37th Annual Report 2012-2013

एनटीपीसी
NTPC
A Maharatna Company

Powering India's Growth

VISION

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

मूल मान्यताएं		Core Values
व्यावसायिक नैतिकता	B	Business Ethics
पर्यावरण एवं आर्थिक रूप से निर्वहनीय	E	Environmentally & Economically Sustainable
ग्राहक को प्रधानता	C	Customer Focus
संगठन एवं व्यवसाय पर गौरव	O	Organisational & Professional Pride
परस्पर आदर और विश्वास	M	Mutual Respect & Trust
स्वयं एवं अन्य का उत्प्रेरण	M	Motivating Self & Others
नवप्रवर्तन और गति	I	Innovation & Speed
संपूर्ण गुणवत्ता से उत्कृष्टता	T	Total Quality for Excellence
पारदर्शी व प्रतिष्ठित संगठन	T	Transparent & Respected Organisation
उद्यमशीलता	E	Enterprising
समर्पित	D	Devoted

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"

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

Web site : www.ntpc.co.in

Subsidiaries

NTPC Electric Supply Company Ltd.

NTPC Hydro 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.

Oriental Bank of Commerce

Punjab National Bank

Punjab & Sind Bank

State Bank of Bikaner & Jaipur

State Bank of Mysore

State Bank of Hyderabad

State Bank of India

State Bank of Patiala

State Bank of Travancore

UCO Bank

Union Bank of India

United Bank of India

Vijaya 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

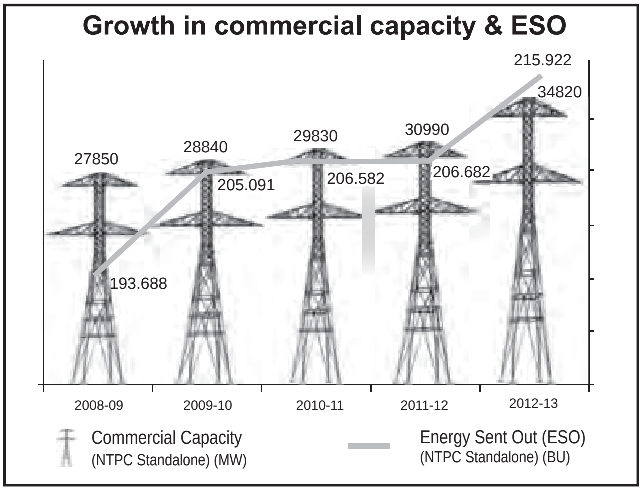
GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

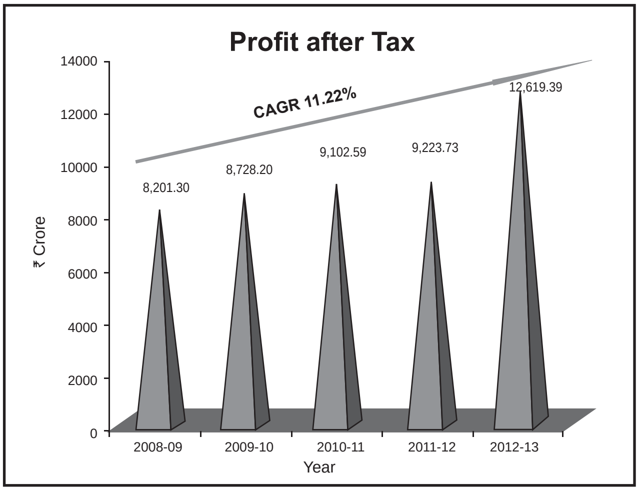
The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members. To support this green initiative 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

		2012-13	2011-12
Gross Generation	Million Units	232028	222068
Commercial Generation	”	230993	220696
Energy sent out	”	215922	206682
Sale of Energy	₹ Crore	64190	61002
Profit before tax	”	16579	12326
Profit after tax	”	12619	9224
Dividend*	”	4741	3298
Dividend tax**	”	782	528
Retained Profit	”	7096	5398
Net Fixed Assets	”	62936	45258
Net Worth	”	80388	73291
Borrowings	”	58146	50279
Capital Employed	”	84419	75137
Net Cash From Operations	”	15495	10710
Value Added	”	22999	19738
No. of Employees #	Number	23865	24011
Value added per employee	₹ Crore	0.96	0.82
Debt to Equity	Ratio	0.72	0.69
Debt Service Coverage Ratio (DSCR)	Times	3.17	3.21
Interest Service Coverage Ratio (ISCR)	Times	10.39	9.81
Return on Capital Employed	%	15.95	14.23
Face Value Per share	₹	10.00	10.00
Dividend Per Share	”	5.75*	4.00
Book Value Per Share	”	97.49	88.89
Earnings Per Share	”	15.30	11.19

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





LETTER TO SHAREHOLDERS

Dear Shareowners,

It is my great pleasure to share with you that the year 2012-13 was marked with exceptional achievements by your Company.

Your Company has been ranked #1 Independent Power Producer and Energy Trader' in the world by Platts.

Your Company added greater thrust to continue the strong capacity-addition momentum acquired during the previous two years, adding 4,170 MW (including 1000 MW through JV Companies), which is by far the highest ever capacity addition in a year.

Your Company crossed the 40,000 MW mark and went well over it reaching a total installed capacity of 41,184 MW (including 5,364 MW through JV & Subsidiary Companies).

To sustain the strong growth momentum, your Company placed awards for a capacity of 8,521 MW during the year. At present an aggregate capacity of 20,064 MW is under construction. Thus, your Company is well poised to achieve the 12th Plan target of 14,038 MW and even surpass it.

Your Company achieved the highest ever capex of ₹ 19,926 crore which is nearly 25% more than previous year's capex.

Against all-India PLF of 70%, your Company maintained PLF of 83% during financial year 2012-13 despite constraints of fuel availability and financial situation of customer utilities.

With 18.4% of India's total installed capacity, your Company accounted for 27.4% of India's total generation in financial year 2012-13, underlining its consistently high generation efficiency.

Your Company remains the market leader and also among the lowest cost producers of power with an average selling price of ₹ 2.96 per unit during financial year 2012-13.

Mining activities are at an advanced stage in the first coal block at Pakri-Barwadih.

Ministry of Coal has withdrawn de-allocation of Chatti Bariatu, Chatti Bariatu (South) and Kerandari coal blocks.

Mining activities are progressing well at Kerandari, Chatti-Bariatu and Talaipalli coal blocks also.

With the recent allocations of four coal blocks having estimated geological reserves of about 2 billion tonnes, the total coal reserves of your Company now amount to 5 billion tonnes.

Coal Supply Agreements (CSA) have been signed with the subsidiaries of Coal India Ltd. for supply of about 60 MTPA to cater to the requirement of over 14,000 MW capacity (including JV units) commissioned after March 2009. As you may be aware that for units commissioned upto March 2009 aggregating to about 24,000 MW, CSAs had already been in place. Thus, the long term coal supply of your Company's generating units is backed by sound contractual arrangements.

Your Company garnered over USD 2 billion (₹ 11,469.39 Cr) at weighted average price of ₹ 146.43 per share during 'Offer for Sale' (OFS) for disinvestment of further 9.5% GoI's stake which was oversubscribed by 1.7 times with 45% coming from foreign investors. Now, the Government shareholding in your Company stands at 75%. NTPC's OFS contributed nearly half of the resources raised by Government of India through its disinvestment programme during FY13. Thus, your Company has demonstrated that it enjoys tremendous confidence of the investors, both domestic and international.

Dignitaries present on the occasion of Laying of the Foundation Stone of Mauda Super Thermal Power Project , Stage – II (2 X 660 MW) on 4 January 2013.

Your Company's financial performance was exceptionally strong with a Profit After Tax (PAT) of ₹ 12,619 crore, an increase of about 37% over the previous year's PAT. The total income stood at ₹ 68,775 crore, a growth of 6%.

In addition to the interim dividend of ₹ 3.75 per equity share paid in March 2013, your Directors have recommended a special dividend of ₹ 1.25 per share and final dividend of ₹ 0.75 per share for the year 2012-13 subject to your approval taking the total dividend for the year to ₹ 5.75 per share, against ₹ 4.00 per share in 2011-12.

On the strength of its robust financial ratios and strong balance sheet, your Company has been able to raise debt at optimal rates.

A notable success was the decision about recovery of long pending dues of ₹ 2,520 crore towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU).

With focus on all-round sustainability of growth and performance, your Company takes up well laid down initiatives in the areas of Environment, CSR and Corporate Governance.

Your Company has commissioned 10 MW of solar power plants of 5 MW each at Dadri in Uttar Pradesh and at Port Blair in Andaman & Nicobar Islands. 85 MW of solar capacity and 8 MW of small hydro projects are under implementation. Your Company plans to make substantial strides in renewable energy development and has a target of 1,000 MW capacity by 2017.

So far, more than 35 MT of CO_2 has been avoided in NTPC including 2.15 MT avoided in 2012-13 as a result of concerted action by all groups concerned in the Company.

Efficiency improvement, climate change and un-conventional energy sources are among the key priorities behind the R&D efforts of your Company.

From adopting and developing state-of-the-art power generation technologies to installing CO_2 monitoring system, energy audit and conservation and creation of a green wealth of about 20 million trees, your Company has undertaken a broad spectrum of measures for promoting environmentally sustainable growth.

Social inclusion is a guiding feature of NTPC's growth strategy with specific initiatives in areas of infrastructure development, healthcare, education, water supply, sanitation, women empowerment etc. These initiatives benefit the neighbourhood population around the sites.

Your Company is committed to contribute 1% of Net Profit towards activities on CSR and sustainability development.

Besides intensive community and peripheral development, your Company has given special focus on promoting education which leads to skill creation and employability among people. Your Company is setting up a number of institutions at various locations.

Your Company's efforts to reach out to the physically challenged continue with strong passion and purpose, benefitting a large number of such people.

A total expenditure of ₹ 69.24 crore was incurred towards CSR in 2012-13.

Your Company's emphasis on corporate governance goes much beyond compliance. It has been taking many steps to promote transparency and accountability before they become mandatory. This pro-active approach has attracted awards and accolades and more importantly, it has resulted in a robust corporate image among stakeholders including investors.

This commitment of NTPC to all-round contribution has resulted in benefits to all the stakeholders. This has been possible primarily due to the highly competent and dedicated workforce who are kept motivated through forward looking HR policies and practices.

NTPC is the only PSU to constantly figure among the ten best employers in very prestigious surveys. In a survey covering 550 companies, 22 industries and close to one lakh employees carried out by 'The Economic Times and The Great Place to Work Institute' in 2013, your Company ranked Sixth among Best Ten Work Places, First in large organization category, First in Public Sector Category and First in 'Energy, Oil and Gas sector'.

On the basis of the proven capabilities of Team-NTPC, I take this opportunity to assure all stakeholders that the Company will continue to measure up to your expectations.

With best wishes,
Yours sincerely,

(DR. ARUP ROY CHOUDHURY)
CHAIRMAN & MANAGING DIRECTOR

NOTICE

NOTICE is hereby given that **Thirty Seventh Annual General Meeting** of the members of **NTPC Limited** will be held on **Tuesday, September 17, 2013 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 Balance Sheet as at March 31, 2013 and Statement of Profit & Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors' thereon.
2. To confirm payment of interim dividend and declare final and special dividend for the year 2012-13.
3. To appoint a Director in place of Shri A.K. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri N.N. Misra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S.B. Ghosh Dastidar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri R.S. Sahoo, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix the remuneration of the Auditors.

SPECIAL BUSINESSES:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "Resolved that Dr. A. Didar Singh, who was appointed as an Additional Director (Non-Official Part-time Director) of the Company by the President of India vide letter no. 8/6/2010-TH.I (Vol.I) dated 21.08.2013 w.e.f 23.08.2013 till the date of last Annual General Meeting and thereafter re-appointed as an Additional Director w.e.f. 18.09.2012 under Section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "Resolved that Shri U.P. Pani, who was appointed as an Additional Director and designated as Director (Human Resources) of the Company w.e.f. 01.03.2013, under Section 260 of the Companies Act, 1956 and Article 41A of the Articles of Association of the Company, by the President of India vide letter no. 8/1/2012-Th-I (DHR) dated 03.01.2013 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

    "Resolved that Shri Prashant Mehta, who was appointed as an Additional Director (Non-Official Part-time Director) of the Company w.e.f. 30.07.2013, under Section 260 of the Companies Act, 1956 and Article 41A of the Articles of Association of the Company, by the President of India vide letter no. 8/6/2013-Th-I dated 12.07.2013 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

Regd. Office:
NTPC Bhawan, 7 Institutional Area,
Lodi Road, New Delhi-110003
Date: 2nd August 2013

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.**
2. 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.
3. In terms of Article 41 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Shri A.K. Singhal, Shri N.N. Misra, Shri S.B. Ghosh Dastidar and Shri R.S. Sahoo, Directors retire by rotation at the ensuing Meeting and being eligible, offers themselves for re-appointment.
4. Brief Resume of the Directors seeking appointment and re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
5. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Businesses, as set out above is annexed hereto.
6. 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, brief cases, eatables and other belongings are not allowed inside the Auditorium.**
   viii) note that no gifts/coupons will be distributed at the Annual General Meeting.
7. The Board of Directors, in its meeting held on February 26, 2013, had declared an interim dividend @ 37.5% (₹ 3.75 per share) on the paid-up equity share capital of the company which was paid on March 12, 2013. 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.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 7, 2013 to September 17, 2013 (both days inclusive). The Board of Directors, in its Meeting held on May 10, 2013, has recommended a final dividend @ 7.5% (₹ 0.75 per share) and a special dividend @ 12.5% (₹ 1.25 per share) on the paid-up equity share capital of the Company. The final dividend and special dividend, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on September 27, 2013 to the Members whose names appear on the Company's Register of Members on September 17, 2013 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 September 6, 2013.
9. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund (IEPF) of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.

   Members who have not encashed their Dividend Warrant(s) may approach the RTA/ Company for issuance of demand draft(s) upon completion of necessary formalities for the same in lieu of such warrant(s). Unclaimed/unpaid final dividend for the financial year 2005-06, which is due for transfer to IEPF, should be claimed by the members before September 22, 2013. After that date, no claim shall lie against the IEPF/ Company, in respect of the said amount.

   The final dividend for the financial year 2004-05 and interim dividend for the financial year 2005-06 were paid on 27.09.2005 and 27.02.2006 respectively. The seven years period for the above dividend had ended on 26.09.2012 and 26.02.2013 respectively and the unclaimed/ unpaid dividend amounts have been transferred to IEPF.

   The details of the shareholders who have not claimed/ encashed their dividend warrants till the last Annual General Meeting and subsequent due dates of transfer of unclaimed/ unpaid dividend to IEPF for the respective financial years have been uploaded on NTPC Website under Investors Section at www.ntpc.co.in.
10. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain from and send the ECS mandate form to RTA of the Company. Those holding shares in Electronic Form may obtain from and send the ECS mandate form directly to their DP. Those who have already furnished the ECS Mandate Form to the Company/ RTA/ DP with complete details need not send it again.

    The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to RTA of the Company to enable them to print these details on the dividend warrants.

11. 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.
12. 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.
13. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the Form-2B as prescribed in the Companies (Central Government's) General Rules and Forms, 1956, 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-2B 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.
14. 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.
15. 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, ED (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.
16. Annual listing fee for the year 2013-14 has been paid to all Stock Exchanges wherein shares of the Company are listed. Also, the Annual Custodian Fee for the year 2013-14 was paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited before April 30, 2013.
17. Pursuant to Section 619(2) of the Companies Act, 1956, 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 terms of Clause (aa) of sub-section (8) of Section 224 of the Companies Act, 1956, 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 36th Annual General Meeting held on September 18, 2012, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2012-13. Accordingly, the Board of Directors has fixed audit fee of ₹ 96,75,000/- for the Statutory Auditors for the financial year 2012-13 in addition to applicable service tax and reimbursement of actual traveling and out-of-pocket expenses for visits to accounting units. The present Statutory Auditors of the Company have been re-appointed for the year 2013-14 by C&AG through their letter dated 30.07.2013. 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 2013-14.
18. None of the Directors of the Company is in any way related with each other.
19. 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. 8

Dr. A. Didar Singh was appointed by the President of India vide Notification No. 8/6/2010-Th.I (Vol.I) dated 21.08.2012 issued by Ministry of Power for a period of three years and was accordingly appointed as an Additional Director (Non-Official Part-time Director) on the Board w.e.f 23.08.2012. However, before his appointment, the Notice of 36th AGM scheduled for 18.09.2012 was already printed and dispatched, therefore, his tenure as Additional Director (Non-Official Part-time Director) could not be regularized. Thus, his tenure as Additional Director expired on 18.09.2012. Dr. A. Didar Singh was again appointed by the Board as an Additional Director w.e.f. 18.09.2012, till the conclusion of this Annual General Meeting.

The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Dr. A. Didar Singh for the office of Non-Official Part-time Director (Independent Director). Dr. A. Didar Singh, if appointed, will 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 the Annual Report.

Dr. A. Didar Singh holds 426 shares in NTPC Limited and his Directorship and chairmanship/membership of Committee(s)* in the Companies are as under:

S. No.	Directorship	Chairmanship/Membership*
1.	NTPC Limited	NIL
2.	Jammu & Kashmir State Overseas Employment Corporation Limited	
3.	Secretary General FICCI (Section 25 Company)	

None of the Directors except Dr. A. Didar Singh is interested or concerned in the resolution. The Board recommends the resolution for your approval.

Item No. 9

Shri U.P. Pani was appointed by the President of India vide Notification No. 8/1/2012-Th-I (DHR) dated 03.01.2013 issued by Ministry of Power and was accordingly appointed as an Additional Director on the Board w.e.f 01.03.2013 and designated as Director (Human Resources). In terms of the Companies Act, 1956, he holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri U.P. Pani for the office of Director (Human Resources). Shri U.P. Pani, if appointed, will 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 the Annual Report.

Shri U.P. Pani holds 922 shares in NTPC Limited and his Directorship and chairmanship/membership of Committee(s)* of the following Companies:

S. No.	Directorship	Chairmanship/ Membership*
1.	NTPC Limited	Shareholders'/ Investors' Grievance Committee
2.	Trincomalee Power Company Limited	NIL
3.	NTPC Vidyut Vyapar Nigam Limited	
4.	NTPC Electric Supply Company Limited	
5.	Transformers And Electricals Kerala Limited	

None of the Directors except Shri U.P. Pani is interested or concerned in the resolution. The Board recommends the resolution for your approval.

Item No. 10

Shri Prashant Mehta was appointed by the President of India vide Notification No. 8/6/2013-Th-I dated 12.07.2013 issued by Ministry of Power for a period of three years and was accordingly appointed as an Additional Director (Non-official Part-time Director) on the Board w.e.f 30.07.2013. In terms of the Companies Act, 1956, he holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri Prashant Mehta for the office of Non-Official Part-time Director (Independent Director). Shri Prashant Mehta, if appointed, will 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 the Annual Report.

Shri Prashant Mehta holds NIL shares in NTPC Limited and he is not a Director in any other Company and not a Chairman/Member of any Committee(s)* in any of the Company.

None of the Directors except Shri Prashant Mehta is interested or concerned 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, 7 Institutional Area,
Lodi Road, New Delhi-110003
Date: 2nd August 2013

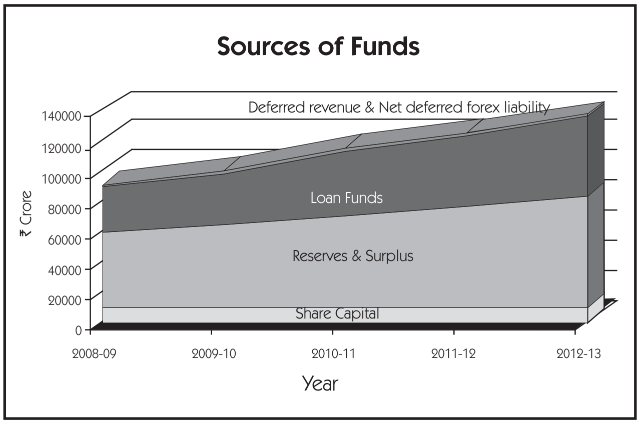
* In line with Clause 49 of Listing Agreement, only the Audit Committee and Shareholders'/ Investors' Grievance Committee have been taken into consideration in reckoning the number of committee memberships of Directors as Chairman and as Member.

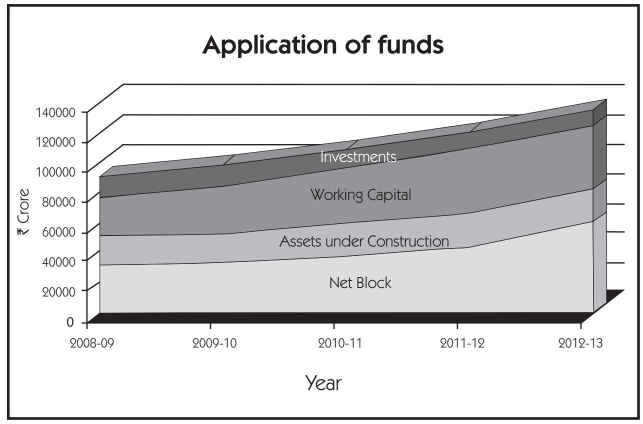
BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION

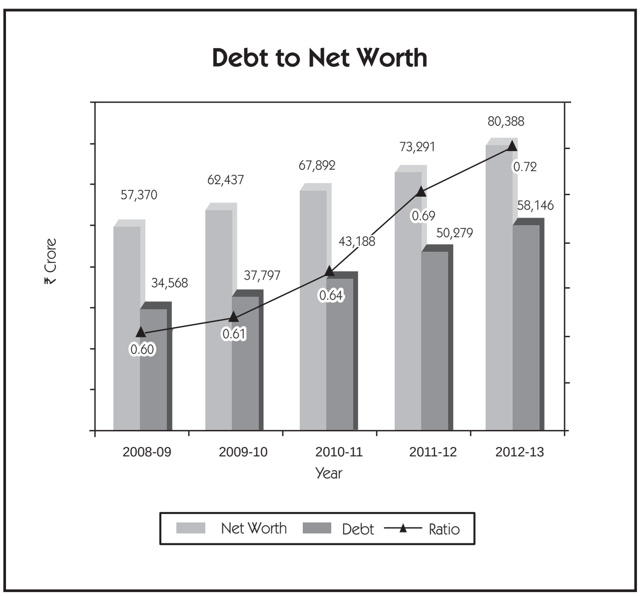
Directors seeking re-election at the 37th AGM

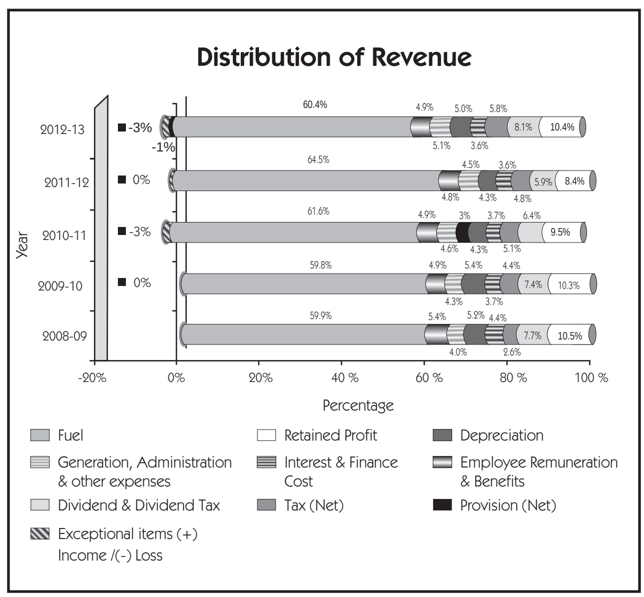
Name	Shri A.K. Singhal	Shri N.N. Misra	Shri S.B. Ghosh Dastidar	Shri R.S. Sahoo
Date of Birth & Age	10.01.1954/ 59 years	29.10.1954/ 59 years	01.04.1947/ 66 years	01.07.1962/ 51 years
Date of Appointment	01.08.2005	19.10.2010	26.08.2011	26.08.2011
Qualifications	**Chartered Accountant**	**Bachelor in Engineering (Electrical)**	**Bachelor in Engineering (Mechanical)**	**Chartered Accountant**
Expertise in specific functional area	He has rich and varied experience of over 37 years in Corporate Finance Management, financial resource mobilization from domestic & global sources, optimum utilization of funds, budgetary controls, internal control systems and investment decisions.	Shri Misra has experience of 35 years in NTPC in various departments including 28 years in the Design Department looking after the various functions of Electrical Design, Project Engineering, Corporate Contracts & Materials, Operation Services and overall management of the projects and regions.	Shri Dastidar had distinguished and illustrious career of almost four decades in Railways. His areas of experience included planning, human resource development, marketing, project management, operations, finance and industrial relationship. He was awarded "Padam Shri" by Government of India for his outstanding contribution in Indian Railways.	He has rich and varied experience in finance, accounts and legal. 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.
Directorship held in other companies	**Part-Time Chairman** 1. Meja Urja Nigam Private Limited **Part-Time Director** 1. NTPC Electric Supply Company Limited 2. NTPC Vidyut Vyapar Nigam Limited 3. NTPC Hydro Limited 4. NTPC Tamilnadu Energy Company Limited 5. Kanti Bijlee Utpadan Nigam Limited 6. Anushakti Vidhyut Nigam Limited	**Part-Time Chairman** 1. NTPC-SAIL Power Company Private Limited **Part-Time Director** 1. NTPC Electric Supply Company Limited 2. NTPC Vidyut Vyapar Nigam Limited 3. Kanti Bijlee Utpadan Nigam Limited 4. BF-NTPC Energy Systems Limited **Independent Director** 1. West Bengal Power Development Corporation Limited **Special Invitee** 1. Damodar Valley Corporation **Permanent Invitee** 1. Northern Coalfields Limited	**Independent Director** 1. Bharat Coking Coal Limited	**Independent Director** 1. Hindustan Zinc Limited 2. THDC India Limited 3. Bank of Baroda
Memberships/ Chairmanship of Committees across all Public Companies*	**Audit Committee Chairman** 1. NTPC Hydro Limited 2. Kanti Bijlee Utpadan Nigam Limited 3. NTPC Vidyut Vyapar Nigam Limited 4. NTPC Tamilnadu Energy Company Limited **Shareholders'/ Investors' Grievance Committee Member** 1. NTPC Limited	**Audit Committee Member** 1. NTPC Vidyut Vyapar Nigam Limited 2. Kanti Bijlee Utpadan Nigam Limited 3. BF-NTPC Energy Systems Limited 4. West Bengal Power Development Corporation Limited	**Audit Committee Chairman** 1. NTPC Limited	**Audit Committee Member** 1. NTPC Limited
No. of Shares held in NTPC Limited	10,329	922	-	-

* 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 as Chairman and as Member.


Sources of Funds
Deferred revenue & Net deferred forex liability
Loan Funds
Reserves & Surplus
Share Capital
140000
120000
100000
80000
60000
40000
20000
0
₹ Crore
2008-09
2009-10
2010-11
2011-12
2012-13
Year


Application of funds
Investments
Working Capital
Assets under Construction
Net Block
140000
120000
100000
80000
60000
40000
20000
0
₹ Crore
2008-09
2009-10
2010-11
2011-12
2012-13
Year


Debt to Net Worth
57,370
34,568
0.60
62,437
37,797
0.61
67,892
43,188
0.64
73,291
50,279
0.69
80,388
58,146
0.72
₹ Crore
2008-09
2009-10
2010-11
2011-12
2012-13
Year
Net Worth
Debt
Ratio


Distribution of Revenue
2012-13
-3%
-1%
60.4%
4.9%
5.1%
5.0%
3.6%
5.8%
8.1%
10.4%
2011-12
0%
64.5%
4.8%
4.5%
4.3%
3.6%
4.8%
5.9%
8.4%
2010-11
-3%
61.6%
4.9%
4.6%
3%
4.3%
3.7%
5.1%
6.4%
9.5%
2009-10
0%
59.8%
4.9%
4.3%
5.4%
3.7%
4.4%
7.4%
10.3%
2008-09
59.9%
5.4%
4.0%
5.2%
4.4%
2.6%
7.7%
10.5%
Year
-20%
0%
20%
40 %
60 %
80 %
100 %
Percentage
Fuel
Retained Profit
Depreciation
Generation, Administration & other expenses
Interest & Finance Cost
Employee Remuneration & Benefits
Dividend & Dividend Tax
Tax (Net)
Provision (Net)
Exceptional items (+) Income /(-) Loss

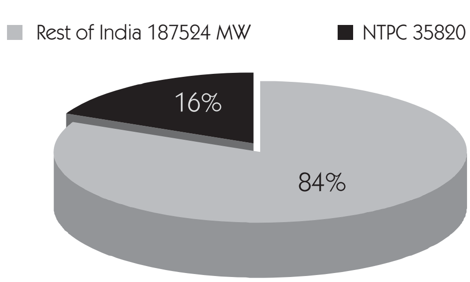
STATION-WISE GENERATION 2012-13

STATIONS	Fuel Type	Capacity(MW)*	Gen.(MU)Gross
Northern Region		**5990**	**44372**
Singrauli	Coal	2000	16194
Rihand	Coal	2500	16428
Unchahar	Coal	1050	8528
Tanda	Coal	440	3223
National Capital Region		**4869**	**29421**
Badarpur	Coal	705	4556
Dadri	Coal	1820	13094
Anta	Gas	419	2176
Auraiya	Gas	663	2775
Dadri	Gas	830	4418
Faridabad	Gas	432	2403
Western Region		**12154**	**71540**
Mouda	Coal	1000	14
Korba	Coal	2600	20523
Vindhyachal	Coal	4260	26134
Sipat	Coal	2980	18490
Kawas	Gas	656	2900
Jhanor Gandhar	Gas	657	3479
Eastern Region		**7900**	**51670**
Farakka	Coal	2100	11633
Kahalgaon	Coal	2340	14707
Talcher - Kaniha	Coal	3000	21450
Talcher - Thermal	Coal	460	3879
Southern Region		**4960**	**35025**
Ramagundam	Coal	2600	20785
Simhadri	Coal	2000	12691
Rajiv Gandhi CCP	Liquid Fuel	360	1549
Total		**35872**	**232028**

* as on 31st March, 2013

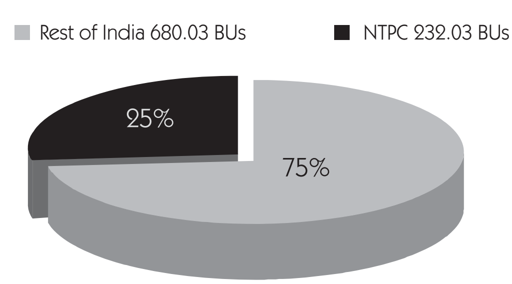
Share of Installed Capacity

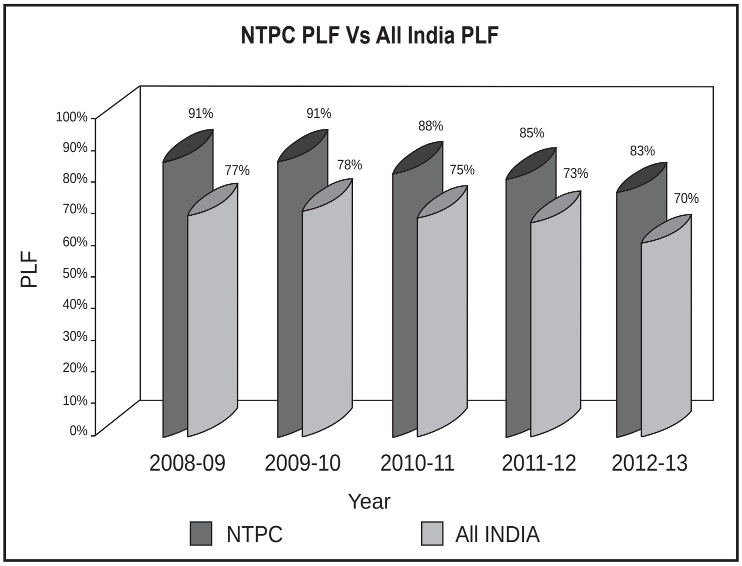
(as on 31st March 2013)

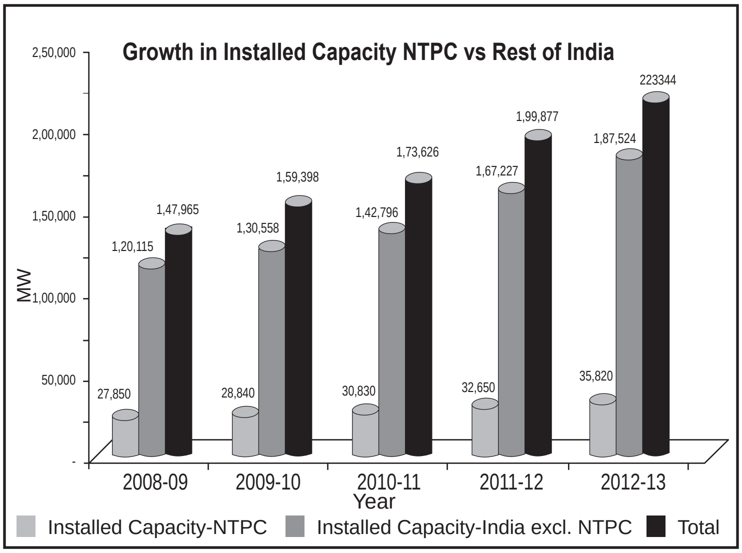


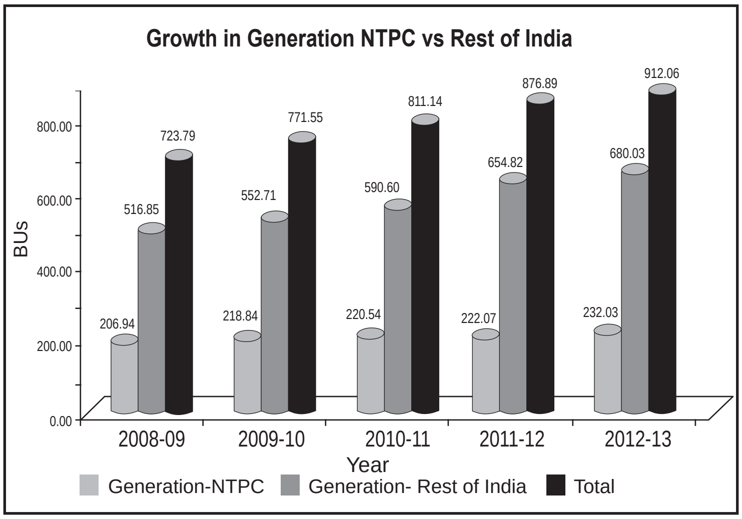
Share of Electricity Generated

(as on 31st March 2013)




NTPC PLF Vs All India PLF
PLF
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
91%
77%
91%
78%
88%
75%
85%
73%
83%
70%
2008-09
2009-10
2010-11
2011-12
2012-13
Year
NTPC
All INDIA


Growth in Installed Capacity NTPC vs Rest of India
MW
2,50,000
2,00,000
1,50,000
1,00,000
50,000
-
27,850
1,20,115
1,47,965
28,840
1,30,558
1,59,398
30,830
1,42,796
1,73,626
32,650
1,67,227
1,99,877
35,820
1,87,524
223344
2008-09
2009-10
2010-11
2011-12
2012-13
Year
Installed Capacity-NTPC
Installed Capacity-India excl. NTPC
Total


Growth in Generation NTPC vs Rest of India
BUs
800.00
600.00
400.00
200.00
0.00
206.94
516.85
723.79
218.84
552.71
771.55
220.54
590.60
811.14
222.07
654.82
876.89
232.03
680.03
912.06
2008-09
2009-10
2010-11
2011-12
2012-13
Year
Generation-NTPC
Generation- Rest of India
Total

SELECTED FINANCIAL INFORMATION

₹ crore

		2012-13 #	2011-12 #	2010-11 #	2009-10	2008-09
A)	**Total Revenue**					
	Earned from					
	Sale of Energy	64,189.57	61,002.20	54,704.55	46,168.67	41,791.18
	Consultancy & Other Income	3,741.24	3,512.59	2,694.94	3,065.21	3,437.88
	Total	**67,930.81**	**64,514.79**	**57,399.49**	**49,233.88**	**45,229.06**
B)	**Paid & Provided for**					
	Fuel	41,018.25	41,635.46	35,373.78	29,462.74	27,110.69
	Employees Remuneration & Benefits	3,360.12	3,090.48	2,789.71	2,412.36	2,463.13
	Generation, Administration & other expenses	3,470.45	2,932.93	2,646.01	2,094.03	1,819.16
	Provision (Net)	(638.45)	(250.68)	1,544.34	(1.87)	7.59
	Prior Period/Extra Ordinary Items	(29.72)	(313.58)	(1,638.72)	(77.83)	108.32
	Profit before depreciation, Interest & Finance Charges and Tax	**20,750.16**	**17,420.18**	**16,684.37**	**15,344.45**	**13,720.17**
	Depreciation	3,396.76	2,791.70	2,485.69	2,650.06	2,364.48
	Profit before Interest & Finance Charges and Tax	**17,353.40**	**14,628.48**	**14,198.68**	**12,694.39**	**11,355.69**
	Interest & Finance Cost	2,458.88	2,302.32	2,149.08	1,808.93	1,996.22
	Profit before exceptional items and tax	**14,894.52**	**12,326.16**	**12,049.60**	**10,885.46**	**9,359.47**
	Exceptional Items (+) Income/ (-) Loss	1,684.11	-	-	-	-
	Profit before tax	**16,578.63**	**12,326.16**	**12,049.60**	**10,885.46**	**9,359.47**
	Tax (Net)	3,959.24	3,102.43	2,947.01	2,157.26	1,158.17
	Profit after tax	**12,619.39**	**9,223.73**	**9,102.59**	**8,728.20**	**8,201.30**
	Dividend	4,741.16	3,298.19	3,133.27	3,133.27	2,968.36
	Dividend tax	781.87	527.92	514.77	527.62	501.71
	Retained Profit	**7,096.36**	**5,397.62**	**5,454.55**	**5,067.31**	**4,731.23**
C)	**What is Owned**					
	Gross Fixed Assets	103,245.70	81,830.26	72,755.15	66,850.07	62,353.04
	Less : Depreciation	40,309.60	36,571.90	33,519.19	32,088.78	29,415.31
	Net block	62,936.10	45,258.36	39,235.96	34,761.29	32,937.73
	Capital Work-in-progress, Construction Stores & Advances	44,036.77	44,569.27	38,270.63	32,104.31	26,404.90
	Investments	10,760.10	11,206.38	12,344.84	14,807.09	13,983.48
	Current Assets, Loans & Advances	42,250.72	38,431.91	35,428.30	30,815.80	30,925.30
	Total Net Assets	**159,983.69**	**139,465.92**	**125,279.73**	**112,488.49**	**104,251.41**
D)	**What is Owed**					
	Long Term Loans	58,145.67	50,267.11	43,174.98	37,783.63	34,566.33
	Working Capital Loans	0.63	12.26	13.26	13.39	1.42
	Current Liabilities & Provisions	20,287.70	15,065.87	13,104.42	10,758.16	10,688.60
	Total Liabilities	**78,434.00**	**65,345.24**	**56,292.66**	**48,555.18**	**45,256.35**
E)	**Others [Deferred Revenues (Expenditure) /Deferred Liabities (Assets)]**					
	Deferred Revenue on account of Advance against deprectiaion	708.60	718.47	792.05	1,610.84	1,936.01
	Deferred Income From Foreign Currency Fluctuation	535.45	711.59	62.43	-	607.71
	Derferred Tax Liability (Net)	915.30	636.90	602.95	209.25	0.13
	Deferred Foreign Currency Fluctuation Liability	135.60	134.43	96.54	61.05	54.52
	Deferred Foreign Currency Fluctuation Asset	(1,132.77)	(1,371.88)	(459.15)	(365.17)	(973.40)
	Deferred Expenditure From Foreign Currency Fluctuation	-	-	-	(20.08)	-
	Total	**1,162.18**	**829.51**	**1,094.82**	**1,495.89**	**1,624.97**
F)	**Net Worth**					
	Share Capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
	Reserves & Surplus	72,142.05	65,045.71	59,646.79	54,191.96	49,124.61
	Net Worth	**80,387.51**	**73,291.17**	**67,892.25**	**62,437.42**	**57,370.07**
G)	**Capital Employed**	**84,419.44**	**75,136.67**	**71,374.57**	**69,572.54**	**64,183.42**
H)	**Value Added**	**22,998.93**	**19,737.80**	**19,139.99**	**17,331.30**	**14,054.75**
I)	**No. of Shares**	**8245464400**	**8245464400**	**8245464400**	**8245464400**	**8245464400**
J)	**No. of Employees ***	**23,865**	**24,011**	**23,797**	**23,743**	**23,639**
K)	**Ratios**					
	Return on Capital Employed (%)	15.95	14.23	14.30	13.97	14.29
	Return on Net Worth (%)	19.73	16.88	16.92	16.35	16.70
	Book Value per Share (₹)	97.49	88.89	82.34	75.72	69.58
	Current Ratio	2.08	2.55	2.70	2.86	2.89
	Debt to Equity	0.72	0.69	0.64	0.61	0.60
	Value Added/Employee (₹ crore)	0.96	0.82	0.80	0.73	0.59

Comparative data based on old Sch-VI formats. Financial Statements prepared based on Revised Sch VI formats

* Excluding JVs, Subsidiaries

DIRECTORS' PROFILE

Dr. Arup Roy Choudhury

Chairman & Managing Director

Dr. Arup Roy Choudhury (57 years), a firm believer in achieving team-excellence through transformational shift to proactive, positive and personalized approach and having experience in private and public sector organizations, Dr. Arup Roy Choudhury has an illustrious career of more than 34 years during which he has been holding the position of CEO for over 12 years. A graduate from Birla Institute of Technology-Mesra (Ranchi), post graduate and doctorate from IIT-Delhi, he follows the motto "**संकल्प शुद्ध ही सिद्ध**" i.e. if your intentions are pure, you are bound to succeed. Some highlights of his career are:

- Became the youngest CEO of a Central Public Sector Enterprise in India (NBCC) at the age of 44 years in April 2001.
- Honoured with "Eminent Engineer Award" by Institution of Engineers (I) in 2004 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 in 2006.
- Received the Top Ten PSU and Turnaround Award from Hon. Prime Minister of India in 2007
- Received the Top Ten Central Public Sector Undertaking Award from Hon. Prime Minister of India in 2009
- 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 in 2010.
- Received the Award for CSR and Responsiveness from Hon. President of India in 2010
- 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, in November 2011.
- Received as CMD, the Gold Trophy for NTPC for best performance, from Hon. Prime Minister of India in January, 2012
- Honoured with the 'Asian CEO of the Year' Award in April, 2012 by Terrapinn, a Singapore-based business media company with presence in five continents doing significant work in Energy dialogue.
- Figured at # 40 in the listing of India Inc's 100 Most Powerful CEOs, 2013 (The Economic Times) and is at # 2 among the CEOs of the State Owned Enterprises (SOEs).
- Honoured with the "Outstanding Engineer Award" in October, 2012 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" by The Institution of Engineers (I) in December, 2012.

