	**1.34**	2.01
Obsolescence in stores	**10.36**	4.67
Shortage in construction stores	**1.12**	0.39
Unserviceable capital works	**6.63**	49.89
Unfinished minimum work programme for oil and gas exploration	**7.36**	5.08
Shortage in fixed assets	**5.44**	0.27
Arbitration cases	**2.15**	7.95
Others	**1.34**	35.63
	160.54	272.33
Total #	**4,874.78**	4,545.89

Includes ₹ **311.00 crore** (previous year ₹ 256.79 crore) share of jointly controlled entities.

a) Spares consumption included in repairs and maintenance	**1,112.67**	1,017.41

b) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ **59.37 crore** (previous year ₹ 5.72 crore) has been accounted and disclosed as 'Interest to customers'.

27. Prior period items (Net)

₹ Crore

For the year ended	31.03.2014	31.03.2013
Revenue		
Sales	**0.41**	0.06
Others	**0.96**	8.58
	1.37	8.64
Expenditure		
Employee benefits expense	**(0.94)**	(5.13)
Finance costs		
Interest	**-**	(12.00)
Other borrowing costs	**-**	(7.91)
Depreciation and amortisation	**3.73**	3.93
Generation, administration and other expenses		
Repairs and maintenance	**1.35**	0.77
Others	**7.90**	(7.19)
	12.04	(27.53)
Net Expenditure/(Revenue)	**10.67**	(36.17)
Less: Transferred to expenditure during construction period (net)-Note 28	**(1.21)**	(3.11)
Transferred to deferred foreign currency fluctuation asset/liability	**-**	0.72
Transferred to development of coal mines	**0.03**	-
Total #	**11.85**	(33.78)

Includes (-) ₹ **0.99 crore** (previous year ₹ 1.25 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

28. Expenditure during construction period (net)

₹ Crore

For the year ended			31.03.2014	31.03.2013
A.	**Employee benefits expense**			
	Salaries and wages		**509.64**	561.24
	Contribution to provident and other funds		**118.89**	45.45
	Staff welfare expenses		**44.22**	36.89
	Total (A)		**672.75**	643.58
B.	**Finance costs**			
	Interest on			
	Bonds		**426.37**	390.47
	Foreign currency term loans		**107.68**	94.88
	Rupee term loans		**2,146.12**	2,032.61
	Foreign currency bonds/notes		**284.19**	222.88
	Others		**22.92**	20.19
	Other borrowing costs			
	Foreign currency bonds/notes expenses		**1.07**	5.54
	Management/arrangers/upfront fee		**16.41**	60.11
	Insurance premium on foreign currency loans		**85.39**	27.39
	Others		**12.90**	3.43
	Exchange differences regarded as an adjustment to interest costs		**-**	(185.25)
	Total (B)		**3,103.05**	2,672.25
C.	**Depreciation and amortisation**		**273.56**	41.37
D.	**Generation, administration & other expenses**			
	Power charges	**247.61**		128.17
	Less: Recovered from contractors & employees	**2.22**		1.92
			245.39	126.25
	Water charges		**1.76**	11.19
	Rent		**7.58**	5.85
	Repairs & maintenance			
	Buildings	**7.86**		9.25
	Plant and machinery	**3.68**		0.97
	Others	**30.76**		28.55
			42.30	38.77
	Insurance		**1.67**	2.26
	Rates and taxes		**2.94**	1.39
	Communication expenses		**6.85**	7.61
	Travelling expenses		**42.77**	40.49
	Tender expenses	**7.77**		7.42
	Less: Income from sale of tenders	**0.01**		0.10
			7.76	7.32
	Payment to auditors		**0.06**	0.07
	Advertisement and publicity		**2.70**	1.73
	Security expenses		**58.07**	58.84
	Entertainment expenses		**2.95**	2.77
	Guest house expenses		**5.24**	5.33
	Books and periodicals		**0.88**	0.93
	Professional charges and consultancy fee		**9.35**	9.95
	Legal expenses		**6.06**	5.55
	EDP hire and other charges		**1.54**	1.54
	Printing and stationery		**1.84**	1.61
	Miscellaneous expenses		**57.96**	66.13
	Total (D)		**505.67**	395.58
E.	**Less: Other income**			
	Hire charges for equipment		**2.99**	3.76
	Sale of scrap		**0.33**	1.30
	Interest from contractors		**41.25**	28.10
	Interest others		**3.79**	6.32
	Miscellaneous income		**12.02**	13.87
	Total (E)		**60.38**	53.35
F.	**Prior period items (net)**		**(1.21)**	(3.11)
	Grand total (A+B+C+D-E+F) #		**4,493.44***	3,696.32

*** Carried to capital work-in-progress - (Note 13)**

Includes ₹ **537.14 crore** (previous year ₹ 470.36 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

29. Previous year figures have been regrouped /rearranged wherever considered necessary.

30. Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.

31. **BASIS OF CONSOLIDATION**

A. The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Ventures, together referred to as 'Group'.

a) Basis of Accounting:

i) The financial statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of Interest in Joint Ventures' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

b) Principles of consolidation:

The consolidated financial statements have been prepared as per the following principles:

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

iv) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

v) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders.