Shri A.K. Singhal

Director (Finance)

Shri A.K. Singhal, (59 years), Director (Finance), a Chartered Accountant by profession, has a distinguished career, characterised by steadfast adherence to principles. He has a rich & varied experience of over 37 years in Corporate Finance Management.

Shri Singhal plays a pivotal role in providing valuable inputs to the Board for taking various strategic decisions to enable the company in achieving its Vision. He is responsible for the entire gamut of financial management of the organization including financial resource mobilization from domestic & global sources, optimum utilization of funds, budgetary controls and investment decisions. During his tenure of 12 years in NTPC, he has led several landmark transactions for the Company such as its IPO, FPO & OFS of equity, term loan facilities from banks and financial institutions and establishment of USD 2 billion Medium Term Note Programme and issuance of notes there under.

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.

Driven by the passion for excellence and imbued with strong work ethics, Shri Singhal believes integrity and honesty as the only policy for enduring business success. Under his able guidance and leadership, NTPC has won many awards & accolades for excellence in Financial Reporting and Corporate Governance. Shri Singhal has been recognised as Best CFO at various forums including by the ICAI (twice), IMA (Lifetime Achievement Award), CNBC TV 18, ASBA Top Rankers and he has been positioned thrice among top 100 CFOs across the country by CFO Institute of 9dot9 media.

Shri Singhal has also been the driving force behind various initiatives of NTPC towards Corporate Social Responsibility (CSR). His emphasis is always to ensure that each CSR initiative of NTPC is aimed to improve lives of the people at the bottom of the pyramid and activities are taken up and processes adopted with due diligence so that benefit of the same reaches upto the last mile.

Shri I.J. Kapoor
Director (Commercial)

Sh. I.J. Kapoor, (57 years) is a Graduate in Mechanical Engineering and Masters in Business Administration (Marketing). He joined NTPC in 1978. He has a rich and varied experience of over 34 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, 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 B.P. Singh
Director (Projects)

Shri B.P. Singh, (59 years), is a Graduate in Mining Engineering from ISM, Dhanbad. He started his career in 1974 in Coal mining sector with Indian Iron & Steel Company and subsequently joined Bharat Coking Coal Ltd. He has over 39 years rich and vast experience both in coal as well as power sector. He joined NTPC Ltd. in 1981 and worked in various capacities in the areas of Fuel Management, Coal Mining & Coal Washery. He played the pivotal role in formulation of NTPC's overall strategy for fuel security and has been instrumental in acquisition and development of fuel assets, etc. Besides representing NTPC in various committees set up by Govt. of India on Integrated Coal Policy, fuels for Power Generation, Pricing of Coal, Techno-economics of using washed coal, he has also been part of various Govt. teams & missions like U.K. Trade Mission, Indo–Australia Joint Working Group on Energy & Minerals, etc. He is the Chairman of Bhartiya Rail Bijlee Company Limited. He is also representing on the board of BF-NTPC Energy Systems Ltd., Trincomalee Power Company Limited (A JV of NTPC Limited and CEB, Srilanka) and NTPC Hydro Limited. He is 'Expert Member' on Research Council of "Central Institute of Mining & Fuel Research (CIMFR)" and representing NTPC as member of the Board of Governors of National Institute of Rock Mechanics and Construction Industry Development Council. He is Fellow Member of Indian Institute of Plant Engineers, Delhi Chapter. He joined NTPC Board as Director (Projects) in Aug, 2009. As Director (Projects), he is responsible for all the activities relating to Project Planning, Execution and Implementation.

Shri N.N. Misra
Director (Operations)

Shri N.N. Misra, (59 years), 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 35 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 (56 Years) is a graduate in Mechanical Engineering from BIT Sindri, Ranchi University (1977) and has done LLB from Delhi University (1996). 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 36 years in NTPC in the area of Erection & Commissioning and Project Management of power projects.

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 in the Board of NTPC Alstom Services Pvt Ltd (NASL), Pan-Asian Renewables Pvt. Ltd. (PARL).

He is nominee director in the Board of NTPC Hydro Ltd (NHL), Anushakti Vidhyut Nigam Ltd (ASHVINI), Bangladesh India Friendship Power Company Ltd (BIFPCL), Transformer 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, Mine planning & Design of Captive coal blocks, 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 Sustainability Development function of NTPC. During last one year on NTPC Board, he has given special thrust to renewable energy and during this period, NTPC has commissioned 10 MW and approved another 85 MW of solar projects, which are under construction.

Shri U.P. Pani
Director
(Human Resources)

Shri U.P. Pani, (56 years), 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, Corporate Social Responsibility, Medical Services and Corporate Security & Coordination.

Shri I.C.P. Keshari
Govt. Nominee
Director

Shri I.C.P. Keshari (51 years) is a post graduate in History from Delhi University and an Indian Administrative Officer of Madhya Pradesh cadre. Prior to his current assignment of Joint Secretary, Ministry of Power, Shri Keshari was Private Secretary to Minister of Commerce & Industry, Government of India and has also held various administrative posts in the State of Madhya Pradesh and Chattisgarh including that of Secretary PWD, Secretary (Power) and Collector of three districts for almost nine years.

Shri S. B. Ghosh Dastidar
Independent Director

Shri S. B. Ghosh Dastidar, (66 years), 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 Canter 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 on the Board of Bharat Coking Coal Limited (BCCL).

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, (51 years), 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, THDC India Limited (Tehri Hydro Development Corporation India Limited) and Bank of Baroda.

He is 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 (69 years), 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 (63 years), 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 (64 years), is a qualified Chartered Accountant. In her career in Banking, spanning more than three decades, she has worked in various capacities in Union Bank of India, Oriental Bank of Commerce and retired as Chairman & Managing Director of Central Bank of India in December 2008. During her tenure as CMD of Central Bank of India, bank had undergone radical changes by rejuvenating the working of the Bank through series of bold initiatives, which yielded positive results for the Bank. She ensured introduction of innovative products to cater to the requirements of its multi-cultural clients. Her main areas of concern included HRD, Technological upgradations matching industry levels, Business Process Reengineering with active participation from field and customizing the products/ services as well as systems and procedures to match the market requirements. She also handled prestigious assignment as Region of India Director on the Board of 'The Institute of Internal Auditors', Florida, USA. During her tenure, Central Bank of India was awarded with many awards including 'National Award for Excellence in Medium and Small Enterprise Lending for the year 2007-08 in recognition of the Bank's outstanding performance in lending to Medium and Small Enterprise Sector. Ms. Daruwalla is also a recipient of many awards. Presently, she is working as Independent Director in leading companies in Financial Services and Infrastructure Sector.

Shri Anol Nath Chatterji
Independent Director

Shri Anol Nath Chatterji (63 years) 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 is also 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
Independent Director

Prof. Sushil Khanna (62 years) is Fellow of Indian Institute of Management, Calcutta (IIM-C). He is a Faculty Member in Economics and Strategic Management departments at IIM Calcutta since 1984. He has been visiting Professor in various Universities and institutes abroad and has been a Chair Professor at Copenhagen Business School during 2011-12. He is currently Member, Board for Reconstruction of Public Sector Enterprises and Independent Director on the Boards of Shipping Corp of India, 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.

Dr. Alwyn Didar Singh
Independent Director

Dr. Alwyn Didar Singh, IAS (62 years), 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.

Shri Prashant Mehta
Independent Director

Shri Prashant Mehta, aged 61 years, an Indian Administrative Services 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 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 M.R.P Rao
Chief Vigilance Officer

Shri M.R.P Rao, aged 50 years, is an Indian Forest Service Officer of 1986 batch of UP Cadre. Prior to present deputation as the Chief Vigilance Officer, NTPC Limited, he was in Singareni Collieries Company Ltd. (SCCL) for four years as Production Incharge. He has held various important positions in government of Uttar Pradesh. He has done his Bachelor of Engineering in Mining (Gold Medalist) from Osmania University, Hyderabad in 1983.

SENIOR MANAGEMENT TEAM

Executive Directors
S/Shri

1 S.C. Pandey
2 G.J. Deshpande
3 Anil Kumar Ahuja
4 A. C. Chaturvedi
5 Sharad Anand
6 Virendra Kumar Gupta
7 R. Venkateswaran
8 M.K.V.R. Rao
9 S.N. Ganguly
10 Saptarshi Roy
11 M.S.Soin
12 Dinesh Kumar Agarwal
13 Manash Sarkar
14 Dr. Arja Srikanth - on deputation from Railways
15 Anand Kumar - IPS Officer on deputation
16 A.K. Chatterjee
17 A.K.Sharma
18 Y.V.Rao
19 Thomas Joseph
20 Anil Gupta
21 G.K.Sadhu
22 K.S.Garbyal
23 Anand Kumar Gupta
24 Ajit Kumar
25 G. Ravindra
26 Sudhir Arya
27 S.J.Muley
28 H.K.Sandhir
29 V.B Fadnavis

General Managers
S/Shri

1 Biswanath Mukherjee
2 Dinesh Agrawal
3 Rakesh Khetarpal
4 Anuttam Chaudhuri
5 Narayanan Kannan
6 A.K. Mohindru
7 V.K.C. Mohan
8 S.P. Singh
9 D. Saha
10 Sangeet Kumar Dave
11 S.K. Singh
12 Shashi Ranjan
13 P. Ramesh
14 R.S.Rathee
15 Janhvi Shanker
16 P.R. Dahake
17 Dushyant Kumar Sood
18 P.K. Mohapatra
19 J.N. Singh
20 Anil Kumar Rastogi
21 A. Upendra Rao
22 Devraj Bhattacharjee
23 Anil Kumar
24 Chander Prakash Malik
25 Pradeep Bhaskar Behere
26 Joseph Kurian
27 Govinda Chandra Mishra
28 Sankar Bandyopadhyay
29 GourDas Basu
30 P.S. Radhakrishnan
31 Vinod Kumar Padha
32 Sanjay Kumar Sur
33 Inder Kumar Rajdeva
34 P.S. Rao
35 S.K. Jain
36 Ramkrishna Pal
37 S.K. Patnaik
38 Arvind Kumar Sinha
39 S.K. Roy
40 Arun Kumar Sinha

General Managers
S/Shri

41 Devashis Basu
42 Subhasis Ghosh
43 Nageen Kumar Kothari
44 Pramod Kumar
45 V. Thangapandian
46 Ajit Kumar Bhatnagar
47 R.R. Shrivastava
48 Arun Prakash Trivedi
49 Rajiv Kumar Jain
50 Jaiwant Pesumal Sachdev
51 Dilip Singh Manki
52 Ramahuj Mishra
53 Dileep Mathur
54 Asit Baran Halder
55 Sure Krishna Reddy
56 Harbans Singh
57 Dilip Kumar Dubey
58 P.K.Bhattacharya
59 Ajay Kumar Atrea
60 Satinder Pal Singh
61 Kothandaraman Sreedhar
62 K.V. Adivarahan
63 Arun Kumar Gupta
64 Revti Raman
65 Murari Prasad Sinha
66 Prakash Tiwari
67 Anil Kumar Bansal
68 Manoj Saxena
69 Ms.Gitika Shiv
70 Tilak Raj Datta
71 Ms.Arundhati Bhattacharya
72 Praveen Kumar Bondriya
73 Asim Kumar Samanta
74 Balaji Iyengar
75 Vipan Kumar
76 Avinash Kumar Sinha
77 Himanchal Panda
78 Kuldeep Bhargava
79 Subramani Sreenivasa
80 B.P.Prasad
81 Jagdish Roy
82 Barun Kumar De
83 Krishna kumar
84 Shankar Das
85 P.N. Pavan Kumar
86 Raj Kumar
87 N.N.Mishra
88 Shivendra Kumar Sinha
89 K Balaram
90 J.V.Nageshwara Rao
91 Birendra Kumar
92 J.Sinhamahapatra
93 Siva Rama Krishna M
94 Md. Ansar Ali Shekh
95 Santosh James
96 S.K.Agnihotri
97 Dinesh Kumar
98 Braja Bihari Tripathy
99 Harsh Kumar
100 Lal Upendra
101 Nataraj Saha
102 Pramathesh Purkayastha
103 Ram Das
104 Binay Kumar
105 Surinder Singh Isser
106 Sundararajan T S
107 Pradeep Kumar Upadhyaya
108 Bijoy Kumar Rath
109 Rajive Kumar Batra

General Managers
S/Shri

110 Bhupinder Magan
111 Anup Kumar Nanda
112 Utpal Chakrabarti
113 Siby Chandy Chavady
114 Mananjay Kumar Singh
115 Ashok Kumar Juneja
116 Prakash Chandra Rai
117 R Bhaskar Rao
118 P K Chakraborty
119 Dinesh Chandra
120 Anand Khalatkar
121 C Vasant Rao
122 Suparakash Mukherjee
123 B Pujar Ramesh
124 Tribhuwan Nath Srivastava
125 Raj Krishna Nagar
126 Alok Shrivastava
127 Parimi Sreenivas
128 Muralidhar Mishra
129 Nirmal Chandra Gurung
130 Pramod Prabhakar Kulkarni
131 S Narendra
132 Ujjwal Banerjee
133 Rajnish Bhagat
134 Dinkar Devate
135 Parthapratim Sengupta
136 Ramesh Kumar Choudhary
137 A Vijayaraman
138 Ram Kuber
139 Chepuru Venkata Anand
140 Debojyoti Nandi
141 S M Chauthaiwale
142 Raghvendra Kumar Singh
143 Ms.Sangeeta Bhatia
144 Debashis Sen
145 Manoj Mathur
146 Anandaraj Chidambaram
147 Guryog Singh
148 Pallikonda Gopala Rao
149 Dinesh Chandra Gupta
150 Chandramani Naik
151 Krothapalli Ravindra Babu
152 Kamal Kishore Kannojia
153 Rajat Kumar Bagchi
154 Narayan Jayakant Jadhav
155 Rajeev Agarwal
156 K D Rajendran
157 Gautam Kumar Bhowmick
158 Mohinder Singh
159 Pradip Kumar Mondal
160 Radhakrishnan R M
161 Anant Narayan Goyal
162 S C Venkateswaran
163 Javed Sultan Ansari
164 Samir Kumar Bhowmick
165 Nav Kumar Sinha
166 Sudarsan Chakrabarti
167 Sanjeev Kishore
168 Narendra Kumar Lal Das
169 Biswajit Kanungo
170 Uttam Kumar Dasgupta
171 Alok Patra
172 Pradeep Jain
173 Shuddhasattwa Sarkar
174 Laxmidhar Sahoo
175 Tapash Kumar Seal
176 Muthusamy Chandrasekaran
177 Ramkumar H Krishnaswamy
178 Gopalakrishnan Venu
179 Pradeep Kumar
180 Sunil Jumde

General Managers
S/Shri

181 Biswarup Basu
182 N.N.Rai
183 Asit Kumar Mukherjee
184 Sanjay Madan
185 Surinder Raina
186 Aditya Narayan Mishra
187 Niraj Kumar Sinha
188 Madhukar Anand
189 M S D Bhattamishra
190 Awadhesh Kumar Tiwary
191 Chandan Kumar Mondol
192 Chandan Chakraborty
193 Kalyan Prasad Gupta
194 Vinod Choudhary
195 Sreekant Kandikuppa
196 P P Francis
197 Virendra Kumar Tiwari

Executive Directors
S/Shri

1 Nand Kishore Sharma
2 K.K.Sharma
3 Arvind Kumar
4 Vinod Sharma
5 R.K.Srivastava
6 K.K.Singh
7 Janardan Kar - On depu. to CSPGCL
8 R. N. Sen - On depu. to DVC

General Managers
S/Shri

1 C.S. Gupta
2 Tufani Ram
3 R.K. Bhatnagar
4 Dharamdas Chakrabarty
5 Prabhat Kumar
6 V.S. Tamrakar
7 A.K. Garg
8 Yogendra Singh
9 Amarinder Kumar Maggu
10 Prakash Harisinghaney
11 Kaza Ram Chandra Murty
12 Atul Shrivastava
13 Debasis Sarkar
14 Rakesh Samuel
15 Jai Prakash Srivastava
16 Pravin Kumar Gupta
17 Apurba Chatterjee
18 Sandwip Basu Mallick
19 Pravin Chayurvedi
20 Vijay Gulati
21 P.K.Dave
22 S.Arumugam
23 Raj Kumar
24 O.P.Sharma
25 Rakesh kumar
26 Bhavaraju Srinivasa Rao
27 Satyhabhama Annegowda
28 Kunal Gupta
29 K S Rajeev
30 Prabhat Kumar Sinha
31 Rajendra Narayan Pandey
32 Narsingh
33 Pradeep Kumar Jindal
34 Bhaskar Bhattacharya
35 Vishwa Mohan Prasad
36 Rajiva Kumar Sinha
37 Amar Nath Verma
38 S. S. Sen - On depu. to WBPDCL
39 A. K. Halder - On depu. to Delhi Transco
40 K. Balram - On depu. to SCCL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 37th Annual Report and the audited financial statements for the year ended March 31, 2013.

Financial Year 2012-13 has been a year of achievements for your Company as it performed exceedingly well in various areas of its activities. Major highlights for the year are:

- Addition of 4,170 MW capacity (including 1000 MW through JV Companies), by far the highest ever in any single year and declared 4,830 MW (including 1000 MW through JV Companies) on commercial generation, also the highest ever in a year. Awarded contracts for work of 8,521 MW.
- Average PLF of 83.08% as against all India PLF of 69.95% with six stations recording more than 90% PLF.
- Capital expenditure (CAPEX) of ₹ 19,925.53 crore which was 24.58% higher than the previous year's ₹ 15,994 crore.
- 100% realization of current bills from customers.
- Highest ever net profit after tax of ₹ 12,619.39 crore, making an increase by 36.81% over the previous year's PAT of ₹ 9,223.73 crore and recorded total income of ₹ 68,775.51 crore, an increase of 6.07% as compared to ₹ 64,841.88 crore in the FY 2011-12.
- Highest-ever dividend of ₹ 5.75 per share (total ₹ 4,741.16 crore) which comprises interim dividend of ₹ 3.75 per equity share paid in March 2013 and recommendation of special dividend of ₹ 1.25 per equity share and final dividend of ₹ 0.75 per equity share for the year 2012-13, subject to approval of the shareholders.
- Approval of the Ministry of Power for implementation of North Karanpura Super Thermal Power Project (3X660 MW) at existing site in the State of Jharkhand by NTPC.
- Withdrawal of de-allocation of Chatti-Bariatu, Chatti-Bariatu (South) and Kerandari Coal Blocks by Ministry of Coal which were de-allocated by Ministry of Coal in June 2011.
- Disinvestment of 9.50% holding by Government of India in the equity of your Company, thus reducing its holding from 84.50% to 75.00%.
- Commissioned first two solar power plants of 5 MW each at Dadri and Andaman & Nicobar Islands.

You will appreciate the fact that your Company is imparting a major thrust to the growth of the power sector and recording consistently excellent performance despite the challenge before the sector.

1. FINANCIAL RESULTS

Revenue	2012-13		2011-12	
	₹ Crore	US $ Mn*	₹ Crore	US $ Mn*
Net Revenue from Operations (including Energy Sales, Consultancy, Energy consumed internally)	65,673.93	11,960.29	62,052.23	11,300.72
Other Income	3,101.58	564.85	2,789.65	508.04
Total Revenue	**68,775.51**	**12,525.14**	**64,841.88**	**11,808.76**
Expenses				
Fuel	41,018.25	7,470.09	41,635.46	7,582.49
Employee Benefits Expense	3,360.12	611.93	3,101.71	564.87
Finance Costs	1,924.36	350.46	1,711.64	311.72
Depreciation and amortization expense	3,396.76	618.60	2,791.70	508.41
Generation, administration & other expenses	4,211.22	766.93	3,588.79	653.58
Prior period items (net)	(29.72)	(5.41)	(313.58)	(57.11)
Total Expenses	**53,880.99**	**9,812.60**	**52,515.72**	**9,563.96**
Profit before Tax and exceptional items	**14,894.52**	**2,712.54**	**12,326.16**	**2,244.80**
Exceptional items	1,684.11	306.70	-	-
Profit before tax	**16,578.63**	**3,019.24**	**12,326.16**	**2,244.80**
Tax Expense	3,959.24	721.04	3,102.43	565.00
Profit for the year	**12,619.39**	**2,298.20**	**9,223.73**	**1,679.80**

Appropriations:	2012-13		2011-12	
	₹ Crore	US $ Mn*	₹ Crore	US $ Mn*
Transfer to bond redemption reserve	492.79	89.75	482.38	87.85
Transfer to general reserve	6,500.00	1,183.76	5,200.00	947.00

Transfer to capital reserve	0.97	0.18	0.44	0.08
Interim dividend	3,092.07	563.12	2,885.92	525.57
Proposed dividend	1,649.09	300.33	412.27	75.08
Tax on dividend	781.87	142.39	527.92	96.14

*1US $= ₹ 54.91 as on March 31, 2013

2. DISINVESTMENT

One of the major highlights of the year that passed was that the Government of India divested 78,32,62,880 number of equity shares (9.50%) of NTPC on 7th February 2013 using the 'Offer for Sale through Stock Exchange Mechanism'. With this, the GOI's holding in NTPC has reduced from 84.50% to 75.00%. The Offer was over-subscribed by 1.7 times and garnered ₹ 11,469.39 crore at weighted average price of ₹ 146.43. An important feature was that 45% of the subscription came from FIIs.

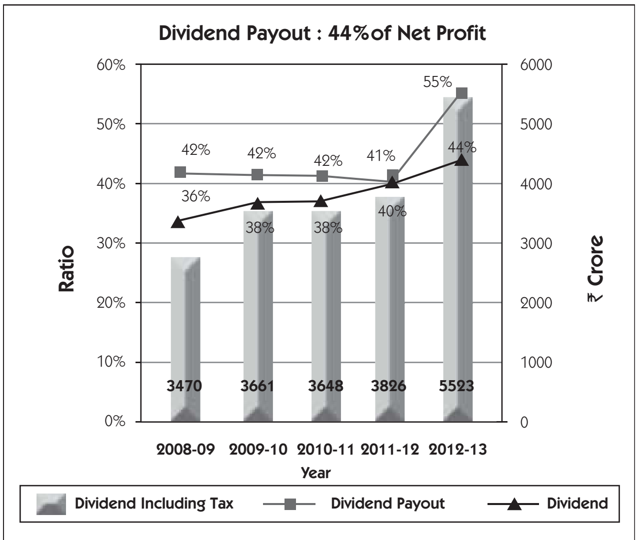
3. DIVIDEND

3.1 Interim, Special and Final Dividend:

In addition to interim dividend of ₹ 3.75 per equity share paid in March 2013, your Directors have recommended a special dividend of ₹ 1.25 per equity share and final dividend of ₹ 0.75 per equity share for the year 2012-13. With this the total dividend for the year is ₹ 5.75 (including special dividend of ₹ 1.25) per equity share of ₹ 10/- each against ₹ 4.00 per share paid during last year.

The total dividend payout is 37.57% and the total dividend payout including dividend tax is 43.77% of profit after tax. The special and 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.



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 232.028 BUs (247 BUs including JVs) of electricity which was 25.57% (27.22% including JVs) of the total power generated in India (without Bhutan import).

The total power generated by the Company has registered an increase of 4.49% over the previous years' generation of 222.068 BUs. The total generation contributed by coal stations is 212.329 BUs during the year against generation of 199.054 BUs last year registering a growth of 6.67%.

Generation from coal based units could have been still higher but due to less grid demand there was generation loss of 7.48 BUs. The coal based stations of your Company operated at average Plant Load Factor (PLF) of 83.08% (All India PLF 69.95%) and average Availability Factor of 90.20% on bus bar during the year. During the year, 6 coal based stations out of 16 achieved more than 90% PLF.

The gas stations having a capacity of 3,955 MW achieved annual generation of 19.699 BUs at a PLF of 55.98% as against 23.014 BUs last year mainly due to less grid demand which accounted for a generation loss of 12.954 BUs. The average declared capacity of gas based stations of the year was 93.14% as compared to 93.81% 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

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

5.1 Rebate Scheme/ One Time Settlement Scheme for realization of dues:

In order to achieve early realization of dues, your Company gives rebate to its beneficiaries who make payments within time, through its Rebate Schemes.

In the Rebate Scheme for 2012-13 rebate was given to those customers also who were making payment after 30 days and upto 55th day.

Rebate Scheme for 2013-14 contains an additional provision of additional rebate of 0.1% for opening of monthly Letter of Credit (LC) by beneficiaries over and above the Rebate Scheme for 2012-13.

Most of the customers were making their payments within 30 days of billing, barring state utilities from UP, Haryana, Punjab, Himachal Pradesh, Andhra Pradesh, Tamil Nadu, Rajasthan, Meghalaya who were making their payments within allowable 60 days period.

All the beneficiaries have established LC and are maintaining it. As on 31.03.2013, your Company has monthly LCs of ₹ 5,915.60 crore.

The issue of DESU period dues payable by Government of NCT of Delhi has been settled and Government of India had approved settlement of ₹ 2,520.08 Crore (₹ 835.97 crore as principal and ₹ 1,684.11 crore as interest and surcharge) towards DESU dues. The receipt of amount is being pursued with the Govt.

5.2 Commercial Capacity:

The following units were declared commercial during the year 2012-13, adding 4,830 MW to commercial capacity of your Company, the highest ever in a year:

Project/ Unit	Capacity (MW)	COD*
NTPC Units- Coal Based (I)		
Farakka-III, Unit#6	500	04.04.2012
Sipat-I, Unit#2	660	25.05.2012
Sipat-I, Unit#3	660	01.08.2012
Simhadri-II, Unit#4	500	30.09.2012
Rihand-III, Unit#5	500	19.11.2012
Vindhyachal-IV, Unit#11	500	01.03.2013
Mouda-I, Unit#1	500	13.03.2013
Total (I)	**3,820**	
NTPC Units -Renewable Energy Units (II)		
Dadri Solar	5	30.03.2013
Andaman & Nicobar Islands Solar	5	31.03.2013
Total (II)	**10**	
NTPC's JV Units- Coal Based (III)		
Jhajjar, Unit#2 (JV with IPGCL and HPGCL)	500	21.04.2012
Vallur, Unit#1 (JV with TANGEDCO)	500	29.11.2012
Total (III)	**1,000**	
Total Capacity declared commercial during 2012-13(incl. JVs) (I)+(II)+(III)	**4,830**	

* COD- Commercial Operation Date

Further, after the financial year 2012-13, Unit#3 of 500 MW of Jhajjar (owned by JV, Aravali Power Company Private Limited) has been declared commercial on 26.04.2013.

5.3 Determination of Tariff:

Your Company had filed tariff petitions for the five-year period starting 1.4.2009 before Central Electricity Regulatory Commission (CERC) for all the stations in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2009.

Tariff orders have been received for 26 stations till 31.03.2013 out of 35 stations.

True-up petitions for revision of tariff were filed for 20 stations.

CERC had allowed additional reimbursement of ₹ 764.97 crore for 2004-09 period related to pay revision for NTPC employees, CISF and Kendriya Vidyalaya staff.

5.4 Other Activities:

Long term access for evacuation of power has been granted for five projects i.e. Vindhyachal-V, Dadri Solar, Tanda, Lara and Darlipalli.

CERC issued an amendment in the grant of connectivity regulation to allow connectivity to renewable projects having capacity above 5 MW but less than 50 MW being developed in the existing generating stations through the existing electrical system of the stations. This provision would enable your Company to set up renewable capacity within the premises of the existing generating stations.

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 which emphasize 'Customer Focus'.

Under CRM, apart from Regional Customer Meets, Business Partner Meets, training programs for officials of customers at PMI, regular structured interaction with customers takes place on an ongoing basis for sharing of feedbacks, experiences 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 2012-13, 58 such services were provided to the customers on the basis of the requirement expressed by various customers. Further, 138 participants from various customer utilities attended training in 60 programs conducted by PMI.

Starting from 2008-09, 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. The CSI Survey was conducted in 2012-13 and detailed action plan has been made based on the response to the survey.

6. INSTALLED CAPACITY

During the year 2012-13, your Company added 4,170 MW as per details given below:

Project/ Unit installed during FY 2012-13	Capacity (MW)
NTPC owned	
Coal Based Power Projects	
Sipat-I, Unit # 3	660
Vindhyachal- IV, Unit # 11 & 12	1000
Mouda –I, Unit 1 & 2	1000
Rihand, Unit # 5	500
Renewable Energy Projects	
Solar PV Project at Andaman & Nicobar Islands	5
Solar PV Project at Dadri	5
Under JVs (Coal Based Power Projects)	
Jhajjar (JV with HPGCL & IPGCL), Unit # 3	500
Vallur (JV with TANGEDCO), Unit # 2	500
Addition during FY 2012-13	**4,170**

6.1 Installed Capacity of NTPC Group:

The total installed capacity of the NTPC Group has increased from 37,014 MW as on 31.03.2012 to 41,184 MW as on 31.03.2013 as tabulated below:

Owned by NTPC	MW
Coal based projects	31,855
Gas based projects	3,955
Renewable Energy Projects	10
Sub-total	**35,820**
Joint Ventures & Subsidiaries	
Coal based projects	3,424
Gas based projects	1,940
Sub-total	**5,364**
Total	**41,184**

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's largest power producer.

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 20,009 MW including 5,190 MW, being undertaken by Joint Venture companies were under construction as on 31.03.2013:

Ongoing Projects as on 31.03.2013		
		Capacity (MW)
I.	**Projects under NTPC Ltd**	
A.	**Coal Based Projects**	
1.	Bongaigaon-I	750
2.	Barh-I	1,980
3.	Barh-II	1,320
4.	Lara-I	1,600
5.	Kudgi-I	2,400
6.	Vindhyachal-V	500
7.	Gadarwara*	1,600
8.	Solapur	1,320
9.	Mouda-II	1,320
10.	Rihand-III	500
Sub Total (A)		**13,290**
B.	**Hydro Electric Power Projects (HEPP)**	
11.	Koldam	800
12.	Tapovan Vishnugad	520
13.	Lata Tapovan	171
Sub Total (B)		**1,491**
C.	**Renewable Energy Projects**	
14.	Singrauli CW Discharge (Hydro)	8
15.	Ramagundam Phase-I (Solar PV)	10
16.	Talcher Kaniha (Solar PV)	10
17.	Unchahar (Solar PV)	10
Sub Total (C)		**38**
Total I (A)+(B)+(C)		**14,819**
II	**Projects under JVs**	
Coal Based Projects		
18.	Nabinagar- JV with Railways	1,000
19.	Muzaffarpur Expansion (MTPS)– JV with BSPGCL (erstwhile BSEB)	390
20.	Nabinagar, JV with BSPGCL (erstwhile BSEB)	1,980

Ongoing Projects as on 31.03.2013	
Projects under JVs	**Capacity (MW)**
Coal Based Projects	
21. Vallur, Phase-II JV with TANGEDCO	500
22. Meja, JV with UPRVUNL	1,320
Total II	**5,190**
III Total On-Going Projects as on 31.03.2013 (I)+(II)	**20,009**

*Gadarwara Project in Madhya Pradesh (2X800 MW) is being implemented in place of Gajmara project in Odisha as the land for the same was not available.

Further, after the financial year 2012-13, awards have been placed and work has begun for 5 MW Solar Power Plant at Faridabad and 50 MW Solar Power Plant at Rajgarh (Madhya Pradesh). Thus, 20,064 MW projects are under construction by your Company.

7.2 New Projects

Currently, your Company has projects for 3,555 MW capacity under bidding. Feasibility Reports of 20,715 MW capacity (including 2100 MW through Joint Venture) have already been approved by your Board.

7.3 New Technology

To meet the future challenges of meeting India's electricity needs 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.

For most of the new projects, your Company will be setting up super critical and Ultra Super Critical units of 660/ 800 MW which have higher efficiency and are also environmental friendly. Your Company has awarded bulk tendering projects with super critical technology for Kudgi-I (3X800 MW), Lara-I (2X800 MW), Solapur (2X660 MW), Mouda –II (2X660 MW) and Gadarwara (2X800 MW).

Your Company has adopted several new technologies, system and practices including combined cycle gas-fired power stations, 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 is already under operation at Sipat-I where steam parameters are 247 kg/cm^2/537° C/565° C. Further, your Company has adopted higher steam parameters for all 660 & 800 MW units from Barh-II onward resulting in 5% gain in efficiency over the efficiency of conventional sub-critical 500 MW unit using similar coal. For all the new sub-critical 500 MW units also, reheat temperature has been increased to 565 ° C resulting in about 0.7% gain in efficiency.

Your Company has taken initiatives for indigenous development of advance ultra super critical technology for which it has entered into MOU with BHEL and IGCAR. It has potential to enhance thermal efficiency of the power plant to around 46% and result in about 15-20% less CO_2 emission as compared to conventional 500 MW sub-critical thermal power plants. It envisages installing a technology demonstration plant having 800 MW unit with steam parameters of 310 kg/sq cm710 ° C/720 ° C.

Your Company is preparing Detailed Project Report 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 proposed to be integrated along with feed heaters in the turbine cycle for conversion of solar heat to electrical power with the help of 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 extensively utilized for tracking and resolving project issues and helps in providing effective coordination between the agencies including management intervention and has provided enhanced and efficient monitoring of projects leading to better, faster and integrated implementation.

Your Company is establishing an integrated ERP Platform for monitoring and controlling of critical project activities spread across various functions like engineering, contracts and finance. This interface will help in getting timely inputs for decision making.

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
NSPCL (NTPC-SAIL Power Co. Pvt. Ltd.)	Steel Authority of India Ltd. (SAIL)	A 50:50 JVC formed to own and operate captive power plants for Steel Authrity of India at Durgapur (120 MW), Rourkela (120 MW) and Bhilai Steel Plant (74 MW). 2X250 MW units have been implemented at Bhilai.
NTECL (NTPC Tamil Nadu Energy Co. Ltd.)	Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (erstwhile TNEB)	A 50:50 JVC is implementing 3x500 MW coal based power project at Vallur, Tamilnadu. Unit#1 of the Project was declared commercial on 29.11.2012. Unit #2 was synchronized on 26.02.2013 and achieved full load on 28.03.2013. Construction of Unit#3 is in progress.
APCPL (Aravali Power Company Pvt. Ltd.)	Indraprastha Power Generation Co Ltd. (IPGCL) and Haryana Power Generation Co Ltd. (HPGCL).	This JVC is implementing 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 synchronized and declared commercial. The third unit was declared commercial on 26.04.2013.
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 work is under progress.
MUNPL (Meja Urja Nigam Pvt. Ltd.)	Uttar Pradesh Rajya Vidut Utpadan Nigam Ltd. (UPRVUNL)	A 50:50 JVC formed for setting up 1,320 MW (2X660 MW) coal based power project in the state of Uttar Pradesh. Main plant award (SG and TG Package) has been placed and construction activities are in progress.
KBUNL (Kanti Bijlee Utpadan Nigam Ltd.)	Bihar State Power Generation Company Limited (erstwhile (BSEB)	A subsidiary of NTPC in joint venture with BSPGCL (erstwhile BSEB), took over MTPS having 2 units of 110 MW each from BSEB. The equity of NTPC in this subsidiary is 65%. Both the units of Stage-I are 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.
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. Investment approval has been accorded by NTPC in January 2013 and main plant TG & SG packages have been awarded. Land acquisition activities are in progress.
RGPPL (Ratnagiri Gas and Power Pvt. Ltd.)	GAIL, ICICI, SBI, IDBI, Canara Bank and MSEB Holding Co.	NTPC is having a stake of 32.86% (as on 30.06.2013). All the three Power Blocks with a combined capacity of 1,940 MW are under commercial operation since May 2009. Power Block generated 5,127 MUs of energy during the FY 2012-13. The LNG terminal commissioning cargo was received at the Terminal on 28.12.2012 and the re-gasified LNG was injected for the first time on 10.01.2013. In addition to the commissioning cargo, the Company received and unloaded five LNG cargos and re-gasified and supplied 396712200 MMSCM of RLNG in its pipeline.
ASHVINI (Anushakti Vidhyut Nigam Ltd.)	Nuclear Power Corporation of India Ltd. (NPCIL)	ASHVINI was incorporated on 27.01.2011 as a JVC with NPCIL having 51% equity and NTPC having 49% equity. 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.

*In addition, NTPC Limited has signed Memorandum of Understanding with Ministry of Railways to set up 1,320 MW power project at Adra, West Bengal through Bhartiya Rail Bijlee Company Limited. Water allocation has been sanctioned from Damodar-Barakar River System and NOC from Airport Authority of India has been obtained. BRBCL has initiated proposal to carry out the remaining site specific studies.

7.6 Hydro Power

7.6.1 Your Company is setting up the following hydro projects for increasing its footprints in renewable energy development:

Project	Location	Capacity
Koldam HEPP	Himachal Pradesh	800 MW
Tapovan-Vishungad HEPP	Uttarakhand	520 MW

Construction work is in progress in Koldam HEPP and Tapovan – Vishnugad HEPP.

In addition, Lata Tapovan HEPP (171 MW) (under construction) and Rammam-III HEPP (120 MW) (under bidding) were being implemented by NTPC Hydro Limited, a wholly-owned subsidiary of NTPC.

NTPC Hydro Limited is now being merged with NTPC Limited, for which the Shareholders' Meeting of NTPC and Shareholders' Meeting of NHL was held on 24.05.2013, as per the Order of the Ministry of Corporate Affairs. The legal process of amalgamation is in progress.

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. Your Company is pursuing for release of funds.

The flash flood during June 2013 in the river Dhauliganga have caused damage to barrage and roads approaching to power houses at Lata Tapovan HEPP and Tapovan-Vishnugad HEPP. At Tapovan-Vishnugad HEPP, damages have also been caused to upstream and downstream diversion dyke, roads, besides water logging and silt accumulation in power house cavern & Tail Race Tunnel (TRT). While the exact impact shall be known after receding of flood, however, these factors may influence project commissioning schedule.

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 was submitted to CEA for according Techno-Economic Clearance (TEC). CEA has considered the proposal and accorded Techno-Economic Clearance. As the land required for the project involves Forest Land, the proposal for approval of diversion of Forest Land was submitted to the Government of Mizoram. Government of Mizoram is yet to submit the proposal to Ministry of Environment and Forests.

7.7 Capacity Addition through other Renewable Energy Sources

Your Company is planning to add capacity through renewable sources of energy. It offers environmentally clean power.

Your Company plans to broad-base its generation mix to ensure long term competitiveness, mitigate fuel risks and promote sustainable power development.

In pursuit of these objectives, 10 MW Solar power capacity has already been commissioned. 93 MW capacity comprising 85 MW of Solar Power projects and 8 MW of Small Hydro Power Project is under execution, details of which are given under the heading project implementation. 95 MW comprising 15 MW Solar Power Project at Singrauli and Wind Energy Projects of 40 MW each at Karnataka and Maharashtra are under tendering. Detailed Project Report is under finalization for 3 MW Small Hydro Project at Rihand.

A Joint Venture Company has been incorporated amongst NTPC Limited, Asian Development Bank and Kyuden International Cooperation, Japan under the name **PAN-ASIAN Renewables Private Limited** to develop projects for portfolio of about 500 MW of renewable power generation resources in India. The Company is preparing its initial business plan.

Your Company has signed an MOU with CREDA for exploring the potential of Tatapani Geothermal field and subsequently implementing geothermal based power project at Tatapani in Chattisgarh on Build, Own and Operate Basis.

An MOU has been signed with Government of Kerala (GoK) with the objective to plan and develop around 200 MW wind energy based power projects in Kerala in association with GOK on Build, Own and Operate Basis using state-of-the-art technology subject to establishment of techno-commercial viability.

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.

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

8.1.1 The details of joint venture companies taking up activities in other businesses 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.

Name of Company	JV Partner	Activities undertaken
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 on December 10, 2009 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 and award activities are in progress.
NPEX (National Power Exchange Ltd.)	NHPC, PFC TCS, NHPC, BSE, IFCI, Meenakshi, DPSC	The Company was formed to facilitate, promote, assist, regulate and manage nation wide 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.

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.

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.

The Company is making continuous efforts to take up the new business activities in different areas including retail distribution of electricity to bulk industrial consumers in up-coming mega industrial areas/ SEZs.

8.2.2 **NTPC Vidyut Vyapar Nigam Limited**, a wholly owned subsidiary of NTPC was incorporated to undertake sale and purchase of electric power and to effectively utilize installed capacity and thus enable reduction in the cost of power.

The Company is involved in power trading, sale of fly ash and cenosphere.

It has been appointed as the nodal agency for cross border trading of electricity with Bhutan and Bangladesh. It has signed a Power Purchase Agreement with Bangladesh Power Development Board for supply of 250MW power for 25 years from various Central Generating Stations of NTPC. The power is likely to commence from the end of July 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 Jawahar Lal Nehru National Solar Mission.

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 of your Company with BHEL was incorporated on April 28, 2008 for taking up activities of engineering, procurement and construction 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 and Namrup Combined Cycle Power Plant in Assam for BHEL. It is also executing BOP including Erection & Commissioning works of the entire plant at Monarchak, Tripura for NEEPCO.

8.3.2 **BF-NTPC Energy Systems Limited** was incorporated with Bharat Forge Limited on June 19, 2008 to manufacture castings, forgings, fittings and high pressure piping required for power projects and other industries.

The Company is setting up plant at Solapur for which technical specifications for administrative buildings has been submitted by the consultant.

8.3.3 Your Company has acquired 44.6% stake in **Transformers and Electricals Kerala Limited** from Government of Kerala on June 19, 2009. The Company deals in manufacturing and repair of Power Transformers. Expansion of plant facilities was completed in January 2013.

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,** a 50:50 joint venture Company between NTPC and Ceylon Electricity Board was incorporated on 26.09.2011 to undertake the development, construction, establishment, operation and maintenance of a coal based electricity generating station of 2X250 MW capacity at Trincomalee at Srilanka. Finalisation of various agreements between JV Company and CEB is in progress.

9.2 **Bangladesh - India Friendship Power Company Private Limited,** a 50:50 joint venture company between between NTPC and Bangladesh Power Development Board (BPDB) was incorporated on 31.10.2012 for developing a 2X660 MW Coal based power project at **Khulna, Bangladesh.** Feasibility Report of the Khulna project has already been approved by NTPC.

9.3 Your Company has prepared and submitted the DPR for Amochu Hydro-electric project in Bhutan on consultancy basis. The DPR has been cleared by CEA.

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 with 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 domestic and international markets in Gulf countries, Bangladesh, Srilanka and Bhutan like preparation of Feasibility Report for Bangladesh Power Development Board, Bangladesh and site selection, site specific studies and preparation of Feasibility Report for the proposed 2X250 MW Trincomalee Coal Power Project at Srilanka. 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.

On the domestic front too, Consultancy Wing has been effectively sharing its expertise with several power 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 2012-13, term loan agreements of ₹ 6,970 crore were entered into including loan agreement of ₹ 2,000 crore executed with Union Bank of India and loan agreement of ₹ 600 crore executed with J&K Bank Limited. The cumulative amount of domestic loans tied up till March 31, 2013 was ₹ 59,699.35 crore (excluding undrawn loans short-closed as per agreements).

Your Company has also tied-up USD 750 million from international debt markets through foreign currency notes and term loan.

The bond offering of the Company received strong investor response.

12. FIXED DEPOSITS

The cumulative deposits received by your Company from 98 depositors as at March 31, 2013 stood at ₹ 0.63 crore. Further, an amount of ₹ 0.16 crore has not been claimed on maturity by 9 depositors as on March 31, 2013.

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

Your Company has Fuel Supply Agreements (FSA) in place for 20 years for 23,895 MW units commissioned till 31.03.2009. Your Company has signed in-principle FSAs for NTPC and its JVs with Coal India Limited for 14,010 MW on 17.07.2013. However, detailed FSAs are signed for 4,760 MW NTPC Stations and 2,250 MW for NTPC JV stations. Further, detailed FSAs will be signed for balance capacity 4,860 for NTPC stations and 2,140 MW for NTPC JV stations shortly.

Your Company has obtained Letter of Assurance from Eastern Coalfields Limited for supply of 0.4 MMT of coal for Bongaigaon (2X250MW).

The Company has also tied up coal supply through bilateral MOU for 0.3 MMT coal for Farakka with NEC and for 4.0 MMT with SCCL for Ramgundam and Simhadri at a mutually negotiated price. The total coal supply through bilateral MOU during 2012-13 was 3.122 MMT.

13.1.2 Domestic Coal and Imported Coal

During 2012-13, your Company received 155 MMT of coal as against 141 MMT in 2011-12 marking an increase of 10%.

Total domestic coal supply during 2012-13 was 145.9 MMT as against 129 MMT during 2011-12.

The total coal supply from CIL was 132.6MMT and from SCCL was 13.3 MMT.

During 2012-13, your Company imported 9.1 MMT of coal as against 12 MMT in 2011-12.

13.1.3 Sourcing of coal through E-auction

For supplementing the coal supply at a few critical stations i.e. Sipat, Simhadri, Unchahar, Dadri and Mouda, your Company received 2.28 MMT of coal through E-auction.

13.2 Gas supplies

During 2012-13, your Company received 10.67 MMSCMD of gas and RLNG as against 13.09 MMSCMD received during 2011-12. The gas off-take in 2012-13 includes 8.77 MMSCMD of gas and 1.90 MMSCMD of RLNG. Gas offtake was less due to less availability of generation schedule from the beneficiary states.

Your Company has APM gas agreements up to the year 2021 and PMT gas agreements up to the year 2019 for its gas stations. The long-term RLNG supply agreement with GAIL is valid till 2019 and the term sheet for non-APM gas with GAIL is valid till 2016. Further, out of 4.46 MMSCMD of KG-D6 gas allocated by Government of India for NCR gas stations, viz. Anta, Auraiya, Dadri and Faridabad, 2.30 MMSCMD has already been tied up. The tie-up of balance 2.16 MMSCMD KG D6 gas is under discussions. However, the gas supplies from KG D6 fields have been continuously decreasing. As per Empowered Group of Minister/ MOP&NG directive to supply KG D6 gas as per sectoral priority basis, the supplies to Power Sector (including NTPC stations) have reduced to Nil from March 2013.

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 six coal blocks by the Government of India namely Pakri-Barwadih, Chatti-Bariatu, Kerandari, Talaipalli, Dulanga and Chatti-Bariatu (South) with estimated geological reserves of over 3 billion tonnes and production of about 53 million tonnes per annum (MTPA).

Ministry of Coal, through letter dated 23.01.2013, has withdrawn de-allocation of Chatti-Bariatu, Kerendari and Chatti-Bariatu (South), which were de-allocated on 14.06.2011 and these coal blocks have been restored to NTPC.

Development activities are in advanced stage in all coal blocks except in Chatti-Bariatu (South), located in dip side of Chatti-Bariatu, which will be developed at the end of mining of Chatti-Bariatu. Mining Plans have been approved by Ministry of Coal for all of these coal blocks, except for Chatti-Bariatu (South). All notifications for mining area land and Socio-Economic Surveys have been completed for all these coal blocks.

Government of Jharkhand has approved the R&R plan and annuity scheme for Pakri-Barwadih coal block in February 2013. Rehabilitation Action Plan for Pakri-Barwadih, Chatti-Bariatu, Kerandari and Talaipalli coal blocks have been approved by the Board of your Company and payment of land compensation to project affected families is under progress.

Ministry of Environment & Forests, Govt. of India (MOEF) has accorded environment clearance for Pakri-Barwadih, Chatti-Bariatu, Kerandari and Talaipalli Coal blocks. In-principle environment clearance has been received from MOEF for Dulanga coal block and final environment clearance will be issued after Stage-I forest clearance.

MOEF had accorded Stage-I & Stage-II forest clearances for Pakri-Barwadih and Chatti-Bariatu coal blocks and Stage-I forest clearance for Kerandari and Talaipalli coal blocks.

Forest clearance proposal for Dulanga coal block is under consideration at MOEF. Construction of R&R Colony, CHP, Sub-Station, Railway Siding, etc. have commenced in Pakri-Barwadih coal block. Mine Developer-cum-Operator (MDO) has been appointed in Pakri-Barwadih, Chatti Bariatu and Talaipalli coal blocks.

In addition to the above coal blocks, Ministry of Coal has conveyed in-principle approval for allotment of more coal blocks to NTPC in lieu of coal linkages for the following new projects:

(i) Kudgi (2,400MW)

(ii) Gajmara (1,600MW)

(iii) Barethi (3,960 MW)

(iv) Unchahar Stage-IV (500 MW)

Ministry of Coal has allotted four coal blocks on 03.07.2013 out of six coal blocks applied for. The estimated geological reserves for these blocks are estimated to be 2 Million tones as listed below:

(i) Bhalumuda, Chattisgarh (550 MT)

(ii) Banai, Chattisgarh (629 MT)

(iii) Chandrabila, Odisha (550 MT)

(iv) Kudanali- Luburi, Odisha (266 MT)

Formal letter regarding allotment of coal blocks from Ministry of Coal is likely to be received shortly.

13.4 Other initiatives for securing coal supply

To leverage the strength of established players in mining and related areas, your Company has formed the following Joint Venture Companies:

Name of Company	JV Partners	Purpose
CIL NTPC Urja Pvt. Ltd.*	Coal India Ltd.	For undertaking the Development, O&M of Brahmini and Chichro Patsimal coal blocks and Integrated Power Project(s).
NTPC SCCL Global Ventures Pvt. Ltd.	Singareni Collieries Company Ltd.	For undertaking development and O&M of coal Blocks in India and abroad. This Company has been appointed as MDO for Talaipalli Coal Block.
International Coal Ventures Private Limited**	SAIL, CIL, RINL and NMDC	For exploring various opportunities in Australia, Mozambique, Canada, Indonesia and USA for acquisition of stake in coking coal and thermal coal mines

*In case of Brahmini and Chichro-Patsimal coal blocks, allocated to CIL NTPC Urja Private Limited, Ministry of Coal had de-allocated these blocks for delay in their development though there was no schedule stipulated in the allotment letter. Your Company has taken up the matter with the Ministry of Coal for withdrawal of de-allocation.

**The Board of NTPC has accorded approval to exit from International Coal Ventures Private Limited. Approval of Ministry of Power permitting NTPC to exit from ICVL has been received. ICVL is pursuing with Cabinet for approval of exit of NTPC out of it.

13.5 Exploration Activities

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

In the other three blocks, in each of which NTPC has 10% participating interest and ONGC is operator, exploration activities are in progress.

14. BUSINESS EXCELLENCE: GLOBAL BENCHMARKING

In pursuit of actualizing our vision and with a view to achieve higher levels of excellence, your 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 stakeholder engagement, accelerating critical processes and developing leadership potential.

The outcomes of this model are organizational strengths, opportunities for improvement, issues of concern and best practices.

In the financial year 2012-13, the 3rd cycle of assessment was completed. The stations ranking high on excellence level like Korba, Talcher-Thermal and Faridabad were awarded by Honourable Union Minister of State (I/c) for Power.

As a next step on the Journey of Excellence, your Company is implementing Business Balanced Scorecard capturing proper matrices 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 2012-13, 'Prayas' Quality Circle team from Talcher-Thermal bagged 'Gold' award at the International Quality Control Circles Convention held at Kualalumpur, Malaysia.

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 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.

To this end, renovations are being carried out for the purpose of life extension of units, performance improvements, capacity enhancement, availability improvement and improved environment compliance. Your Company completed 761 out of 1,109 schemes of R&M, with a cumulative expenditure of ₹ 3,150 crore upto 31st March, 2013.

In year 2012-13, investment approvals were accorded for life extension of Stage-I units of Ramagundam and Kobra and thereafter, investment approval for life extension of Singrauli Stage-I has also been accorded.

With a view to comply with increasingly stringent environment norms prescribed by State Pollution Control Boards, tendering is on for Renovation and Retrofitting of Electrostatic Precipitator (ESP) in stations like Singrauli - I & II, Farakka - I, Unchahar - I, Talcher STPS Stage-II etc. With the same objective, implementation of renovatin of ESP is already in progress at Badarpur TPS (2x210 MW).

Awards were placed during the year 2012-13 for Renovation of ESP in Korba - I & II, Rihand - I, Vindhyachal - I & II, Talcher STPS, Badarpur TPS and Talcher TPS-II.

16. VIGILANCE

16.1 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 (DIPC), 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.

Your Company has made it mandatory for all the projects and stations to award the packages above ₹ 15 lac through e-procurement. As per the directive of DOPT/ MOP, the property returns of all the executives have been published on NTPC Website.

16.2 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. During the Vigilance Awareness Week, a compendium of circulars and a Handbook on Preventive Vigilance and Case Studies were also issued.

16.3 Implementation of Integrity Pact

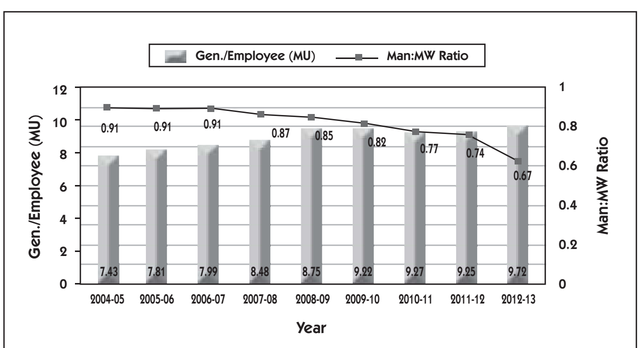
Your Company is committed to have total transparency to its business processes and as a step in this direction; it signed a Memorandum of Understanding with Transparency International India in December, 2008. The Integrity Pact is being implemented for all contracts having value exceeding ₹ 10 crore.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

16.4 Implementation of 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.

17. HUMAN RESOURCE MANAGEMENT

17.1 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 consistent reduction of Man-MW ratio year after year. The over-all Man-MW ratio for the year 2012-13 excluding JV/subsidiary capacity is 0.67 and 0.62 including capacity of JV/ Subsidiary. Generation per employee was 9.72 MUs during the year based on generation of NTPC stations.



The total employee strength of your Company stood at 25,484 as on 31.3.2013 against 25,511 as on 31.3.2012.

	Fiscal 2013	Fiscal 2012
NTPC		
Number of employees	23,865	24,011
Subsidiaries & Joint Ventures		
Employees of NTPC in Subsidiaries & Joint Ventures	1,619	1,500
Total employees	**25,484**	**25,511**

The attrition rate of the NTPC executives (including Executive Trainees and those posted in Subsidiaries and JVs) during the year was 1.46%.

17.2 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 driving operational and financial performance. As a commitment towards the Company's core values, Employees' Participation in Management was effectualized 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.

17.3 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. The Company takes all such steps which are reasonably practicable to ensure best possible conditions of work. NTPC 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. 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 site to monitor unsafe working conditions at site and its rectification.

Height permit and height check list are implemented to ensure safety of workers while working at height. 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.

Through our continuous efforts in safeguarding the employees, accidents have come down as compared to last year. Many of our plants have been awarded with prestigious safety awards by various Institutions and Bodies like Ministry of Labour & Employment, Govt. of India, National Safety Council and Institution of Engineers 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.

17.4 Training and Development

In line with its objective of being a learning organization, your Company has continuously promoted training and development of not only its own employees but also other professionals of the power sector. In this effort, your Company has endeavored to continuously upgrade the training infrastructure of Power Management Institute (PMI) at the corporate level as well as the Employee Development Centers at the sites. The training imparted is in tune with emerging needs in diverse areas like nuclear power, coal-mining, hydro-power, super-critical technology, renewable energy etc. and for this purpose some new programmers are included in the annual calendar every year. Apart from this, the usual programs include topics on management, power station operation & maintenance, project construction, erection and commissioning and information technology.

Under the on-going scheme of strengthening the Industrial Training Institutes (ITIs) across the country, your Company has taken the initiative of adopting ITIs near its power generating stations and a total of 17 ITIs have been adopted under this scheme till 31.03.2012. This activity is being coordinated through PMI which is also facilitating the construction of nine new ITIs where new projects are coming up. Through this initiative, PMI has created 1,533 extra seats by way of starting new trades/ units in these ITIs.

During 2012-13, your Company organized a number of training programmes in power and energy related areas.

PMI conducted 397 training programmes during 2012-13 with a participant base of 8,938. The training mandays clocked were 47,935.

PMI, for the first time, conducted an all-women training programme titled 'Let's Cherish Womanhood' on the issues and challenges of women executives in managing home and office together.

It also took the initiative of taking training programmes to the doorstep of the site employees.

In collaboration with CC-IT group and CenPEEP department, "Efficiency Overview and Perform Achieve and Trade (PAT) Legislation" programme was launched through Web Conferencing.

In order to promote holistic well-being of employees and their families, Pranic Healing was started through Holistic Wellness Foundation under the aegis of 'Snehal', a Healing and Creativity Centre at PMI.

18. SUSTAINABLE DEVELOPMENT

Sustainability is an opportunity for business to improve its profitability, competitiveness and market share without compromising the ability of future generations to meet their own needs. The sustainability agenda of your Company addresses all aspects related to sustainable development and promote environmental management, social responsibility and economic performance (triple bottom line approach).

Your Company is a member of "TERI – Business Council for Sustainable Development – India (TERI-BCSD)", the Indian partner of the WBCSD (World Business Council for Sustainable Development), Geneva, and also a member of United Nation's Global Compact.

SEBI, through its Circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated the top 100 listed entities based on market capitalization at BSE and NSE, to include Business Responsibility Report as a part of the Annual Report describing the initiatives taken by the Company from Environmental, Social and Governance perspective.

Accordingly, a 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 2012-13. Major activities carried out under this plan included plantation of more than 2 lac saplings in and around NTPC plants, reduction of particulate matter emissions at two stations through flue gas conditioning, installation of flue gas conditioning system at one more station and installation of bio-methane plants to treat biodegradable waste and generate bio-gas for use in guest house / canteen kitchens. A total expenditure of ₹ 10.18 crore was incurred on these Sustainable Development Projects during the Financial Year 2012-13.

During the year, your Company has published its "Sustainability Report 2011-12" in line with the internationally accepted "Global Reporting Initiative (GRI)" Guidelines and the report has been duly assured by an independent external assurance provider as per international standard.

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:

18.1 Inclusive Growth – Initiatives for Social Growth

18.1.1 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.

With a view to address the domains of socio-economic issues at national level, it has revised its Corporate Social Responsibility – Community Development (CD) Policy in line with the Guidelines issued by Department of Public Enterprises, Govt. of India.

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 ₹ 69.24 crore was incurred towards Corporate Social Responsibility expenses during the Financial Year 2012-13, which was 0.75% (against MOU target of 0.5%) of the net profit after tax of the previous year.

In line with revised guidelines on CSR and Sustainability issued by DPE, your Company has enhanced allocation for CSR and Sustainable Development activities to 1% of net profit after tax of previous year with effect from financial year 2013-14.

Awards:

Your Company received FICCI Appreciation Plaque for 2011-12, Golden Peacock Award for CSR, 2012 and Greentech Award for CSR 2012.

18.1.2 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.

18.1.3 Distributed Generation Power Projects

Your Company has signed MoU with Swiss Agency for Development and Cooperation for planning and implementing Renewable Energy and Distribution Generation projects. The main focus is on technologies like bio-mass gasification including two stage gasifier, small hydro and solar energy and sustainability of DG projects.

18.1.4 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.

R&R activities were implemented at new Greenfield/ brownfield projects after finalization in consultation and participation of the stakeholders at Kudgi, Lara, Tanda, Gadarwara, Khargone, Barethi, Dadri and Coal Mining projects. At other thermal, hydro and coal mining projects, like Barh, Koldam, Korba, Vindhyachal, Mouda, Solapur, Bongaigaon, Tapovan-Vishnugad, Pakri-Barwadih, Chatti-Bariatu, Kerandari and Talipalli projects, R&R activities continued throughout the year.

Socio-economic Survey was completed for Darlipalli, Barethi, Lara, Gadarwara, Khargone, Chatti-Bariatu (South) and Dhuvaran Projects and is in progress at Bilhaur Projects.

In the area of health, your Company is providing financial assistance for renovation and refurbishment of "Sundargarh District Hospital' in Odisha. Capacity building/ skill upgradation and training activities including those in construction trades were facilitated and commitment for the part contributions towards construction of Engineering Colleges at Raipur and Raigarh, Chattisgarh was made during the year.

18.2 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. The Company is also designing its up-coming plants to use beneficiated coal and imported low ash coal. The above 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 and thereby deal with the global warming.

18.2.1 Control of Air Emissions: High efficiency Electro-static Precipitators (ESPs) with efficiency of the order of 99.9% 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, retrofit of advanced ESP controllers and adoption of sound O&M practices. Flue Gas Conditioning system has also been provided at our old units which are helping in reduction of SPM emissions below statutory limits. 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, SOx and 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, 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.

18.2.2 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.

18.2.3 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.

18.2.4 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 Central Pollution Control Board. 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 also planned for installation in near future

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

18.2.6 Tree Plantation: Your Company has planted more than 19 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.

18.2.7 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 systems and practices.

18.3 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 submitted to UNFCCC for CDM registration. 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.

Further, Tapovan Vishnughad HEPP (4X130 MW), North Karanpura STPP (3X660 MW), 15 MW Solar (Thermal) project at Anta, energy efficiency measures at Singrauli STPP and energy efficiency measures at Dadri have already obtained Host Country Approval from National CDM Authority.

18.4 Ash Utilisation

During the year 2012-13, 56.29 million tonnes of ash was generated and 30.97 million tonnes of ash had been utilized for various productive purposes. This was 55.02% 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. 10.74 million tonnes of ash has been issued to cement, RMC and other industries in the financial year 2012-13.

Pond ash from all stations of NTPC is being issued free of cost to all users. 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 2012-13 from NTPC Stations is at Annex-IX.

18.5 CenPEEP – towards enhancing efficiency and protecting Environment

'Center for Power Efficiency and Environmental Protection' (CenPEEP), was set up to take initiatives to address climate change issues. It is a symbol of NTPC's voluntary proactive approach towards Greenhouse Gas (GHG) reduction. The Centre has been entrusted with some of the strategic initiatives such as improvement in efficiency and reliability.

Thrust has been given to efficiency improvement through customized Energy Efficiency Management System (EEMS) and reliability through 'Knowledge Based Maintenance'. The activities include use of advanced analytical tools for efficiency gap analysis, combustion optimization, improvement in performance of condenser, cooling tower, coal mills and air-preheater, maximization of condition based maintenance through systematic 'Predictive Maintenance Program', reliability improvement strategies by failure mode analysis through 'Reliability Centered Maintenance (RCM)' as a program.

Joint project has also been taken up with NETRA for modification of flue gas duct internals based on 'computational fluid dynamic (CFD)' analysis.

'Perform, Achieve & Trade (PAT) Scheme' of Government of India under Prime Minister's National Mission on Enhanced Energy Efficiency (NMEEE) is being implemented in NTPC with CenPEEP as the coordinator. All 22 stations of NTPC are Designated Consumers in this program.

The cooperation with USAID was extended under Indo-US bilateral program 'Partnership to Advance Clean Energy – Deployment (PACE-D)'. Under this program, study on development of best practices manual for super critical units has been taken up with support of US experts. Assistance is also provided to two State utilities from Haryana and Maharashtra for efficiency improvement under this program. The 'Heat Rate Improvement Guidelines for Indian Utilities' which are prepared by CenPEEP, have been helpful in the program.

CenPEEP has estimated cumulative CO_2 emission avoided in NTPC since the year 1996 as 34.8 million tones.

CenPEEP had been conferred with **The Times of India Earth Care Award 2012** in recognition of its efforts and achievements for GHG reduction in utilities, contributing to combat climate changes across the SAARC countries.

18.6.1 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). NESCL has been entrusted with electrification of total 30 projects in 29 districts in above States with a total scope of 14,729 Un-electrified/ De-electrified (UE/DE) villages, 20,555 partially electrified (PE) villages and electricity connection to 26.42 lakhs below poverty line (BPL) households.

Physical work of 15 projects has been completed till 31st March 2013 and balance projects are expected to be completed in FY 2013-14.

In the FY 2012-13, 22 un-electrified/de-electrified and 2,820 partially electrified villages have been electrified and electricity connections provided to 25,204 BPL households during the FY12-13.

Cumulatively, electrification of 14,719 un-electrified /de-electrified villages and 17,679 partially electrified villages has been completed and electricity connections has been provided to 26.08 lakhs BPL households by Mar'2013.

18.6.2 5 KM Scheme around NTPC power plants

MOP, Government of India notified in Apr'2010 a scheme for provision of supply of electricity in 5 Km area around the Central Power Plants. The scheme covers the existing and upcoming Power Plants of CPSU's. Under the scheme, total 29 projects were initially identified for implementation around NTPC power plants. NTPC has awarded eight projects where work is in progress.

Subsequently, MoP has withdrawn the above scheme for future projects in March 2013. The ongoing projects are expected to be completed during the financial year 2013-14.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has made vigorous efforts for propagation and effective implementation of the Official Language Policy of the Government of India. Several Hindi workshops, meetings, conferences and competitions were conducted at projects, regional offices and corporate centre during the year, in which renowned Hindi Scholars inspired the participants to use Hindi in day-to-day official works.

The progress and usage of Rajbhasha Hindi was inspected in the stations and proper suggestions for compliance were given to the Heads of the Offices. The Sub-committee of Parliament on Official Language appreciated the efforts for Rajbhasha implementation in our projects. Our half-yearly Hindi Magazine 'Vidyut Swar' also received Rajbhasha Award from Ministry of Home Affairs, Government of India.

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

20. 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 of eminent scientists and experts from India and abroad is in place to steer high-end research. Scientific Advisory Council (SAC) with Regional Executive Directors as its members provides directions for improving plant performance & reducing cost of generation. The meetings for both these Advisory Councils were held periodically where members deliberated on various project activities and gave guidelines for implementation of suggestions.

In order to provide maximum possible benefit to the stations, projects like Artificial Intelligence based plant performance advisory system, expert system for real time monitoring of steam cycle chemistry, computational fluid dynamics (CFD) modeling based plant improvement for increasing efficiency and reducing auxiliary power consumption have been implemented at stations. Many products & processes developed by NETRA have been tested successfully at stations like robotic inspection devices; PDC-RVM based expert system for transformer condition monitoring, CO_2 utilization through mineralization of fly ash etc.

One Patent (01) has been granted to NETRA and another Twenty one (21) patent applications have been filed and these are in advanced stage of processing. NETRA continued to provide scientific support to all NTPC stations as well as many other utilities' stations to improve their performance.

Some state-of-the art facilities for condition monitoring and diagnostic equipments like Scanning Electron Microscope with EDAX, Sixteen Channel Vibration Analyser, Video image scope system with dimensional measurement facility, etc have been inducted.

The Phase-II infrastructure is being created for new laboratories and facilities like pilot plant bay, 150 KWp Solar PV rooftop systems and an auditorium with seating capacity of 400 persons.

NETRA is actively involved in many National activities related to R&D such as developing DPE guidelines on R&D, contribution to Sectoral Innovation Council for Power.

NETRA has also taken research Projects under "National Clean Energy Fund" a) Solar Thermal Hybrid with Fossil Fired Power Plant b) Flue Gas based Aqua Ammonia Power Cycle.

NETRA has also organized Round Table Meeting on carbon capture & storage (CCS) for formulating the Policy under the aegis of MoP.

NETRA has undertaken collaborative projects with different institutes like CPRI, Bangalore in the area of coal combustion characterization, non destructive testing, fly ash utilization and with Jadavpur University for Development of polarisation depolarisation current analysis – Recovery voltage measurement (PDC-RVM) system etc.

NETRA laboratories have been reaccredited as per ISO 17025:2005. NETRA is also certified by Central Boiler Board for RLA agencies.

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 2012-13, 1,181 applications were received under the RTI Act, out of which 1,158 applications were replied to.

Five workshops on RTI Act have been conducted at Corporate Centre, Regional Headquarters and sites to share and deliberate on latest notifications, amendments and other issues for smooth implementation. This includes an interactive session with the delegates from the Institute of Secretarial Training & Management, DoPT to share experience on implementation of RTI Act in the Company.

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.

ERP has its main data center 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 deliberations among locations. The facility has also been augmented to hold VC in secured manner, with external agencies also.

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.

A third party audit and review of ERP solution implemented at NTPC has been carried out that included review of business process controls, configuration settings, access controls and review of roles and authorization. The critical remediation points suggested by the external auditor agency have been implemented.

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

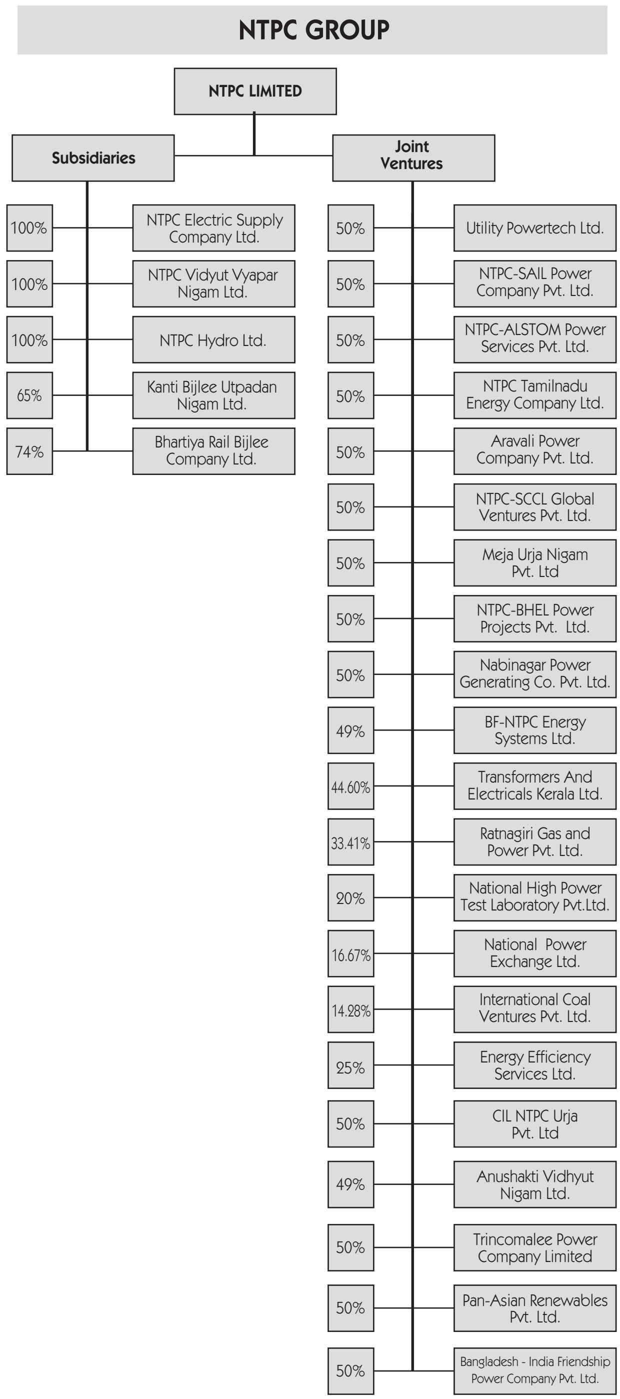
NTPC tender website www.ntpctender.com is being regularly used for publishing all open tenders on the Internet. Additional Website www.ntpcexemployees.co.in for facilitating superannuated employees has also been hosted.

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 5 subsidiary Companies and 21 joint venture Companies for undertaking specific business activities.

The names of Subsidiaries and Joint Venture Companies and the percentage of your Company's shareholding in these Companies as on 31.03.2013 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

Ministry of Corporate Affairs, through Notification G.S.R. 289(E) dated 31st March 2011 has amended the Companies (Particulars of Employees) Rules, 1975 by providing that the information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 shall be required to be provided for those 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. The said Notification further provides that in case of Government Companies such particulars are not required to be included in the Board's Report.

As your Company is a Government Company, such particulars have not been included as part of the Director's Report. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company or download them from the website at 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 17.09.2013.

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 2012-13.

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 2012-13. However, they have drawn attention towards Note-33 to the financial statements in respect of the accounting of fuel on GCV based pricing system.

The issue has been adequately explained in Note 33 referred to by the Auditors.

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

You would be pleased to know that for the fourth 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 2012-13 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 applicable for financial years 2011-12 and 2012-13, 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 2011-12 are (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, Bhubhaneshwer, 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 2012-13 are (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, Bhubhaneshwer, Orissa, (v) M/s V.P. Gupta & Co., Noida, Uttar Pradesh and (vi) M/s Chandra Wadhwa & Co., Daryaganj, Delhi.

The due date for filing consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2012 was September 27, 2012 which was subsequently extended upto 28th February 2013 through General Circular No. 2/2013 dated 31.01.2013 issued by Ministry of Corporate Affairs and the consolidated Cost Audit Report for your Company was filed with the Central Government on 15.01.2013.

The due date for filing consolidated Cost Audit Report for the financial year ended March 31, 2013 is September 27, 2013 and the consolidated Cost Audit Report as prescribed for the financial year 2012-13 shall be filed within the prescribed time period.

29. BOARD OF DIRECTORS

Dr. Alwyn Didar Singh has joined as Non-Official Part-time Director of the Company with effect from August 23, 2012.

Dr. M. Govinda Rao has ceased to be the Non-Official Part-time Director with effect from February 4, 2013.

Shri U.P. Pani has taken over as Director (Human Resources) with effect from March 1, 2013. Shri S.P. Singh has ceased to be the Director (Human Resources) of your Company with effect from February 28, 2013 on attaining the age of superannuation.

Shri Rakesh Jain has ceased to the Director of your Company w.e.f. July 9, 2013 on ceasing to be the official of Ministry of Power.

Shri Prashant Mehta has joined as Non-Official Part-time Director of the Company with effect from July 30, 2013.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Dr. M. Govinda Rao, Shri S.P. Singh and Shri Rakesh Jain during their association with the Company.

In accordance with the provisions of Article 41(iii) of the Articles of Association of the Company four directors - Shri A.K. Singhal, Shri N.N. Misra, Shri S.B. Ghosh Dastidar and Shri R.S. Sahoo shall retire by rotation at the Annual General Meeting of your Company and, being eligible, offer themselves 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 2012-13 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 2012-13	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, 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

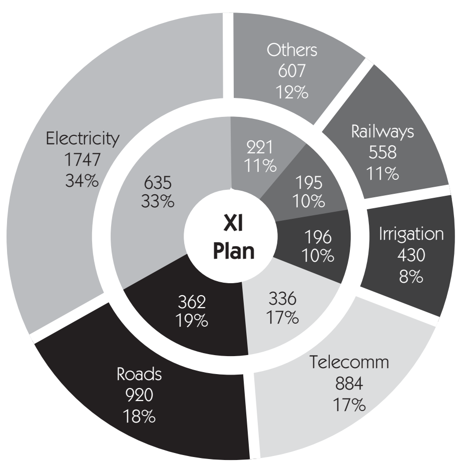
Place: New Delhi
Date: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

POWER SECTOR - fostering growth

Power Sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. Power Sector leads the investment in infrastructure for XII plan:



(Electricity includes Non Conventional Energy; Railways include Mass Rapid Transport System)
(Figures in '000 ₹ crore; XI plan @ FY 2006-07 prices & XII plan @ FY 2011-12 prices)
(Source: Interim Report of the High Level Committee on financing infrastructure)

Investment in electricity is projected to be 1/3rd of the total projected investment in infrastructure sector, thus sustaining the XI plan investment.

POWER SECTOR - current landscape

Key Parameters	FY 2012-13 (A)	FY 2011-12 (B)	Change (A-B)	(%) Change
Capacity (GW) as on 31st March*	223.34	199.88	23.46	11.74%
Generation in Billion Units (BU)#	912.06	876.89	35.17	4.01%
All India PLF (Coal & Lignite) (%)	69.93	73.47	-3.54	
Energy deficit (%)	8.7	8.5	0.2	
Peak Deficit (%)	9.0	10.6	- 1.6	
Transmission lines installed (ckt kms)	17107	20434	-3327	-16.28%
Sub-stations (MVA)	63665	54287	9378	17.27%

* including Renewable Energy Sources (RES)
# including Bhutan import of 4.79BU
(Source: Central Electricity Authority (CEA))

Review of installed capacity & capacity addition during the financial year 2012-13

The total installed capacity in the country as on March 31, 2013 was 223343.60 MW with State Sector having a share of 39.91%, followed by Private Sector with 30.83% share and balance 29.26% contributed by Central Sector entities.

Sector	Total Capacity (MW)	% share
State	89124.62	39.91
Private	68859.04	30.83
Central	65359.94	29.26
Total*	**223343.60**	**100.00**

(Source: CEA) *including RES

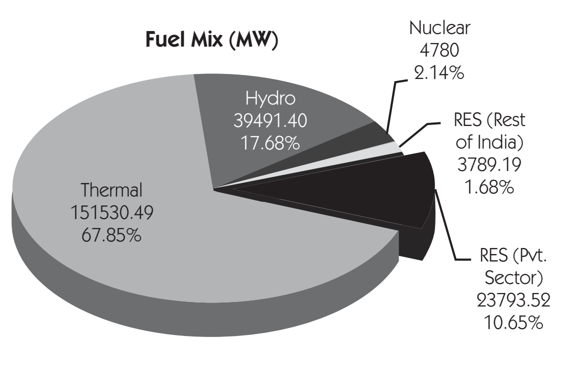
Capacity addition of 20622.80 MW during the financial year 2012-13 exceeded the target of 17956.30 MW. With maximum contribution of 54.59% by Private Sector, followed by Central Sector of 26.17%.

Sector	Capacity Addition (MW)	% share
State	3968.00	19.24
Private	11257.50	54.59
Central	5397.30	26.17
Total*	20622.80	100.00

(Source: CEA) * Excluding RES which includes Small Hydro Project, Biomass Power, Urban & Industrial Waste Power, Wind Energy and Solar Power

The total thermal capacity, including gas and diesel stations accounts for about 67.85% of installed capacity of the country followed by hydro capacity at 17.68%. Nuclear stations account for 2.14% and the balance 12.33% is contributed by RES of which share of private sector is 10.65%.

As on 31.03.2013



(Source: CEA)

With 130220.89 MW of the installed capacity based on coal which is 58.31% of Nation's capacity, coal remains the key fuel for power generation.

Capacity Utilization

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). The PLF has shown a decline during the financial year 2012-13 vis a vis financial year 2011-12.

Sector wise PLF (Thermal) (%)

Sector	FY 2012-13	FY 2011-12	Change
Central	79.18	82.01	-2.83
State	65.54	68.35	-2.81
IPP	62.16	67.27	-5.11
Private	75.69	76.19	-0.5
All India	69.93	73.47	-3.54

(Source: CEA)

PLF of thermal stations declined from 73.47% to 69.93%. The decline in PLF was mainly on account of shortage / poor quality of coal, backing down/ shut down of units on account of low schedule from beneficiary states and delay in stabilization of new units.

GENERATION

Existing Generation

The total power generation in the country during the financial year 2012-13 was 912.06 BU as compared to 876.89 BU during last year, registering a growth of 4.01%.

Sector wise and fuel wise break-up of generation in BU for the financial year 2012-13 and financial year 2011-12 is detailed as under:

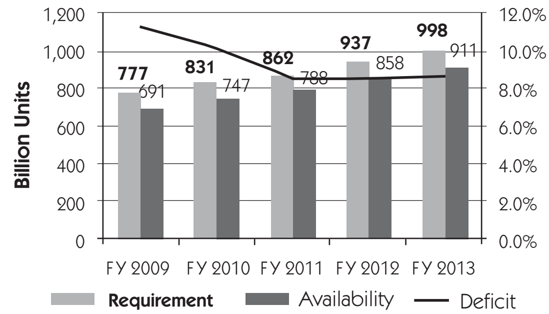
Sector	FY 2012-13	FY 2011-12	Fuel	FY 2012-13	FY 2011-12
Central	375.97	364.00	Thermal	760.68	708.81
State	347.15	367.96	Hydro	113.72	130.51
Private	184.15	139.65	Nuclear	32.87	32.29
Others*	4.79	5.28	Others*	4.79	5.28
Total	**912.06**	**876.89**	**Total**	**912.06**	**876.89**

* Import from Bhutan
(Source: CEA)

Of the total national generation during the financial year 2012-13, the State Sector contributed 38.06%, Central Sector utilities contributed 41.22% where as Private Sector has contributed 20.19%. The overall generation during the year was ~ 2 % less than the program/target.

Demand and Supply Position

The energy deficit increased marginally on a year-on-year basis in financial year 2012-13 to 8.7% from 8.5% in financial year 2011-12. However, the Peak deficit, decreased to 9.0% in financial year 2012-13 from 10.6% in the previous year.Overall, the sector is characterized by acute shortages of power. The demand and supply position during the last five year in the country is indicated as under:



(Source: CEA- power supply position)

Consumption

In terms of per capita power consumption, India ranks among the lowest in the world. The per capita consumption of power in India has increased from 631.40 units in financial year 2005-06 to 879.22 units in financial year 2011-12 (provisional). *(Source: CEA)*

Major end users of power can be broadly classified into industrial, agricultural, domestic and commercial consumers. These consumers represented approximately 45%, 17%, 22% and 9%, respectively, of power consumption measured by units of electricity consumed in financial year 2011-12. Traction & Railways and others represented about 7% of power consumption. *(Source: Ministry of Statistics and Programme Implementation-Energy Statistics 2013).*

XII PLAN - a look ahead

An important gain in the XI plan was the ramping up of the pace of addition to generation capacity though it was lower than the planned capacity addition. The main physical milestones achieved during XI plan are summarised as under:

Achievements in Power Sector during the XI Plan

- Capacity addition during the XI Plan period has been at 54964 MW which is 69.8% of the original target and 88.1% of the Mid-term Appraisal target of 62374 MW.
- Total installed capacity as on 31st March 2012, including RES of the country was 199877 MW. The share of renewable energy capacity is about 12 %.
- Approximately 69926 circuit km (ckm) of transmission lines were added. 150362 MVA capacity of alternating current (AC) substations and 1750 MW capacity of High-Voltage Direct Current (HVDC) substations were added to the existing transmission systems. *(Source: Draft 12th plan)*

To keep up the pace of achievements in XI plan, government has also set ambitious targets for XII plan.

Capacity and Generation Targets for XII plan

The Working Group on power has estimated a capacity addition requirement of 75785 MW corresponding to 9 % GDP growth during the XII plan period. However, in order to reduce the deficits, and provide for faster retirement of the old energy-inefficient plants, the target for the XII plan has been fixed at 88537 MW (excluding RES). Since the growth rate of GDP for the XII plan is likely to be 8.2 % and not 9 %, the target for capacity addition contains an element of slack of about 10 %. *(Source: Draft 12th plan)*

As shown in table below, the share of the private sector in the additional capacity will be 53%, followed by central sector with 30% & state sector with 17%.

Sector	Hydro	Thermal	Nuclear	Total
Central	6004	14878	5300	26182
State	1608	13922	0	15530
Private	3285	43540	0	46825
Total (excl.RES)	**10897**	**72340**	**5300**	**88537**
RES				30000
Total (Incl.RES)	**10897**	**72340**	**5300**	**118537**

(Source: Draft 12th plan)

The share of new capacity addition during XII plan based on fossil fuel remains high at ~82% (excluding RES).