B. The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2014	31.03.2013
Subsidiary Companies:		
1. NTPC Electric Supply Company Ltd.(including its 50% interest in KINESCO Power & Utilities Private Ltd. a joint venture with KINFRA, a statutory body of Government of Kerala)	**100.00**	100.00
2. NTPC Hydro Ltd. (refer note below)$	**-**	100.00
3. NTPC Vidyut Vyapar Nigam Ltd.*	**100.00**	100.00
4. Kanti Bijlee Utpadan Nigam Ltd.	**65.00**	65.00
5. Bhartiya Rail Bijlee Company Ltd.	**74.00**	74.00
Joint Venture Companies:		
A. Incorporated in India		
1. Utility Powertech Ltd.	**50.00**	50.00
2. NTPC - Alstom Power Services Private Ltd.	**50.00**	50.00
3. NTPC-SAIL Power Company Private Ltd.	**50.00**	50.00
4. NTPC-Tamilnadu Energy Company Ltd.	**50.00**	50.00
5. Ratnagiri Gas & Power Private Ltd. *	**32.86**	33.41
6. Aravali Power Company Private Ltd.	**50.00**	50.00
7. NTPC-SCCL Global Ventures Private Ltd.*	**50.00**	50.00
8. Meja Urja Nigam Private Ltd.	**50.00**	50.00
9. NTPC - BHEL Power Projects Private Ltd.*	**50.00**	50.00
10. BF - NTPC Energy Systems Ltd.*	**49.00**	49.00
11. Nabinagar Power Generating Company Private Ltd.	**50.00**	50.00

Notes forming part of Consolidated Financial Statements

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2014	31.03.2013
12. National Power Exchange Ltd.* (refer note below)$$	**16.67**	16.67
13. International Coal Ventures Private. Ltd.* (refer note below)$$$	**14.28**	14.28
14. National High Power Test Laboratory Private Ltd.*	**20.00**	20.00
15. Transformers & Electricals Kerala Ltd.*	**44.60**	44.60
16. Energy Efficiency Services Ltd. *	**25.00**	25.00
17. CIL NTPC Urja Private Ltd.*	**50.00**	50.00
18. Anushakti Vidyut Nigam Ltd.	**49.00**	49.00
19. Pan-Asian Renewables Private Ltd.*	**50.00**	50.00
B. Incorporated outside India		
1. Trincomalee Power Company Ltd.* (incorporated in Srilanka)	**50.00**	50.00
2. Bangladesh -India Friendship Power Company Private Ltd.* (incorporated in Bangladesh)	**50.00**	50.00

* The financial statements are un-audited and certifed by the management and have been considered for Consolidated Financial Statements of the Group. The figures appearing in their respective financial statements may change upon completion of their audit.

$ Ministry of Corporate Affairs (MCA) has accorded approval for the Scheme of Amalgamation of NTPC Hydro Ltd. (NHL), a wholly owned subsidiary of NTPC Ltd. engaged in the business of setting up small hydro power projects, with NTPC Ltd. effective from 18th December 2013. As per the Scheme and order of MCA, all assets and liabilities of NHL have been transferred to and vested in the Company w.e.f 1st April 2013. The Company followed Pooling of Interests Method to reflect the amalgamation. Consequent to the amalgamation, the shares of NHL held by the Company were cancelled and all assets and liabilities of NHL became the assets and liabilities of the Company. Since NHL was a wholly owned subsidiary of the Company, no issue of shares or payment towards purchase consideration was made and no goodwill or capital reserve was recognised on amalgamation.

$$ The Board of Directors of NTPC Limited in its meeting held on 7th November 2012 has accorded in principle approval for withdrawl from National Power Exchange Ltd. (NPEX) (a joint venture of the Company). In the meeting of Group of Promoters (GOP) held on 21st March 2014, GOP recommended for voluntary winding of NPEX and the same has been adopted by the Board of NPEX in its meeting held on 21st March 2014. Winding up of the Company is yet to take place.

$$$ The Board of Directors of NTPC Limited in its meeting held on 27th January 2012 has accorded in principle approval for withdrawl from International Coal Ventures Private Limited (a joint venture of the Company). Cabinet approval for the same is awaited, subsequent to which, the process of withdrawal shall commence.

C. i) The Company along-with some public sector undertakings has entered into Production Sharing Contracts (PSCs) with GOI for three exploration blocks namely KG- OSN-2009/1, KG-OSN-2009/4 and AN-DWN-2009/13 under VIII round of New Exploration Licensing Policy (NELP VIII) with 10% participating interest (PI) in each of the blocks.

Based on the un-audited statement of the accounts for the above blocks forwarded by M/s Oil & Natural Gas Corporation Ltd. (ONGC), the operator, the Company's share in respect of assets and liabilities as at 31st March 2014 and expenditure for the year are given below:

₹ Crore

Item	**2013-14 (Un-audited)**	2012-13 (Un-audited)
Expenses	**2.94**	2.28
Assets	**1.89**	0.06
Liabilities	**2.96**	1.43
Capital Commitments (Unfinished MWP)	**65.76**	91.49

The expolaration activities in block KG-OSN-2009/4 were suspended w.e.f. 11.01.2012 due to non-clearance by the Ministry of Defence, GOI. Subsequently, DGH vide letter dated 29th April 2013 has informed ONGC that the block is cleared conditionally wherein block area is segregated between No Go zone, High-risk zone and Permitted zone. As the permitted area is only 38% of the total block area, the consortium has submitted proposal to DGH for downward revision of MWP of initial exploration period.

In case of AN-DWN-2009/13, Gujarat State Petoleum Corporation (GSPC) has submitted notice for withdrawal from the block subsequent to completion of MWP and ONGC has decided to acquire 10% PI of GSPC.

ii) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions & withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year provision in this respect has been updated to ₹ 53.64 crore from ₹ 46.27 crore along with interest in the previous year. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

Notes forming part of Consolidated Financial Statements

The Company has accounted for expenditure of ₹ 0.01 crore for the year 2013-14 towards the establishment expenses of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities as at 31st March 2014 and expenditure for the year is as under:

₹ Crore

Item	**2013-14 (Un-audited)**	2012-13 (Un-audited)
Expenses	**0.01**	0.22
Assets	**14.47**	14.64
Liabilities	**2.32**	2.32
Contingent liabilities	**50.71**	41.42

D. The company is of the view that the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' and AS 27- 'Financial Reporting of Interests in Joint Ventures' are not applicable to the investment made in PTC India Ltd. and the same is not included in the consolidated financial statements.