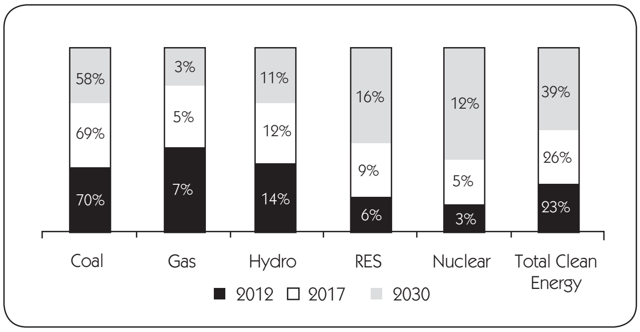
The initiatives taken by Government of India for rapid growth of power sector including setting-up of Ultra Mega Power Projects and development of power projects on tariff based bidding, allocation of captive coal blocks, bulk tendering of super-critical units etc. are expected to yield benefits during XII plan. Already more than 20 GW (excluding RES) of capacity has been added during the financial year 2012-13 i.e. the first year of XII plan, as compared to 9 GW (approx.) added during the first year of XI plan. Thus, first year of the XII plan has ended on a positive note.

The XII plan target seems realisable subject to availability of fuel, land acquisition, environment clearances, availability of water, transmission capacity and Power Purchase Agreements (PPAs).

The Working Group for the XII plan has estimated a requirement of 1403 BU by financial year 2016–17, after taking into account energy conservation measures and demand–supply management.

FUEL MIX - directed towards clean energy

India has come to terms with the fact that renewable energy may be the new order in the age of energy security. The projected change in the mix of generation by fuel by end of 2030 depicted below shows the huge emphasis of Government on Clean Energy:



(Source: Draft 12th plan)

The reliance on fossil based fuel is expected to reduce from current 77% to 61% by the year 2030. For realizing sustainable development an amalgam of fuels for power generation is envisaged by Government. *(Source: draft 12th plan)*

TRANSMISSION AND DISTRIBUTION

Transmission

The large expansion in generation and consumption of electricity has to be supported by a significant expansion and strengthening of the transmission network. The transmission systems that are in place in the country consist of Inter-State Transmission System (ISTS) and Intra-State Transmission System (Intra-STS). ISTS is mainly owned and operated by Power Grid Corporation of India Limited which is also Central Transmission Utility.

The power system in the country is demarcated into five regions. Four regional grids have been operating in synchronous mode as a single system for the past few years. Only the southern grid is yet to be connected to the rest of the system. The high voltage Raichur–Sholapur 765 KV line to connect southern grid is under construction and expected to be commissioned during the financial year 2013-14.

Transmission lines in the country upto March 2013 are 274588 ckm and Sub Stations are 473216 MVA. A total of about 107440 ckm of transmission lines; 270000 MVA of AC transformer capacity and 12750 MW of HVDC systems are expected to be added during the XII plan.

The total capacity to transfer power across regions at the end of the XI plan was about 27750 MW and this is expected to increase by 136 % to 65550 MW by the end of XII plan. *(Source: CEA & Draft 12th plan)*

The proposed rapid expansion of the capacity to transmission capacity can be met if some serious challenges, viz. right of way, flexibility in line loading and regulation of power and improvement of operational efficiency are adequately dealt with.

Distribution

The financial viability of the distribution system is under severe strain.

Losses of Utilities selling directly to consumers

The aggregate losses of utilities selling directly to consumers on subsidy received basis increased from ₹ 34,728 crore in the financial year 2008-09 to ₹43,433 crore in financial year 2009-10. In the financial year 2010-11 these losses stood at ₹38,821 crore a reduction of ₹4,612 crore (10.62%) over financial year 2009-10.

The aggregate losses without considering subsidy of these utilities increased from ₹50,441 crore in the financial year 2008-09 to ₹62,508 crore in the financial year 2009-10. The losses decreased to ₹59,200 crore in the financial year 2010-11 a reduction of ₹3,308 crore (5.29%) over financial year 2009-10. *(Source: PFC report on State Power Utilities)*

Many States have now started to increase tariffs in the last couple of years to bridge the revenue gap. The Cabinet has also approved a Financial Restructuring Plan (FRP) for Distribution Companies (Discoms).

Under FRP, Cabinet has approved a debt restructuring plan for all State Discoms having accumulated losses and facing difficulties in financing operational losses. The highlights are as follows:

- 50 % of the outstanding short term liabilities (STL) as of 31st March 2012 to be taken over by State Governments. This shall be first converted into bonds to be issued by Discoms to participating lenders duly backed by the State Government guarantee.

- The State Government will take over the liability during the next two to five years by issuance of special securities in favour of participating lenders in a phased manner.
- Balance 50 % of the STL will be rescheduled by lenders and serviced by the Discoms with a moratorium of three years on principal and would be backed by a State Government guarantee.
- The restructuring/re-schedulement of loan is to be accompanied by concrete and measurable action by the Discoms/States to improve the operational performance of the distribution utilities *(Source: Draft 12th Plan)*

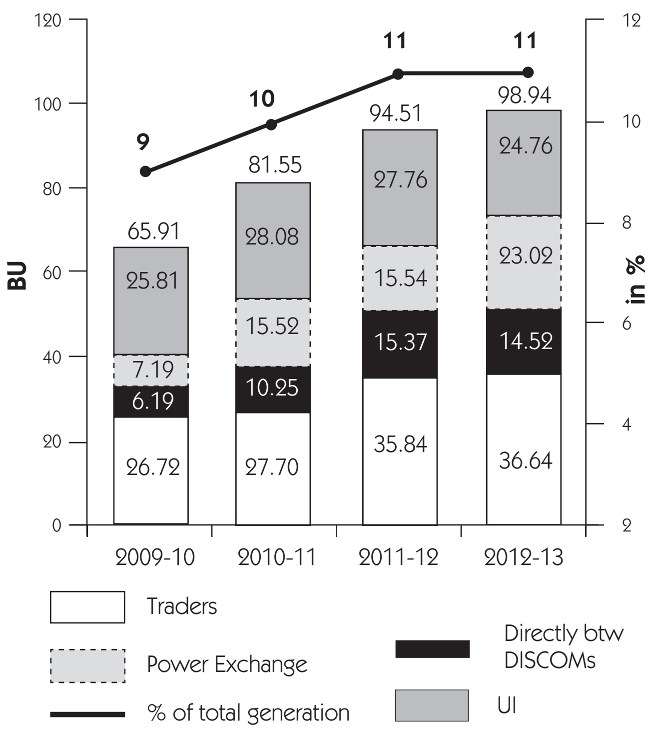
Effective implementation of the restructuring package during the XII plan would send a powerful signal that the power sector is on the path of financial viability.

It is important to note that Aggregate Technical and Commercial (AT&C) losses remained high at 26.15% in financial year 2010-11 and needs to be brought down. *(Source: CEA)*

SHORT TERM POWER MARKET

A short-term power market can help electricity providers procure unplanned and fluctuating power requirements, and on the sellers' side, enable power producers as well as procurers to sell their surplus power. Trading of electricity in India has picked up considerably after the advent of Electricity Act, 2003 (EA 2003) which recognizes trading as a distinct licensed activity. In future, the quantum of electricity traded in the short term market is likely to grow considerably as the new generating capacity of many IPPs plants is not tied up in long term PPAs.

The following chart shows the classification of short term transactions of electricity and percentage of such transactions of total generation:



(Source: CERC, Report on Short Term Power Market 2011-12 & Market Monitoring Reports 2012-13)

Major players in power trading business include PTC India Ltd., NTPC Vidyut Vyapar Nigam Ltd., Tata Power Trading Co. (P) Ltd., JSW Power Trading Company Ltd., Adani Enterprise Ltd. and Reliance Energy Trading (P) Ltd. Around 80% share of electricity was transacted by these licensees in financial year 2012-13. *(Source: CERC)*

Open Access

The Electricity Act, 2003, mandates that non-discriminatory open access for inter-state as well as intra-state transmission and distribution networks be provided by the utilities.

During the financial year 2011-12, 24111 inter-state short term open access transactions (including bilateral and collective) were approved for sale of 66987 MU. During the financial year 2012-13 (up to November, 2012) sale of 48008 MU has been approved through 21185 interstate bilateral and collective short-term open access transaction. *(Source: Economic Survey 2012-13)*

EXPANDING ACCESS TO POWER

Rural Electrification

The Central Government launched a scheme 'Rajiv Gandhi Grameen Vidyutikaran Yojana' (RGGVY) in April 2005 with the goal of electrifying all un-electrified villages and hamlets and providing access to electricity to all households. Under RGGVY, over 1 lakh villages have been electrified and over 2 crore connections have been provided to Below Poverty Line (BPL) households up to 15.06.2013. Rural electrification contributes in a long way to the Government's objective of inclusive growth. *(Source: RGGVY website)*

R-APDRP

Restructured Accelerated Power Development and Reforms Programme (R-APDRP) was approved as a Central sector scheme on 31.07.2008 with total outlay of ₹ 51,577 crore. The focus of R-APDRP is on actual, demonstrable performance in terms of reduction in Aggregate Technical and Commercial (AT&C) losses through application of information technology for energy auditing and accounting and through technological up-gradation and strengthening of distribution infrastructure. Projects under R-APDRP are presently taken up in two parts. *(Source: Draft 12th Plan)*

Part A focused on establishing reliable and automated system for sustained collection of accurate baseline data, and the adoption of IT in the areas of energy accounting and auditing and consumer-based services. Part B includes projects to strengthen the distribution system.

Most of Part A projects have been awarded. These are under implementation and at a stage of advanced progress in several States.

APDRP and R-APDRP have been successful in bringing down the AT&C losses from 38.86% in 2001-02 to 26.15% in 2010-11. However, losses are still at a higher level and far behind the targeted reduction of AT&C losses to 15%. *(Source: CEA)*

POLICY FRAMEWORK

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

Electricity Act, 2003 has promoted a liberal, transparent and enabling legal framework for power development for creation of a competitive environment and reforming distribution segment of power industry. It allows open access in transmission and distribution. It provides for regulatory oversight for fixation of tariff.

Central Government has also framed following policies for overall development of the sector:

- National Electricity Policy, 2005
- Tariff Policy, 2006
- Rural Electrification Policy, 2006
- Hydro Power Policy, 2008
- Revised Mega Power Project Policy, 2009

VARIOUS INITIATIVES OF THE GOVERNMENT

Major policy/ plans/regulatory initiatives:

a) Development of power projects on tariff based bidding
b) Development of Ultra Mega Power Projects
c) Allocation of captive coal blocks
d) Hydro power policy, 2008
e) Private sector participation in transmission Sector
f) Jawaharlal Nehru National Solar Mission -towards building solar India
g) R-APDRP
h) Inter-State Trading Margin Regulations, 2010
i) New Indian Electricity Grid Code (IEGC), 2010
j) CERC (Open Access in Inter-State Transmission) Regulations, 2008
k) Regulations on "Terms and Conditions for Tariff determination from Renewable Energy Sources", 2009.
l) Financial Restructuring Plan for Discoms
m) Demand Side Management Initiatives e.g.
    i. National Mission for Enhanced Energy Efficiency (NMEEE)
    ii. Perform Achieve and Trade Scheme
    iii. Energy Conservation Building Code (ECBC)

REGULATORY DEVELOPMENTS IN FINANCIAL YEAR 2012-13

The important regulatory developments of financial year 2012-13 are as follows:

1. Third amendment to Central Electricity Regulatory Commission (CERC) Tariff Regulations 2009-14:

CERC has issued the Third Amendment to 2009-14 Tariff Regulations on 31.12.2012. The salient points of this amendment are as follows:

- Expenditure incurred or projected to be incurred on account of creation of infrastructure for supply of reliable power to rural household within a radius of 5 km of the power station, if the generating company does not intend to meet such expenses as part of its CSR has been allowed as part of capital cost after cut-off date. *(However, scheme for providing electricity within 5 km radius of Central Power Plants has been withdrawn by Ministry of Power on 25.03.2013).*
- Generating company shall provide to the beneficiaries details of parameters of GCV and price of all kinds of fuel, details of blending ratio of imported coal, proportion of e-auction coal and weighted average GCV as received.
- Return on Equity (ROE) for pumped storage hydro generating stations and run of the river stations with pondage has been increased from 15.5% to 16.5%.
- Fees and charges of Regional Load Dispatch Centres (RLDCs) paid by generating companies and inter-state transmission licensees shall be a pass through in tariff.

2. CERC order on Benchmarking of Capital Cost

CERC has issued an order on the benchmarking of capital cost of coal based thermal power projects on 04.06.2012. The salient points of this order are as follows:

- CERC has developed benchmark norms (at December 2011 prices) for capital cost of thermal power units of 500/600/660/800 MW based on a broad based dynamic financial/pricing model.
- The financing cost, IDC, taxes and duties, right of way charges, cost of R&R are not factored in benchmark cost.
- CERC will use the benchmark cost for prudence check of the overall cost and not package wise cost.
- Mandatory packages have been factored in the model whereas optional packages like MGR, Railway siding, locomotive etc. will be accounted separately based on facts of case and deviation caused.
- Indices are used on various components of the package like material, labour etc. to arrive at the cost at any particular date. Deviation on account of indices used or any other specific issues like cost of civil works depending upon site specific details would be dealt on case to case basis.
- Benchmark cost may be reviewed and updated on 6 monthly basis or at such interval as may be decided by the CERC.

3. Third Amendment to grant of connectivity, long-term access and medium term open access Regulations

Through this amendment CERC allowed connectivity for any renewable energy generating station of 5 MW capacity and above but less than 50 MW capacity being developed by a generating company in its existing generating station and seeking connectivity to the existing connection point with inter-state transmission system through the electrical system of the generating station.

POWER SECTOR OPPORTUNITIES AND THREATS

OPPORTUNITIES

With population and economy growing at a rapid pace and a wide gap between demand and supply, the Indian power sector offers strong opportunity to industry participants.

Huge Investments envisaged for Power Sector

Total investments for the Indian power sector, as projected by the Interim Report of High Level Committee on financing infrastructure, August 2012 for the XII plan, stand at ₹17,47,323 crore (including non conventional energy). This provides enough opportunities to various entities in the power sector in core activities of generation, transmission and distribution as well as infrastructure finance institutions.

Demand for Electricity

The demand for power has outstripped the supply. The energy deficit & peak deficit, high transmission and distribution (T&D) and AT&C losses and the electricity demand by end of XII plan entails large capacity expansion by Central, State and Private sector/players together.

Transmission

Strengthening of transmission network with emphasis on reduction in AT&C losses is important along with expansion of generation capabilities. The technological innovations for transmission lines of 765 KV and 1,000–1,200 KV are of great relevance to reduce land requirement and transmission losses. Greater reliance will have to be placed on gas insulated substations which need about 20 % of the space required for conventional stations. This is an area where public investment can be supplemented by private investment and a start has been made in the XI plan.

Renewable Energy Sources (RES)

All over the world, investment in renewable energy sources has been increasing. India has been a late entrant into the field of renewable energy, but it is beginning to make rapid strides in this sector.

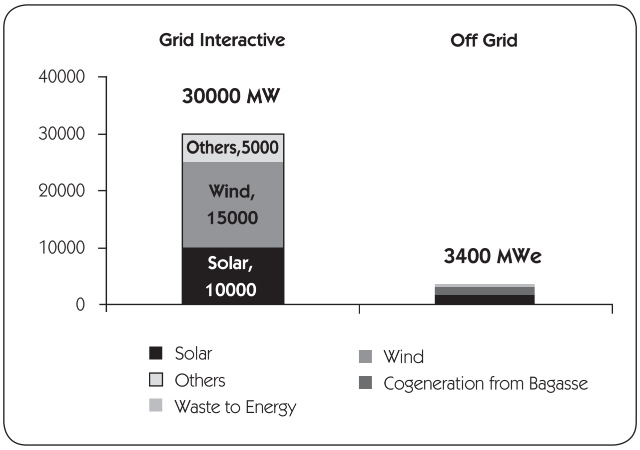
Some of the key issues facing renewable power generation are:

1. Regional concentration of renewable energy potential
2. Insufficiency and high cost of evacuation infrastructure
3. Renewable power, especially solar, is significantly costlier than conventional power

Out of a target of 4 GW RES capacity addition under Grid Interactive Power, 3 GW has been actually deployed during the financial year 2012-13. Cumulative achievement of RES upto 31.03.2013 is approximately 28 GW. *(Source: MNRE Website)*

Draft 12th plan, in line with projections of Ministry of New and Renewable Energy, plans ~30 GW for capacity addition of grid-interactive renewable power during the XII plan.

XII plan RES Capacity Addition Projection



An important initiative by Government to boost RES is introduction of Renewable Energy Certificate Scheme (REC). REC enables distribution companies, captive plants and open access consumers to fulfil their Renewable Purchase Obligations. While renewable generators can receive additional revenue, buyers are able to meet obligations without investing into generating capacities. The REC trading in India is picking up gradually. Several other initiatives by government include establishment of National Institute of Solar Energy, National Bio-Energy Corporation of India, Renewable Energy Development Fund etc.

Hydro Potential – large untapped potential

The identified hydroelectric potential of the country is above 145320 MW (excluding small hydro projects of less than 25 MW). However, installed capacity of hydro electric projects, as on 31.03.2013, is only 39491.40 MW. The main reasons for slow development of hydroelectric power are inaccessible potential sites, difficulties in land acquisition, geological surprises, evacuation of power etc.

Nuclear Potential

India's long-term nuclear power programme is based on utilising the vast indigenous thorium resources for electricity generation. India's uranium resources can support a first-stage programme of about 10000 MW based on Pressurised Heavy Water Reactors using natural uranium as fuel and heavy water as moderator and coolant. Energy potential of natural uranium can be increased in the second stage through Fast Breeder Reactors which utilize plutonium obtained from the recycled spent fuel of the first stage along with thorium as blanket, to produce U-233. With the deployment of thorium at third stage using U-233 as fuel, the energy potential for electricity generation will be large and substantial, thus, providing the industry tremendous opportunity in manufacturing equipments, components and handling of mega package contracts for these reactors *(Source: NPCIL).*

As on 31.03.2013, Nuclear Power installed capacity was 4780 MW comprising 2.14% of the total installed capacity of the country.

The Indian nuclear power industry is expected to undergo a significant expansion in the coming years due to U.S.-India Civil Nuclear Agreement. This agreement will allow India to significantly enhance its power generation capacity.

Research and Development (R&D) in Power Sector

Thermal, hydro, renewable energy sources are the key areas in the generation sector. R&D initiatives are particularly required to improve equipment performance, automation, mechanism for bulk utilisation of fly ash, control of CO_2, SOx, NOx and mercury in coal-based thermal power plants. Affordable renewable energy etc. need to be focussed on. Major Public Sector Units & Private players involved should be encouraged to do the necessary R&D.

THREATS

Inadequate Fuel Supply

Although the pace of creation of generation capacity has picked up considerably, the fuel supply capability has not kept pace and serious fuel supply problems have arisen in the last year of the XI plan. Since approximately 80% of the additional generating capacity will be coal-based, resolution of coal supply to the power plants coming on stream will be crucial. The requirement of coal, lignite & gas for power sector at the end of XII plan period i.e. financial year 2016-17 is as under:

Fuel	Requirement	Availability
Coal	730 MT	550 MT
Lignite	46 MT	46 MT
Gas/LNG	207 MMSCMD	102 MMSCMD

(Source: Draft 12th plan)

The widening gap between demand and supply has to be met by imports.

Recently, Cabinet Committee on Economic Affairs has approved a new mechanism to ensure coal availability to 78 GW of power projects likely to be commissioned by March 2015.

In addition to tapping fuel source or organizing its availability, it is also necessary to create the requisite infrastructure to facilitate fuel to reach the intended destination. The gestation period in the development of mines and even transport facilities is in some cases longer than the gestation period for setting up of thermal power stations which further compounds the problem of availability of fuel.

However, Government is taking initiatives for availability of inputs for the development of the power sector. Due to unfavorable demand-supply balance of hydrocarbons in India, Government is encouraging national oil companies to pursue equity oil and gas opportunities overseas. Director General of Hydrocarbons has also initiated steps to identify prospective areas for shale gas exploration as India has several shale formations which seem to hold gas.

Inspite of various measures taken by Government, non- availability of coal and gas in desired quantity would have an adverse impact on the overall performance of the power sector.

Financial health of state distribution utilities

The distribution segment plays a crucial role in the overall functioning of the power sector as it is the part of the system which generates the revenues needed to pay generation and transmission utilities. The viability of the power sector as a whole is therefore critically dependent on the health of the distribution sector. Poor financial health of utilities has resulted in underinvestment in the distribution network causing poor upkeep and maintenance. Consequently, the quality of supply is hampered, leading to customer dissatisfaction and poor recovery. This, in turn, leads to further deterioration of financial health of utilities. This vicious cycle needs to be broken.

Effective implementation of the financial restructuring plan during the XII plan would be a positive step towards the path of financial viability.

Other Key Concerns:

(a) Difficulty in obtaining environmental approvals and land clearances.

(b) The enhanced compensation for land acquisition in the new Land Acquisition Bill will make the setting up of projects costly.

(c) Availability of water for power plants and use of new technologies to reduce the requirement of water.

LONG TERM OUTLOOK

The long term outlook of the sector can be gauged from the following statistics relating to electricity as projected by the 18th Electric Power Survey (18th EPS):

Parameters	FY 2021-22	FY 2026-27	FY 2031-32
Electrical Energy Requirement (BU)	1904.86	2710.06	3710.08
Peak Electric Load (GW)	283.47	400.71	541.82
T&D Losses (%)	15.39	15.34	15.29
Load Factor	76.93	76.43	75.93

As reflected above, the demand is set to double from financial year 2021-22 to financial year 2031-32, indicating huge growth potential of the sector.

COMPANY OVERVIEW

NTPC LEADERSHIP POSITION IN INDIAN POWER SECTOR

Your company is the undisputed leader in Indian power sector, with approximately 18.44% of total installed capacity of the country as on 31.03.2013, your Company contributes to around 27.37% of the country's generation during the financial year 2012-13.

	All India	NTPC	% share
Capacity (MW)	223344	35820	16.04
Generation (BU)	912.06*	232.03	25.44
Capacity incl. JVs (MW)	223344	41184	18.44
Generation incl. JVs (BU)	912.06*	249.59**	27.37

* include imports from Bhutan, **include 2.60 BU captive

(Source: All India Data - CEA)

Your Company is ranked 1st in Asia among global electric utilities as per Forbes Global 2000 ranking published in the year 2013. It is also ranked as 384th largest company in the world in the Forbes Global, 2013 rankings. Your Company is also ranked no.1 Independent Power Producer and Energy Trader globally in the Platts Top 250 Global energy company rankings -2012.

Your Company aspires to be the world's largest and best power producer, with a mission to 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.

STRENGTHS

Operational Performance

The operating performance of the Company has been considerably above the national average. During the financial year 2012-13, your Company has generated ~27% of the country's total power generation with an installed capacity of ~18% of the 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:

✓ 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 and gap identification; Steam path audit for estimation of solid particle erosion (SPE) and efficiency of steam turbine components etc.
- ✓ Introduction and roll out of RCM (Reliability Centered Maintenance), including REAP (Risk Evaluation and Prioritization).
- ✓ Enhancing quality of Plant Overhauls to target zero forced outage by design.
- ✓ Implementation of Overhauling Performance Index (OPI) for systematic and advanced planning of overhauls.
- ✓ Setting up a Central Repair Facility at Rihand to undertake in-house repair of large equipment including turbines and HT motors, in order to improve availability and reliability as well as to reduce downtime of the units.
- ✓ 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 PI System & PI System based applications for real time efficiency & 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 co-ordinate and synchronise all the support functions of project management it relies on a three-tiered project management system known as the Integrated Project Management and 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. 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 realized that there is a need to have an ERP platform which shall integrate all functions responsible directly or indirectly with project implementation and shall act as a tool to identify critical issues and continuously address them during project implementation phase itself. Your Company is establishing 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 benefit 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 and bulk ordering of 660 MW and 800 MW to reduce engineering time and thereby reduce project execution time. Towards this endeavour, your Company has so far awarded nine 660 MW units at Solapur & Mouda in Maharashtra, Meja in Uttar Pradesh (JV with UPRVNL) and Nabinagar (JV with BSPGCL) in Bihar; seven 800 MW units at Kudgi in Karnataka, Lara in Chhattisgarh and Gadarwara in Madhya Pradesh.

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. Your Company has also got 'NIL Comments' from Comptroller and Auditor General (CAG) for 4 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. In recognition of NTPC's excellence in Corporate Governance, various national and international accolades have been conferred in recent years.

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. 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.

Long term power purchase agreements 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 ten 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

Most 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 2012-13 was ₹2.96/kWh. Low average tariff of your Company ensures least risk of power off-take.

RISKS & CONCERNS

To retain the status of sector leader, your Company has drawn a long term corporate plan to become a 128 GW company by 2032 which means tripling the capacity from the existing levels. 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. These risks also provide the challenges and opportunities to view the business with a different perspective. NTPC has adopted multi-pronged strategy which includes adoption of new technology such as super-critical units of 660 MW and above, enhanced delegation of power for quick decision making, state of the art project monitoring centre to have on-line monitoring of progress of projects.

In addition, diversifications into new areas like coal mining, hydro electric, nuclear power bring challenges which are new to company. With its proven execution and operational experience and highly skilled and motivated man power, the Company is geared to take such challenges in its stride.

Sectoral challenges such as fuel risk and poor financial health of discoms are key concerns which may impact the sustainable development of the sector. As far as, fuel risk is concerned, your Company has taken several steps which include development of coal mines in India.

Your Company has also commissioned two 5 MW solar power projects and has a target of 1000 MW RES capacity by financial year 2016-17, thus, reflecting its resolve to diversify the fuel risk.

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. As already brought above, your Company is the largest power utility in India followed by the Maharashtra State Power Generation Company Ltd. with an installed capacity of 10237 MW *(Source –website of Mahagenco)* and a market share of about ~4.5% as on 31.03.2013.

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 in the past 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 ~69 GW which is ~31% of the total installed capacity of the country as on March 31, 2013. However, private sector has contributed ~20% of total electricity generation in the financial year 2012-13.

RISK MANAGEMENT

Your Company has an elaborate Enterprise Risk Management (ERM) framework in place. As part of implementation of the ERM framework, an Enterprise Risk Management Committee (ERMC) comprising Executive Directors representing geographically dispersed regions and core functions of the Company is in place. ERMC has been entrusted with the responsibility to identify and review the risks and formulate action plans and strategies for risk mitigation on short-term as well as long-term basis. For the financial year 2012-13, ERMC has identified following as the High/ Medium risks for the Company:

High Risks:

- Risks relating to coal mining
- Difficulties in acquisition of land
- Compliance of emission, ash utilization and regulatory norms
- Sustaining efficient plant operations
- Threat to safety & security of people and property

Medium Risks:

- Delay in execution of projects
- Inadequate fuel supply
- Risk of not getting schedule
- Challenges in attracting and retaining skilled and experienced employees

These areas are being regularly monitored through reporting of key performance indicators of identified risks and exceptions with respect to risk assessment criteria are being reported to the top management. The ERMC meets every quarter to deliberate on strategies to mitigate the risks to ensure least impact on operational efficiency/profitability of your Company.

INTERNAL CONTROL

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 and supervision of operational efficiency of designed key controls 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 assertions.

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 2012-13 placed elsewhere in this report.

A Results from Operations

1 Total Revenue (Note 22 & 23)

		FY 2012-13	FY 2011-12	Change
	Units of electricity sold (MUs)	**215,922**	**206,682**	**4%**
	Revenue	Amount in ₹ Crore		
1	Energy Sales (Including electricity duty)	64,715.88	61,430.85	**5%**
2	Consultancy & other services	126.81	142.69	**-11%**
3	Energy internally consumed	76.73	80.75	**-5%**
4	Interest from customers	432.60	510.57	**-15%**
5	Revenue recognized from deferred foreign currency fluctuation liability	3.52	0.16	2100%
6	Provisions written back	844.70	315.86	**167%**
	Revenue from operations (gross)	**66,200.24**	**62,480.88**	**6%**
7	Less:- Electricity duty	526.31	428.65	**23%**
	Revenue from operations (net)	**65,673.93**	**62,052.23**	**6%**
8	Other income	3,101.58	2,789.65	**11%**
9	**Total revenue**	**68,775.51**	**64,841.88**	**6%**

The revenue of the Company comprises income from sale of electricity (net of electricity duty), consultancy and other services, interest earned on investments such as term deposits, 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 2012-13 is ₹ 68,775.51 crore as against ₹ 64,841.88 crore in the previous year registering an increase of 6%.

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:

Tariffs 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, which is a balanced regulation for both consumers and investors. As per the Regulations, 2009, the tariff for supply of electricity comprises 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 Charge

The capacity charge is 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 Charge

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 comprising, mainly, electricity utilities owned by State Governments. Sale of electricity is made pursuant to long-term Power Purchase Agreements (PPAs) entered into for 25 years in case of most of our coal-fired plants and for 15 years in case of most of gas-fired plants in line with the estimated average life of the plants. The actual lives of the stations are often longer and unless customer ceases to draw power contracts continue to be in force until they are formally extended, renewed or replaced. With the issuance of CERC Tariff Regulation 2009, the average life of the gas stations is also estimated as 25 years. Hence, the long-term power purchase agreements for new gas stations hence forth, will also be for the same period.

During the year, there is an increase in the commercial capacity by 3830 MW as detailed under:-

Unit	Capacity (MW)	Commercial Operation Date
Farakka-III Unit #1	500	04.04.2012
Sipat-I Unit #2	660	25.05.2012
Sipat-I Unit #3	660	01.08.2012
Simhadri-II Unit #2	500	30.09.2012
Rihand-III Unit #1	500	19.11.2012
Vindhyachal-IV Unit #1	500	01.03.2013
Mouda-I Unit #1	500	13.03.2013
Dadri Solar	5	30.03.2013
A&N Solar	5	31.03.2013
Total	**3830**	

The commercial capacity of 1160 MW comprising unit #1 of 500 MW of Simhadri Stage-II and unit #1 of 660 MW of Sipat Stage-I, which were declared under commercial operation during the financial year 2011-12, were available for the entire financial year 2012-13 as compared to part of financial year 2011-12.

In line with the Regulations, 2009, the CERC has issued provisional/final tariff orders w.e.f. 01.04.2009 for all the stations except for Talcher Thermal Power Station. Beneficiaries are billed in accordance with the said provisional/final tariff orders except for three stations where it is done on provisional basis (Note 22 (a)). The amount billed for the year ended March 31, 2013 on this basis is ₹ 61,794.68 crore.

Income from energy sales (including electricity duty) for the financial year 2012-13 was ₹ 64,715.88 crore which constituted 94% of the total revenue. The income from energy sales (including electricity duty) has increased by 5% over the previous year's income of ₹ 61,430.85 crore.

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 ₹ 54,588.81 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 ₹ 8,059.66 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 ₹ 1,241.90 crore pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (Note 22 (c)).

Sales also include ₹246.04 crore on account of income-tax recoverable from the beneficiaries as per Regulations, 2004 (Note 22 (e)).

As per Tariff Regulations 2009, the deferred tax liability for the period up to March 31, 2009 whenever it materializes shall be recoverable directly from the beneficiaries. Accordingly, sales also include ₹ 53.16 crore on account of deferred tax materialized which is recoverable from beneficiaries (Note 22 (e)).

Sales also include electricity duty on energy sales amounting to ₹ 526.31 crore. The same has been reduced from sales in the statement of profit and loss.

The average tariff for the financial year 2012-13 is ₹ 2.96/KWh. This average tariff is at the same level as it was for 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 ₹ 2.90/KWh in financial year 2012-13 as against ₹ 2.94/KWh in the previous year.

There has been 100% realization of the dues within the stipulated time frame for the tenth 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 ₹ 121.51 crore as against ₹ 141.82 crore achieved in the last financial year. In the financial year 2012-13, it has recorded a profit of ₹ 24.52 crore as against ₹ 30.73 crore in the last financial year. A total of 49 orders valued at ₹ 60.74 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 a decrease of 5% in the value of energy internally consumed during the year over the previous year due to decrease 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 ₹ 432.60 crore has been recognised as Interest from customers.

Provisions written back

During the financial year 2012-13, the Company had written back provisions made in earlier years amounting to ₹ 844.70 crore in comparison to ₹ 315.86 crore in the financial year 2011-12. Provision written back includes a write back of ₹ 835.97 crore on account of settlement of dues of erstwhile Delhi Electric Supply Undertaking (Note 32).

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 & joint venture companies and miscellaneous income.

'Other income' in financial year 2012-13 was ₹ 3,101.58 crore as compared to ₹ 2,789.65 crore in the financial year 2011-12. Broadly, the break-up of other income is as under:

₹ Crore

	FY 2012-13	FY 2011-12
Interest on OTSS bonds /Loan to State Govt.	555.44	702.10
Income from investment in bank term deposits, mutual funds	1,951.96	1,692.66
Dividend from JVs and Subsidiaries/Interest from subsidiaries	131.03	82.19
Income earned on other heads such as hire charges, profit on disposal of assets, etc.	538.19	417.06
Total	**3,176.62**	**2,894.01**
Less: Transfer to EDC/ development of coal mines	47.14	43.11
Less: Transfer to Deferred Foreign Currency Fluctuation Liability	27.90	61.25
Net other income	**3,101.58**	**2,789.65**

Interest income from OTSS bonds (including loan to State Government) for financial year 2012-13 is ₹ 555.44 crore as compared to ₹ 702.10 crore in financial year 2011-12. The reduction in interest income to the extent of ₹ 146.66 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 ₹ 95.73 crore. The Company has earned income of ₹ 1,951.96 crore during the financial year 2012-13 on account of term deposits made in bank and investments in mutual funds as against ₹ 1,692.66 crore earned last year. The income from investment in bank term deposits and mutual funds has registered a 15% increase over last financial year due to increase in interest earnings on account of higher interest rates / dividends during the current year as compared to the previous year. The interest and dividend income has also increased due to increase in average annual investment from ₹ 18,400 crore in financial year 2011-12 to ₹ 20,649 crore in financial year 2012-13.

We have earned ₹ 128.66 crore as dividend from our investments in joint venture and subsidiary companies. Further, ₹ 2.37 crore has been earned as interest from loan of ₹ 12.58 crore (as at March 31, 2013) extended to Kanti Bijlee Utpadan Nigam Limited, one of our subsidiary companies. Also, an amount of ₹ 538.19 crore has been earned from various other sources mainly consisting of miscellaneous income of ₹ 200.06 crore, sale of scrap ₹ 89.06 crore, surcharge received from customers ₹ 87.75 crore, Interest on income tax refunds ₹ 39.39 crore, interest from contractors ₹36.25 crore and interest on loans to employees ₹ 28.84 crore etc.

2 Expenses (Note 24, 25 & 26)

2.1 Expenses related to operations

	FY 2012-13		FY 2011-12	
Commercial generation (MUs)	**230,993**		**220,696**	
Expenses	₹ Crore	₹ per kWh	₹ Crore	₹ per kWh
Fuel	41,018.25	1.78	41,635.46	1.89
Employee benefits expense	3,360.12	0.14	3,101.71	0.14
Generation, administration and other expense	4,211.22	0.18	3,588.79	0.16
Total	**48,589.59**	**2.10**	**48,325.96**	**2.19**

The expenditure incurred on fuel, employee benefits expense and generation, administration and other expenses for the financial year 2012-13 was ₹ 48,589.59 crore as against the expenditure of ₹ 48,325.96 crore incurred during the previous year. In terms of expenses per unit of power produced, it was ₹ 2.10 per unit in financial year 2012-13 as against ₹ 2.19 per unit in financial year 2011-12. Component-wise, there has been a decrease in the fuel cost, however the employee benefits expense and generation, administration and other expenses have increased marginally. The increase in commercial generation due to commercial operation of new units has resulted in an additional operational expenditure of ₹ 3,034.17 crore.

A discussion on each of these components is given below:

Fuel

Expenditure on fuel constituted 84% of the total expenditure relating to operations. Expenditure on fuel was ₹ 41,018.25 crore in financial year 2012-13 in comparison to ₹ 41,635.46 crore in financial year 2011-12 representing a decrease of about 1%. From the current year fuel expenditure, an amount of ₹ 2,526.29 crore is attributable to commercial capacity added during the year. The break-up of fuel cost in percentage terms is as under:

	FY 2012-13	FY 2011-12
Fuel cost (₹ Crore)	**41,018.25**	**41,635.46**
	% break-up	
Coal	80%	82%
Gas	15%	15%
Oil	1%	1%
Naphtha	4%	2%

The major part of the fuel cost is on coal. During the financial year 2012-13, the average price of coal was lower as compared to the average price in previous financial year, mainly on account of better domestic coal supply and lesser reliance on costlier imported coal. Thus, inspite of higher generation by coal based stations during the financial year 2012-13, the total coal cost was lower than previous financial year. However, the gains on coal cost were offset by higher average price of gas and naphtha during the financial year 2012-13 as compared to the average price in previous year.

Further, an amount of ₹ 2,531.10 crore is recognized as Contingent liability on account of difference between the amount billed by the coal companies and the payment released by NTPC pending resolution of the issues with coal companies (refer Notes 33 and 50(a)(iii)). The Company expects possible reimbursement of ₹ 2,531.10 crore against the Contingent liability in terms of CERC Regulations, 2009.

The prices of other component of fuel cost i.e. gas, oil and naphtha have shown an increase during the financial year 2012-13 as compared to the prices of previous year. Over all, fuel cost per unit generated decreased to ₹ 1.78 in financial year 2012-13 from ₹ 1.89 in financial year 2011-12.

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, we have CSAs in place for all our units commissioned before 31.03.2009. The CSAs are valid for 20 years and has a provision for review after every 5 years. The annual quantity contracted 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, till 17th July 2013, CSAs have been signed with CIL subsidiaries for 4760 MW capacity. Further, in-principle agreement has been reached with CIL for signing of CSAs for balance capacity of 4860 MW. Detailed CSAs will be signed shortly.

In order to ensure uninterrupted supply of coal to its power stations, your Company during the financial year 2012-13 continued to source coal through bilateral arrangements as well as e-auction. A bilateral agreement has been reached with SCCL for supply of 4.0 MMT of coal. These supplies are at a premium of ₹ 1,034/MMT over SCCL's revised notified price. Further, a bilateral agreement has been reached with North Eastern Coalfields Limited for supply of 0.300 MMT of 'A' grade coal, beyond the annual linkage quantity, to Farakka at notified prices. Your Company participated in 16 e-auctions announced by various coal subsidiaries of CIL. Against these e-auctions 0.514 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 2012-13, award has been made for 12 MMT of imported coal.

During the financial year 2012-13, coal based stations consumed 155.07 MMT of coal as against 141.13 MMT consumed in the financial year 2011-12. This includes 9.23 MMT of imported coal as compared to 11.89 MMT imported in financial year 2011-12.

The 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 Meters 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 as per GoI order dated 31.05.2010. The total quantity of APM & PMT gas supplied during 2012-13 was around 2840 MMSCM.

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 485 MMSCM of RLNG was supplied by GAIL during the year 2012-13 under this agreement.

Your Company has tied up GoI allocated 0.82 MMSCMD non-APM gas of ONGC (through GAIL) for WR stations (Kawas & Gandhar). The contract is valid till 17.11.2016. Around 124 MMSCM of non-APM gas was supplied by GAIL during the year 2012-13.

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 is valid till March 2014. MoP&NG has directed RIL and its JV partners for signing the GSPA for balance quantity of 2.16 MMSCMD. RIL furnished a draft agreement which is in total variance from the earlier GSPA. Pending resolution of some of the terms & conditions, the GSPA for balance quantity of 2.16 MMSCMD has not yet been signed. The pricing of this gas is as decided by the Empowered Group of

Ministers, which at present is US$ 4.20 /MMBTU. As against the annual contracted quantity of 839.50 MMSCM (considering DCQ of 2.30 MMSCM for 365 days) the total quantity of KG D6 gas supplied during the year 2012-13 was 237 MMSCM.

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 2012-13, twelve rounds of tendering on "Spot basis" and six rounds of tendering on "Single Offer basis" have been conducted. The approximate delivered price for these supplies ranged between US$ 12.71/MMBtu to US$ 25.70 /MMBtu 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 1,712.4 MMSCM of Spot RLNG during the year 2012-13 against which approximately 208 MMSCM was off-taken.

During the financial year 2012-13, 10.67 MMSCMD of gas was received, which includes 8.12 MMSCMD of APM/PMT/Non APM gas, 1.33 MMSCMD of Long Term RLNG, 0.65 MMSCMD of KG D6 gas and 0.57 MMSCMD of spot gas and fall back gas. Gas received during 2011-12 was 13.09 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 2012-13, 0.267 million MTs of naphtha was consumed as against 0.123 million MTs in the previous year.

Employees benefits expense (Note 24)

Employees benefits expense have increased by 8% from ₹ 3,101.71 crore in financial year 2011-12 to ₹ 3,360.12 crore in financial year 2012-13 of which ₹ 162.41 crore is attributable to commercial capacity added during the year. Employees' remuneration and benefits expenses include salaries and wages, bonuses, allowances, benefits, contribution to provident and other funds and welfare expenses. These expenses account for approximately 7% of operational expenditure in financial year 2012-13.

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 9% of operational expenditure in financial year 2012-13. In absolute terms, these expenses increased to ₹ 4,211.22 crore in financial year 2012-13 from ₹ 3,588.79 crore in financial year 2011-12 registering an increase of 17%. In terms of expenses per unit of generation, it is ₹ 0.18 in financial year 2012-13 as compared to ₹ 0.16 in previous financial year. An increase of ₹ 345.47 crore is attributable to addition of commercial capacity during the financial year 2012-13.

Repair & maintenance expenses constitute 48% of total generation, administration and other expenses and have increased to ₹ 2,028.99 crore from ₹ 1,746.78 crore resulting in an increase of 16%.