32. a) Some of the balances of trade/other payables and loans and advances are subject to confirmation/reconciliation. Adjsutments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

33. Due to variation in the Gross Calorific Value (GCV) of coal supplied by coal companies and received at power stations, the Company w.e.f. October/November 2012 released payments on the basis of GCV measured at station end and the difference between the amount billed by the coal companies and the amounts admitted by the Company ("disputed billed amount") were disclosed as contingent liability with corresponding possible reimbursements from the beneficiaries. The issue was taken up with the coal companies directly and through the Ministry of Power and Ministry of Coal, Govt. of India for resolution. This resulted in incorporation of a provision for "Third party sample collection, preparation, testing and analysis," at the loading end in place of joint sampling in the Coal Supply Agreement (CSA), 2012 and amendment to CSA, 2009 which have since been signed with subsidiaries of Coal India Ltd.

Based on the advice of Government of India, Board of Directors approved the modalities for extrapolation of the third party sample analysis results for the three month period starting October/November 2013 to the supplies during the past period from October/November 2012 till start of third party sampling. On this basis, settlement with some of the CIL subsidiaries has been reached and matter has been taken up with other CIL subsidiaries for early resolution. Following the principles approved by the Board, against the disputed billed amount of ₹ 4,102.87 crore, during the year the Company paid ₹ 1,438.69 crore and provided ₹ 1,440.39 crore. In respect of the balance disputed billed amount of ₹ 1,223.79 crore as at 31st March 2014, taking into account settlement already reached with some of the CIL Subsidiaries, an amount of ₹ **1,055.14 crore** (previous year ₹ 2,531.10 crore) has been estimated as contingent liability with corresponding possible reimbursements from the beneficiaries {Refer Note 50 (a) (iii)} and remaining amount of ₹ 168.65 crore is considered as settled. Sales corresponding to variable charges recoverable for the amounts paid/provided as above have been recognized.

34. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

35. The environmental clearance ('clearance') granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's projects was challenged before The National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MOEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgment of the NGT and for referring the matter to the Expert Appraisal Committee ('Committee') for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Aggregate cost incurred on the project upto 31st March 2014 is ₹ **4,455.73 crore** (previous year ₹ 1,691.63 crore).

36. NTPC Vidyut Vyapar Nigam Ltd. (NVVN) inter-alia is engaged in sale of fly ash & cenosphere which are given by the company free of cost. Pursuant to the gazette notification D.O.S.O 2804(E) dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF) GOI, the NVVN has created fly ash utilisation fund and a sum of ₹ **91.30 crore** (previous year ₹ 107.96 crore) has been credited to the fund during the year after netting of related/allocable cost of ₹ **48.27 crore** (previous year ₹ 20.60 crore) from the sale proceeds.

37. **"Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies'**

During the year, following changes in accounting policies have been made:

a) Policy A "Basis of Preparation" has been amended to reflect that the financial statements have been prepared inter alia, in accordance with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs and the Companies Act, 2013 (to the extent notified and applicable).

b) Accounting of capital expenditure on assets not owned by the company for community development is disclosed in accounting policy D.4 instead of in M.a.10 for better presentation.

c) Consequent to the revised guidance note on 'Accounting for Oil & Gas Producing Activities' issued by ICAI becoming effective from 1st April 2013, the policy to charge off exploratory wells-in-progress which have been found dry or not planned to be developed after two years from the date of completion of drilling has been modified and henceforth, such expenditure shall be charged off as and when the wells are determined to be dry/abandoned.

Notes forming part of Consolidated Financial Statements

d) Policy M.a.11 has been modified to state that leasehold land and buildings relating to generation of electricity business are fully amortised over the lease period or life of the related plant whichever is lower, to cover both hydro and thermal power plants.

e) Policy H.5 and L.5 regarding accounting of derivative contracts and recovery of cost of hedging from the beneficiaries have been added consequent upon entering into derivative transactions for hedging as per the exchange risk management policy in the current year.

f) In Policy N.1, contribution to pension fund has been included as an employee benefit following the implementation of a contributory pension scheme in the Company in the current year.

g) Policy S "Taxes on Income" has been added for improved disclosures.

There is no impact on the accounts due to the above changes.

38. **Disclosure as per Accounting Standard - 11 on 'Effects of Changes in Foreign Exchange Rates'**

The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) debited to the Statement of Profit & Loss is ₹ **15.73 crore** (previous year debit of ₹ 3.59 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of Fixed Assets is ₹ **1,882.74 crore** (previous year debit of ₹ 1,056.01 crore).

39. **Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'**

Revenue grants recognised during the year is ₹ **0.93 crore** (previous year ₹ 0.39 crore).

40. **Disclosure as per Accounting Standard - 15 on 'Employee Benefits'**

General description of various employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ **238.30 crore** (previous year ₹ 213.69 crore) to the funds for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligitions are as under:

₹ Crore

Particulars	**31.03.2014**	31.03.2013
Obligitions at the end of the year	**5,463.94**	4,755.00
Fair value of plan assets at the end of the year	**5,515.53**	4,812.77

B. Gratuity & Pension

(a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death.

(b) The Company has pension schemes at two of its stations in respect of employees taken over from erstwhile state government power utilities.

The existing schemes stated at (a) and one of the power stations at (b) above are funded by the Company and are managed by separate trusts. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation. The Company's best estimate of the contribution towards gratuity/pension for the financial year 2014-15 is ₹ 46.52 crore.

(c) During the year, a defined contribution pension scheme of the Company has been implemented effective from 1st January 2007, for its employees. The scheme is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of Basic Pay and dearness allowance less employer's contribution towards provident fund, gratuity, PRMF or any other retirement benefits.

C. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which a retired employee and his / her spouse are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation.

D. Terminal Benefits

Terminal benefits include baggage allowance for settlement at home town for employees & dependents and farewell gift to the superannuating employees. Further, the Company also provides for pension in respect of employees taken over from erstwhile State Government Power Utility at another station referred at B(b) above. The liability for the same is recognised on the basis of actuarial valuation.

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 240 days (HPL). However, total amount of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

The above mentioned schemes (C, D and E) are unfunded and are recognised on the basis of actuarial valuation.

Notes forming part of Consolidated Financial Statements

The summarised position of various defined benefits recognised in the Statement of Profit and Loss, Balance Sheet are as under:

(Figures given in { } are for previous year)

i) Expenses recognised in Statement of Profit & Loss

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	70.40 {66.42}	15.60 {13.91}	55.04 {51.14}	6.14 {5.61}
Past Service Cost	- {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	115.60 {103.92}	36.24 {29.69}	68.93 {59.70}	21.81 {18.36}
Expected return on plan assets	(100.89) {(93.42)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(18.74) {48.29}	73.97 {51.09}	181.89 {185.46}	26.49 {30.21}
Expenses recognised in the Statement of Profit & Loss	66.37 {125.21}	125.81 {94.69}	305.86 {296.30}	54.44 {54.18}

ii) The amount recognised in the Balance Sheet

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2014	1,531.56 {1,445.02}	562.04 {452.94}	942.20 {861.73}	312.98 {272.40}
Fair value of plan assets as at 31.03.2014	1,391.67 {1,263.83}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	139.89 {181.19}	562.04 {452.94}	942.20 {861.73}	312.98 {272.40}

iii) Changes in the present value of the defined benefit obligations:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2013	1,445.04 {1,298.60}	452.95 {371.11}	861.74 {746.01}	272.39 {229.83}
Interest cost	115.60 {103.92}	36.24 {29.69}	68.93 {59.70}	21.81 {18.36}
Current Service Cost	70.40 {66.42}	15.60 {13.91}	55.04 {51.14}	6.14 {5.61}
Benefits paid	(95.27) {(81.65)}	(16.72) {(12.86)}	(225.40) {(180.58)}	(13.84) {(11.61)}
Net actuarial (gain)/ loss on obligation	(4.21) {57.73}	73.97 {51.09}	181.89 {185.46}	26.48 {30.21}
Present value of the defined benefit obligation as at 31.03.2014	1,531.56 {1,445.02}	562.04 {452.94}	942.20 {861.73}	312.98 {272.40}

iv) Changes in the fair value of plan assets:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2013	1263.85 {1,169.90}	- {-}	- {-}	- {-}
Expected return on plan assets	100.89 {93.42}	- {-}	- {-}	- {-}
Contributions by employer	102.08 {68.05}	- {-}	- {-}	- {-}
Benefit paid	(89.67) {(76.98)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	14.52 {9.44}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2014	1,391.67 {1,263.83}	- {-}	- {-}	- {-}

Notes forming part of Consolidated Financial Statements

v) **The effect of one percentage point increase/decrease in the medical cost of PRMF will be as under:**

₹ Crore

Particulars	Increase by	Decrease by
Service and Interest cost	12.29	(5.62)
Present value of obligation	86.96	(71.67)

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to ₹ **3.48 crore** (previous year ₹ 3.39 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit & Loss.

41. **Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'**

Borrowing costs capitalised during the year are ₹ **3,158.17 crore** (previous year ₹ 2,718.48 crore).

42. **Disclosure as per Accounting Standard - 17 on 'Segment Reporting'**

Segment information:

a) Business Segments

The Group's principal business is generation and sale of bulk power to State Power Utilities. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.

b) Segment Revenue and Expense

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as Segment Expenses.

c) Segment Assets and Liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Construction work-in-progress, construction stores and advances are included in unallocated corporate and other assets. Segment liabilities include operating liabilities and provisions.

₹ Crore

	Business Segments				Total	
	Generation		Others			
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Segment revenue						
Sale of energy/consultancy, project management and supervision fees *	**75,703.99**	67,470.22	**2,801.37**	3,277.53	**78,505.36**	70,747.75
Other income	**785.69**	1,710.14	**81.43**	37.57	**867.12**	1,747.71
Exceptional items	**-**	1,684.11	**-**	(115.82)	**-**	1,568.29
Unallocated corporate and other income					**2,326.62**	2,783.79
Total	**76,489.68**	70,864.47	**2,882.80**	3,199.28	**81,699.10**	76,847.54
Segment result #	**16,284.75**	17,330.24	**82.83**	(54.48)	**16,367.58**	17,275.76
Unallocated corporate interest and other income					**2,326.62**	2,783.79
Unallocated corporate expenses, interest and finance charges					**4,208.44**	3,448.60
Profit before tax					**14,485.76**	16,610.95
Income tax (net)					**3,082.36**	4,024.73
Profit after tax					**11,403.40**	12,586.22
Other information						
Segment assets	**102,974.19**	86,923.69	**4,686.48**	2,506.08	**107,660.67**	89,429.77
Unallocated corporate and other assets					**92,379.26**	89,280.81
Total assets	**102,974.19**	86,923.69	**4,686.48**	2,506.08	**200,039.93**	178,710.58
Segment liabilities	**15,931.93**	12,652.39	**2,439.74**	2,167.99	**18,371.67**	14,820.38
Unallocated corporate and other liabilities					**94,664.77**	82,649.25
Total liabilities	**15,931.93**	12,652.39	**2,439.74**	2,167.99	**113,036.44**	97,469.63
Depreciation (including prior period)	**4,736.33**	3,786.48	**2.98**	3.32	**4,739.31**	3,789.80
Non-cash expenses other than depreciation	**137.62**	169.63	**7.37**	5.08	**144.99**	174.71
Capital expenditure	**25,474.76**	23,494.47	**807.09**	615.17	**26,281.85**	24,109.64

* Includes ₹ **1,816.83 crore** (previous year ₹ 1,487.94 crore) for sales related to earlier years.

\# Generation segment result would have been ₹ **14,467.92 crore** (previous year ₹ 15,842.30 crore) without including the sales related to earlier years.

d) The operations of the Group are mainly carried out within the country and therefore, geographical segments are inapplicable.