During the financial year 2012-13, your Company has made provisions amounting to ₹ 206.25 crore. This includes a provision of ₹ 103.24 crore towards tariff adjustments, ₹ 49.89 crore towards unserviceable capital work-in-progress and ₹ 1.04 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. Further, there are provisions for 'Others' amounting to ₹ 40.51 crore, this mainly includes a provision towards usage of transmission line at a project and expenses towards an arbitration award.

2.2 Finance Costs (Note 25)

The finance costs for the financial year 2012-13 were ₹ 1,924.36 crore in comparison to ₹ 1,711.64 crore in financial year 2011-12. The details of interest and other borrowing costs are tabulated below:

₹ Crore

	FY 2012-13	FY 2011-12
Interest on:		
Borrowings	4,235.28	3,558.47
Others	73.14	60.99
Total interest	**4,308.42**	**3,619.46**
Other borrowing costs	114.57	84.18
Exchange differences regarded as adjustment to interest costs	-350.21	350.21
Total	**4,072.78**	**4,053.85**
Less: Transfers to		
Expenditure during construction period	2,101.90	2,308.47
Development of coal mines	46.52	33.74
Net interest and Other borrowing costs	**1,924.36**	**1,711.64**

Interest on borrowings (including interest during construction) has increased by 19% over last financial year due to increase in long term borrowings (net of repayment) during the year by ₹ 7,262.44 crore. The average cost of borrowing has increased marginally to 7.8008% in financial year 2012-13 from 7.7649% in previous financial year mainly due to the repayment of loans carrying lower rate of interest and raising of new loans at comparatively higher rate of interest.

The 'Other borrowing costs' have increased by 36% from ₹ 84.18 crore in financial year 2011-12 to ₹ 114.57 crore in financial year 2012-13. The increase is mainly due to fees and export credit guarantee premium on new foreign currency borrowings.

During the financial year 2012-13, unfavourable exchange rate variation treated as adjustment to interest cost amounted to ₹ 350.21 crore w.r.t. financial year 2011-12 has been reversed consequent to clarification by Ministry of Corporate Affairs, Government of India vide circular no. 25/2012 dated August 9, 2012 which clarified that para 6 of Accounting Standard (AS) 11 and para 4 (e) of AS 16 shall not apply to a Company which is applying para 46-A of AS 11 (Note 35).

For the financial year 2012-13, an amount of ₹ 2,101.90 crore relating to finance costs of projects under construction was capitalized while the corresponding amount for the previous year was ₹ 2,308.47 crore. Thus, finance costs capitalized registered a decrease of 9%. In addition, ₹ 46.52 crore has been capitalized in respect of development of coal mines as against ₹ 33.74 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 ₹ 3,396.76 crore as compared to ₹ 2,791.70 crore in financial year 2011-12, registering an increase of 22%. This is due to increase in the gross block by ₹ 21,417.44 crore i.e. from ₹ 81,828.26 crore in the previous financial year to ₹ 1,03,245.70 crore in the current financial year. The increase in gross block is largely on account of increase in commercial capacity by 3830 MW resulting from additional capitalization on account of commercial declaration of new units as detailed above under 'Energy Sales'. Further, depreciation for unit #1 of 500 MW of Simhadri Stage-II and unit #1 of 660 MW of Sipat Stage-I has been charged for the entire financial year 2012-13 as against a pro-rata charge during the financial year 2011-12. The impact on depreciation from additional capitalization during the financial year 2012-13 is ₹ 621.33 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 2012-13 a net amount of ₹ 29.72 crore was booked as prior period income whereas in the financial year 2011-12 a net amount of ₹ 313.58 crore was accounted as prior period income.

3 Profit Before Tax & Exceptional items

The profit of the Company before tax is tabulated below:

₹ Crore

	FY 2012-13	FY 2011-12
Total revenue	68,775.51	64,841.88
Less:		
Expenditure related to operations	48,589.59	48,325.96
Finance cost	1,924.36	1,711.64
Depreciation and amortization expenses	3,396.76	2,791.70
Prior period items (net)	-29.72	-313.58
Profit Before Tax	14,894.52	12,326.16

4 Exceptional Items (Income)

During the financial year 2012-13 an amount of ₹ 1,684.11 crore has been recognized as exceptional item (income) in view of Government of India, Ministry of Power directions to the Government of National Capital Territory of Delhi to release payment towards settlement of dues of erstwhile Delhi Electric Supply Undertaking to the Company along with the interest. (Note 32)

5 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 32.445% for the financial year 2012-13.

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 total provision of ₹ 3,680.84 crore has been made towards current tax for the year as against the provision of ₹ 3,068.48 crore made in financial year 2011-12, an increase of ₹ 612.36 crore. The increase is mainly on account of increase in tax for the current year due to increase in profit.

Provision for Deferred tax

The deferred tax liability arisen during the year on account of timing difference is ₹ 278.40 crore as against the provision of ₹ 33.95 crore made in financial year 2011-12, an increase of ₹ 244.45 crore. The increase is on account of a lesser amount of deferred tax liability in the financial year 2011-12 due to the change in the method of charging depreciation for tax purposes.

	FY 2011-12 (₹ Crore)		
	Current tax	Deferred tax	Total
Provision for FY 2011-12	2,913.64	327.85	3,241.49
Adjust. for earlier years	154.84	(293.90)	(139.06)
Net prov. as per statement of P&L	3,068.48	33.95	3,102.43

	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

Net provision of tax for the financial year 2012-13 was ₹ 3,959.24 crore in comparison to ₹ 3,102.43 crore in the financial year 2011-12, an increase of ₹ 856.81 crore.

6 Profit After Tax

The profit of the Company after tax is tabulated below:

₹ Crore

	FY 2012-13	FY 2011-12
Profit Before Tax & Exceptional items	**14,894.52**	**12,326.16**
Exceptional Items (Income)	1,684.11	-
Less:- Tax as per statement of P&L	3,959.24	3,102.43
Profit After Tax	12,619.39	9,223.73

The profit after tax has grown by 37%.

7 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 tax and interest in the generation business for the financial year 2012-13 was ₹ 16,645.05 crore as against ₹ 12,300.36 crore for financial year 2011-12. The profit before tax and interest from 'Other Business' represented by income from consultancy, coal mining and oil exploration was ₹ 16.14 crore for financial year 2012-13 as against ₹ (-) 19.46 crore for the previous financial year.

B. Financial Position

Assets and liabilities in the Balance Sheet have been classified under head 'Current' and 'Non-Current' categories in line with revised Schedule VI to the Companies Act, 1956.

The items of the Balance Sheet are discussed as under:

1 Net Worth

The net worth of the Company at the end of financial year 2012-13 increased to ₹ 80,387.51 crore from ₹ 73,291.17 crore in the previous year registering an increase of 10% due to retained earnings. Correspondingly, the book value per share also increased from ₹ 88.89 to ₹ 97.49.

2 Deferred Revenue

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

₹ Crore

Deferred revenue on account of	As at March 31	
	2013	2012
Advance Against Depreciation (AAD)	708.60	718.47
Income from foreign currency fluctuation	535.45	711.59
Total	**1,244.05**	**1,430.06**

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. CERC Tariff Regulations, 2009, has discontinued with the proviso 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 ₹ 9.87 crore has been recognized as sales during the year ended March 31, 2013.

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, 2013 were ₹ 58,146.30 crore in comparison to ₹ 50,279.37 crore as at March 31, 2012. 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	
	2013	2012
Long term borrowings in non-current liabilities (Note 5)	53,253.66	45,908.27
Current maturities of long term borrowings included in other current liabilities (Note 10)	4,892.64	4,371.10
Total borrowings	**58,146.30**	**50,279.37**

A summary of the borrowings outstanding is given below:

₹ Crore

	Non-current liabilities		Other current liabilities		Total borrowings		% Change
	2013	2012	2013	2012	2013	2012	
Secured							
Bonds	9404.00	9057.00	693.00	693.00	10097.00	9750.00	4%
Foreign currency term loans	-	99.09	96.44	186.38	96.44	285.47	-66%
Other	0.05	0.21	0.22	0.43	0.27	0.64	-58%
Sub-total	**9404.05**	**9156.30**	**789.66**	**879.81**	**10193.71**	**10036.11**	**2%**
Unsecured							
Bonds (including application money)	500.00	-	-	-	500.00	-	-

	Non-current liabilities		Other current liabilities		Total borrowings		% Change
	2013	2012	2013	2012	2013	2012	
Fixed deposits	0.52	0.47	0.11	11.79	0.63	12.26	-95%
Foreign currency notes	7138.30	4130.40	-	-	7138.30	4130.40	73%
Foreign currency loans	9235.34	8799.15	981.51	1049.32	10216.85	9848.47	4%
Rupee term loans	26975.45	23821.95	3121.36	2430.18	30096.81	26252.13	15%
Sub-total	**43849.61**	**36751.97**	**4102.98**	**3491.29**	**47952.59**	**40243.26**	**19%**
Total	**53253.66**	**45908.27**	**4892.64**	**4371.10**	**58146.30**	**50279.37**	**16%**

As on 31.03.2013, the foreign currency loan basket comprises of loans denominated in US Dollar, Japanese Yen and Euro which contributed about 79%, 16% and 5% respectively in the total foreign currency loans.

Over the last financial year, total borrowings have increased by 16%. Debt amounting to ₹ 11,696.96 crore was raised during the year 2012-13. The amount raised through term loans, bonds and foreign currency borrowings was used for capital expenditure and refinancing, while amount raised through public deposits have been used for working capital purposes. The domestic debt funds raised during the year included term loans amounting to ₹6,275.00 crore and bonds aggregating to ₹ 1,540.00 crore. Foreign Currency debt raised during 2012-13 was ₹ 3,881.81 crore. Details in respect of proceeds and repayment of borrowings are as under:

₹ Crore

Source	Debt raised & utilised	Repayment	Net
Term loan	6,275.00	2,430.32	3,844.68
Bonds	1,540.00	693.00	847.00
Foreign currency debts	3,881.81	1,299.05	2,582.76
Others (Public deposits/ finance lease)	0.15	12.15	-12.00
Total	**11,696.96**	**4,434.52**	**7,262.44**
FERV on FC borrowings			604.49
Total			**7,866.93**

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 ₹6,970.00 crore were entered into including the Loan Agreement(s) of ₹ 2,000.00 crore with Union Bank of India and ₹600.00 crore with J&K Bank Ltd., being the 100th term loan. The cumulative amount of domestic loans tied up till 31st March 2013 is ₹ 59,699.35 crore (excluding undrawn loans short-closed as per the agreements). During 2012-13, an amount of ₹ 6,275.00 crore was drawn from domestic banks and the cumulative drawl up to 31st March 2013 was ₹ 43,754.35 crore.

During the year 2012-13, the Company issued bonds amounting to ₹ 150.00 crore to Army Group Insurance Fund (AGIF). The aggregate amount of bonds placed with AGIF as at March 31, 2013, was ₹1,005.00 crore. Further, bonds amounting to ₹ 1,390.00 crore were issued to eligible institutions through bidding route. Bonds issued during the year have a maturity period ranging from 10 to 20 years and weighted average coupon rate of 9.00%.

During the financial year 2012-13, the Company raised USD 750 million through external commercial borrowings. After enhancing its MTN programme to USD two billion, the Company issued in October 2012, USD 500 million (equivalent to ₹ 2,595.50 crore) Senior Unsecured Fixed Rate Notes at a coupon of 4.75% p.a. with bullet repayment after 10 years. The proceeds were utilized during the year. A term loan facility of USD 250 million was tied up in January 2013 with State Bank of India, New York and Mizuho Corporate Bank. This loan bears floating rate of interest linked to LIBOR and has a door to door maturity of 7 years. USD 50 million (₹ 271.15 crore) has been drawn under the loan upto March 31, 2013 and the balance shall be drawn in financial year 2013-14.

During the year Exchange Risk Management Policy (ERMP) for managing exchange rate risk and/or interest rate risk associated with foreign exchange borrowings through various derivative instruments has come into effect. The necessary framework for implementation of the policy is under development.

Your Company has redeemed bonds amounting to ₹ 693.00 crore during the year. Repayments amounting to ₹ 2,430.32 crore were made under various term loans extended by Indian Banks and Indian Financial Institutions. Repayment of ₹ 1,299.05 crore was made during the year towards foreign currency loans. Public Deposits for ₹ 11.79 crore and finance lease (net) of ₹ 0.36 crore were also discharged during the year.

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' 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- with stable outlook' while S&P has assigned 'BBB- with negative outlook'.

The debt to equity ratio at the end of financial year 2012-13 of the Company increased to 0.72 from 0.69 at the end of the previous financial year. The Debt Service Coverage Ratio (DSCR) and Interest Service Coverage Ratio (ISCR) for financial year 2012-13 are 3.17 and 10.39 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	3,814.69	1,077.95	4,892.64
2 – 3 years	8,264.54	3,154.19	11,418.73
4 – 5 years	8,215.35	3,304.59	11,519.94
6 – 10 years	15,888.92	8,289.38	24,178.30
Beyond 10 years	4,511.21*	1,625.48	6,136.69
Total	**40,694.71**	**17,451.59**	**58,146.30**

*including bond application money of ₹ 200.00 crore

b. Deferred Tax Liabilities (net):

Deferred tax liabilities (net) (Note 6) have increased from ₹ 636.90 crore as at 31.03.2012 to ₹ 915.30 crore as at 31.03.2013. 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 ₹ 1,589.28 crore as at 31.03.2012 to ₹ 1,823.64 crore as at 31.03.2013 mainly due to new projects going under construction. Liabilities for capital expenditure which have become 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 ₹ 135.60 crore has been accounted towards the same upto March 31, 2013 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 valuations which are expected to be settled beyond a period of 12 months from the Balance Sheet date. Long term provision as at 31.03.2013 was ₹ 739.92 crore as compared to ₹ 603.70 crore as at 31.03.2012.

e. Current Liabilities:

The current liabilities as at March 31, 2013 were ₹ 22,610.03 crore as against ₹ 17,231.58 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
	2013	2012		
Trade payables (Note-9)	5,158.77	4,460.65	698.12	16%
Other current liabilities (Note-10)	10,446.72	9,537.24	909.48	10%
Short term provision (Note-11)	7,004.54	3,233.69	3,770.85	117%
Total	**22,610.03**	**17,231.58**	**5,378.45**	**31%**

The trade payables mainly comprise amount payable towards supply of goods & services, deposits & retention money from contractors. 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	
	2013	2012
Other current liabilities	10,446.72	9,537.24
Less: Current maturities of long term borrowings, Finance lease obligations	4,892.64	4,371.10
Other current liabilities (net)	5,554.08	5,166.14

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.

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 March 31, 2013, your Company had outstanding short term provisions of ₹ 7,004.54 crore as against ₹ 3,233.69 crore as at March 31, 2012. The increase is due to reasons discussed as under:

Provision for obligations incidental to land acquisition on 31.03.2013 has increased by ₹ 1,713.86 crore over the previous year.

The increase in short-term provisions is also due to higher provisions for proposed final dividend including special dividend and tax on proposed dividend in 2012-13. The provision on above account for the financial year 2012-13 is ₹ 1,929.35 crore as against ₹ 475.10 crore in the previous financial year. The proposed final dividend including special dividend for the financial year 2012-13 is 20% of paid up equity capital as compared to 5% of paid up equity capital in the previous 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.

During the year, a provision for tariff adjustment for ₹ (-) 45.95 crore has been created by corresponding adjustment to sales on account of the impact of challenged issues of the APTEL judgement.

Provision for tariff adjustment also includes interest provision corresponding to the impact of challenged issues. Further, as the tariff for revenue recognition for the tariff period 2009-14 is based on duly trued-up capital expenditure, provision for interest payable on the differential amount considered for revenue recognition and billing has also been made upto 31.03.2013.

Other provisions include ₹ 46.27 crore (previous year ₹ 41.19 crore) 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 45 b) ii)] and ₹ 200.84 crore (previous year ₹18.07 crore) towards provision for litigation cases.

During the year, provision for employee benefits has also increased. In terms of guidelines of Department of Public Enterprises (DPE), and subsequent clarification issued by the DPE, the Company is allowed to contribute upto 30% of employees' salary (basic pay plus DA) towards superannuation benefits including pension w.e.f. 1st January 2007. Consequent upon receipt of approval from the Ministry of Power (MoP), GOI for introduction of a defined contribution pension scheme in the Company w.e.f. 1st January 2007, a separate pension trust has been formed for administration of the pension scheme. The pension scheme is yet to be made operational as clarification on certain issues referred to MoP and DPE are awaited. Pending this, an amount of ₹ 156.90 crore (previous year ₹ 174.55 crore) for the year and ₹ 458.40 crore up to 31st March 2013 (upto the previous year ₹ 301.50 crore) has been provided and included in provision for employee benefits.

4 Fixed Assets

Fixed assets of the Company are detailed as under:

₹ Crore

	As at March 31		% Change
	2013	**2012**	
Tangible assets	102,876.14	81,509.59	26%
Intangible assets	369.56	318.67	16%
Total gross block	103,245.70	81,828.26	26%
Total net block	**62,936.10**	**45,256.36**	**39%**
Capital work- in -progress and Intangible assets under development	37,109.42	41,827.86	-11%

During the year gross block of the Company increased by 26% over the previous year by ₹ 21,417.44 crore. This was mainly on account of declaration of commercial operation of 3830 MW during 2012-13.

Correspondingly, net block has increased by 39%. Due to increase in capitalisation of CWIP, there was a decrease of ₹ 4,718.44 crore in the capital work-in-progress (excluding capital advances which is shown as Long-term loans & advances in Note 15 of Balance Sheet) registering a decrease of 11% 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
	2013	**2012**	
Non-current investments (Note 14)	9,137.64	9,583.92	-5%
Current investments (Note 16)	1,622.46	1,622.46	-
Total	**10,760.10**	**11,206.38**	**-4%**

Investments as at year end mainly consist of bonds issued under One Time Settlement Scheme (OTSS) and equity participation in subsidiary and joint venture companies. Over the year, the investments decreased by about 4% mainly due to redemption of OTSS bonds. The outstanding OTSS bonds reduced by 25% while investment in subsidiary and joint venture companies increased by 31% and 3% respectively. Broadly the break-up of investments is as follows:

₹ Crore

	As at March 31	
	2013	**2012**
Bonds issued under One Time Settlement Scheme (OTSS Bonds)	4,910.88	6,533.34
Investments in Joint Ventures	4,823.46	3,672.93
Investment in Subsidiaries	1,025.76	1,000.11
Total investments	**10,760.10**	**11,206.38**

OTSS Bonds account for 46% of total investments at the end of financial year 2012-13. 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 2012-13. During the year, OTSS Bonds of ₹ 1,622.46 crore were redeemed as per scheduled redemption.

Your Company invested ₹ 1,150.53 crore in following joint venture companies during the year:

₹ Crore

Name of JV Companies	Amount
NTPC-SAIL Power Company Private Ltd.	15.00
NTPC-Tamil Nadu Energy Company Ltd.	244.61
Ratnagiri Gas & Power Private Ltd.	197.40
Aravali Power Company Private Ltd.	119.00
Meja Urja Nigam Private Limited	300.00
Nabinagar Power Generating Company Private Ltd.	267.12
National High Power Test Laboratory Private Ltd.	8.44
Less: provision for permanent diminution in value of investment in National Power Exchange Ltd.	(1.04)
Total	**1,150.53**

The Company also invested ₹ 25.65 crore in subsidiary- Kanti Bijlee Utpadan Nigam Ltd. during 2012-13.

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 March 31, 2013 were ₹ 9,633.45 crore as against ₹ 5,394.35 crore as at March 31, 2012. Long term loans and advances consist of advances for capital expenditure and other advances to contractors, security deposits and loans to employees. These also include a loan of ₹ 239.31 crore (previous year ₹ 335.04 crore) to the Govt. of Delhi subsequent to conversion of the dues of Delhi Vidyut Board 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.

Long-term loans and advances have increased primarily due to increase in capital advances to contractors on account of construction of new projects.

7 Other Non-Current Assets

As per the opinion of the Expert Advisory Committee 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 ₹ 1,132.77 crore has been accounted under this head upto March 31, 2013 (Previous year ₹ 1,371.88 crore) (Note 15A). Deferred foreign currency fluctuation asset has decreased due to overall appreciation in value of Indian Rupee vis-à-vis other currencies in loan basket with respect to operating stations.

8 Current Assets

The current assets as at March 31, 2013 and March 31, 2012 and the changes therein are as follows:

₹ Crore

Current Assets	As at March 31		Y o Y Change	% Change
	2013	2012		
Current investments (Note 16)	1,622.46	1,622.46	-	-
Inventories (Note 17)	4,057.19	3,702.85	354.34	10%
Trade receivables (Note 18)	5,365.49	5,832.51	-467.02	-8%
Cash & bank balances (Note 19)	16,867.70	16,141.83	725.87	4%
Short term loans & advances (Note 20)	1,745.53	1,543.32	202.21	13%
Other current assets (Note 21)	11,508.71	8,553.40	2,955.31	35%
Total current assets	**41,167.08**	**37,396.37**	**3,770.71**	**10%**

A major portion of current assets comprised cash and bank balances. As at March 31, 2013, cash and bank balances stood at ₹16,867.70 crore being 41% of the total current assets in comparison to ₹ 16,141.83 crore as at March 31, 2012 which was 43% of the total current assets as at that date. Of this, ₹ 16,469.97 crore was held as term deposits with banks as at March 31, 2013 as against ₹ 15,657.98 crore as at March 31, 2012.

Inventories

Inventories as at March 31, 2013 were ₹ 4,057.19 crore (being ~10% of current assets) as against ₹ 3,702.85 crore as at March 31, 2012. Inventories mainly comprise stores and spares and coal which are maintained for operating plants. Stores and spares were ₹ 2,210.19 crore as against ₹ 1,899.57 crore in previous year end. Coal inventory amounted to ₹ 885.62 crore as at 31.03.2013 as against ₹ 1,096.14 crore in previous year.

Trade Receivables

Trade receivables (net) as at 31.03.2013 are ₹ 5,365.49 crore as against ₹ 5,832.51 crore as at 31.03.2012. The trade receivables collection period is 30 days as against 35 days as at 31.03.2012. Trade receivables before provision for bad and doubtful debts stand at ₹ 5,365.52 crore as at 31.03.2013 and ₹ 6,673.21 crore as at 31.03.2012. The trade receivable collection period is 30 days as at 31.03.2013 as against 40 days as at 31.03.2012 before considering the provision for bad and doubtful debts.

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 31.03.2013 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 ₹ 1,543.32 crore in 2011-12 to ₹ 1,745.53 crore in 2012-13 mainly on account of increase in security deposits and loans and advances extended to joint venture companies.

Other Current Assets

Other current assets excluding unbilled revenue are as under:

₹ Crore

	As at March 31	
	2013	2012
Other current assets as per Note 21	11,508.71	8,553.40
Less: Unbilled revenue	5,624.27	5,616.10
Net Other current assets	5,884.44	2,937.30

Other current assets include interest accrued on OTSS Bonds, term deposits with banks, other deposits and claims recoverable. Claims recoverable includes ₹ 2,520.08 crore (previous year ₹ Nil) recoverable from Government of National Capital Territory of Delhi towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU).

Claims recoverable also include ₹ 894.72 crore (previous year ₹ 766.12 crore) recoverable towards the cost incurred upto 31st March 2013 in respect of Loharinag Pala Hydro Power Project which has been discontinued on advice of Ministry of Power, Government of India. The empowered committee in its meeting held in June 2012 approved an interim payment of ₹ 536.30 crore for reimbursement to NTPC against the amount of work done and paid including IDC upto December 2011. This amount is expected to be received during the current financial year 2013-14 and balance amount recoverable is under various stages of review by the empowered committee.

Claims recoverable also include claims against railways ₹1,147.69 crore (previous year ₹ 852.28 crore).

Unbilled revenue of ₹ 5,624.27 crore (previous year ₹ 5,616.10 crore) is net of credits to be passed to beneficiaries at the time of billing and includes ₹ 6,005.41 crore (previous year ₹ 5,411.93 crore) being billed to the beneficiaries after 31st March for energy sales.

9 Cash flows

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

₹ Crore

	FY 2012-13	FY 2011-12
Opening cash & cash equivalents	16,141.83	16,181.60
Net cash from operating activities	15,495.17	10,709.85
Net cash used in investing activities	-14,016.89	-7,880.54
Net cash flow from financing activities	-752.41	-2,869.08
Change in cash and cash equivalents	725.87	-39.77
Closing cash & cash equivalents	16,867.70	16,141.83

Net cash used in investing activities increased by 78% and was ₹ 14,016.89 crore in financial year 2012-13 as compared to ₹ 7,880.54 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 by 51% i.e. from ₹ 10,794.44 crore in financial year 2011-12 to ₹ 16,296.65 crore in financial year 2012-13. 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, out of cash generated from operating activities the Company used net ₹ 752.41 crore of cash for servicing financing activities as against ₹ 2,869.08 crore in the previous year. During the financial year 2012-13 the Company had an inflow of ₹ 11,696.96 crore from long term borrowings as against ₹ 8,736.39 crore in the previous year. Cash used for repayment of long term borrowings during the financial year 2012-13 was ₹ 4,434.52 crore as against ₹ 3,522.93 crore repaid in the previous year. Cash used for paying dividend and the tax thereon was ₹ 4,068.78 crore.

BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARY COMPANIES

Your Company has five subsidiary companies as at 31.03.2013 out of which three are wholly owned.

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

(a) NTPC Electric Supply Company Limited (NESCL)

The Company was formed on August 21, 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. 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 2012-13, 1407 Un-electrified/De-electrified (UE/DE) villages have been energized and work of 2,820 partially electrified (PE) villages have been completed. Further, during the year, electricity connections have been provided to 25,204 Below Poverty Line (BPL) rural households. Cumulatively, till 31.03.2013, 14,242 UE/DE villages have been energised, work of 17,679 PE villages completed and connections provided to 26 lakh BPL households. Out of 30 projects, physical work of 15 projects has been completed.

The company is also involved in providing supply of electricity in 5 Km area around NTPC power plants in eight projects which is expected to be completed by second quarter of financial year 2013-14.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	0.08	0.08
Total Revenue	28.92	55.67
Profit /(Loss) After Tax	(24.59)	7.66
Earnings/(Loss) per share (basic) (in ₹)	(3,038.77)	946.59

Joint venture of NESCL

The Company has made a foray into the distribution sector by formation of a JV Company KINESCO Power & Utility Pvt. Ltd. with Kerala Industrial Infrastructure Development Corporation (KINFRA) to take up retail distribution of power in various Industrial Parks developed by KINFRA in Kerala and other SEZs and industrial areas. The new JV Company has taken over the operations from 1st February 2010. Total sale of energy during the financial year 2012-13 is 59.46 MU.

As at 31.03.2013, 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 November 1, 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 2012-13, the Company transacted business with various state electricity boards spread all over the country and traded 8,382 MUs of electricity in comparison to 8,529 MUs traded in the previous year resulting in decrease of 2% over the previous year which is mainly due to congestion in the transmission system resulting in considerable curtailment of open access by the Central Transmission Utility (CTU).

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. So far, 468 MW of solar PV capacity has been commissioned. Further, around 500 MW solar PV projects are scheduled for commissioning during 2013-14.

During the year 2012-13, the company transacted solar energy with various DISCOMs spread all over the country and traded 1,590 MUs of solar bundled power in comparison to 329 MUs traded in previous year.

NVVN has also been designated as the Nodal Agency for cross border power trading with Bangladesh and Bhutan. NVVN has signed a PPA with Bangladesh Power Development Board on 28th February 2012 for supply of 250 MW power from NTPC stations for 25 years. The power supply is likely to commence from end of July 2013.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	20.00	20.00
Total revenue	3,075.32	2,379.18
Profit /(Loss) After Tax	(34.84)	111.93
Earnings /(Loss) Per Share before exceptional items (Basic) (in ₹)	21.30	20.54
Earnings /(Loss) Per Share after exceptional items (Basic) (in ₹)	(17.42)	55.97

(c) NTPC Hydro Limited (NHL)

NTPC Hydro Ltd. was set up as a wholly owned subsidiary company of NTPC Ltd. on 12th December 2002. Your Board approved a scheme of amalgamation of NHL with NTPC considering the benefits of synergy of operation, reduction in overhead expenditure, enhancement of efficiency & administrative control and to optimize utilization of resources. Ministry of Power, Government of India through Letter No. 5/5/2012-Th.II dated 10.04.2012, has decided to allow for amalgamation of NHL with NTPC subject to approval of competent authority in terms of Section 391-394 of Companies Act, 1956 after following due process. The competent authority i.e. Ministry of Corporate Affairs (MCA) has vide order dated 20.12.2012 directed for convening the meeting of shareholders of both NHL and NTPC. Accordingly, the meeting of shareholder of both these companies was conducted on 24.05.2013 and scheme was approved by requisite majority. Final approval of MCA is awaited.

Presently, the Company is implementing the following projects:

- **Lata Tapovan Hydro Electric Project (171 MW)** is proposed as a run of river hydro project in the state of Uttrakhand. All the statutory clearances have been obtained and entire land required for the project has been physically acquired. The project shall be developed as a regional power station with 12% free power to Govt. of Uttarakhand. The power generated from the project would be provided to the beneficiaries of Northern Region States. The project is scheduled for commissioning during 13th plan period. The project cost has been approved at ₹ 1,527.08 crore on 17.07.2012. Annual generation from the project is estimated as 869 MUs.
- **Rammam-III (120 MW)** in the state of West Bengal. All the statutory clearances have been obtained and majority of land acquisition activities have been completed. Various infrastructure developmental works are under progress. Annual generation from this project is estimated as 476 MUs.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity (incl. share capital deposit) (net of provision for permanent diminution)	113.42	113.42
Profit /(Loss) After Tax*	(0.00)	(0.01)

* Loss of ₹31,348/- and ₹ 64,781/- for the financial year 2012-13 and 2011-12 respectively.

As at 31.3.2013, the paid-up share capital of the Company is ₹ 121.36 crore and ₹ 0.20 crore of share application money is pending for allotment.

(d) Kanti Bijlee Utpadan Nigam Limited (KBUNL)

A Company named 'Vaishali Power Generating Company Ltd.' was incorporated on September 6, 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 31.03.2013 is 65% by NTPC and 35 % by Bihar State Power Generation Co. Ltd. (BSPGCL).

Unit # 2 of 110 MW of Stage–I was declared commercial in October 2010. Renovation and Modernization (R&M) of existing units 2X110 MW is being carried-out by BHEL.

For Stage II, out of 31 packages, 28 packages have been awarded upto 31.03.2013. Hydro test of one unit of Stage II (unit # 3) has been completed.

Other financial highlights of the Company are given below:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity (incl share capital deposit)	382.80	357.15
Total revenue	9.93	127.76
Profit /(Loss) After Tax	(12.90)	5.35
Earnings/(Loss) Per Share (Basic) (in ₹)	(0.25)	0.15

As at 31.3.2013, the paid up share capital of the Company is ₹ 549.46 crore and ₹ 88.61 crore of share application money is pending for allotment which includes ₹ 357.15 crore and ₹ 25.65 crore respectively as the share of NTPC Ltd.

(e) Bhartiya Rail Bijlee Company Limited (BRBCL)

BRBCL was incorporated as a subsidiary of NTPC on November 22, 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:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity (incl. share capital deposit)	509.46	509.46
Profit /(Loss) After Tax	(0.16)	(0.01)
Earnings /(Loss) Per Share (Basic) (in ₹)	(0.00)	(0.00)

As at 31.3.2013, the paid up share capital of the Company is ₹ 688.46 crore of which NTPC's share is ₹ 509.46 crore. Share application money pending allotment as on 31.03.2013 is ₹ 83.00 crore of which NTPC's share is ₹ 39,000/-.

BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES

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:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	1.00	1.00
Total revenue	438.93	402.35
Profit /(Loss) After Tax	15.94	15.23
Earnings / (Loss) Per Share (Basic) (in ₹)	39.86	38.06

As at 31.03.2013, 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 2012-13, the company has paid interim dividend of ₹ 4.00 crore and also proposed a final dividend of ₹ 6.00 crore. NTPC's share of total dividend is ₹ 5.00 crore.

b) NTPC-SAIL Power Company Pvt. Ltd. (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. Captive power plants (314 MW) of NSPCL recorded generation of 2,602 MUs at 94.59% PLF. Further, Bhilai Expansion (2X250MW) achieved 92% PLF and generated 4,030 MUs.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	490.25	475.25
Total revenue	1,898.00	1,780.06
Profit /(Loss) After Tax	248.06	194.23
Earnings /(Loss) Per Share (Basic) (in ₹)	2.56	2.04

As at 31.03.2013, 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 final dividend of ₹ 132.37 crore of which NTPC's share is ₹ 66.19 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. Apart from above, the Company has ventured into various studies like Residual Life Assessment (RLA) Studies, Steam Path Audit, etc.

During the year 2012-13, the Company has registered a turnover of ₹ 67.62 crore and is executing orders at NALCO, NTPC Tanda, SAIL Rourkela, Amarkantak sites etc. In addition, the company is exploring new opportunities in the integrated retrofit business, ESP, operation and maintenance and large scale erection work across various power plants in India.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	3.00	3.00
Total revenue	70.06	78.43
Profit /(Loss) After Tax	2.32	2.84
Earnings/(Loss) Per Share (Basic) (in ₹)	3.86	4.73

As at 31.03.2013, the paid up share capital of the Company is ₹ 6.00 crore with 50% being contributed by your Company. The Company declared a dividend of ₹ 0.60 crore during the year 2012-13 of which NTPC's share is ₹ 0.30 crore.

d) NTPC Tamil Nadu Energy Company Limited (NTECL)

NTECL was formed as a 50:50 joint venture between NTPC and Tamilnadu Generation and Distribution Company (TANGEDCO) on May 25, 2003 to develop and operate 1500 MW power project at Vallur. The project is named as Vallur Thermal Power Project and is expected to use Ennore port infrastructure facilities.

Unit-I (500 MW) of the project was commissioned on 28.03.2012 and declared commercial on 29.11.2012. Unit- II was commissioned on 28.02.2013.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity (incl. share capital deposit)	1,143.61	899.00
Total revenue	302.26	-
Profit /(Loss) After Tax	(49.98)	(1.32)
Earnings /(Loss) Per Share (Basic) (in ₹)	(0.27)	(0.01)

The paid up share capital of the Company is ₹ 2,287.21 crore and out of this, 50% had been contributed by NTPC Ltd. Further, as at 31.03.2013, the amount of share capital deposit pending for allotment is ₹ 20.00 crore from TANGEDCO.

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 1940 MW gas based combined cycle power block and 5 MMTPA LNG block. The assets were transferred to RGPPL in October 2005.

The Power Block, spearheaded by NTPC, has been fully revived and under commercial operation since May 19, 2009 supplying 43.5 BUs so far to the Western Grid. State of Maharashtra (95%), UT of Daman & Diu (2%), UT of Dadra and Nagar Haveli (2%) and State of Goa (1%) are the beneficiaries of the power generated from the facility. The power block operated at 31.21% PLF during 2012-13 matching with the dwindling supply of domestic gas from KG D6 basin gas fields of RIL/BPEAL/NIKO (7.6 MMSCMD) and inability of GAIL to supply gas from ONGC's marginal fields (0.9 MMSCMD).

LNG block, spearheaded by GAIL, has been commissioned and gas delivery has started from January 10, 2013. Since, the power generation is envisaged using the domestic gas entirely, the integrated LNG terminal shall be utilized for tolling purposes. RGPPL has already entered into a long term agreement with GAIL for commercial utilization of the terminal and tolling operations have started during this test run.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	974.30	776.90
Total revenue	2,289.51	5,223.83
Profit /(Loss) After Tax	(375.33)	1,089.24
Earnings / (Loss) Per Share (Basic) (in ₹)	(1.43)	4.60

As at 31.03.2013, the paid up share capital of the Company is ₹ 2,916.46 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 Generating Co. Ltd. [IPGCL] of Delhi Govt. and Haryana Power Generating Co. 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:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity (incl. share capital deposit)	1,208.52	1,089.51
Total revenue	2,776.87	1,408.93
Profit /(Loss) After Tax	177.72	34.15
Earnings / (Loss)Per Share (Basic) (in ₹)	0.78	0.18

As on 31.03.2013, the paid up capital of the Company is ₹ 2,319.02 crore with 50% being contributed by NTPC Ltd. Further, as on 31.03.2013, the amount of share capital deposit pending for allotment is ₹ 98.01 crore out of which NTPC's share is ₹ 49.01 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 July 31, 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.

NTPC has appointed NSGVPL as MDO for Tallaipalli Coal Mining Project on nomination basis.

As at 31.03.2013, 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 April 2, 2008 for setting up a power plant of 1320 MW (2X660 MW) at Meja Tehsil in Allahabad district in the state of Uttar Pradesh.

The Board of Directors of MUNPL approved an investment of ₹ 10,829.58 crore on 28.04.2012.

SG package has been awarded to BGR Energy on 30.04.2012 and TG package has been awarded to Toshiba Corporation, Japan and Toshiba JSW Turbine & Generator Pvt. Ltd. on 01.05.2012.

Financial closure for the 2X660 MW Meja Thermal Power Project has been achieved and loan agreement for ₹7,574.77 crore has been executed on 06.06.2012, with a consortium of banks and financial institutions led by State Bank of India.

The company has incurred a cumulative capex of ₹ 1082.36 crore upto 31.03.2013 of which ₹ 859.99 crore was incurred in 2012-13.

As at 31.03.2013, the paid up share capital of the Company is ₹ 757.58 crore and out of this, 50% has been contributed by NTPC Ltd. Further, as at 31.03.2013, out of share capital deposit pending for allotment amounting to ₹ 67.28 crore, ₹ 33.64 crore being 50% of the total share capital deposit has been contributed by NTPC Ltd.

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

NBPPL was formed on April 28, 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.

Manufacturing plant of NBPPL is being constructed at Mannavaram, Tirupati Distt., A.P. for CHP and AHP. Currently, NBPPL is executing EPC contracts for balance of plant packages of Palatana Combined Cycle Power Plant in Tripura and Namrup Combined Cycle Power Plant in Assam and BoP including E&C Works of entire plant for Monarchak, Tripura for NEEPCO.

The financial highlights of the Company are as under:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	25.00	25.00
Total revenue	114.66	146.92
Profit /(Loss) After Tax	5.66	13.06
Earnings /(Loss) Per Share (Basic) (in ₹)	1.13	2.61

As at 31.03.2013, the paid up share capital of the Company is ₹ 50.00 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 June 19, 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.

As at 31.03.2013, 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 (NPGC)

'Nabinagar Power Generating Company Private Limited' was incorporated as a JV Company on September 9, 2008 with equal equity contribution from erstwhile Bihar State Electricity Board (now Bihar State Power Generation Co. 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.

NTPC's Board approved the investment of ₹ 15,131.67 crore on 21.01.2013. Financial closure was achieved by signing loans for ₹ 8,575.00 crore. TG & SG packages were awarded on 31.01.2013.

As at 31.03.2013, the paid up share capital of the Company is ₹ 306.00 crore of which NTPC has contributed ₹ 153.00 crore. Further, the amount of share capital deposit pending for allotment is ₹ 634.25 crore out of which NTPC's share is ₹ 317.13 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 December 11, 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 ₹ 1.04 crore has been made in the books of accounts of NTPC.

As on 31.03.2013, 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 May 20, 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 Company has been incorporated for the purpose of carrying on business for overseas acquisition/ operation of coal mines or blocks/ companies for securing coking and thermal coal supplies.

The Board of Directors of NTPC Ltd., in their meeting on 27th January 2012, decided to exit out of ICVL. A letter permitting the same has been received from the Ministry of Power. ICVL is to take up the issue with other partners after obtaining Cabinet approval. ICVL response on this matter and on Cabinet clearance is awaited, subsequent to which, the withdrawal process would commence.

As at 31.03.2013, the paid up share capital of the Company is ₹ 9.80 crore in which NTPC's contribution is ₹ 1.40 crore.

n) National High Power Test Laboratory Private Limited (NHPTL)

NTPC has formed a JV Company on May 22, 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.

O&M agreement between CPRI and NHPTL signed on 8th Feb, 2013. Various erection & commissioning work is under progress at site.

As at 31.03.2013, the paid up share capital of the Company is ₹ 55.30 crore which includes ₹ 11.06 crore (20%) being NTPC's share.

o) Energy Efficiency Services Limited (EESL)

EESL was formed on December 10, 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:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity (incl. share capital deposit)	25.00	25.00
Total revenue	14.54	12.68
Profit /(Loss) After Tax	6.34	5.02
Earnings /(Loss) Per Share (Basic) (in ₹)	16.11	20.08

As at 31.03.2013, 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 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 over ₹117.59 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.

Financial year 2012-13 was seen as the most difficult period for transformer industry which registered a negative growth for first time in last ten years. This was primarily due to the stagnation in power sector growth and overall economic growth which slowed to its lowest rate in the decade, estimated by the Government at 5%. Further, the stiff competition offered by Chinese and Korean manufacturers also affected the domestic manufacturers.

Despite these challenges, TELK managed to remain healthy and profitable and finished the year with production of 5178 MVA, thereby registering a plant capacity utilisation factor of 115%.

As at 31.03.2013, the paid up share capital of the Company is ₹ 42.97 crore with NTPC Limited holding 44.60% of the paid-up capital of TELK at an acquisition cost of ₹ 31.34 crore.

The financial highlights of the Company are:

Particulars	FY 2012-13	FY 2011-12
		₹ Crore
NTPC's investment in equity	31.34	31.34
Total revenue	154.46	202.37
Profit /(Loss) After Tax	1.59	13.21
Earnings /(Loss) Per Share (Basic) (in ₹)	0.37	3.07

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 April 27, 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 21.06.12 has tentatively assigned these coal blocks to CIL and asked to submit the timeframe in which these blocks will be brought into production. NTPC as well as Ministry of Power are pursuing with MOC for withdrawal of de-allocation of these two coal blocks and restoring it to JV Company.

The authorized capital of the company is ₹ 10.00 crore and as on 31.03.2013, paid up capital is ₹ 0.05 crore of which NTPC shareholding is 50%. NTPC's share capital pending allotment as on 31-03-2013 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 January 27, 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.

NTPC proposes to establish 2x700 MW capacity of PHWR based nuclear reactor at Hisar in Haryana subject to amendment in Atomic energy Act, 1962 and subsequent transfer of the project to the proposed JV Company. The amendment bill is being actively pursued by AEC for early introduction in parliament.