Notes forming part of Consolidated Financial Statements

43. **Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'**

a) Related parties:

i) Joint ventures:

Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd., National Power Exchange Ltd., Pan-Asian Renewables Private Ltd., Trincomalee Power Company Ltd. and Bangladesh -India Friendship Power Company Private Ltd.

ii) Key Management Personnel:

Shri Arup Roy Choudhury	Chairman and Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (Human Resources)
Shri S.C. Pandey	Director (Projects)[1]
Shri K. Biswal	Director (Finance)[2]
Shri A.K. Singhal	Director (Finance)[3]
Shri B.P. Singh	Director (Projects)[4]

[1] W.e.f. 1st October 2013 [2] W.e.f. 9th December 2013 [3] Up to 8th October 2013 [4] Superannuated on 30th September 2013

b) Transactions with the related parties at a (i) above are as follows:

₹ Crore

Particulars	Current Year	Previous Year
i) Transactions during the year		
• Contracts for works/services for services received by the Company:		
- Utility Powertech Ltd.	**439.74**	393.14
- NTPC-Alstom Power Services Private Ltd.	**0.94**	6.19
- National Power Exchange Ltd.	**0.36**	0.84
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.25**	0.51
- NTPC-Alstom Power Services Private Ltd.	**0.85**	1.23
- Trincomalee Power Company Ltd.	**0.96**	0.82
- Pan-Asian Renewables Private Ltd.	**0.33**	-
- Bangladesh-India Friendship Power Company Private Ltd.	**1.34**	0.13
ii) Dividend Received:		
- Utility Powertech Ltd.	**5.50**	4.00
- NTPC-Alstom Power Services Private Ltd.	**0.30**	0.36
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.17**	0.22
- NTPC-Alstom Power Services Private Ltd.	**0.04**	0.04
- National Power Exchange Ltd.	**0.14**	1.06
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**69.49**	64.27
- NTPC-Alstom Power Services Private Ltd.	**6.52**	7.86
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.10**	0.66
- NTPC-Alstom Power Services Private Ltd.	**0.66**	1.32
- Trincomalee Power Company Ltd.	**1.12**	0.97
- Bangladesh-India Friendship Power Company Private Ltd.	**1.34**	0.13
vi) Equity contributions made:		
- Pan-Asian Renewables Private Ltd.	**1.00**	-
- Bangladesh -India Friendship Power Company Private Ltd.	**6.12**	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **6.36 crore** (previous year ₹ 6.35 crore).

Notes forming part of Consolidated Financial Statements

c) Remuneration to key management personnel for the year is ₹ **4.09 crore** (previous year ₹ 3.59 crore) and amount of dues outstanding to the Company as at 31st March 2014 are ₹ **0.03 crore** (previous year ₹ 0.07 crore).

₹ Crore

Managerial remuneration to Key management personnel	31.03.2014	31.03.2013
Shri Arup Roy Choudhury	**0.52**	0.54
Shri I.J. Kapoor	**0.59**	0.45
Shri N.N. Misra	**0.52**	0.44
Shri A.K. Jha	**0.56**	0.26
Shri U.P. Pani	**0.37**	0.02
Shri S.C. Pandey	**0.21**	-
Shri K. Biswal	**0.10**	-
Shri.B.P. Singh	**0.58**	0.52
Shri A.K. Singhal	**0.64**	0.55
Shri D.K. Jain	**-**	0.38
Shri S.P. Singh	**-**	0.43
Total	**4.09**	3.59

44. **Disclosure as per Accounting Standard - 19 on 'Leases'**

a) Finance leases

(i) The Group has taken on lease certain vehicles and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under:

₹ Crore

		31.03.2014	31.03.2013
a)	**Obligations towards minimum lease payments**		
	• Not later than one year	**0.05**	0.28
	• Later than one year and not later than five years	**-**	0.09
	• Later than five years	**-**	-
	Total	**0.05**	0.37
b)	**Present value of (a) above**		
	• Not later than one year	**0.05**	0.26
	• Later than one year and not later than five years	**-**	0.07
	• Later than five years	**-**	-
	Total	**0.05**	0.33
c)	**Finance charges (* ₹16,979/-)**	*****	0.04

(ii) The Company has entered into an agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility shall be constructed in two phases of which Phase I has been completed and is under operation. Fair value of the entire facility is ₹ 90 crore and the assets and liability in respect of Phase-I have been recognised at ₹ 60 crore based on technical assessment. The minimum lease payments shall start on completion of Phase-II of the facility. Amounts payable for the coal transported through Phase-I of the facility are disclosed as contingent rent.

₹ Crore

		31.03.2014	31.03.2013
a)	**Obligations towards minimum lease payments**		
	• Not later than one year	**12.02**	-
	• Later than one year and not later than five years	**82.41**	-
	• Later than five years	**49.79**	-
	Total	**144.22**	-
b)	**Present value of (a) above**		
	• Not later than one year	**5.27**	-
	• Later than one year and not later than five years	**45.81**	-
	• Later than five years	**38.92**	-
	Total	**90.00**	-
c)	**Finance charges**	**54.22**	-
d)	**Contingent rent for the year**	**2.01**	-

b) **Operating leases**

The Company's other significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note -24 - Employee benefits expense includes ₹ **73.11 crore** (previous year ₹ 83.80 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Note -26 – 'Generation, administration and other expenses'. Further, the Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges is included in 'Hire charges of helicopter / aircraft' (Note - 26).

45. **Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'**

The elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

	Current Year	Previous Year
Group profit after tax used as numerator - ₹ crore	**11,403.61**	12,590.78
Weighted average number of equity shares used as denominator	**8,245,464,400**	8,245,464,400
Earning per share (Basic and Diluted) - ₹	**13.83**	15.27
Nominal value per share - ₹	**10/-**	10/-

46. **Disclosure as per Accounting Standard - 26 on 'Intangible Assets'**

Research expenditure charged to revenue during the year is ₹ **98.52 crore** (previous year ₹ 91.85 crore).

47. **Disclosure as per Accounting Standard - 28 on 'Impairment of Assets'**

As required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006, an assessment of impairment of assets was carried out and based on such assessment, there has been no impairment loss during the year.

48. **Disclosure as per Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets'**

₹ crore

Particulars	Balance as at 01.04.2013	Additions during the year	Payments during the year	Reversal / adjustments during the year	**Balance as at 31.03.2014**
Long Term Provisions (Note-8)					
Contractual Obligations	8.72	1.44	-	0.07	**10.09**
Short Term Provisions (Note-11)					
Provision for obligations incidental to land acquisition	2,228.72	1,710.84	392.88	544.96	**3,001.72**
Provision for tariff adjustment	1,333.29	122.96	-	162.56	**1,293.69**
Provision for shortage in fixed assets pending investigation	1.09	5.45	-	0.37	**6.17**
Others	285.83	193.99	-	39.26	**440.56**
Total	**3,857.65**	**2,034.68**	**392.88**	**747.22**	4,752.23

49. **Foreign currency exposure**

a) **Hedged by a derivative instrument**

The derivative contracts outstanding as at 31st March 2014 are as under:

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Currency Interest Rate Swap	JPY	**19.23**	-	**11.38**	-

There is no MTM loss on the above contract as at 31st March 2014.

The derivative contracts entered into by the Company are for hedging currency and/or interest rate risk on foreign currency loans.

Notes forming part of Consolidated Financial Statements

b) Not hedged by a derivative instrument or otherwise

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
Borrowings, including interest accrued but not due thereon.	USD	**260.54**	252.41	**15,791.13**	13,859.96
	JPY	**4,560.37**	4,904.08	**2,697.46**	2,872.81
	EURO	**13.67**	12.22	**1,143.00**	860.17
Trade payables/deposits and retention monies	USD	**24.79**	21.49	**1,502.52**	1,179.80
	EURO	**11.33**	9.83	**947.64**	691.99
	Others	**92.17**	35.76	**74.67**	23.98
Trade receivables and Bank balances	USD	**0.02**	0.01	**1.33**	0.78
	Others	**0.84**	0.50	**0.54**	0.30
Unexecuted amount of contracts remaining to be executed	USD	**125.02**	105.15	**7,577.46**	5,773.61
	EURO	**79.61**	87.49	**6,658.58**	6,161.41
	Others	**1,656.34**	1,472.40	**1,176.68**	999.89

50. **Contingent Liabilities:**

(a) Claims against the Group not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Group for ₹ **4,290.45 crore** (previous year ₹ 4,031.12 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the respective companies as being not admissible in terms of the provisions of the respective contracts.

The Group is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/ courts which are yet to be settled. Against such cases, contingent liability of ₹ **395.16 crore** (previous year ₹ 748.99 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues with coal companies as disclosed in Note 33, the difference between the amount billed by the coal companies and payment released by the company amounts to ₹ **1,055.14 crore** (previous year ₹ 2,531.10 crore).

Further, an amount of ₹ **647.33 crore** (previous year ₹ 368.67 crore) towards surface transportation charges, customs duty on service margin on imported coal etc. has been disputed by the Company.

(iv) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, nala tax, water royalty etc. and by others, contingent liability of ₹ **1,088.23 crore** (previous year ₹ 862.81 crore) has been estimated.

(v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of ₹ **994.83 crore** (previous year ₹ 961.24 crore) relating to the hydro power project stated in Note 15 A (b) - Other non-current assets, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement is by way of recovery through tariff as per Regulations, 2009 is ₹ **1,694.00 crore** (previous year ₹ 2,792.06 crore).

(b) Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters pending before various Appellate Authorities amount to ₹ **2,595.87 crore** (previous year ₹ 2,215.26 crore). Many of these matters were disposed off in favour of the Group but are disputed before higher authorities by the concerned departments. In such cases, the Group estimates possible reimbursement of ₹ **852.52 crore** (previous year ₹ 827.34 crore).

(c) Others

Other contingent liabilities amount to ₹ **513.70 crore** (previous year ₹ 376.57 crore).

Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

The contingent liabilities disclosed above include ₹ **247.25 crore** (previous year ₹ 118.75 crore) share of jointly controlled entitites.

Notes forming part of Consolidated Financial Statements

51. **Capital and other commitments**

   a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 is ₹ **76,636.90 crore** (previous year ₹ 61,339.29 crore) which includes an amount of ₹ **9,905.90 crore** (previous year ₹ 6,803.66 crore) in respect of jointly controlled entities.

   b) Company's commitment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 31 C.

   c) Group's commitment in respect of lease agreements has been disclosed in Note 44.

   d) Company's commitment towards the minimum work programme in respect of oil exploration activity of Cambay Block (100% owned by the company) is ₹ **198.21 crore (USD 32.98 million)** (previous year ₹ 183.45 crore, USD 33.73 million).

52. Some of the Subsidiaries and Joint Venture Companies followed different accounting policies from that of the Company and the impact of the same is not considered to be material. The proportion of the items to which different accounting policies have been followed are (a) Revenue: ₹ 2,412.72 crore (b) Depreciation: ₹ 1.86 crore.

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(K.Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director

These are the notes referred to in Balance Sheet and Statement of Profit & Loss

For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For K K Soni & Co. Chartered Accountants Firm Reg. No. 000947N	For PKF Sridhar & Santhanam Chartered Accountants Firm Reg. No. 003990S
(Neeraj Kumar Agarwal) Partner M No.094155	(Abhinav Aggarwal) Partner M No.517358	(G.Shankar) Partner M No.024042
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A. R. & Co. Chartered Accountants Firm Reg. No. 002744C
(Ajay Gupta) Partner M No. 090104	(Monika Agrawal) Partner M No.093769	(Pawan K. Goel) Partner M.No.072209

Place : New Delhi
Dated : 15th May 2014

Independent Auditors' Report on the Consolidated Financial Statements

To
The Board of Directors
NTPC Limited

We have audited the accompanying Consolidated Financial Statements of NTPC Limited (the "Company") and its Subsidiary and Joint Venture Companies (collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of the Subsidiary and the Joint Venture Companies.