As on 31.03.2013, 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 September 26, 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.

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 October 14, 2011 under the name 'Pan-Asian Renewables Private Limited'. NTPC, ADB and Kyushu shall 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 and shall initially establish over a period of three years a portfolio of about 500 MW of renewable power generation resources in India.

The Company is preparing its initial business plan which also includes identification of initial projects for development.

The authorised share capital of the Company as at 31st March 2013 is ₹ 6.50 crore and paid up share capital is ₹ 1.00 crore. NTPC's contribution in paid-up share capital is ₹ 0.50 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 October 31, 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.

The authorized share capital of the company is Bangladesh Taka 400 million (equivalent to ₹ 27.5 crore approximately).

Feasibility report has been prepared for a 1,320 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 April 20, 2013 in Dhaka.

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 2012-13	FY 2011-12
Total revenue	72,540.79	68,842.48
Profit before Tax	16,610.95	13,137.26
Profit after Tax	12,586.22	9,814.66
Profit after Tax [less Share of Profit/(Loss)- Minority interest]	12,590.78	9,812.79
Net Cash from operating activities	16,507.79	11,396.96

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

Place: New Delhi
Date: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

In our Company, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence and 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 in it thereby paving the way for its long term success."

Our Company believes in sustainable corporate growth that emanates from top leadership down through the organization to the stakeholders which is reflected in its developed financial system, enhanced market reputation and improved efficiency. Our Corporate Governance system provides an implicit framework that allows stakeholders to assume their responsibilities and in turn we ensure that the rights and privileges of societies and environments are respected within which the Company operates.

Besides adhering to provisions of Listing Agreement, we also follow the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

1.2 CORPORATE GOVERNANCE AWARDS & RECOGNITIONS

In recognition of excellence in Corporate Governance, NTPC has bagged 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

We are 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 constitution 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

As on 31st March 2013, the Board comprised seventeen 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 eight 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 wide range of experience and skills.

The listing agreements with stock exchanges stipulate half of the Board members to be independent directors. As such, our Board must have nine Independent Directors as against eight Independent Directors presently on our Board. The appointment of one more Independent Director is being done by the Government of India.

Details regarding Independent Directors on the Board of the Company during the financial year 2012-13 is as under:

Period	Requirement	Actual
April 1, 2012 to August 22, 2012	9	8
August 23, 2012 to February 3, 2013	9	9
February 4, 2013 to March 31, 2013	9	8

2.3 Age limit and tenure of Directors

The age limit of 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 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 and membership/ chairmanship of Board/ Committees 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. Confidential matters are discussed at the meeting without written material being circulated.

The meetings of the Board of Directors are normally held at the Company's registered office situated in New Delhi.

Thirteen Board Meetings were held during the financial year 2012-13 on April 19, May 10, June 12, July 27, August 23, September 22, October 26, November 7, November 26, December 28, 2012, January 21, February 26, and March 22, 2013. The maximum interval between any two meetings during this period was 44 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 2012-13 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 18.09.12)	Number of other Director-ships held on 31.03.13	Number of Committee memberships in companies on 31.03.13$	
						As Chairman	As Member
Functional Directors							
1.	Shri Arup Roy Choudhury Chairman & Managing Director	13	13	Yes	8	-	-
2.	Shri A.K. Singhal Director (Finance)	13	13	Yes	8	4	1
3.	Shri I.J. Kapoor Director (Commercial)	13	12	Yes	5	-	-
4.	Shri B.P. Singh Director (Projects)	13	11	Yes	5	1	1
5.	Shri D.K. Jain Director (Technical) (upto 30.06.2012)	3	3	NA*	NA*	NA*	NA*
6.	Shri S.P. Singh Director (Human Resources) (upto 28.02.2013)	12	12	Yes	NA*	NA*	NA*
7.	Shri N.N. Misra Director (Operations)	13	13	Yes	9	-	5
8.	Shri A.K. Jha Director (Technical) (w.e.f. 01.07.2012)	10	10	Yes	5	-	1
9.	Shri U.P. Pani Director (Human Resources) (w.e.f. 01.03.2013)	1	1	NA*	2	-	1
Non-executive Directors (Government Nominees)							
10.	Shri I.C.P. Keshari JS (Th.), Ministry of Power	13	10	No	1	-	-
11.	Shri Rakesh Jain JS&FA, Ministry of Power	13	12	Yes	1	1	2

Independent Directors							
12.	Dr. M. Govinda Rao Director, NIPFP (upto 03.02.2013)	11	9	Yes	NA*	NA*	NA*
13.	Shri S.B. Ghosh Dastidar Former Member (Traffic), Railways	13	10	Yes	1	1	-
14.	Shri R.S. Sahoo Practising Chartered Accountant	13	11	Yes	3	-	1
15.	Shri Ajit M. Nimbalkar Ex-Chief Secretary, Government of Maharashtra	13	8	Yes	2	-	-
16.	Shri S.R. Upadhyay Ex-CMD, Mahanadi Coalfields Limited	13	12	Yes	2	-	-
17.	Ms. H.A. Daruwalla Ex-CMD, Central Bank of India	13	13	Yes	4	1	3
18.	Shri A.N. Chatterji Ex-Deputy, C&AG, Govt. of India	13	10	Yes	-	-	1
19.	Prof. Sushil Khanna Professor of Economics and Strategic Management, IIM, Kolkata	13	6	Yes	3	-	-
20.	Dr. A. Didar Singh Ex-Secretary to the Govt. of India (w.e.f. 23.08.2012)	9	7	Yes	2	-	-

*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.

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 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
- Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.
- Quarterly report on Compliance of various laws
- 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) Committee for Corporate Social Responsibility
xi) Committee for Vigilance Matters
xii) Committee for Mine Development
xiii) Sustainable Development Committee
xiv) Committee for Review of Coal Import Policy
xv) Foreign Exchange Risk Management Committee

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 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 2013, the Audit Committee comprised the following members:-

Shri S.B. Ghosh Dastidar	Independent Director
Shri R.S. Sahoo	Independent Director
Shri A.N. Chatterji	Independent Director
Ms. H.A. Daruwalla	Independent Director
Shri Rakesh Jain	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

Eight meetings of the Audit Committee were held during the financial year 2012-13 on April 13, May 10, May 17, July 10, July 26, October 25, December 27, 2012 and January 21, 2013.

The details of the meetings of Audit Committee attended by the members are as under:-

Members of Audit Committee	Meetings held during his tenure	Meetings attended
Shri Rakesh Jain	8	7
Shri S.B. Ghosh Dastidar	8	7
Dr. M. Govinda Rao (upto 03.02.2013)	8	8
Shri R.S. Sahoo	8	5
Shri A.N. Chatterji	8	6
Ms. H.A. Daruwalla	8	7

Shri S.B. Ghosh Dastidar, Independent Director chaired seven Meetings of the Audit Committee out of eight Meetings held during the financial year 2012-13. One Meeting was chaired by Dr. M. Govinda Rao in the absence of Shri S.B. Ghosh Dastidar. Shri S.B. Ghosh Dastidar, Chairman of the Audit Committee was present in the Annual General Meeting to answer the queries of the shareholders.

Director (Finance) and Head of Internal Audit were present in all Audit Committee Meetings held during the year under review as invitees as per requirement of Listing Agreement.

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.

Constitution

The Committee has been constituted with the membership of:

i) One Nominee Director of Ministry of Power represented on the Board of NTPC

ii) Director (Finance), NTPC and

iii) Director (HR) or Director (Technical), NTPC

iv) One Independent Director.

Composition

As on 31st March 2013, this committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee and Chairman of the Committee
Shri A.K. Singhal	Director (Finance)
Shri U.P. Pani	Director (HR)
Ms. H.A. Daruwalla	Independent Director

Meeting and Attendance

Three meetings of the Shareholders' / Investors' Grievance Committee were held during the financial year 2012-13 on July 26, November 7, 2012 and March 22, 2013.

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
Shri Rakesh Jain	3	3
Shri A.K. Singhal	3	3
Shri S.P. Singh (upto 28.02.2013)	2	1
Ms. H.A. Daruwalla	3	3
Shri U.P. Pani (w.e.f. 01.03.2013)	1	1

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 2013, 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 including those received, resolved and disposed off through SCORES are as under:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI / Stock Exchange complaints	2	56	57	1
Other IPO related complaints	0	43	43	0
Other Dividend related complaints	0	4769	4769	0
Total	2	4868	4869	1

Investor complaints shown pending as on 31st March, 2013 have been attended subsequently.

Number of pending share transfers

As on 31st March 2013, 6 share transfer requests were pending, which were approved in the meeting held during April 2013.

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.

During the financial year 2012-13, 42 nos. of complaints were received, 41 nos. of complaints were resolved and only one complaint remained pending to be resolved through SCORES as on 31.03.2013.

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 2013, the Committee comprised the following Members:

Shri Ajit M. Nimbalkar	Independent Director
Shri S.R. Upadhyay	Independent Director
Shri A.N. Chatterji	Independent Director
Shri I.C.P. Keshari	Government Nominee
Shri Rakesh Jain	Government Nominee

Meeting and Attendance

Two meetings were held during the year on October 19, 2012 and December 28, 2012.

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 I.C.P. Keshari	2	2
Shri Rakesh Jain	2	2
Shri Ajit M. Nimbalkar	2	-
Shri S.R. Upadhyay	2	2
Shri A.N. Chatterji	2	2

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.

As on 31st March 2013, the Committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee
Shri A.K. Singhal	Director (Finance)
Shri N.N. Misra	Director (Operations)
Shri R.S. Sahoo	Independent Director

3.5 PROJECT SUB-COMMITTEE

This Committee examines and makes recommendations to the Board on proposals for Investment in New/Expansion Projects and Feasibility Reports of new projects.

As on 31st March 2013, the Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri B.P. Singh	Director (Projects)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri Rakesh Jain	Government Nominee
Shri I.C.P. Keshari	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, purpose or object or other funds not directly related to the business of the Company or welfare of its employees between ₹ 5 lakh to ₹ 20 lakh subject to maximum limit of ₹ 1 crore in a year.

As on 31st March 2013, the Committee comprised the following Members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri N.N. Misra	Director (Operations)

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, 2013, the Contracts Sub-Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri B.P. Singh	Director (Projects)
Shri N.N. Misra	Director (Operations)*
Shri A.K. Jha	Director (Technical)
Shri I.C. P. Keshari	Government Nominee
Shri Rakesh Jain	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 2013, the Committee comprised all the Functional Directors including the Chairman & Managing Director as under:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri B.P. Singh	Director (Projects)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)

The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Projects) for contracts related to construction projects or Director (Operations) for contracts related to operating stations, as the case may be, 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 2013, the Committee comprised the following Members:

Shri A.K. Singhal	Director(Finance)
Shri N.N. Misra	Director (Operations)
Shri U.P. Pani	Director (HR)

3.10 COMMITTEE FOR CORPORATE SOCIAL RESPONSIBILITY

This Committee has been constituted to frame and review the CSR Policy from to time and accept approval of the specific schemes for Corporate Social Responsibility of NTPC.

As on 31st March, 2013, the Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri U.P. Pani	Director (HR)
Ms. H.A. Daruwalla	Independent Director

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.

As on 31st March 2013, the Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri I.C.P. Keashri	Government Nominee
Shri U.P. Pani	Director (HR)
Shri S.B. Ghosh Dastidar	Independent Director
In case of Vigilance cases, Chief Vigilance Officer is co-opted.	

3.12 COMMITTEE FOR MINE DEVELOPMENT

This Committee has been constituted to look into issues relating to Mine Development.

As on 31st March 2013, the Committee comprised the following members:

Shri N.N. Misra	Director (Operations)
Shri S.B. Ghosh Dastidar	Independent Director
Shri S.R. Upadhyay	Independent Director

3.13 SUSTAINABLE DEVELOPMENT COMMITTEE

This Committee has been constituted to oversee sustainable development activities as per Guidelines on Sustainable Development for CPSEs issued by Department of Public Enterprises, Govt. of India.

As on 31st March 2013, the Committee comprised the following Members:

Shri A.K. Singhal	Director(Finance)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)
Shri S.R. Upadhyay	Independent Director
Prof. Sushil Khanna	Independent Director

3.14 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 2013, the Committee comprised the following Members:

Shri N.N. Misra	Director (Operations)
Shri Rakesh Jain	Government Nominee
Shri S.B. Ghosh Dastidar	Independent Director
Shri R.S. Sahoo	Independent Director
Shri S.R. Upadhyay	Independent Director

3.15 FOREIGN 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 2013, the Committee comprised the following Members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri R.S. Sahoo	Independent Director
Ms. H.A. Daruwalla	Independent Director

In the absence of Director (Commercial), either Director (Technical) or Director (Operations) shall be the Member of the Meeting.

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 has enhanced the sitting fee from ₹ 15,000/- to ₹ 20,000/- w.e.f. October 2012 for attending each meeting of the Board, Committees and Group of Directors of the Board constituted by the Board from time to time, which is being paid to each Independent Director.

Details of remuneration of functional Directors of the Company paid for the financial year 2012-13 are given below:-

(Amount in ₹)

Name of the Director	Salary	Benefits	Performance Linked Incentives*	Total
Shri Arup Roy Choudhury	30,03,600.64	7,60,047.00	16,24,011.36	53,87,659.00
Shri A.K. Singhal	28,05,034.81	15,18,750.00	11,75,716.19	54,99,501.00
Shri I.J. Kapoor	20,05,611.91	13,98,048.00	10,98,961.09	45,02,621.00
Shri B.P. Singh	26,27,407.43	14,68,150.00	11,49,773.57	52,45,331.00
Shri D.K. Jain (upto 30.06.2012)	22,82,615.37	4,73,970.00	10,00,126.63	37,56,712.00
Shri S.P. Singh (upto 28.02.2013)	23,59,386.62	8,15,997.00	11,04,827.38	42,80,211.00
Shri N.N. Misra	20,93,312.70	12,21,822.00	11,12,821.30	44,27,956.00
Shri A.K. Jha (w.e.f. 01.07.2012)	12,00,720.16	9,92,881.00	3,70,930.84	25,64,532.00
Shri U.P. Pani (w.e.f. 01.03.2013)	1,38,200.20	82,679.00	4,853.80	2,25,733.00

*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 2012-13.

Details of payments towards sitting fee to Independent Directors during the financial year 2012-13 are given below:

(Amount in ₹)

Name of Part-time non-official Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Dr. M. Govinda Rao (upto 03.02.2013)	1,55,000	1,50,000	3,05,000
Shri S.B. Ghosh Dastidar	1,75,000	2,95,000	4,70,000
Shri R.S. Sahoo	1,90,000	1,35,000	3,25,000
Shri Ajit M. Nimbalkar	1,50,000	-	1,50,000
Shri S.R. Upadhyay	2,15,000	1,15,000	3,30,000
Ms. H.A. Daruwalla	2,30,000	2,80,000	5,10,000
Shri A.N. Chatterji	1,75,000	1,45,000	3,20,000
Prof. Sushil Khanna	1,05,000	90,000	1,95,000
Dr. A. Didar Singh (w.e.f. 23.08.2012)	1,30,000	-	1,30,000

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

As a diversified enterprise, your Company has always had a system-based approach to Enterprise risk management as an integral part of its business processes. The Enterprise Risk Management Framework has been set up to identify and manage risks for sustainable value creation, assessment of key business risks through continuous measurement, monitoring of key performance indicators, focus on key risks and reporting to Board Members on risk assessment and minimization procedures.

The Enterprise Risk Management Framework involves Risk Reporting Structure, Risk Measurement & Monitoring, Risk Portfolio and Risk Optimization. For reporting of risks, ERM framework has Risk Reporters and Risk Owners at Projects, Regions and Corporate functions.

A committee, namely Enterprise Risk Management Committee (ERMC), consisting of Regional Executive Directors and Functional Heads at Executive Director Level has been constituted which identifies risks, makes risk assessment on the basis of certain criteria and devises methods for mitigation of risks. ERMC meets every quarter to formulate action plans. For faster approval and implementation of the action plans formulated by the ERMC, risk responsibility centers have been identified as under:

- **Primary Risk responsibility:** Suggests risk mitigation measures and after approval of the action plans implements it.
- **Secondary Risk responsibility:** Formulates action plan and supports the process of approvals.
- **Overall Risk responsibility**: Responsible for driving timely approvals of ERMC recommendations and monitoring of Action plans for Risk Mitigation.

Chief Risk Officer (CRO) is the convener of ERMC and is responsible for reporting to CMD and Board of Directors based on deliberations in ERMC.

Through this mechanism, your Company has identified risks and this mechanism has enabled it to take pro-active steps in mitigating the risks including opting alternate measures to mitigate the risks.

Four meetings of Enterprise Risk Management Committee were held during the financial year 2012-13.

7. SUBSIDIARY MONITORING FRAMEWORK

The Company has five 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 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 23, 2010	September 20, 2011	September 18, 2012
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	Air Force Auditorium, Subroto Park, New Delhi – 110 010
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 that of composition of the Board as mentioned in paragraph 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 2012-13 and during last three years preceding the financial year 2012-13 is at Annex-2.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement(s), the certificate duly signed by Shri Arup Roy Choudhury, Chairman & Managing Director and Shri A.K. Singhal, Director (Finance) was placed before the Board of Directors at the meeting held on 10.05.2013 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		
	30.06.2012	**30.09.2012**	**31.12.2012**
Hindustan (Hindi)	28.07.2012	27.10.2012	22.01.2013
Hindustan Times	28.07.2012	27.10.2012	22.01.2013

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 2011-12 and other communications like ECS credit information for dividend to large number of shareholders for the financial year 2011-12 and 2012-13 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 this, the Company had sent 3,42,543 number of Annual Reports, 3,05,088 number of ECS credit information for final dividend for the financial year 2011-12 and 3,10,502 number of ECS credit information for interim dividend for the financial year 2012-13 to the shareholders through email.

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, 2013.

New Delhi (Arup Roy Choudhury)
04.05.2013 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) a. Annual General Meeting

Date : September 17, 2013
Time : 10.30 a.m.
Venue: Manekshaw Centre
Parade Road
New Delhi – 110010

b. Pursuant to orders dated 20.12.2012 and 21.01.2013 passed by the Hon'ble Ministry of Corporate Affairs, a meeting of the equity shareholders of the Company will be held on Friday, 24.05.2013 at 3.00 P.M. at Yugantar Auditorium, BTPS, NTPC Limited, Mathura Road, New Delhi – 110044 for the purpose of considering and approving the Scheme of Amalgamation of NTPC Hydro Limited (a wholly-owned subsidiary of NTPC) with NTPC Limited.

ii) Financial Calendar for FY 2013-14

Particulars	Date
Accounting Period	April 1, 2013 to March 31, 2014
Unaudited Financial Results for the first three quarters	Announcement within a month from the end of each quarter
Fourth Quarter Results	Announcement of Audited Accounts on or before May 30, 2014
AGM (Next year)	September 2014 (Tentative)

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from September 7, 2013 to September 17, 2013 (both days inclusive).

iv) Payment of Dividend

The Board of Directors of the Company has recommended payment of special dividend of ₹ 1.25 per share (12.5% on paid-up share capital) alongwith the final Dividend of ₹ 0.75 per share (7.5% on the paid-up share capital) for the financial year ended March 31, 2013 in addition to the Interim Dividend of ₹ 3.75 per share (37.5% on the paid-up share capital) paid on March 12, 2013 (Dividend paid in Previous Year is ₹ 3298.19 Crore).

The record date for the payment of Dividend is September 6, 2013.

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
2007-08	8245.46	2885.91	30.01.2008* 17.09.2008	13.02.2008 03.10.2008
2008-09	8245.46	2968.37	24.01.2009* 17.09.2009	13.02.2009 29.09.2009
2009-10	8245.46	3133.28	13.03.2010* 23.09.2010	23.03.2010 01.10.2010
2010-11	8245.46	3133.28	31.01.2011* 20.09.2011	14.02.2011 26.09.2011
2011-12	8245.46	3298.19	27.01.2012* 18.09.2012	09.02.2012 25.09.2012
2012-13	8245.46	3092.05#	26.02.2013*	12.03.2013

* Date of Board Meeting

amount represents the interim dividend paid for the year 2012-13

vi) **Listing on Stock Exchanges**

NTPC equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited Address: Exchange Plaza, Plot No. C/1, G Block, Bandra (E), Mumbai - 400051 **Scrip Code of NTPC: NTPC EQ**	**Bombay Stock Exchange Limited** Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 **Scrip Code of NTPC: 532555**

Stock Code : ISIN – INE733E01010

The Annual Listing Fee for the financial year 2013-14 was paid to both National Stock Exchange of India Limited and Bombay Stock Exchange Limited before April 30, 2013. Also, the Annual Custodian Fee for the financial year 2013-14 was paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited before April 30, 2013.

vii) **Market Price Data – NSE**

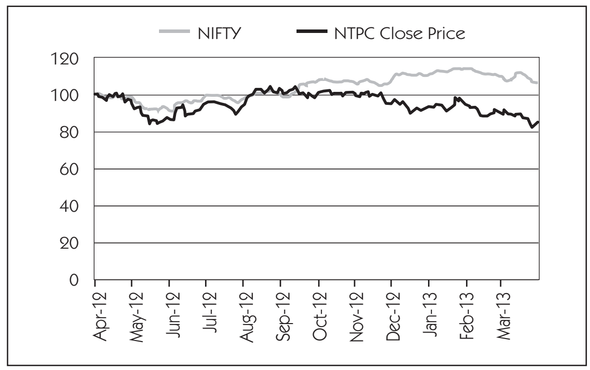
Month	High (₹)	Low (₹)	Closing (₹)
April' 12	169.75	160.40	162.50
May' 12	163.25	138.85	146.80
June' 12	160.40	141.40	159.45
July' 12	162.60	149.10	157.00
August' 12	174.80	156.20	168.05
Sept' 12	175.50	162.75	168.10
October' 12	174.10	137.00	165.35
Nov' 12	170.85	157.05	162.40
Dec' 12	162.50	149.35	156.45
January' 13	167.50	152.30	157.10
February' 13	158.60	146.50	150.90
March' 13	150.90	136.15	141.95

viii) **Market Price Data – BSE**

Month	High (₹)	Low (₹)	Closing (₹)
April' 12	169.55	160.10	162.40
May' 12	163.15	138.95	146.90
June' 12	160.35	141.40	159.75
July' 12	163.00	149.25	157.10
August' 12	174.85	156.25	168.10
Sept' 12	175.35	163.00	167.85
October' 12	173.70	165.00	165.20
Nov' 12	170.70	157.05	162.10
Dec' 12	162.40	149.40	156.45
January' 13	167.25	152.20	156.60
February' 13	158.80	146.55	150.75
March' 13	150.80	136.10	142.00

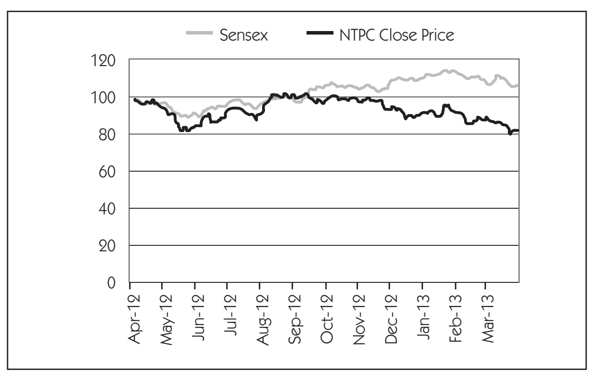
ix) **Performance in comparison to indices**

NSE NIFTY and NTPC Share Price



Base=100 as on 01.04.12

BSE Sensex and NTPC Share Price



Base=100 as on 01.04.12

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 47C 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 2012-13, an amount of ₹37.77 lac pertaining to unclaimed final dividend amount for financial year 2004-05 and an amount of ₹45.86 lac pertaining to unclaimed interim dividend amount for the financial year 2005-06 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) Disinvestment of Holding by President of India

President of India through Offer for Sale through Stock Exchange Mechanism had divested its 9.5% equity shareholding (78,32,62,880 equity shares) in the Company in February 2013. The holding of President of India has reduced from 84.5% of the paid share capital to 75% of the paid up share capital of the Company as on 31st March, 2013. Now, President of India holds 75% of equity share capital of the Company i.e. 6,18,40,98,300 number of shares. Balance equity is held by FIIs, Mutual Funds and Indian Public.

xiii) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March 2013 are given below:

According to Size

a. Distribution of shareholding according to size, % of holding as on 31st March, 2013:

Number of shares	Number of shareholders	% of shareholders	Total No. of shares	% of shares
1-5000	7,67,341	99.63	14,86,60,594	1.80
5001-10000	1,198	0.16	84,91,200	0.10
10001-20000	521	0.07	75,50,678	0.09
20001-30000	172	0.02	43,55,373	0.05
30001-40000	92	0.01	32,19,271	0.04
40001-50000	81	0.01	37,18,319	0.05
50001-100000	184	0.02	1,34,57,086	0.16
100001 and above	568	0.07	8,05,60,11,879	97.70
Total	**7,70,157**	**100**	**8,24,54,64,400**	**100**

b. Shareholding pattern on the basis of ownership

Category	As on 31st March, 2013		As on 31st March, 2012		Change (%)
	Total no. of shares	% to Equity	Total no. of shares	% to Equity	
GOI	6,18,40,98,300	75.00	6,96,73,61,180	84.50	(9.5)
FIIs	77,28,86,360	9.37	33,13,46,348	4.02	5.35
Indian Public	16,28,66,695	1.98	16,06,80,478	1.95	0.03
Banks & FI	75,38,15,219	9.14	54,65,48,149	6.63	2.51
Private Corp. Bodies	24,53,60,026	2.98	14,56,22,674	1.77	1.21
Mutual Funds	10,91,77,191	1.32	8,46,88,139	1.03	0.29
NRI / OCBs	46,95,449	0.06	38,52,739	0.04	0.02
Others	1,25,65,160	0.15	53,64,693	0.06	0.09
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, 2013 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	63,12,94,191*	7.66*	IFI

*includes shares held in various funds/ schemes

xiv) 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	3,58,89,718	0.44
Held in dematerialized form in NSDL	8,20,94,70,236	99.56
Physical	1,04,446	0.00
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

xv) 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, 2013 is furnished below:

Details of "NTPC LIMITED – IPO – Unclaimed Shares Demat Suspense Account" (account opened and maintained after IPO):

Opening Bal (as on 01.04.2012)		Requests received and Disposed off during 2012-13		Closing Bal (as on 31.03.2013)	
Cases	Shares	Cases	Shares	Cases	Shares
180	31,939	1	214	179	31,725

Details of "NTPC LIMITED – FPO Unclaimed Shares Demat Suspense Account" (account opened and maintained after FPO):

Opening Bal (as on 01.04.2012)		Requests received and Disposed off during 2012-13		Closing Bal (as on 31.03.2013)	
Cases	Shares	Cases	Shares	Cases	Shares
44	6,412	17	2,660	27	3,752

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.

(xvi) 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

xvii) Number of Shares held by the Directors as on 31st March, 2013

Directors	No. of shares
Shri Arup Roy Choudhury	3,190
Shri A.K. Singhal	10,329
Shri I.J. Kapoor	Nil
Shri B.P. Singh	2,765
Shri N.N. Misra	922
Shri A.K. Jha	NIL
Shri U.P. Pani	922
Shri I.C.P. Keshari	NIL
Shri Rakesh Jain	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

xviii) 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

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

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

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

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
vi) Khargone Super Thermal Power Project, Khargone, Madhya Pradesh
vii) Barethi Super Thermal Power Project, Chattarpur, Madhya Pradesh

HYDRO POWER PROJECTS

i) Koldam Hydro Power Project – Distt. Bilaspur, Himachal Pradesh
ii) Tapovan – Vishnugad Hydro Power Project – Distt. Chamoli, Uttarakhand
iii) Loharinag- Pala Hydro Power Project- Distt. Uttarkashi, Uttarakhand
iv) Rupsiyabagar Khasiabara Hydro Power Project – Distt. Pithoragarh, Uttarakhand
v) Kolodyne-II Hydro Power Project, Lawngtlai, Mizoram

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)

Hydro Power Projects

i) Lata Tapovan Hydro Power Projects – Distt. Chamoli, Uttarakhand
ii) Rammam Hydro Project – III- Distt. Darjeeling, West Bengal

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

xix) 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

Place: New Delhi
Date: 10th May 2013

(Arup Roy Choudhury)
Chairman & Managing Director

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 not adopted any separate "Whistle Blower" policy. However, under the provisions of "Fraud Prevention Policy" adopted by the Company, a Whistle Blower Mechanism is in place for reporting of fraud or suspected fraud involving employees of the Company as well as representatives of vendors, suppliers, contractors, consultants, service provider or any other party doing any type of business with NTPC. The mechanism for prevention of fraud is also provided in the policy. All reports of fraud or suspected fraud are investigated with utmost speed.

Annex-II

Schedule of Compliances with Presidential Directive issued during the financial year 2012-13 and during last three years preceding the financial year 2012-13:

Year	Content of Presidential Directives	Compliance
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) and Lara (2X800 MW) projects. In view of difficulty being faced in getting land for Gajmara project, in place of Gajmara, award of contracts for SG and STG packages have been placed for Gadarwara (2X800MW) project. Award of contracts for Darlipalli project could not be placed in absence of investment approval, environment clearance and physical possession of land. Further, the bid validity of M/s BGR who was selected for award of STG package for Darlipalli expired on 09.03.2013.
2009-10	1 . Vide Presidential Directive No.8/3/2002-TH.II (Vol.IV) dated 04.09.2009 read with letter of even no. dated 07.10.2009, Government of India had directed NTPC for induction of supercritical technology through bulk ordering of eleven 660 MW generating units by NTPC for itself and on behalf of its Joint Venture Companies and on behalf of Damodar Valley Corporation.	In line with the Presidential Directive, tenders for Steam Generator (SG) package and Steam Turbine Generator (STG) package for 660 MW units were invited separately on International Competitive Bidding basis on 16.10.2009, following two stage bidding process (i.e within the stipulated period of 45 days from issuance of MOP letter dated 04.09.2009). In SG package, one disqualified bidder filed a writ petition in the High Court of Delhi. NTPC challenged the decision of High Court in Hon'ble Supreme Court of India, which subsequently gave the judgment in favour of NTPC. Accordingly, after opening price bid, award of contract for Mouda (2X660MW) and Solapur (2x660MW) have been placed. Award of Contracts for Meja (2x660 MW) have been placed by Meja Urja Nigam Private Limited and that for Nabinagar (3x660 MW) have been placed by Nabinagar Power Generating Company Private Limited. Further, award of contracts for Raghunathpur project have been placed by Damodar Valley Corporation.
	2. Vide Presidential Directive No. 5/5/2004-Th.II dated 03.07.2009, Government of India permitted NTPC for winding up of Pipavav Power Development Company Limited (PPDCL) through striking off the name of PPDCL under Section 560 of the Companies Act, 1956.	Registrar of Companies, through its letter dated 28.01.2011, has informed that the name of Pipavav Power Development Company Limited has been struck off from the Register of Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 560 of the Companies Act, 1956 and the said Company stands dissolved.
	3. Contract relating to Main Plant Package for Barh Super Thermal Power Project, Stage-I (3x660 MW) awarded on Technopromexport, Russia by NTPC Limited	NTPC is implementing Main Plant Package Part-A (Steam Generator & Auxiliaries) for Barh Super Thermal Power Project Stage-I (3x660MW) through Technopromexport, Russia. MOP/GOI furnished decision of Cabinet Committee on Infrastructure (CCI) vide its letter dated 28.05.2010 directing NTPC to take all necessary actions for the early completion of the project in view of the CCI decision. In line with the directive, discussions were held between NTPC and Technopromexport, Russia and after taking approval from the competent authority, necessary amendments to Contracts have also been issued on 29.10.2010 for implementation of Barh STPP Stage-I.

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Arup Roy Choudhury, Chairman & Managing Director and A.K.Singhal, Director (Finance) of NTPC Limited to the best of our knowledge and belief, certify that:

(a) We have reviewed the balance sheet and profit and loss account (stand alone and consolidated) and all the notes to the Financial Statements and the Cash Flow Statement for the year ended March 31, 2013 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	(A.K. Singhal)	(Arup Roy Choudhury)
Date : 8th May, 2013	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 March 31, 2013 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 Board of Directors did not comprise of the required number of independent directors due to vacancy created by retirement/resignation, delay in appointment as indicated in Para 2.2 of Corporate Governance Report and one independent director's position is vacant as on 31st March 2013.

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
(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	(Monika Agrawal) Partner M No. 093769	(Pawan K. Goel) Partner M No. 072209

Place : New Delhi
Date : 10th May 2013

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 2012-13 in different areas are as under:

ENERGY AUDITS

During 2012-13, 80 energy audits in the areas of auxiliary power consumption, water balance, cooling water system, thermal insulation, compressed air, coal handling plant, milling system, air conditioning, ash handling system, WHRB performance, lighting etc. were carried out at different stations of NTPC. A workshop on "EC Opportunities in Thermal Power Plants with focus on Dry Ash Handling" was conducted at Lucknow.

AUXILIARY POWER CONSUMPTION

Replacement of inefficient BFP cartridges and attending BFP recirculation valves and attending duct leakages / APH seal replacement at various projects, Flue gas duct modification using CFD at Tanda, Offline GT Compressor washing during opportunity shutdowns at Gas Stations, Application of efficiency improvement coating on cooling water / other pump internals and installation of VFD's various LT drives at various projects, Optimization of operation of CW pumps, ARCW, clarified water pumps & Cooling Tower Fans and optimizing DP across Feed Regulating Station at various projects.

LIGHTING

Replacement of conventional GLS lamps and conventional FTLs with CFLs / efficient TL at various projects, Replacement of street lighting HPSV / Halogen / FTL fixtures with LED light fixtures at Kayamkulam, Talcher Kaniha, Dadri & Kawas.

HEAT ENERGY

Attending / upgrading thermal insulation at Rihand, Auraiya, Gandhar & Kayamkulam, attending passing in HP heaters at Rihand, Replacement of turbine seals at Ramagundam, attending high energy drains at Rihand & Simhadri.

b) Additional investments and proposals for reduction in consumption of energy:

Provision of ₹ 17.37 crore has been kept in BE 2013-14 for different energy conservation schemes like:

- Installation of VFD in HT drives
- Grid interactive roof-top SPV plant
- Vapor absorption system for Air Conditioning
- Energy efficient lighting

c) Impact of measures taken for energy conservation:

Savings achieved during 2012-13 on account of specific efforts for energy conservation:-

S.No.	Area/Activities	Energy Unit	Savings Qty. of units	₹ (Crore)
1	Electrical	MU	119.9	26.39
2.a	Heat Energy (equivalent MT of coal)	MT	9366	1.68
2.b	Heat Energy (equivalent MCM of Gas)	MCM	1.967	3.33
2.c	Heat Energy (equivalent KL of Naptha)	KL	253	1.08
	Grand Total			**32.48**

Savings achieved during 2011-12: ₹ 30.79 Crore

Technology Absorption:

Efforts made towards technology absorption are contained in enclosed Form –B.

C. 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 (2012-13)	**₹ (Crore)**
1. Foreign Exchange Outgo	
a) Value of Imports calculated on CIF basis:	
- Capital Goods	1,009.05
- Spare Parts	124.44
b) Expenditure:	
- Professional and Consultancy Charges	4.16
- Interest	625.38
- Others	5.52
2. Foreign Exchange Earned	
- Professional & Consultancy Fee	2.15
- Others	0.10

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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 2012 - 13:

a. **MOU Projects for 2012–13 Completed:**

Deployment and validation of "Energy Intensification & Diagnosis Model (EIDM)" for real time plant performance optimization at one of the 500 MW unit; In-house development of process to upgrade existing induction motor for VFD retrofitting and execution on Cooling Tower Fan in one of our stations; Completion of Supply, Erection, Commissioning of 40 TR Solar thermal HVAC plant at NETRA; Completion of in-house process design for around 50 m^2 open pond race way algae reactor at one of our stations; Development of an expert system for assessment of paper moisture in transformers using (PDC-RVM) technique and demonstration at one of our Stations; DPR for Integration of solar thermal with feed heating of coal power plant at one of our stations.

b. **Developmental Projects undertaken by NETRA:** Design of heat pipe based air pre- cility at NETRA & completion of procurement of equipment; Development of advanced pattern recognition technique for early warning detection for a power plant application; Application of TOFD (Time of Flight Diffraction) for testing of welds in headers and pipe lines at one unit of a station; Inspection of LTSH tubes using robotic systems of two 500 MW units of NTPC stations.

c. **Scientific Support to Stations:**

- **NETRA continued to provide scientific support to stations such as**: Energy Intensification and Diagnostic Model (EIDM) for real time operator advisory system has been successfully installed in Talcher 500 MW unit. The system is under development for three more units. Real time GCV model has been developed and successfully installed in three stations for operator assistance in optimizing the plant operation. Chem analyser, an expert system for power plant chemistry has been developed and installed in 200 MW and 500 MW units. The system is being developed for 660 MW Supercritical units. NETRA has successfully used in-house developed Robotic Inspection System for inspection of coiled tubes in 500 MW boilers. Inspections were carried out in various projects. These inspections helped site to locate problematic areas in LTSH. Inspection was also carried out successfully in Economiser in Sipat Unit-V. Based on CFD model analysis, flue gas ducts in Tanda #2 areas prone to high pressure drop were identified and suitable flow elements were implanted in U#2 during overhaul in July-Aug 2012. It resulted in pressure drop by 60 mmWC and ~100 kW of ID fan power saving. More than 200 numbers of water wall tubes from 34 plants were analysed including state electricity boards and joint ventures. On the basis of qualitative and quantitative analysis of deposits, seven nos. of boilers were recommended for post operational chemical cleaning. Crystallographic characterization has been carried out of turbine blade deposits and water wall deposits to assess steam water cycle impurities for O&M of power plants.
- **Environment:** Environmental Appraisal of 4 stations has been carried out and corrective actions are being taken by the stations based on the appraisal; Ozone measurement as per new ambient air act was performed at three stations to build up data; Performance improvement for STP carried out at Auraiya; the process is finalized for Jhanor-Gandhar effluent recycling scheme.
- **Health Assessment:** 32 in-situ health assessment studies carried out for different boilers, steam & gas turbines. NETRA provided expert services for the application of phased array technique in detecting the cracks on the root of the LP turbine blades without removing them. LP Rotor blades of Talcher (Unit #3), Tanda (Unit#4) were tested using UT phased array. Material mismatch, i.e. use of inferior material, like carbon steel in place of low alloy steel, was detected at 43 locations for various projects .

  Health assessment of high temperature headers and pipelines was carried out for Ramagundam (Unit#6), Singrauli (Unit#6). Assessment of material degradation for gas turbine component was carried out at some projects.

  High vibration problem of TG#2 at Tanda, C.W. Pump 32A at Dadri Gas and P.A. fan#4B at BTPS were addressed. Looseness problem of Generator overhang windings were also diagnosed at Tanda in U#2, U#3 and U#4 at Unchahar.

Residual 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.

Sweep Frequency Response Analysis (SFRA) analyses of various transformers to assess the mechanical integrity of Transformers have been carried out at some projects.

Moisture assessment in more than 20 transformers by using (*in-house)* developed PDC-RVM instrument helped sites to take decision like for drying out of transformers.

- **Condition Monitoring:** Transformer oil: More than 2500 transformer oil samples were analysed from various stations as well as outside agencies pertaining to different HV transformers such as GT-s. ICT-s, UAT-s, ST-s etc. It helped in early detection of impending faults such as GT-7R, GT-7B in Korba, TT#3 at Farakka etc.

  Wear debris: 2245 nos. of oil samples were analysed for wear debris. Problems diagnosed in Mill#5E at BTPS, APH 1B at TTPS, Mill-3B and Mill-4B at SSTPS.

  Boiler Tube/ failure analysis: Condition assessment of about 40 boiler tubes from the Water wall, Reheater and super heater regions. Failure analysis of boiler tubes to find the cause of failure was done for over 100 tubes of various boilers of NTPC and external power producers.

d. Scientific Support to Other Utilities:

Scientific services provided to other utilities such as Torrent Power, Jindal Power, Lehra Mohabat, IPGCL, DMRC, MMTC etc.

2.0 Benefits derived as a result of above Research & Technology Development:

NETRA activities as carried out 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.

The preventive/failure investigation of transformers, critical rotating components, boiler/condenser tubes and NDT health assessment of boiler components helped in identifying the cause of failure and thus providing necessary input for taking corrective action in preventing re-occurrence of similar failures thereby increasing the availability of power plant equipments. Real time monitoring softwares/analysers such as Chem. Expert system and real time advisory system techniques enabled stations to monitor parameters on real time basis and generate instant advisory to enhance performance.

Studies on CO_2 fixation/utilization; solar thermal; biofuels will result into development of technologies for reduction in the impact on climate change and technologies for affordable renewable energy sources. Development of technologies for efficiency improvement will help in reducing cost of generation.

3.0 Future Plans

Developmental Projects planned to be taken up:

- Up gradation of existing motors through in-house developed technology for VFD retrofitting in one complete cooling tower fans and commissioning of system at NTPC Dadri station.
- Setting up of 50m^2 open pond race way algae reactor and commencement of cultivation of algae with selected strains at NTPC Faridabad station for fixation of CO_2 from flue gas.
- Procurement and setup of in-house designed thermo-syphon heat pipe based air pre-heater pilot facility at NETRA and commencement of trials. The technique is expected to reduce APH seal leakage from 15% (approx.) to almost nil value.
- Procurement and erection of flue gas waste heat recovery heat exchanger & associated equipments for 100 TR air conditioning system at NTPC Ramagundam Station.
- Detection & sizing of internal defects on selected welds of critical power plant pipelines using "Time of Flight Diffraction (TOFD)" techniques and establishing its efficacy for faster inspection of weld joints during erection at two NTPC Stations. 25% time saving is expected in NDT.