The financial statements of the following Subsidiary and Joint Venture Companies have been audited by other auditors whose reports have been furnished to us upto 10th May 2014, and in our opinion, so far as it relates to the amounts included in respect of these companies are based solely on the report of these auditors. The details of the assets, revenue and net cash flows in respect of these Subsidiary and Joint Venture Companies to the extent to which they are reflected in the Consolidated Financial Statements are given below:

₹ Crore

Name of the Companies	Assets	Revenues	Net Cash Flows
Subsidiaries:			
1) NTPC Electric Supply Company Ltd (including its 50% interest in KINESCO Power & Utilities Pvt. Ltd., a joint venture with KINFRA, a statutory body of Government of Kerala, with assets ₹ 11.15 crore, revenues ₹ 20.19 crore and net cash flows (-) ₹ 0.06 crore)	731.12	59.08	(136.36)
2) Kanti Bijlee Utpadan Nigam Ltd	3,111.77	162.15	13.16
3) Bhartiya Rail Bijlee Company Ltd.	4,300.72	-	(7.19)
Total	**8,143.61**	**221.23**	**(130.39)**
Joint Ventures:			
1) Utility Power tech Ltd.	109.09	250.52	10.54
2) NTPC -Alstom Power Services Pvt. Ltd.	40.50	17.56	(0.13)
3) NTPC- SAIL Power Company Pvt. Ltd.	1,707.88	883.50	15.05
4) NTPC-Tamilnadu Energy Company Ltd	4,594.66	755.01	5.91
5) Aravali Power Company Pvt. Ltd.	4,888.45	1,749.24	(0.40)
6) Meja Urja Nigam Pvt Ltd.	926.21	-	27.55
7) Nabinagar Power Generating Company Pvt. Ltd.	984.60	-	(5.92)
8) Anushakti Vidyut Nigam Ltd.	0.02	-	(0.03)
Total	**13,251.41**	**3,655.83**	**52.57**

The financial statements of the following Subsidiary & Joint Venture Companies are unaudited and in our opinion so far as it relates to the amounts included in respect of the said Subsidiary and Joint Venture Companies are based solely on the financial statements certified by the management of the respective Company. The details of assets, revenue and net cash flows in respect of these Subsidiary & Joint Venture Companies to the extent to which they are reflected in the Consolidated Financial Statements are given below:

₹ Crore

Name of the Companies		Assets	Revenues	Net Cash Flows
Subsidiary:				
1)	NTPC Vidyut Vyapar Nigam Ltd.	1,224.44	3,532.32	114.57
Total		**1,224.44**	**3,532.32**	**114.57**
Joint Ventures:				
1)	Ratnagiri Gas & Power Pvt. Ltd.	4,083.58	728.29	(198.22)
2)	NTPC-SCCL Global Venture Pvt. Ltd.	0.05	0.01	-
3)	NTPC-BHEL Power Project Pvt. Ltd	230.44	42.91	31.56
4)	BF-NTPC Energy Systems Ltd.	2.94	-	(0.03)
5)	National Power Exchange Ltd.	1.15	0.11	(0.14)
6)	International Coal Venture Pvt. Ltd.	3.42	-	(0.59)
7)	National High Power Test Laboratory Pvt. Ltd	21.43	-	(4.88)
8)	Transformers and Electricals Kerala Ltd.	73.38	75.82	3.49
9)	Energy Efficiency Services Ltd.	31.76	8.39	1.37
10)	CIL NTPC Urja Pvt. Ltd.	0.01	-	-
11)	Pan-Asian Renewables Private Ltd.	0.64	0.04	0.40
12)	Trincomalee Power Company Ltd.	5.95	0.64	0.49
13)	Bangladesh India Friendship Power Company Pvt. Ltd.	7.05	-	4.36
Total		**4,461.80**	**856.21**	**(162.19)**

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of Interests in Joint Ventures' of the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

Emphasis of Matter

Without qualifying our report, we draw attention to Note 33 in respect of accounting of fuel on GCV based pricing system.

Opinion

Further to our comments in the above paragraphs, we report that on the basis of the information and explanations given to us and on consideration of the separate audit reports of individual audited financial statements of the Group to the extent received as stated above, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For O. P. Bagla & Co.
Chartered Accountants
Firm Reg. No. 000018N

(Neeraj Kumar Agarwal)
Partner
M. No. 094155

For K.K.Soni & Co.
Chartered Accountants
Firm Reg. No. 000947N

(Abhinav Aggarwal)
Partner
M. No. 517358

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No. 003990S

(G. Shankar)
Partner
M. No.024042

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No.109208W

(Ajay Gupta)
Partner
M. No. 090104

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

(Monika Agrawal)
Partner
M No. 093769

For A. R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Pawan K. Goel)
Partner
M. No.072209

Place : New Delhi
Dated : 15th May 2014

NTPC Limited

CIN: L40101DL1975GOI007966

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Tel : 011-2436 0100 Fax: 011-24361018. **Web :** www.ntpc.co.in **Email:** info@ntpc.co.in

ATTENDANCE SLIP

38TH ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, 27TH AUGUST, 2014 AT 10.30 A.M.

NAME OF THE ATTENDING MEMEBR (IN BLOCK LETTERS)	
*Folio No.	
DP ID No.	
Client ID No.	
No. of shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I, hereby record my presence at the 38th Annual General Meeting of the Company held on Wednesday, 27th August, 2014 at Manekshaw Centre, Parade Road, New Delhi – 110 010.

*Applicable in case of shares held in Physical Form.