- Gandhar Gas Station CW Effluent Water Recovery System- finalization of Tech Specs, Costing and NIT. The system will recover about 125 m^3/hr of Effluent Water.
- Process optimization studies of conversion of MSW to fuel at bench scale level at NETRA.
- Pilot plant studies for mineralization of fly ash slurry through flue gas to reduce pH of slurry at Ramagundam.
- CFD modelling of power plant process for improving plant efficiency at 2 power stations.
- Packaging of LTSH robotic system trials.
- Final commissioning of RFID system for 5 Km. stretch at Kahalgaon.
- Development of software for in-situ detection of turbine blade defects (with BARC).

4.0 Expenditure on R&D

S.N.	Description	Expenditure in (₹/Crores)	
		2012-13	2011- 12
a)	Capital	10.11	3.82
b)	Recurring	91.85	29.89
c)	Total	101.96	33.71
d)	Total R&D expenditure as a percentage of total turnover	0.1585%	0.0551%

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	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
2	Super critical technology with 256 Kg/ cm^2 Steam Pressure and 565/595 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 11 units of 660 MW (in Mauda, Sholapur, Meja, Nabinagar and Raghunathpur plant) through bulk tendering mechanism & being implemented for 800 MW units (Kudgi, Darlipalli, Gajmara & Lara through bulk tendering.
3	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.
4	Communicable Numerical Relay Technology (on IEC 618500) 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.
5	Secured & Improved Network design of DDCMIS has been adopted. This secured network design has been incorporated in the specifications along with network security policies & procedures, provision of security audits and specialized training.	2008	Incorporated in technical specifications from Bongaigaon onwards. For existing projects, these security policies & procedures have been circulated to all sites.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Annex-IV to Directors' Report

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

	NAME OF THE SUBSIDIARY	NTPC ELECTRIC SUPPLY COMPANY LIMITED	NTPC VIDYUT VYAPAR NIGAM LIMITED	NTPC HYDRO LIMITED*	KANTI BIJLEE UTPADAN NIGAM LIMITED	BHARTIYA RAIL BIJLEE COMPANY LIMITED
1.	Financial year of the Subsidiary ended on	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2.	Date from which they became Subsidiary	August 21, 2002	November 1, 2002	December 12, 2002	September 6, 2006	November 22, 2007
3.	Share of the subsidiary held by the company as on March 31, 2013 a) Number & face value	80,910 equity shares of ₹10/- each	2,00,00,000 equity shares of ₹10/- each	12,13,59,500 equity shares of ₹10/- each	35,71,51,233 equity shares of ₹10/- each	50,94,60,000 equity shares of ₹10/- each
	b) Extent of holding	100%	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, 2013	(24,58,67,245)	(34,84,39,193)	NIL	(8,38,80,933.50)	(12,15,946.54)
	ii) Upto the previous financial years of the subsidiary company	52,50,17,525	1,77,59,76,299	NIL	(6,04,87,423.75)	(38,94,002.84)
	b) Dealt with in the holding company's accounts					
	(i) For the financial year ended March 31, 2013	Nil	Nil	(31,348)	Nil	Nil
	(ii) For the previous financial year of the subsidiary company since they become the holding company's subsidiaries	Nil	Nil	(8,13,91,473)	Nil	Nil

* The Board of NTPC, in its Meeting held on 10.05.2012, has approved the scheme of amalgamation of NTPC Hydro Limited with NTPC Limited under Section 391-394 of the Companies Act, 1956 subject to the requisite approvals from Ministry of Corporate Affairs, Shareholders and Stock Exchanges. A Meeting of the shareholders of NTPC and of the shareholders of NTPC Hydro Limited was held on 24.05.2013 in accordance with the orders of the Ministry of Corporate Affairs. The legal process of amalgamation is in progress.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Annex- V to Directors' Report

STATISTICAL DATA OF GRIEVANCE CASES

2012-2013

S. No.	Particulars	Public Grievance Cases	Staff Grievances Cases
1.	Grievance cases outstanding at the beginning of the year	1	5
2.	Grievance cases received during the year	-	1
3.	Grievance cases disposed of during the year	-	2
4.	Grievance cases outstanding at the end of the year	1	4

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Annex-VI to Directors' Report

STASTICAL INFORMATION ON RESERVATION OF SCs/STs FOR THE YEAR 2012.

Representation of SCs/STs as on 01.01.2013:

Group	Employees on Roll	SCs	%age	STs	%age
A	14,238	1,755	12.33	613	4.31
B	5,661	986	17.42	421	7.44
C	4,871	811	16.65	318	6.53
D	868	216	24.88	130	14.98
Total*	25,638	3,768	14.70	1,482	5.78

* 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 2012:

Group	Total Recruitment	SCs	%age	STs	%age
A	467	70	14.99	42	8.99
B	-	-	-	-	-
C	23	2	8.70	-	-
D	-	-	-	-	-
Total	**490**	**72**	**14.69**	**42**	**8.57**

Promotions of SCs/STs during the year 2012:

Group	Total	SCs	%age	STs	%age
A	2,704	422	15.61	152	5.62
B	1,741	328	18.84	57	3.27
C	1,141	177	15.51	53	4.65
D	41	7	17.07	3	7.32
Total	**5,627**	**934**	**16.60**	**265**	**4.71**

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(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, 472 PCP (97 VH, 104 HH and 271 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, 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: 2nd August 2013

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 (GC) 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.

NTPC has released its Sustainability Report "Powering with care ..." for the year 2011-12 with NTPC's Sustainable Energy Development Vision of 'Going Higher on Generation, lowering GHG intensity", the report is a step towards sustaining greener environment, conserving natural resources such as energy, water etc. and company's commitment towards Corporate Governance and Social Responsibility. Self declared B+ report and in accordance with the Global Reporting Initiative (GRI) G3.0 guidelines. The report has been externally assured by the assurance provider, M/s DNV AS, as per the assurance standard AA1000.

Human Rights: Principle 1-2

NTPC, a socially responsible Corporate Citizen since its inception, started its Community Development initiatives in the form of R&R program which aim to improve the overall economic status of persons displaced or otherwise affected by our projects. Each R&R programme is based on specific local requirements and is guided by extensive socio-economic surveys.

NTPC recognized to continue community and peripheral development works through Community Development (CD) 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.

In the area of education, following activities were undertaken:

- Financial support for construction of Engineering College in Korba.
- Improvement in adopted ITIs at various projects
- Purchase of equipments at schools
- Construction of girls toilets at primary schools
- Distribution of solar lamps to about 900 meritorious village students
- Various other education related activities in more than 350 village schools like distribution of scholarships, uniforms and development of assets and infrastructure support to students
- Information and Communication Technology (ICT) centers established by NTPC Foundation at Delhi University and at Gauhati University, Guwahati for providing IT education to physically & visually challenged students, benefited approx 174 students during 2012-13. A new ICT Centre has been started at Devi Ahilya Vishwavidyalaya, Indore.
- Activities to benefit physically challenged persons like distribution of dress, bags study material, reimbursement of school fees etc., distribution of tricycles and providing medical appliances were taken up by Stations.
- 23 schools run by NTPC predominately for community benefited more than 20,000 students of neighbourhood community.

In order to make the youths self-reliant, the following activities were undertaken:

- Vocational training programs to make youth self-reliant such as Computer training, Motor Driving, General Electrical Repairing, mobile repairing, fitter, refrigeration & air conditioning repair, masonry, shuttering etc. for youth and various Coaching Classes etc. for village children.
- Implementation of the project "Improvement in Quality of Life of rural poor to create self- reliance by increasing participation in Community Development Work" around Kahalgaon Station through Disha.
- Various vocational training programmes for women in the neighbourhood villages of its stations including Dress Designing, Beautician, Embroidery, Hair & Skin care etc. for women empowerment.
- Skill upgradation programs in sewing for women population in the neighborhood villages to promote self-employment conducted by Stations including providing sewing machines covered more than 600 women.

In the area of infrastructure, the following activities were undertaken:

- Installation of 10 High Mast Lights in Berhampore district of West Bengal
- Solar Power System in three municipal corporations of Raebareli, Bacharvan and Lalganj of Raebareli District
- Installation of 36 solar street lights at different location in the Barabanki district of Uttar Pradesh is in progress
- Installation of 27 no. of hand pumps completed in District Dhanbad of Jharkhand

- Construction of 24 patches of cement concrete roads totaling to about 2.5 km in various villages in District Chhindwara, Madhya Pradesh
- Construction of road, sanitation, drinking water and electrical lightning work in 6 villages, 3 each in Bhagalpur and Godda Districts by Kahalgaon Project.

In the area of health, the following activities were undertaken:

- Disability Rehabilitation Centers (DRCs) at Tanda, Rihand, Korba, Dadri and Bongaigaon established in collaboration with NTPC Foundation and National Institute for the Orthopaedically Handicapped (NIOH), under the Ministry of Social Justice and Empowerment, Government of India benefited about 4200 physically challenged people during 2012-13.
- Operational Mobile Health Clinic facility by Stations to provide quality health care at the doorstep of neighbourhood villages.
- Conducting more than 70 medical camps of various types for local villages including those for detection and treatment of respiratory diseases like TB and lung cancer, eye check up camps and general health checkups. During the camps more than 2,100 surgeries of various natures were performed.
- Activities like fogging, spraying anti larva spray and to support for Health Infrastructure were taken up in about 200 villages during the year.
- NTPC extended support by providing essential drugs to State Government, Odisha to meet medical emergencies during ensuing monsoon.
- Directly Observed Treatment cum Designated Microscopy Centre (DOT cum DMC) with Mobile ambulance facilities being run by 12 NTPC hospitals through NTPC Foundation under Revised National Tuberculosis Control Programme (RNCTP) that cater to villages up to 25-30 km benefited about 5,550 people during 2012-13.

NTPC employees participated in various activities through Employee Voluntary Organization for Initiative in Community Empowerment (EVOICE).

NTPC had signed a MOU with Archeological Survey of India (ASI) and National Culture Fund (NCF) for financial support for preservation and conservation of group 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 Group of Monuments, Mandu. For other two sites, plans have been prepared & work will start soon.

Labour Standard: Principle 3-6

For addressing the issue of labour standard in comprehensive manner, NTPC has decided to adopt international standards like SA-8000 and OHSAS-18001.

13 NTPC Stations has been accredited for SA 8000 in previous years. During the year 2012-13, Jhanor Gandhar and NCPP Dadri stations of NTPC got revalidated for SA 8000. Revalidation for the same is under process at Auraiya, Singrauli and Unchahar. Surveillance audit for SA 8000 Accreditation has been carried out by Anta, Auraiya, Badarpur, Farakka, Kayamkulam, NCPP Dadri, Ramagundam, Rihand & Simhadri.

Environment: Principle 7-9

NTPC since inception has been proactive in addressing environmental concerns. NTPC 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, we have adopted sound envt. management practices and advanced environment protection system to minimize impact of power generation on environment. All NTPC units have been ISO 14001 certified by reputed National/ International certifying agencies.

The details of the initiatives undertaken by the Company are given under the Heading ‘Environment Management - initiatives for preserving environment’ in the Directors’ Report.

Anti-corruption: Principle 10

The Company has a Vigilance Department headed by Chief Vigilance Officer who is a nominee of the Central Vigilance Commission. The Vigilance Department consisting of Four Units, namely Corporate Vigilance Cell, Departmental Proceeding Cell (DPC), MIS Cell and Technical Cell (TC). These units deal with various facets of Vigilance Mechanism. Exclusive and independent functioning of these Units ensure transparency, objectivity and quality in vigilance functioning. 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.

The details are given under the Heading ‘Vigilance’ in the Directors Report.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

The quantity of ash produced, ash utilized and percentage of such utilization during 2012-13 from NTPC Stations is as under:

Sl. No.	Stations	Ash Produced	Ash Utilization	% Utilization
		Lakh MTs	**Lakh MTs**	**%**
1	Badarpur	12.02	10.41	86.61
2	Dadri	27.44	23.80	86.73
3	Singrauli	37.77	22.66	59.99
4	Rihand	34.89	19.71	56.49
5	Unchahar	24.54	15.33	62.47
6	Tanda	11.56	7.33	63.41
7	Korba	64.39	24.18	37.55
8	Vindhyachal	69.35	46.13	66.52
9	Sipat	41.76	8.62	20.64
10	Ramagundam	45.21	30.52	67.51
11	Simhadri	32.25	19.60	60.78
12	Farakka	36.47	33.34	91.42
13	Kahalgaon	45.63	10.22	22.40
14	Talcher-Thermal	12.35	12.35	100.00
15	Talcher-Kaniha	67.26	25.50	37.91
	Total	**562.89**	**309.70**	**55.02**

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Annex-X to Directors' Report

NTPC BUSINESS RESPONSIBILITY REPORT-2012-13

Section A : General Information about the company

1.	**CIN (Corporate identity number)**	L40101DL1975GOI007966
2.	**Name of the company**	NTPC Limited
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**	2012-13

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:

i. International locations - 03 nos
   a. Trincomalee Power Project, Srilanka
   b. Power Project at Khulna, Bangladesh
   c. Siddhirganj, Bangladesh

ii. National locations - 55 nos.

10. Markets served by the company : National & International

Section B : Financial details of the company

1.	Paid up capital (₹ Crore)	₹ 8,245.46 Cr.
2.	Total Revenue (₹ Crore)	₹ 68,775.51 Cr.
3.	Total profit after taxes (₹ Crore)	₹ 12,619.39 Cr.
4.	Total spending on CSR and Sustainable Development (SD) as % of PAT (%) (CSR : ₹ 69.24 Cr.+SD : ₹ 10.29 Cr.)	₹ 79.53 Cr. (0.63 %)
5.	List of activities in which expenditure in 4 above has been incurred	**Areas of CSR Activities :** - Education and awareness creation - Vocational Training and Skill up-gradation - Health and Sanitation - Conducting Medical camps - Activities for physically challenged - Women Empowerment - Roads and Infrastructure development - Drinking Water - Animal Health - Sports and Culture **Areas of SD Activities :** - Tree Plantation - Stack SPM reduction - Installation of Bio-methanation plants - Environmental Studies

Section C: Other Details

Subsidiaries : The company has the following five Subsidiary Companies as on 31-03-2013 :

i. NTPC Electric Supply Company Limited
ii. NTPC Vidyut Vyapar Nigam Limited
iii. Bhartiya Rail Bijlee Company Limited
iv. Kanti Bijlee Utpadan Nigam Limited
v. NTPC Hydro Limited*

*NTPC Hydro Limited is being merged with NTPC 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	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.	1. Safety Policy 2. Sustainable Development (SD) Policy	Director (Operations) Director (Technical)
Principle 3 (P3)	Businesses should promote the well-being of all employees.	Human Resource (HR) Policies	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 (Operations) Director (Technical)
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 Number : 011-24360044
v. Email-id: : cmd@ntpc.co.in

b. Details of the 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-SDPolicy.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 viz. State Electricity Distribution Companies, majority of which are owned by respective State Governments.
- Allocation of power is made by Ministry of Power based on certain policies and guidelines.
- Power Tariff is determined by Central Electricity Regulatory Commission (CERC) engaging all stakeholders.
- Issues, if any, are discussed and resolved in common forums like Regional Power Committees, where customer organisations and generators are members.

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 for the Financial Year 2011-12 and intends to publish it annually. The hyperlink to the report is : http://www.ntpc.co.in/images/content/corporate_citizenship/SustainableDevelopmentPolicy/sustainabilityreport11-12.pdf

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. Conduct, Discipline and Appeal Rules (CDA Rules) are applicable to all employees of NTPC and employees of NTPC posted in JVs/ Subsidiaries.
   iv. Insider Trading Code is applicable to designated employees of the Company.
   v. However in line with NTPC, RGPPL and NTECL, JVs of NTPC have also adopted Fraud Prevention Policy and CDA rules.
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 51 complaints were taken up for investigation during the period 1st April'12 to 31st March'13. All cases, referred under the Fraud Prevention Policy, have been investigated and taken to its logical conclusion. Action as per law has been initiated against those, who are found involved, and misappropriated amount involved in most of the fraud cases has been recovered.

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	
	Quantity	Per Unit Consumption	Quantity	Per Unit Consumption
Coal*	140.6 MMT	0.71 Kg/kwh	154.5 MMT	0.73 Kg/kwh
Gas$	13.08 MMSCMD	0.21 scm/kwh	10.70 MMSCMD	0.22 scm/kwh

* Increase in per unit coal consumption is due to poor quality of coal and lower plant load factor in FY 2012-13.
$ Increase in per unit gas consumption is due to lower plant load factor in FY 2012-13

WATER CONSUMPTION PER YEAR

	2011-12		2012-13	
	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

Reduction in Water withdrawal during FY 2012-13 = 6.5 %

ENERGY SAVING PER YEAR

Energy saved by the initiatives taken in NTPC power plants for energy conservation / efficiency improvement	2011-12	2012-13
	111.2 MU	119.9 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. For projects commissioned before 31.03.09, NTPC has signed Fuel Supply Agreements (FSAs) for 124.9 million tonnes which corresponds to 23895 MW at 85% PLF.

   After 31.03.09 and till end of FY 2012-13, 7960 MW capacity has been commissioned in the Company. Letter of Assurance (LOA) for coal supply has been issued by coal companies. New FSAs for the projects have been finalised and are being signed with Coal India Limited (CIL). The total LOA quantity for these projects is 33.31 million tonnes, which correspond to PLF of around 76.5% to 85% as per CEA norms. As an interim measure, yearly MOUs are being signed with coal companies based on coal allocation done by Central Electricity Authority (CEA).

   For any shortfall in coal requirement, NTPC is sourcing coal through E-auction, bilateral agreement and import.

   NTPC has its own dedicated Merry-Go-Round (MGR) railway system for all its Pit Head stations for transportation of coal from respective linked mines. Around 60% of its coal requirement is transported through this system ensuring sustainability of coal transportation.

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 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 preference 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. 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 55% of the total ash generated from electricity generation has been used for various productive purposes during 2012-13. Important areas of ash utilization are - cement and asbestos industry, ready mix concrete plant (RMC) road embankment, mine filing, ash dyke raising and land development.

Principle 3 : Businesses should promote the wellbeing of all employees

1. Number of Employees* :
   a. Executives : 12,588
   b. Non- executives : 11,277
   * excluding JVs and subsidiaries
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 vary from time to time. As per the available information, the total no. of Contractor's Workers as on 31-03-2012 were 11,333.
3. Number of permanent Women Employees : 1,467

4. Number of permanent Employees with Disabilities : 472
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 complaints filed during the FY 12-13	No. of complaints pending as on 31-03-2013
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category of employee	Training for safety (% covered)	Training for skill up -gradation (% covered)*
Permanent Employees	18.63	26.84
Permanent Women Employees	3.80	27.65
Casual / Temporary / Contractual Employees	84.04	14.24
Employees with Disabilities	7.28	23.62

* 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 Rehabilitation & Resettlement 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 provision of suitable amount as economic assistance / seed capital for self employment, special vocational training programmes, priority in engagement for suitable jobs, pension under Widow Pension Scheme, old age pension scheme etc.

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 and employees posted in 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 Green House Gas (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?

   Environmental management is an integral part of business in NTPC. It starts from selection of environmentally compatible sites and conducting Environmental Impact Assessment studies, wherein all possible impacts and risks associated with the project are indentified. Clearances are taken from State Pollution Control Boards (SPCB) and Ministry of Environment & Forests (MOEF) etc. All necessary pollution control / abatement measures are incorporated in the design of the project and the stipulations made in these clearances are implemented during implementation of the project.

   NTPC also 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 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) have already been submitted to UNFCCC for CDM registration.

   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 shortly.

   iii. Six more CDM Projects viz. North-Karanpura STPP, Loharinag Pala HEPP, Tapovan Vishnugad HEPP, Energy Efficiency Projects at NTPC-Singrauli, Energy Efficiency Project at NTPC-Dadri and 15MW Solar (Thermal) Power Project at NTPC-Anta have got Host Country Approval (HCA) from National CDM Authority and are being processed further.

   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)’.

   More CDM projects are in the pipeline. However, as none of the CDM projects have yet been registered, no verification report has been submitted by NTPC.

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 is planning to set up 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 17% 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) of Prime Minister in 22 Power Stations of the company as notified by BEE.

iii. Renewable Energy

NTPC plans to add capacity through renewable sources of energy. It offers environmently clean 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:

1) Solar Projects (110 MW) :
   - Commissioned- 10 MW (Dadri - 05 MW & Port Blair- 05 MW)
   - Under Execution – 85 MW (Ramagundam- 10 MW, Unchahar- 10 MW, Talcher Kaniha- 10 MW, Rajgarh- 50 MW & Faridabad- 05 MW)
   - Under Tendering- 15 MW Singrauli
2) Small Hydro Projects (11 MW) :
   - Under Execution – 8 MW (Singrauli)
   - Under Finalization of DPR - 03 MW (Rihand)
3) Wind power Projects (80 MW) – 40 MW each in Karnataka and Maharastra - under tendering process
4) Geothermal based power Projects - MoU has been signed with Chattisgarh Govt for development of geothermal power project at Tattapani.
5) Distributed Generation (DG) - MoU with Swiss Agency for Development and Cooperation to plan and implement Renewable Energy and Distributed Generation projects. The main focus is on technologies like biomass gasification including two stage gasifier, small hydro & solar energy and sustainability of the distributed generation projects.

7. 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.

8. 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.

   No show cause / legal notice received from the regulatory bodies remain pending as on the end of FY 2012-13. All issues are addressed and action plans submitted to the regulatory bodies.

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 48 Chambers & association including FICCI, CII, TERI, ITRHD, WEC 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 & 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 and Climate Change.

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 its own Resettlement and Rehabilitation (R&R) policy based on provisions envisaged in GOI R&R policy to extend R&R benefits to project affected people / families. The company also has specified programmes for inclusive growth & equitable development not only at station level but at country level. Some of the areas of our initiatives and programmes undertaken are listed below:

   i. Education :

      - Under the on-going scheme of strengthening the Industrial Training Institutes (ITIs) across the country, NTPC has taken the initiative of adopting ITIs / setting up of ITIs near its power generating stations / projects. NTPC is presently associated with 26 ITIs (till 31.03.2013). NTPC has adopted 17 existing Govt. ITIs out of which 14 ITIs have been adopted under PPP scheme of GoI and 03 ITIs are being up-graded under Bilateral Agreement with respective State Govt. In addition, NTPC is also setting up 09 new ITIs near its Plants/ Stations.
      - Support was extended for construction of Engineering College in Korba and polytechnic training centre in Kayamkulam.
      - 23 schools run by NTPC predominately for community, benefited more than 20,000 students of neighbourhood community.
      - Various activities undertaken in more than 500 village schools benefited close to 60,000 village children.
      - Assistance was provided to National Foundation for Communal Harmony (NFCH), an autonomous organization with Ministry of Home Affairs, GOI to facilitate education and rehabilitation of the child victims of communal, caste, ethnic or terrorist violence.

   ii. Health :

      - NTPC has a specific scheme for medical facilities to the Project Affected Persons (PAPs) and their families wherein 80% rebate is given for the consultation charges and for indoor treatment in NTPC Hospitals.
      - Mobile Health Clinic facility was started by Stations like Kayamkulam, Kawas and Talcher Thermal to provide quality health care at the doorstep of neighbourhood villages.
      - Directly Observed Treatment cum Designated Microscopy Centre (DOTs cum DMC) with mobile ambulance facilities was run by 12 NTPC hospitals through NTPC Foundation under Revised National Tuberculosis Control Programme (RNCTP) registering more than 15,100 patients and providing treatment to more than 2,400 patient.
      - Activities like medical camps for local villages including those for detection and treatment of respiratory diseases like TB and lung cancer and for general checkups; fogging, spraying anti-larva spray; and support to PHCs and Hospitals in about 300 villages during the year benefited more than 2 Lakh people.
      - NTPC extended support for replacement of old hospital equipments at Behala Balananda Brahmachari Hospital & Research Centre, Kolkata.

   iii. Vocational Training Programmes :

      - NTPC took up various vocational training programmes, such as Computer training, Motor rewinding, Motor

Driving, Electrician & General Electrical Repairing, etc. for youth and various Coaching Classes etc. for village children, based on the need of the local community in the neighbourhood of its stations.

- Assistance was provided for Vocational training to 45 BPL candidates through Apparel Training and Design Centre (ATDC), Chhindwara.
- NTPC is implementing a project entitled "Improvement in Quality of Life of rural poor to create self- reliance by increasing participation in Community Development Work" around Kahalgaon Station through Disha.

iv. Women Empowerment :

- Construction of Girls Hostel in Guntur district of AP.
- Various vocational training programmes for women in the neighbourhood villages including Dress Designing, Beautician, Embroidery, candle making, food preservation and food processing etc. were taken up.
- Skill upgradation programs in sewing for women population in the neighborhood villages to promote self-employment were conducted including providing sewing machines covering more than 300 women.

v. For Physically Challenged :

- Information and Communication Technology (ICT) centers established by NTPC Foundation at Delhi University and in four Govt. Blind Schools at Ajmer, Lucknow, Thiruvanathapuram and Mysore for providing IT education to physically & visually challenged students have benefited more than 2000 students so far. New ICT Centers at Gauhati University, Guwahati was started and MOU signed for ICT Center at Devi Ahilya Vishwavidyalaya, Indore.
- Disability Rehabilitation Centers (DRCs) at NTPC Tanda, Rihand, Korba, Dadri and Bongaigaon established in collaboration with NTPC Foundation and National Institute for the Orthopaedically Handicapped (NIOH), under the Ministry of Social Justice and Empowerment, Government of India have provided services and aids & appliances to more than 23,900 cases so far.
- Activities to benefit physically challenged persons like distribution of dress; bags study material, reimbursement of school fees etc. to school children, distribution of tricycles and providing medical appliances were taken up by the Stations.

vi Infrastructure :

- NTPC Unchahar completed construction of bridge over drain and took up installation of Solar Power Lighting System in three municipal corporations of Raebareli, Bachhrawan and Lalganj of Raebareli District.
- Talcher Thermal took up supply of drinking water through pipeline to Jagannathpur Village, Odisha through RWS&S, a State Govt. agency.
- Kahalgaon station has taken up infrastructure development works like construction of road, sanitation, drinking water and electrical lightning work in 6 villages, 3 villages each in Bhagalpur and Godda District.

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 in association with external NGO's , government structure, in some activities own foundation & other organizations also.

3. Have you done any impact assessment of your initiative?

   Every two years the impact assessment is done for all the major CSR activities at various stations. Social Impact Evolution (SIE) study/survey have been conducted on completion of R&R plan at Sipat and Simhadri projects. Evalution is done through the development of a Standard of Living Index (SOLI) and same is evaluated pre and post acquisition of affected Vs unaffected villages.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

   NTPC earmark at least 0.4% of project cost for community development works in and around the project affected villages to improve their living standard. Recently R&R plan was approved for Lara project, Kudgi project, Korba Stage-III, Vindhyachal IV

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, community participation along with local administration & village panchayats are involved in all activities, this ensures the successful adoption of initiative by the community.

   Social Impact Evalution (SIE) study/ survey are conducted on completion of R&R plan at Sipat and Simhadri projects. Evaluation is done through the development of a Standard of Living Index (SOLI) and same is evaluated pre and post acquisition of affected Vs unaffected villages. The external agency is considered for SIE. Social audit is also being done to evaluate whether all activities identified in the R&R plan have been completed satisfactorily and gives recommendation for necessary modification/ corrective measures, if any, for the future projects.

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:

   The total of 91 cases are pending as on 31-03-2013, which were filed by NTPC or by different beneficiaries of NTPC against CERC orders / APTEL judgements related to NTPC Ltd. The details are as under :

   - Cases with Appellate Tribunal For Electricity (APTEL) : 23 nos.
   - Cases in Supreme Court : 68 nos.
   - In addition, 16 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.

   The Association of Power Producers had filed a complaint, 125/MP/2011 in Central Electricity Regulatory Commission. The petitioner had alleged that :

   - NTPC undertook a massive exercise of signing Power Purchase Agreements with the State distribution companies and State Electricity Boards with a clear intention of bypassing the impending competitive bidding requirements during the period from 1.10.2010 to 5.1.2011 and signed the PPAs for supply of more than 37000 MW of power.
   - Conduct of NTPC in rushing to sign Power Purchase Agreements for supply of 37000 MW of electricity abusing its dominant position, thereby causing adverse effect on competition in electricity industry.

   After Hearing, CERC issued Final Order on 26.04.2013 in favour of NTPC. The detailed order is available on CERC Website: www.cercind.gov.in

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, Customer Surveys are being carried out taking feedback on various aspects of NTPC business from the key respondents of the customers' organizations using internal resources. Feedbacks, as received, are being analysed to identify customers expectations, issues of concerns and satisfaction for internal assessment, and identification of suitable strategies to address the issues and improvement in processes.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 2nd August 2013

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

BALANCE SHEET AS AT

₹ Crore

Particulars	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**8,245.46**	8,245.46
Reserves and surplus	3	**72,142.05**	65,045.71
		80,387.51	73,291.17
Deferred revenue	4	**1,244.05**	1,430.06
Non-current liabilities			
Long-term borrowings	5	**53,253.66**	45,908.27
Deferred tax liabilities (net)	6	**915.30**	636.90
Other long-term liabilities	7	**1,965.99**	1,729.06
Long-term provisions	8	**739.92**	603.70
		56,874.87	48,877.93
Current liabilities			
Trade payables	9	**5,158.77**	4,460.65
Other current liabilities	10	**10,446.72**	9,537.24
Short-term provisions	11	**7,004.54**	3,233.69
		22,610.03	17,231.58
TOTAL		**161,116.46**	140,830.74
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**62,687.42**	45,044.47
Intangible assets	12	**248.68**	211.89
Capital work-in-progress	13	**37,109.42**	41,827.82
Intangible assets under development	13	**-**	0.04
Non-current investments	14	**9,137.64**	9,583.92
Long-term loans and advances	15	**9,633.45**	5,394.35
Other non-current assets	15A	**1,132.77**	1,371.88
		119,949.38	103,434.37
Current assets			
Current investments	16	**1,622.46**	1,622.46
Inventories	17	**4,057.19**	3,702.85
Trade receivables	18	**5,365.49**	5,832.51
Cash and bank balances	19	**16,867.70**	16,141.83
Short-term loans and advances	20	**1,745.53**	1,543.32
Other current assets	21	**11,508.71**	8,553.40
		41,167.08	37,396.37
TOTAL		**161,116.46**	140,830.74

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	(A. K. Singhal) Director (Finance)	(Arup Roy Choudhury) 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	(Monika Agrawal) Partner M No. 093769	(Anil Gaur) Partner M No. 017546

Place : New Delhi
Dated : 10th May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

₹ Crore

Particulars	Note	31.03.2013	31.03.2012
Revenue from operations (gross)	22	**66,200.24**	62,480.88
Less: Electricity duty		**526.31**	428.65
Revenue from operations (net)		**65,673.93**	62,052.23
Other income	23	**3,101.58**	2,789.65
Total revenue		**68,775.51**	64,841.88
Expenses			
Fuel		**41,018.25**	41,635.46
Employee benefits expense	24	**3,360.12**	3,101.71
Finance costs	25	**1,924.36**	1,711.64
Depreciation and amortization expense	12	**3,396.76**	2,791.70
Generation, administration & other expenses	26	**4,211.22**	3,588.79
Prior period items (net)	27	**(29.72)**	(313.58)
Total expenses		**53,880.99**	52,515.72
Profit before tax and exceptional items		**14,894.52**	12,326.16
Exceptional items	32	**1,684.11**	-
Profit before tax		**16,578.63**	12,326.16
Tax expense			
Current tax			
Current year		**3839.69**	2,913.64
Earlier years		**(158.85)**	154.84
Deferred tax			
Current year		**278.40**	327.85
Earlier years		**-**	(293.90)
Total tax expense		**3,959.24**	3,102.43
Profit for the year		**12,619.39**	9,223.73
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value ₹ 10/- each) Basic & Diluted (₹)	43	**15.30**	11.19

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	(A. K. Singhal) Director (Finance)	(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
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(M. S. Balachandran) Partner M No. 024282	(Monika Agrawal) Partner M No. 093769	(Anil Gaur) Partner M No. 017546

Place : New Delhi
Dated : 10th May 2013

CASH FLOW STATEMENT

₹ Crore

For the year ended March 31,		2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		**16,578.63**	12,326.16
Adjustment for:			
Depreciation / Amortisation	**3,396.76**		2,791.70
Prior period depreciation / amortisation	**(0.25)**		(1.35)
Provisions	**206.25**		65.18
Deferred revenue on account of advance against depreciation	**(9.87)**		(73.58)
Deferred foreign currency fluctuation asset/liability	**240.28**		(874.84)
Deferred income from foreign currency fluctuation	**79.56**		792.00
Interest charges	**1,902.13**		1,681.75
Guarantee fee & other finance charges	**22.23**		29.89
Interest/income on term deposits/bonds/investments	**(2,397.11)**		(2,307.65)
Dividend income	**(241.32)**		(169.30)
Provisions written back	**(844.70)**		(315.86)
Profit on disposal of fixed assets	**(4.62)**		(13.28)
Loss on disposal of fixed assets	**59.91**		58.40
		2,409.25	1,663.06
Operating Profit before Working Capital Changes		**18,987.88**	13,989.22
Adjustment for:			
Trade receivables	**1,307.69**		(2,862.83)
Inventories	**(157.16)**		93.94
Trade payables, provisions and other liabilities	**1,550.38**		375.87
Loans & Advances and Other current assets	**(3,298.04)**		185.94
		(597.13)	(2,207.08)
Cash generated from operations		**18,390.75**	11,782.14
Direct taxes paid		**(2,895.58)**	(1,072.29)
Net Cash from Operating Activities - A		**15,495.17**	10,709.85
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	**(16,296.65)**		(10,794.44)
Disposal of fixed assets	**5.44**		78.76
Purchase of investments	**(17,955.00)**		(23,630.00)
Sale of investments	**19,577.46**		25,433.87
Investment in subsidiaries/joint ventures	**(1,177.22)**		(681.68)
Loans & advances to subsidiaries	**(73.06)**		(2.98)
Interest/income on term deposits/bonds/investments received	**2,417.32**		2,235.00
Income tax paid on interest income	**(756.50)**		(688.37)
Dividend received	**241.32**		169.30
Net cash used in Investing Activities - B		**(14,016.89)**	(7,880.54)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings	**11,696.96**		8,736.39
Repayment of long term borrowings	**(4,434.52)**		(3,522.93)
Grants received	**-**		1.33
Interest paid	**(3,831.50)**		(3,885.12)
Guarantee fee & other finance charges paid	**(114.57)**		(84.18)
Dividend paid	**(3,504.34)**		(3,545.55)
Tax on dividend	**(564.44)**		(569.02)
Net cash used in Financing Activities - C		**(752.41)**	(2,869.08)
Net increase/decrease in cash and cash equivalents (A+B+C)		**725.87**	(39.77)
Cash and cash equivalents at the beginning of the year (see Note 1 below)		**16,141.83**	16,181.60
Cash and cash equivalents at the end of the period (see Note 1 below)		**16,867.70**	16,141.83

NOTES

1 Cash and cash equivalents consists of Cash 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:

	2013	2012
Cash and cash equivalents	**380.30**	761.89
Demand deposits included in other bank balances	**16,469.97**	15,357.98
Other bank balances-Others*	**17.43**	21.96
Cash and cash equivalents as restated (Note-19-Cash and Bank balances)	**16,867.70**	16,141.83
* Amounts which are not available for use towards:		
1) Unclaimed dividend	**15.65**	11.48
2) Out of margin money kept with RBI earmarked for fixed deposits from public	**1.77**	1.77
3) Deposited as security with Governement and other other authorities	**0.01**	8.71
	17.43	21.96

2 The net profit after tax is after considering exceptional items of ₹ **1,684.11 crore** (previous year Nil). Refer Note 32 for details.

3 Previous year figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of the Board of Directors

(A. K. Rastogi) Company Secretary	(A. K. Singhal) Director (Finance)	(Arup Roy Choudhury) Chairman & Managing Director

This is the 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
(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	(Monika Agrawal) Partner M No. 093769	(Anil Gaur) Partner M No. 017546

Place : New Delhi
Dated : 10th May 2013

Notes to the financial statements for the year ended 31st March 2013

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, the relevant provisions of the Companies Act, 1956 including accounting standards notified there under 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.
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 liability 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 these are 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 is written off in the year when determined to be dry/abandoned.
4. All wells under 'Exploratory Wells-in-Progress' which are more than two years old from the date of completion of drilling are charged to statement of profit and loss, except those wells which have proven reserves and the development of the fields in which the wells are located has been planned.

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.

I. 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.

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. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
6. 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.
7. 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.
8. Scrap other than steel scrap is accounted for as and when sold.
9. 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/disposal.
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. However, similar expenditure for community development is charged off to revenue.
11. Leasehold land and buildings relating to generation of electricity business are fully amortised over 25 years or lease period 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

1. **Defined contribution plan**

Company's contributions 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 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**

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.

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 are 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. An 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'.

2. Share capital

₹ Crore

As at	31.03.2013	31.03.2012
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/bought back any shares.

b) During the year, Government of India has divested 9.50% of the paid up equity capital of the Company by way of offer for sale through stock exchange mechanism as provided by SEBI circular CIR/MRD/DP/18/2012 dated 18th July 2012 and circular no. CIR/MRD/DP/04/2013 dated 25th January 2013.

c) 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.

d) During the year ended 31st March 2013, the amount of per share dividend recognised as distribution to equity share holders was ₹ **4.50** (previous year ₹ 4.00) and special dividend of ₹ **1.25**.

e) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31.03.2013		31.03.2012	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	**6184098300**	**75.00**	6967361180	84.50
- Life Insurance Corporation of India	**631294191**	**7.66**	487167008	5.91

3. Reserves and surplus

₹ Crore

As at	31.03.2013	31.03.2012
Capital reserve		
As per last financial statements	**153.62**	151.88
Add : Transfer from surplus	**0.97**	0.44
Add : Grants received during the year	**-**	1.33
Less: Adjustments during the year	**0.02**	0.03
	154.57	153.62
Securities premium account	**2,228.11**	2,228.11
Bonds redemption reserve		
As per last financial statements	**2,389.04**	2,231.66
Add : Transfer from surplus	**492.79**	482.38
Less: Transfer to surplus	**346.50**	325.00
	2,535.33	2,389.04
General reserve		
As per last financial statements	**60,202.80**	55,002.80
Add : Transfer from surplus	**6,500.00**	5,200.00
	66,702.80	60,202.80
Surplus		
As per last financial statements	**72.14**	32.34
Add: Profit for the year as per Statement of Profit & Loss	**12,619.39**	9,223.73
Write back from bond redemption reserve	**346.50**	325.00
Less: Transfer to bond redemption reserve	**492.79**	482.38
Transfer to capital reserve	**0.97**	0.44
Transfer to general reserve	**6,500.00**	5,200.00
Dividend paid	**3,092.07**	2,885.92
Tax on dividend paid	**501.61**	465.09
Proposed dividend	**1,649.09**	412.27
Tax on proposed dividend	**280.26**	62.83
Net surplus	**521.24**	72.14
Total	**72,142.05**	65,045.71

During the year, the Company has paid interim dividend @ ₹ **3.75** (previous year ₹ 3.50) per equity share of par value ₹ 10/- each for the year 2012-13. Further, the Company has proposed final dividend of ₹ **2.00** (including special dividend of ₹ 1.25) (previous year ₹ 0.50) per equity share of par value ₹ 10/- each for the year 2012-13. Thus, the total dividend (including interim dividend) for the financial year 2012-13 is ₹ **4.50** (previous year ₹ 4.00) per equity share of par value ₹ 10/-each and special dividend is ₹ **1.25** per equity share of par value ₹ 10/-each.

4. Deferred revenue

₹ Crore

As at	31.03.2013	31.03.2012
On account of advance against depreciation	**708.60**	718.47
On account of income from foreign currency fluctuation	**535.45**	711.59
Total	**1,244.05**	1,430.06

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 shareholder's funds and liabilities.

b) In line with significant accounting policy no. L.2 (Note 1), an amount of ₹ **9.87 crore** (previous year ₹ 34.39 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 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. 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	31.03.2013	31.03.2012
Bonds		
Secured		
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)[VIII]	**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
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)[VIII]	**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% 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	31.03.2013	31.03.2012
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)VIII	**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)VIII	**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 Decemeber 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	**357.00**	428.50
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	**357.00**	428.50
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	**350.00**	400.00
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	**350.00**	400.00

₹ Crore

As at	31.03.2013	31.03.2012
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	**350.00**	400.00
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	**600.00**	700.00
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	**250.00**	300.00
5.95% 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 6th year and in annual installments thereafter upto the end of 10th year respectively from 15th September 2003 (Eighteenth issue - private placement) VII	**-**	100.00
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) IX	**300.00**	375.00
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) IX	**300.00**	375.00
Unsecured		
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) *	**300.00**	-
	9,704.00	9,057.00
Foreign currency notes		
Unsecured		
4.75 % Fixed rate notes due for repayment on 3rd October 2022	**2,745.50**	-
5.625 % Fixed rate notes due for repayment on 14th July 2021	**2,745.50**	2,581.50
5.875 % Fixed rate notes due for repayment on 2nd March 2016	**1,647.30**	1,548.90
Term loans		
From Banks		
Unsecured		
Foreign currency loans	**4,766.70**	3,927.15
Rupee loans	**13,884.90**	9,463.52
From Others		
Secured		
Foreign currency loan (guaranteed by GOI)	**-**	99.09
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,604.09**	2,999.49
Other foreign currency loans	**1,864.55**	1,872.51
Rupee loans	**13,090.55**	14,358.43
Deposits		
Unsecured		
Fixed deposits	**0.52**	0.47
Others		
Unsecured		
Bonds application money pending allottment**	**200.00**	-
Long term maturities of finance lease obligations (Secured)X	**0.05**	0.21
Total	**53,253.66**	45,908.27

* Formalities for creation of security as per terms of bond issue are in progress.