Signature of Member/ Proxy

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the RTA counter(s) at the venue against which RTA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by RTA. Members in person and Proxy holders **may please carry photo-ID card for identification/verification purposes.** 2. Shareholder(s) present in person or through registered proxy shall only be entertained. **3. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s). 4. No gifts will be distributed at the Annual General Meeting.**

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FORM OF PROXY

Name of the member (s):	
Registered address:	
Folio No/ DP ID- Client Id:	
Email ID	
No. of Shares held	

I/We, being the member (s) of ………… shares of the above named company, hereby appoint:

1.	Name:			
	Address:		Signature:	
	E-mail Id:			
Or failing him				
2.	Name:			
	Address:		Signature:	
	E-mail Id:			
Or failing him				
3.	Name:			
	Address:		Signature:	
	E-mail Id:			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Wednesday, 27th August, 2014 at Manekshaw Centre, Parade Road, New Delhi – 110 010and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
Ordinary Business			
1.	Adoption of audited financial statements of the Company for the year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.		
2.	Confirmation of payment of interim dividend and declare final dividend for the year 2013-14		
3.	Re-appointment of Shri I.J. Kapoor (DIN: 02051043), who retires by rotation		
4.	Fixation of remuneration of Auditors		
Special Business			
5.	Appointment of Shri S.C. Pandey (DIN: 03142319) as Director (Projects)		
6.	Appointment of Shri Kulamani Biswal (DIN: 03318539) as Director (Finance)		
7.	Appointment of Dr. Pradeep Kumar (DIN: 05125269) as Director		
8.	Raising of funds upto ₹ 13,000 Crore through issue of Bonds/Debentures on Private Placement basis		
9.	Ratification of remuneration of the Cost Auditors for the financial year 2014-15		

Signed this…........… day of…..…… 20…......

Affix Revenue Stamp of ₹1/-

Signature of shareholder__________ Signature of Proxy holder(s) __________

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

The instructions and other information relating to e-voting are as under:

1. (i) Launch internet browser by typing the URL: https://evoting.karvy.com or click on the link provided in the email in case a Member receives an e-mail from Karvy.

(ii) Enter the login credentials (i.e. user-id & password) mentioned at the bottom of Proxy Form. Your folio / DP ID and Client ID will be your User-ID.

User-ID	For Members holding shares in Demat Form:-
	a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
	b) For CDSL : 16 digits beneficiary ID
	For Members holding shares in Physical Form:-
	Even no. followed by Folio Number registered with the company.
Password	Your Unique password is printed on the Proxy Form.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

(iii) After entering these details appropriately, Click on "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the "EVENT".

(vii) If you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(viii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(ix) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

(x) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(xi) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xii) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(xiii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: scrutinizer_ntpc@yahoo.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVEN NO."

2. The e-voting facility will be available during the following voting period:
   - **Commencement of e-voting :** From 10.00 a.m. (IST) on **August 18, 2014.**
   - **End of e-voting :** Up to 6:00 p.m. (IST) on **August 20, 2014.**
3. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com.
5. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being Friday, July 18, 2014**.**
6. Shri Pradeep K. Mittal, Advocate, M/s PKMG Law Chambers has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
8. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
9. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.ntpc.co.in) and on Karvy's website (https://evoting.karvy.com) within two (2) days of passing of the resolutions and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

Achievements & Accolades

NTPC being awarded Indira Gandhi Rajbhasha Shield for propagation of Rajbhasha in the company by Government of India on Hindi Divas by Hon'ble President of India Shri Pranab Mukherjee. The award was received by Dr. Arup Roy Choudhury, Chairman and Managing Director, NTPC.

NTPC has been ranked first amongst PSUs, 1st amongst large organizations (over 10000 employees) and 1st in energy and oil and gas industry sector amongst India's Best Companies to Work For - 2013 by The Great Place to Work Institute. Shri U. P. Pani Director (HR) and Shri G.J. Deshpande, Regional Executive Director, NTPC received the award at a ceremony held in Mumbai.

NTPC awarded as Business Leader in the Power Sector at the **NDTV Business Leadership Awards** held in New Delhi. The award was presented by Shri Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India in the presence of Dr. Prannoy Roy to Dr. Arup Roy Choudhury, CMD, NTPC.

Shri K. Biswal, Director (Finance), NTPC was awarded CMA-CFO Award in the Public Sector (Manufacturing) category in recognition of the efforts made by him for application of innovative cost and management accounting techniques in work place. The award was given by the Institute of Cost Accountants of India during its 56th Foundation Day at New Delhi. Hon'ble Justice Supreme Court Shri Deepak Misra presented the award to Shri Biswal.

CMD and Functional Directors of NTPC

A Maharatna Company

NTPC Limited
(CIN: L40101DL1975GOI007966)
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Lodhi Road, New Delhi- 110003. Tel No : 011-24387333, Fax No : 011-24361018,
E- Mail : ntpccc@ntpc.co.in, Website : www.ntpc.co.in

FORM A

(Clause 31(a) of equity Listing Agreement)

1.	Name of the Company	NTPC Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Appeared second time
5.	Signatories:	

CEO	CFO
(Dr. Arup Roy Choudhury) Chairman & Managing Director	(K. Biswal) Director (Finance)

Auditors of the company

(Partner) M. No. 87387 M/s O. P. Bagla & Co. Chartered Accountants FRN 000018N	(Partner) M. No. 94227 M/s K. K. Soni & Co., Chartered Accountants FRN 000947N	(Partner) M. No. 25993 M/s PKF Sridhar & Santhanam, Chartered Accountants FRN 003990S
(AJAY GUPTA) (Partner) M. No. 90104 M/s V. Sankar Aiyar & Co., Chartered Accountants FRN 109208W	(Partner) M. No. 076918 M/s Ramesh C. Agrawal & Co., Chartered Accountants FRN 001770C	CA PAWAN K. GOEL (Partner) M. No. 72283 M/s A. R. & Co., Chartered Accountants FRN 002744C

Audit Committee Chairman

S. B. Ghosh Dastidar
(Director)