** Bond application money received in respect of 8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th April 2013 (Forty ninth issue-private placement).

a) **Details of terms of repayment and rate of interest**

₹ Crore

Particulars	Non current portion		Current portion	
Term loans	**31.03.2013**	31.03.2012	**31.03.2013**	31.03.2012
Secured				
Foreign currency loan (guaranteed by GOI) - Others	**-**	99.09	**96.44**	186.38
	-	99.09	**96.44**	186.38
Unsecured				
Foreign currency loans (guaranteed by GOI) - Others	**2,604.09**	2,999.49	**171.73**	183.64
Foreign currency loans - Banks	**4,766.70**	3,927.15	**233.59**	219.64
Other foreign currency loans - Others	**1,864.55**	1,872.51	**576.19**	646.04
Rupee loans - Banks	**13,884.90**	9,463.52	**1,753.63**	1,689.85
Rupee loans - Others	**13,090.55**	14,358.43	**1,367.73**	740.33
	36,210.79	32,621.10	**4,102.87**	3,479.50
Fixed deposits (unsecured)	**0.52**	0.47	**0.11**	11.79

i) Secured Foreign Currency Loan (guaranteed by GOI) carries floating rate of interest linked to Currency Weighted LIBOR and is repayable on June 15, 2013.

ii) 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 27 to 36 semi annual installments as of 31st March 2013.

iii) Unsecured Foreign Currency Loans – Banks include loans of ₹ **591.81 Crore** (previous year ₹ 635.95 Crore) which carry fixed rate of interest of 4.31% p.a. and loans of ₹ **4,408.48 Crore** (previous year ₹ 3,510.84 Crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 26 semiannual instalments as of 31st March 2013, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iv) Unsecured Foreign Currency Loans – Others include loans of ₹ **1,071.57 Crore** (previous year ₹ 654.40 Crore) which carry fixed rate of interest ranging from 3.50% p.a. to 4.31% p.a., loans of ₹ **1,277.60 Crore** (previous year ₹ 1,675.48 Crore) which carry floating rate of interest linked to 6M LIBOR / 6M EURIBOR and a loan of ₹ **91.57 Crore** (previous year ₹ 188.67 Crore) which carries floating rate of interest linked to the cost of borrowings of the Multilateral Agency lender. These loans are repayable in 2 to 24 semiannual installments as of 31st March 2013, commencing after moratorium period if any, as per the terms of the respective loan agreements.

v) Unsecured rupee term loans carry interest ranging from 5.707% to 12.75% 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 five to fifteen years after a moratorium period of six months to five years.

vi) Unsecured fixed deposits carry interest @ 6.75% to 8.00% p.a. payable quarterly/monthly for non-cumulative schemes and on maturity in case of cumulative schemes compounded quarterly. The deposits are repayable during a period of one to three years from the date of issue.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four years.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

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, Loharinag Pala Hydro Power Project 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-pasu 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) 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, Loharinag Pala Hydro Power Project 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 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) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

IX 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, Loharinag Pala Hydro Power Project 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.

X Secured against fixed assets obtained under finance lease.

XI Security cover mentioned at sl. no. I to IX is above 100% of the debt securities outstanding.

6. Deferred tax liabilities (net)

₹ Crore

	As at 01.04.2012	Additions/ (Adjustments) during the year	**As at 31.03.2013**
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,002.02	321.04	**6,323.06**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	1,098.16	(322.24)	**775.92**
Disallowances u/s 43B of the Income Tax Act, 1961	329.40	4.09	**333.49**
	4,574.46	639.19	**5,213.65**
Less: Recoverable from beneficiaries	3,937.56	360.79	**4,298.35**
Total	636.90	278.40	**915.30**

a) The net increase during the year in the deferred tax liability of ₹ **278.40 crore** (previous year ₹ 33.95 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	**31.03.2013**	31.03.2012
Trade payables	**6.47**	5.07
Deferred foreign currency fluctuation liability	**135.60**	134.43
Other liabilities		
Payable for capital expenditure	**1,823.64**	1,589.28
Others	**0.28**	0.28
Total	**1,965.99**	1,729.06

a) Disclosure w.r.t. micro and small enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is made in Note 48.

b) In line with accounting policy no.L.3 (Note 1), deferred foreign currency fluctuation liability to the extent of ₹ **1.17 crore** (previous year ₹ 37.89 crore) has been made during the year.

c) Other liabilities - Others include deposits received from contractors, customers and parties towards sale of scrap etc.

8. Long-term provisions

₹ Crore

As at	**31.03.2013**	31.03.2012
Provision for employee benefits		
Opening balance	**603.70**	561.90
Additions/(adjustments) during the year	**136.22**	41.80
Total	**739.92**	603.70

a) Disclosure required by AS 15 on 'Employees benefits' has been made in Note 38.

9. Trade payables

₹ Crore

As at	31.03.2013	31.03.2012
For goods and services	**5,158.77**	4,460.65

Disclosure w.r.t. micro and small enterprises as required by the MSMED Act is made in Note 48.

10. Other current liabilities

₹ Crore

As at	31.03.2013	31.03.2012
Current maturities of long term borrowings		
Bonds - Secured	**693.00**	693.00
From Banks		
Unsecured		
Foreign currency loans	**233.59**	219.64
Rupee term loans	**1,753.63**	1,689.85
From Others		
Secured		
Foreign currency loan (guaranteed by GOI)	**96.44**	186.38
Unsecured		
Foreign currency loans (guaranteed by GOI)	**171.73**	183.64
Other foreign currency loans	**576.19**	646.04
Rupee term loans	**1,367.73**	740.33
Fixed deposits	**0.11**	11.79
	4,892.42	4,370.67
Current maturities of finance lease obligitions -Secured	**0.22**	0.43
Interest accrued but not due on borrowings	**626.52**	499.81
Unpaid dividends	**15.65**	11.48
Unpaid matured deposits and interest accrued thereon	**0.20**	0.26
Unpaid matured bonds and interest accrued thereon	**0.59**	0.59
Book overdraft	**17.23**	2.96
Advances from customers and others	**323.43**	289.16
Payable for capital expenditure	**3,512.68**	3,503.75
Other payables		
Tax deducted at source and other statutory dues	**162.69**	154.31
Deposits from contractors and others	**102.19**	92.92
Gratuity obligations	**93.12**	60.16
Payable to employees	**452.54**	318.02
Others	**247.24**	232.72
Total	**10,446.72**	9,537.24

a) Unpaid dividends, matured deposits and bonds including the interest accrued thereon include the amounts which have not been claimed by the investor/holders of the equity shares/bonds/fixed deposits. Out of the above, no amount is due for payment to investor education and protection fund.

b) 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.

c) Other payables - Others include amount payable to hospitals, retired employees etc.

d) Payable for capital expenditure includes liabilities of ₹ **378.77 crore** (previous year ₹ 371.01 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.

11. Short-term provisions

₹ Crore

As at	31.03.2013	31.03.2012
Provision for employee benefits		
Opening balance	**1,143.84**	1,170.07
Additions/(adjustments) during the year	**279.80**	(26.23)
Closing balance	**1,423.64**	1,143.84
Provision for proposed dividend		
Opening balance	**412.27**	659.63
Additions during the year	**1,649.09**	412.27
Amounts paid during the year	**412.27**	659.63
Closing balance	**1,649.09**	412.27
Provision for tax on proposed dividend		
Opening balance	**62.83**	103.93
Additions during the year	**280.26**	62.83
Amounts paid during the year	**62.83**	103.93
Closing balance	**280.26**	62.83
Provision for obligations incidental to land acquisition		
Opening balance	**340.08**	255.40
Additions during the year	**1,850.25**	124.40
Amounts paid during the year	**129.07**	25.20
Amounts reversed during the year	**7.32**	14.52
Closing balance	**2,053.94**	340.08
Provision for tariff adjustment		
Opening balance	**1,213.70**	-
Additions during the year	**103.24**	1,526.45
Amounts reversed during the year	**-**	312.75
Closing balance	**1,316.94**	1,213.70
Provision for shortage in fixed assets pending investigation		
Opening balance	**1.31**	1.00
Additions during the year	**0.27**	0.74
Amounts adjusted during the year	**0.10**	0.07
Amounts reversed during the year	**0.39**	0.36
Closing balance	**1.09**	1.31
Others		
Opening balance	**59.66**	17.86
Additions during the year	**220.83**	41.90
Amounts adjusted during the year	**0.51**	-
Amounts reversed during the year	**0.40**	0.10
Closing balance	**279.58**	59.66
Total	**7,004.54**	3,233.69

a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note 38.

b) In terms of guidelines of Department of Public Enterprises (DPE), Government of India (GOI) dated 26.11.2008 and 02.04.2009 and subsquent clarification issued by the DPE, the Company is allowed to contribute upto 30% of employees salary (basic pay plus DA) towards superannuation benefits including pension w.e.f. 1st January 2007. Consequent upon receipt of approval from the Ministry of Power (MoP), GOI for introduction of a defined contribution pension scheme in the Company w.e.f 1st January 2007, a separate pension trust has been formed for administration of the pension scheme. The pension scheme is yet to be made operational as clarification on certain issues referred to MoP and DPE are awaited. Pending this, an amount of ₹ **156.90 crore** (previous year ₹ 174.55 crore) for the year and ₹ **458.40 crore** up to 31st March 2013 (upto the previous year ₹ 301.50 crore) has been provided and included in provision for employee benefits.

c) Provision for tariff adjustment - addition during the year includes (-) ₹ **45.95 crore** (Previous year ₹ Nil) recognised as sales on account of the impact of the challenged issues of the APTEL judgement (Refer Note 22).

d) Other provisions include ₹ **46.27 crore** (previous year ₹ 41.19 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petrolium and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 45 (b) (ii)] and ₹ **200.84 crore** (previous year ₹ 18.07 crore) towards provision for litigation cases.

12. Tangible assets

₹ Crore

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Land										
(including development expenses)										
Freehold	2,147.32	1,131.42	(782.21)	**4,060.95**	-	-	-	**-**	**4,060.95**	2,147.32
Leasehold	650.05	750.58	(44.52)	**1,445.15**	131.64	26.76	-	**158.40**	**1,286.75**	518.41
Roads, bridges, culverts & helipads	519.47	61.63	(2.83)	**583.93**	180.00	23.88	(0.01)	**203.89**	**380.04**	339.47
Building										
Freehold										
Main plant	3,393.69	1,097.95	(63.41)	**4,555.05**	1,212.32	121.59	(0.01)	**1,333.92**	**3,221.13**	2,181.37
Others	2,270.70	210.59	(8.91)	**2,490.20**	867.12	99.90	(0.17)	**967.19**	**1,523.01**	1,403.58
Leasehold	50.18	-	0.29	**49.89**	24.65	2.94	0.18	**27.41**	**22.48**	25.53
Temporary erection	30.39	4.20	(0.10)	**34.69**	30.03	2.32	-	**32.35**	**2.34**	0.36
Water supply, drainage & sewerage system	602.82	41.35	(1.14)	**645.31**	293.11	21.83	0.02	**314.92**	**330.39**	309.71
MGR track and signalling system	1,238.05	24.65	(63.15)	**1,325.85**	588.75	41.07	-	**629.82**	**696.03**	649.30
Railway siding	376.84	56.60	(7.64)	**441.08**	153.68	19.35	-	**173.03**	**268.05**	223.16
Earth dam reservoir	277.45	8.32	(0.79)	**286.56**	94.20	13.78	-	**107.98**	**178.58**	183.25
Plant and equipment	68,248.78	15,880.16	(947.00)	**85,075.94**	31,883.86	3,412.16	131.46	**35,164.56**	**49,911.38**	36,364.92
Furniture and fixtures	381.87	36.04	3.29	**414.62**	231.54	16.93	2.44	**246.03**	**168.59**	150.33
Vehicles including speedboats										
Owned	11.66	0.69	1.32	**11.03**	5.73	0.69	0.68	**5.74**	**5.29**	5.93
Leased	1.99	-	(0.17)	**2.16**	1.39	0.52	-	**1.91**	**0.25**	0.60
Office equipment	139.27	21.93	2.74	**158.46**	71.28	8.97	2.99	**77.26**	**81.20**	67.99
EDP, WP machines and satcom equipment	364.82	39.12	13.67	**390.27**	254.11	26.70	12.26	**268.55**	**121.72**	110.71
Construction equipments	144.88	14.38	1.63	**157.63**	78.43	8.71	2.65	**84.49**	**73.14**	66.45
Electrical installations	321.34	66.32	(2.94)	**390.60**	150.47	12.45	0.20	**162.72**	**227.88**	170.87
Communication equipments	92.78	3.38	0.62	**95.54**	48.94	4.86	0.83	**52.97**	**42.57**	43.84
Hospital Equipments	29.34	3.27	0.21	**32.40**	15.44	0.99	0.16	**16.27**	**16.13**	13.90
Laboratory and workshop equipments	37.61	10.82	(0.08)	**48.51**	12.46	1.78	(0.01)	**14.25**	**34.26**	25.15
Assets under 5 KM scheme of the GOI	-	0.53	-	**0.53**	-	0.01	-	**0.01**	**0.52**	-
Capital expenditure on assets not owned by the Company	178.29	0.91	(0.59)	**179.79**	135.97	9.08	-	**145.05**	**34.74**	42.32
Assets of government	2.84	-	0.03	**2.81**	-	-	-	**-**	**2.81**	2.84
Less:Grants from government	2.84	-	0.03	**2.81**	-	-	-	**-**	**2.81**	2.84
Total	**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**
Previous year	72,456.58	7,336.32	(1,716.69)	81,509.59	33,429.65	3,118.10	82.63	36,465.12	45,044.47	39,026.93

Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

₹ Crore

	Gross Block		**Depreciation/Amortisation**	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Disposal of assets	**5.36**	12.02	**4.05**	6.86
Retirement of assets	**201.91**	195.68	**142.49**	76.96
Cost adjustments including exchange differences	**(2,109.66)**	(1,912.42)	**-**	-
Assets capitalised with retrospective effect/write back of excess capitalisation	**(8.67)**	(17.48)	**0.18**	(4.83)
Others	**9.35**	5.51	**6.95**	3.64
	(1,901.71)	(1,716.69)	**153.67**	82.63

a) The conveyancing of the title to **11,322 acres** of freehold land of value ₹ **1,587.59 crore** (previous year 10,359 acres of value ₹ 527.91 crore), buildings & structures of value ₹ **136.74 crore** (previous year ₹ 136.60 crore) and also execution of lease agreements for **10,515 acres** of land of value ₹ **467.02 crore** (previous year 8,436 acres, value ₹ 324.76 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **2,002 acres** valuing ₹ **642.07 crore** (previous year 819 acres valuing ₹ 29.67 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include value of **1,181 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 **1,233 acres** of value ₹ **14.99 crore** (previous year 1,237 acres of value ₹ 14.90 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **152.48 crore** (previous year ₹ 119.24 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 ₹ **6.20 crore** (previous year ₹ 6.18 crore) has been charged to the statement of profit & loss.

h) 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.

i) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the plant.

j) 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.

k) The borrowing costs capitalised during the year ended 31st March 2013 is ₹ **2,148.14 crore** (previous year ₹ 2,342.21 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/Adjsutment' 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 2013		For the year ended 31st March 2012	
	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	**2.15**	**121.58**	26.94	63.76
Others	**0.18**	**26.81**	3.73	34.07
Hydraulic works, barrages, dams, tunnels and power channel	**-**	**194.24**	-	238.53
MGR track and signalling system	**-**	**8.94**	1.54	7.84
Railway siding	**0.03**	**18.37**	0.03	5.27
Plant and equipment	**655.55**	**1,458.93**	1,026.74	1,724.97
Others including pending allocation	**398.10**	**319.27**	602.23	267.77
Total	**1,056.01**	**2,148.14**	1,661.21	2,342.21

Intangible assets

₹ Crore

	Gross Block				Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Software	93.15	3.11	0.76	**95.50**	88.42	2.50	(0.25)	**91.17**	**4.33**	4.73
Right of Use - Land	6.46	41.17	(0.10)	**47.73**	2.45	2.33	-	**4.78**	**42.95**	4.01
- Others	219.06	-	(7.27)	**226.33**	15.91	9.02	-	**24.93**	**201.40**	203.15
Total	**318.67**	**44.28**	**(6.61)**	**369.56**	**106.78**	**13.85**	**(0.25)**	**120.88**	**248.68**	211.89
Previous year	296.43	2.65	(19.59)	318.67	89.54	16.47	(0.77)	106.78	211.89	206.89

a) The right of use of land, other than perpetual in nature, is amortised over its life or 25 years whicever is less.

b) Cost of acquisition of the right for drawl of water amounting to ₹ **226.33 crore** (previous year ₹ 219.06 crore) is included under intangible assets – Right of use - Others.

Deduction/adjustments from gross block and amortisation for the year includes:

₹ Crore

	Gross Block		**Depreciation / Amortisation**	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Retirement of assets	**-**	0.17	**-**	(0.17)
Cost adjustments including exchange differences	**(6.30)**	(19.54)	**-**	(0.78)
Assets capitalised with retrospective effect/write back of excess capitalisation	**0.08**	-	**0.07**	-
Others	**(0.39)**	(0.22)	**(0.32)**	0.18
	(6.61)	(19.59)	**(0.25)**	(0.77)

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

₹ Crore

	31.03.2013	31.03.2012
Charged to statement of profit & loss	**3,396.76**	2,791.70
Allocated to fuel cost	**201.35**	166.84
Transferred to expenditure during construction period (net) - Note 28	**36.11**	32.21
Transferred to development of coal mines	**1.20**	0.98
Adjustment with deferred income/expense from deferred foreign currency fluctuation	**255.70**	142.84
	3,891.12	3,134.57

13. Capital work-in-progress

₹ Crore

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2013**
Development of land	439.58	79.61	79.46	-	**439.73**
Roads, bridges, culverts & helipads	62.56	41.82	(33.11)	61.63	**75.86**
Piling and foundation	540.95	53.17	18.87	-	**575.25**
Buildings					
Main plant	2,528.06	637.60	627.71	1,097.95	**1,440.00**
Others	498.34	391.28	66.64	210.59	**612.39**
Temporary erection	9.40	5.85	7.00	2.10	**6.15**
Water supply, drainage and sewerage system	64.55	24.64	0.38	37.06	**51.75**
Hydraulic works, barrages, dams, tunnels and power channel	3,432.12	635.46	2.10	-	**4,065.48**
MGR track and signalling system	186.27	182.85	99.06	24.65	**245.41**
Railway siding	218.18	121.20	(78.17)	56.60	**360.95**
Earth dam reservoir	43.21	13.98	2.16	5.49	**49.54**
Plant and equipment	30,255.47	9,309.74	(963.70)	15,734.98	**24,793.93**

₹ Crore

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2013**
Furniture and fixtures	5.80	17.83	0.04	11.66	**11.93**
Vehicles	0.17	-	(0.47)	-	**0.64**
Office equipment	4.95	0.76	2.24	0.15	**3.32**
EDP/WP machines & satcom equipment	0.21	1.42	(2.11)	0.22	**3.52**
Construction equipments	0.07	0.01	0.07	-	**0.01**
Electrical installations	172.34	37.39	90.60	44.96	**74.17**
Communication equipment	1.74	1.24	(0.16)	0.43	**2.71**
Hospital equipments	0.38	-	0.23	-	**0.15**
Laboratory and workshop equipments	1.46	-	1.30	-	**0.16**
Assets under 5 KM scheme of the GOI	2.24	48.67	(7.85)	0.53	**58.23**
Capital expenditure on assets not owned by the company	12.04	23.21	13.67	0.91	**20.67**
Exploratory wells-in-progress	7.66	0.01	0.01	-	**7.66**
Development of coal mines	279.74	96.42	-	-	**376.16**
	38,767.49	11,724.16	(74.03)	17,289.91	**33,275.77**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	95.35	15.20	10.79	-	**99.76**
Difference in exchange on foreign currency loans	628.68	795.23	572.55	-	**851.36**
Expenditure towards diversion of forest land	164.01	78.83	9.14	-	**233.70**
Pre-commisioning expenses (net)	190.93	180.68	344.58	-	**27.03**
Expenditure during construction period (net)	199.27	2,949.41*	(4.42)	-	**3,153.10**
Less: Allocated to related works	-	2,656.65	-	-	**2,656.65**
	40,045.73	13,086.86	858.61	17,289.91	**34,984.07**
Less: Provision for unserviceable works	22.44	49.89	0.90	-	**71.43**
Construction stores (net of provision)	1,804.53	392.25	-	-	**2,196.78**
Total	**41,827.82**	**13,429.22**	**857.71**	**17,289.91**	**37,109.42**
Previous year	35,495.30	14,322.23	1,246.43	6,743.28	41,827.82

* Brought from expenditure during construction period (net) - Note 28

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **0.63 crore** (previous year ₹ 1.28 crore)

b) Pre-commissioning expenses for the year amount to ₹ **446.98 crore** (previous year ₹ 549.35 crore) and after adjustment of pre-commissioning sales of ₹ **266.30 crore** (previous year ₹ 305.11 crore) resulted in net pre-commissioning expenditure of ₹ **180.68 crore** (previous year ₹ 244.24 crore).

c) Additions to the development of coal mines includes expenditure during construction period of ₹ **96.42 crore** (previous year ₹ 84.69 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 MOP Scheme.

₹ Crore

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2013**
Intangible assets under development					
Software	0.04	-	0.04	-	**-**
Total	**0.04**	**-**	**0.04**	**-**	**-**
Previous year	0.03	0.01	-	-	**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) (₹)		31.03.2013	31.03.2012
Long term - Trade					
Equity instruments (fully paid up - unless otherwise stated)					
Quoted					
Joint venture companies					
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 (121359500)	10 (10)	**121.36**		121.36
Less: Provision for permanent diminution			**8.14**		8.14
				113.22	113.22
Kanti Bijlee Utpadan Nigam Ltd.	357151233 (342738200)	10 (10)		**357.15**	342.74
Bhartiya Rail Bijlee Company Ltd.	509460000 (509460000)	10 (10)		**509.46**	509.46
				999.91	985.50
Share application money pending allotment in					
NTPC Hydro Ltd.				**0.20**	0.20
Kanti Bijlee Utpadan Nigam Ltd.				**25.65**	14.41
Bhartiya Rail Bijlee Company Ltd. (* ₹ 39,000/-)				*	*
				25.85	14.61
Joint venture companies					
Utility Powertech Ltd. (includes 1,000,000 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 (475250050)	10 (10)		**490.25**	475.25
NTPC-Tamil Nadu Energy Company Ltd.	1143606112 (844000000)	10 (10)		**1,143.61**	844.00
Ratnagiri Gas & Power Private Ltd.	974308300 (776900000)	10 (10)		**974.30**	776.90
Aravali Power Company Private Ltd.	1159508200 (1089508200)	10 (10)		**1,159.51**	1,089.51
NTPC-SCCL Global Ventures Private Ltd.	50000 (50000)	10 (10)		**0.05**	0.05
NTPC BHEL Power Projects Private Ltd.	25000000 (25000000)	10 (10)		**25.00**	25.00
Meja Urja Nigam Private Limited	378789800 (107429800)	10 (10)		**378.79**	107.43

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)		31.03.2013	31.03.2012
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 permanent diminution			**1.04**		-
				1.15	2.19
Nabinagar Power Generating Company Private Ltd.	153000000 (153000000)	10 (10)		**153.00**	153.00
Transformers and Electricals Kerala Ltd.	19163438 (19163438)	10 (10)		**31.34**	31.34
National High Power Test Labortory Private Ltd.	11060000 (2625000)	10 (10)		**11.06**	2.62
International Coal Ventures Private Ltd.	1400000 (1400000)	10 (10)		**1.40**	1.40
Energy Efficiency Services Ltd.	22500000 (625000)	10 (10)		**22.50**	0.63
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.	500000 (500000)	10 (10)		**0.50**	0.50
Trincomalee Power Company Ltd. (* Srilankan rupees)	1500000 (1500000)	100* (100)		**6.72**	6.72
				4,409.14	3,526.50
Share application money pending allotment in					
NTPC-Tamilnadu Energy Company Ltd.				**-**	55.00
Aravali Power Company Private Ltd. (* ₹ 60,000/-)				**49.01**	*
Meja Urja Nigam Private Ltd.				**33.64**	5.00
Nabinagar Power Generating Company Pvt. Ltd.				**317.12**	50.00
CIL NTPC Urja Private Ltd.				**0.05**	0.05
Energy Efficiency Services Ltd.				**2.50**	24.38
				402.32	134.43
Cooperative societies				**#**	#
Bonds (fully-paid up)					
Unquoted					
8.50 % Tax-Free State Government Special Bonds of the Government of					
Andhra Pradesh	2521300 (3781950)	1000 (1000)		**252.13**	378.20
Assam	102928 (154392)	1000 (1000)		**10.29**	15.44
Bihar	3788800 (5683200)	1000 (1000)		**378.88**	568.32
Chattisgarh	966440 (1449660)	1000 (1000)		**96.64**	144.97
Gujarat	1674480 (2511720)	1000 (1000)		**167.45**	251.17
Haryana	2150000 (3225000)	1000 (1000)		**215.00**	322.50

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)	**31.03.2013**	31.03.2012
Himachal Pradesh	66776 (100164)	1000 (1000)	**6.68**	10.02
Jammu and Kashmir	734720 (1102080)	1000 (1000)	**73.47**	110.21
Jharkhand	1920256 (2880376)	1000 (1000)	**192.03**	288.04
Kerala	2004800 (3007200)	1000 (1000)	**200.48**	300.72
Madhya Pradesh	1661680 (2492520)	1000 (1000)	**166.17**	249.25
Maharashtra	762800 (1144200)	1000 (1000)	**76.28**	114.42
Orissa	2205748 (3308622)	1000 (1000)	**220.57**	330.86
Punjab	692460 (1038690)	1000 (1000)	**69.25**	103.87
Rajasthan	435000 (435000)	1000 (1000)	**43.50**	43.50
Sikkim	68392 (102588)	1000 (1000)	**6.84**	10.26
Uttar Pradesh	7979800 (11969700)	1000 (1000)	**797.98**	1,196.97
Uttaranchal	799300 (1198950)	1000 (1000)	**79.93**	119.89
West Bengal	2348496 (3522744)	1000 (1000)	**234.85**	352.27
			3,288.42	4,910.88
Total			**9,137.64**	9,583.92
Aggregate amount of quoted investments				
Book value			**12.00**	12.00
Market value			**71.94**	73.32
Aggregate amount of unquoted investments				
Book value			**9,125.64**	9,571.92
Aggregate amount of provision for dimunition in the value of investments			**9.18**	8.14

\# Equity shares of ₹ **30,200/-** (previous year ₹ 30,200/-) held in various Company's employees co-operative societies.

a) Investments have been valued considering the accounting policy no.J (Note 1).

b) During the previous year, the Board of Directors of the Company has accorded in principle approval for the amalgamation of NTPC Hydro Ltd. (a wholly owned subsidiary of the Company) with the Company. Pending approval of Scheme of amalgamation, provision of ₹ **8.14 crore** (previous year ₹ 8.14 crore) towards the permanent diminution other than temporary in the value of investment in NTPC Hydro Ltd. has been made.

c) During the year, the Board of Directors of the Company has accorded in principle approval for withdrawl from National Power Exchange Ltd. (a joint venture of the Company). Pending withdrawl, provision of ₹ **1.04 crore** (previous year ₹ Nil) towards the permanent diminution other than temporary in the value of investment in National Power Exchange Ltd. has been made.

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012
Capital advances		
Secured	**58.88**	17.24
Unsecured		
Covered by bank guarantee	**3,775.96**	1,059.69
Others	**3,092.51**	1,776.16
Considered doubtful	**2.54**	2.16
Less: Allowance for bad & doubtful advances	**2.54**	2.16
	6,927.35	2,853.09
Security deposits (Unsecured)	**82.84**	84.35
Loans		
Related parties		
Unsecured	**0.03**	0.05
Employees (including accrued interest)		
Secured	**395.88**	377.60
Unsecured	**142.74**	136.89
Loan to state government in settlement of dues from customers (Unsecured)	**239.31**	335.04
Others		
Secured	**14.29**	21.42
Unsecured	**8.86**	13.43
	801.11	884.43
Advances		
Contractors & suppliers, including material issued on loan		
Unsecured	**65.58**	49.86
Advance tax & tax deducted at source	**11,460.19**	10,116.58
Less: Provision for current tax	**9,703.62**	8,593.96
	1,756.57	1,522.62
Total	**9,633.45**	5,394.35
a) Due from directors and officers of the Company		
Directors	**0.03**	0.05
Officers	**78.32**	83.30
b) Loans to related parties include:		
Key management personnel	**0.03**	0.05

c) Capital advances include ₹ **226.27 crore** (previous year ₹ 162.29 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.

d) Capital advances include amount due from related parties ₹ **0.08 crore** (previous year ₹ 0.08 crore)

e) Other loans represent loan of ₹ **14.29 crore** (previous year ₹ 21.42 crore) given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) and ₹ **8.86 crore** (previous year ₹ 13.43 crore) to Kanti Bijlee Utpadan Nigam Ltd.

15 A. Other non-current assets

₹ Crore

As at	31.03.2013	31.03.2012
Deferred foreign currency fluctuation asset	**1,132.77**	1,371.88

In line with accounting policies no.L.3 disclosed in Note 1, deferred foreign currency fluctuation asset has been accounted and (-) ₹ **296.96 crore** (previous year ₹ 129.78 crore) being exchange fluctuations on account of interest and finance charges has been recognised as energy sales in Note 22.

16. Current investments

₹ Crore

As at	Number of bonds/ securities Current year/ (previous year)	Face value per bond/ security Current year/ (previous year) (₹)	**31.03.2013**	31.03.2012
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
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			**1,622.46**	1,622.46
Aggregate amount of unquoted investments				
Book value			**1,622.46**	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	31.03.2013	31.03.2012
Coal	**885.62**	1,096.14
Fuel oil	**364.99**	234.65
Naphtha	**146.77**	119.04
Stores and spares	**2,210.19**	1,899.57
Chemicals & consumables	**73.51**	44.47
Loose tools	**5.70**	5.65
Steel scrap	**20.96**	16.54
Others	**413.40**	347.35
	4,121.14	3,763.41
Less: Provision for shortages	**1.87**	1.86
Provision for obsolete/unserviceable items/ dimunition in value of surplus inventory	**62.08**	58.70
Total	**4,057.19**	3,702.85
Inventories include material-in-transit		
Coal	**75.02**	83.15
Stores and spares	**29.13**	28.00
Chemicals & consumables	**0.62**	0.09
Loose tools	**0.05**	0.16
Others	**2.27**	1.43
	107.09	112.83

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	31.03.2013	31.03.2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**59.41**	18.61
Considered doubtful	**0.03**	840.70
Less: Allowance for bad & doubtful receivables	**0.03**	840.70
	59.41	18.61
Others-unsecured, considered good	**5,306.08**	5,813.90
Total	**5,365.49**	5,832.51

Refer Note no. 32 for write back of Allowance for bad and doubtful receivables.

19. Cash and bank balances

₹ Crore

As at	31.03.2013	31.03.2012
Cash & cash equivalents		
Balances with banks		
- Current accounts	**315.24**	461.36
- Deposits with original maturity upto three months	**-**	300.00
Cheques & drafts on hand	**64.97**	0.43
Others (stamps in hand)	**0.09**	0.10
Other bank balances		
Deposits with original maturity of more than three months but not more than twelve months	**16,469.97**	15,357.98
Others#	**17.43**	21.96
Total	**16,867.70**	16,141.83
# Not available for use to the Company and include:		
Unpaid dividend account balance	**15.65**	11.48
Balance with Reserve Bank of India *	**1.77**	1.77
Security with government authorities:		
As per court orders	**-**	0.10
As per demand	**0.01**	8.61
	17.43	21.96

* 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	31.03.2013	31.03.2012
Loans		
Related parties		
Unsecured	**0.04**	0.03
Employees (including accrued interest)		
Secured	**76.27**	69.92
Unsecured	**90.86**	83.12
Loan to state government in settlement of dues from customers (Unsecured)	**95.73**	95.73
Others		
Secured	**35.71**	28.58
Unsecured	**35.99**	3.71
	334.60	281.09
Advances		
Related parties		
Unsecured	**3.40**	1.64
Employees		
Unsecured	**8.59**	9.09
Considered doubtful	**0.11**	0.08
Contractors & suppliers, including material issued on loan		
Secured	**6.71**	5.60
Unsecured	**533.85**	821.51
Considered doubtful	**1.51**	1.57
Others		
Unsecured	**202.60**	105.52
Considered doubtful	**0.02**	0.02
Less: Allowance for bad & doubtful advances	**1.64**	1.67
	755.15	943.36
Security deposits (unsecured)	**655.78**	318.87
Total	**1,745.53**	1,543.32

	₹ Crore	
As at	**31.03.2013**	31.03.2012
a) Due from Directors and Officers of the Company		
Directors	**0.04**	0.03
Officers	**27.81**	25.88
b) Loans to related parties include:		
Key management personnel	**0.04**	0.03
c) Advance to related parties include:		
Joint venure companies	**2.30**	1.64
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.	**1.33**	0.33
NTPC-SAIL Power Company Private Ltd.	**25.54**	5.04
Aravali Power Company Private Ltd.	**10.75**	3.85
NTPC BHEL Power Projects Private Ltd.	**0.93**	1.35
Meja Urja Nigam Private Limited	**4.85**	2.73
Nabinagar Power Generating Company Private Ltd.	**2.63**	0.30
Pan-Asian Renewables Private Ltd.	**0.13**	0.00
Ratnagiri Gas & Power Private Ltd.*	**-**	0.16

* As at the Balance Sheet date, no director of the Company is a director on the Board of Ratnagiri Gas & Power Private Ltd.

e) Other loans represent loans of ₹ **35.71 crore** (previous year ₹ 28.58 crore) given to APIIC, ₹ **3.72 crore** (previous year ₹ 3.71 crore) to Kanti Bijlee Utpadan Nigam Ltd. and ₹ **32.27 crore** (previous year ₹ Nil) to NTPC Hydro Ltd.

f) Other advances mainly represent prepaid expenses amounting to ₹ **57.89 crore** (previous year ₹ 54.49 crore).

g) Security deposit (unsecured) includes ₹ **200.35 crore** (previous year ₹ 163.46 crore) sales tax deposited under protest with sales tax authorities.

21. Other current assets

	₹ Crore	
As at	**31.03.2013**	31.03.2012
Interest accrued on		
Bonds	**243.19**	312.14
Term deposits	**824.34**	775.60
Others	**23.95**	18.56
	1,091.48	1,106.30
Claims recoverable		
Unsecured, considered good	**4,779.87**	1,822.51
Considered doubtful	**13.05**	13.31
Less: Allowance for doubtful claims	**13.05**	13.31
	4,779.87	1,822.51
Unbilled revenue	**5,624.27**	5,616.10
Assets held for disposal	**2.96**	2.00
Others	**10.13**	6.49
Total	**11,508.71**	8,553.40

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Claims recoverables include ₹ **894.72 crore** (previous year ₹ 766.12 crore) towards the cost incurred upto 31st March 2013 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 ₹ **109.65 crore** (previous year ₹ Nil) in respect of two 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.

c) Claims recoverable includes ₹ **2,520.08 crore** (previous year ₹ Nil) recoverable from Government of National Capital Territory of Delhi (GNCTD) towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU). (Refere Note 32).

d) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **6,005.41 crore** (previous year ₹ 5,411.93 crore) billed to the beneficiaries after 31st March for energy sales.

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2013	31.03.2012
Energy sales (including electricity duty)	64,715.88	61,430.85
Consultancy, project management and supervision fees (including turnkey construction projects)	126.81	142.69
	64,842.69	61,573.54
Energy internally consumed	76.73	80.75
Other operating revenues		
Interest from customers	432.60	510.57
Recognized from deferred foreign currency fluctuation liability	3.52	0.16
Provisions written back		
Tariff adjustments	-	312.75
Doubtful debts	840.67	0.14
Doubtful loans, advances and claims	0.33	0.14
Doubtful construction advances	-	0.03
Shortage in construction stores	0.58	0.34
Shortage in stores	0.57	1.08
Obsolescence in stores	1.26	1.02
Unserviceable capital works	0.90	-
Shortages in fixed assets	0.39	0.36
	844.70	315.86
Total	66,200.24	62,480.88

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 Talcher Thermal Power Station (TTPS). Beneficiaries are billed in accordance with the said provisional/final tariff orders except for three stations where it is done on provisional basis. The amount billed for the year ended 31st March 2013 on this basis is ₹ **61,794.68 crore** (previous year ₹ 59,965.57 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 ₹ **54,588.81 crore** for the year ended 31st March 2013 (previous year ₹ 55,537.41 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 ₹ **8,059.66 crore** for the year ended 31st March 2013 (previous year ₹ 5,145.38 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 ₹ **1,241.90 crore** for the year ended 31st March 2013 (previous year ₹ 547.78 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) 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 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. Consequently, the impact of the aforesaid issues amounting to (-) ₹ **45.95 crore** has been recognized as sales during the year ended 31st March 2013 (previous year (-) ₹ 49.16 crore) with corresponding adjustment in 'Provision for Tariff Adjustment'.

e) Sales include ₹ **246.04 crore** for the year ended 31st March 2013 (previous year (-) ₹ 266.14 crore) on account of income-tax recoverable from the beneficiaries as per Regulations, 2004. Sales also include ₹ **53.16 crore** for the year ended 31st March 2013 (previous year ₹ 37.77 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2009.

f) Electricity duty on energy sales amounting to ₹ **526.31 crore** (previous year ₹ 428.65 crore) has been reduced from sales in the statement of profit and loss.

g) Revenue from operations include ₹ **76.73 crore** (previous year ₹ 80.75 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note-26).

h) 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 ₹ **432.60 crore** (previous year ₹ 510.57 crore) has been accounted and disclosed as 'Interest from customers'. Further, the amount payable to the beneficiaries has been accounted as 'Interest payable to customers' and disclosed in Note 26.

i) Refer Note -32 in respect of write back of provision for doubtful debts.

23. Other income

₹ Crore

For the year ended		31.03.2013	31.03.2012
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**520.86**	659.38
Others			
Loan to state government in settlement of dues from customers		**34.58**	42.72
Loan to subsidiary companies		**2.37**	3.03
Loan to employees		**28.84**	25.31
Contractors		**36.25**	32.88
Deposits with banks		**1,839.30**	1,602.52
Income tax refunds	**39.41**		99.89
Less : Refundable to customers	**0.02**		34.47
		39.39	65.42
Others		**8.22**	12.02
Dividend from			
Long-term investments in			
Subsidiaries		**25.00**	19.00
Joint ventures		**103.66**	60.16
Current investments in			
Mutual funds		**112.66**	90.14
Other non-operating income			
Surcharge received from customers		**87.75**	1.16
Hire charges for equipment		**4.28**	3.23
Net gain in foreign currency transactions & translations		**27.90**	61.25
Sale of scrap		**89.06**	80.08
Liquidated damages recovered		**11.82**	7.13
Miscellaneous income		**200.06**	115.30
Profit on disposal of fixed assets		**4.62**	13.28
		3,176.62	2,894.01
Less: Transferred to expenditure during construction period (net) - Note 28		**38.84**	40.16
Transferred to development of coal mines		**8.30**	2.95
Transferred to deferred foreign currency fluctuation asset/liability		**27.90**	61.25
Total		**3,101.58**	2,789.65

Miscellaneous income includes income from township recoveries and receipts towards insurance claims.

24. Employee benefits expense

₹ Crore

For the year ended	31.03.2013	31.03.2012
Salaries and wages	**3,402.23**	3,171.52
Contribution to provident and other funds	**372.41**	298.81
Staff welfare expenses	**355.00**	297.58
	4,129.64	3,767.91
Less: Allocated to fuel cost	**193.58**	166.32
Transferred to development of coal mines	**34.31**	32.00
Transferred to expenditure during construction period (net)- Note 28	**541.63**	467.88
Total	**3,360.12**	3,101.71

a) Disclosures required by AS 15 in respect of provision made towards various employees benefits are made in Note 38.

b) Salary and wages include field compensatory allowance paid by the Company to eligible employees serving in difficult and far flung areas w.e.f. 1st January 2007. 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 consultation with the DPE, the Company is in the process of formulating a scheme in this regard and the same shall be forwarded to MOP after approval of the Board.

25. Finance costs

₹ Crore

For the year ended	31.03.2013	31.03.2012
Interest on		
Bonds	**900.87**	831.50
Foreign currency term loans	**235.33**	205.71
Rupee term loans	**2,753.01**	2,335.70
Public deposits	**0.16**	1.24
Foreign currency bonds/notes	**345.91**	184.32
Others	**73.14**	60.99
	4,308.42	3,619.46
Other borrowing costs		
Bonds servicing & public deposit expenses	**2.38**	2.18
Guarantee fee	**39.84**	37.67
Management fee	**36.24**	10.97
Foreign currency bonds/notes expenses	**6.05**	17.10
Up-front fee	**-**	15.31
Insurance premium on foreign currency loans	**27.39**	-
Others	**2.67**	0.95
	114.57	84.18
Exchange differences regarded as an adjustment to interest costs	**(350.21)**	350.21
	4,072.78	4,053.85
Less: Transferred to expenditure during construction period (net) - Note 28	**2,101.90**	2,308.47
Transferred to development of coal mines	**46.52**	33.74
Total	**1,924.36**	1,711.64

26. Generation, administration & other expenses

₹ Crore

For the year ended		31.03.2013	31.03.2012
Power charges	**172.89**		224.33
Less: Recovered from contractors & employees	**18.47**		17.73
		154.42	206.60
Water charges		**488.67**	329.59
Stores consumed		**46.35**	45.24
Rent	**28.38**		26.33
Less: Recoveries	**7.83**		8.13
		20.55	18.20
Load dispatch centre charges		**41.66**	42.93
Repairs & maintenance			
Buildings		**170.91**	146.00
Plant & machinery			
Power stations	**1,781.36**		1,528.51
Construction equipment	**1.09**		0.73
		1,782.45	1,529.24
Others		**105.91**	93.67
Insurance		**104.62**	97.29
Interest payable to customers		**5.72**	(67.57)
Rates and taxes		**33.54**	23.84
Water cess & environment protection cess		**35.44**	25.50
Training & recruitment expenses	**63.07**		72.70
Less: Fees for application and training	**1.56**		1.31
		61.51	71.39

₹ Crore

For the year ended		31.03.2013	31.03.2012
Communication expenses		43.88	37.75
Travelling expenses		182.66	171.35
Tender expenses	21.46		21.71
Less: Receipt from sale of tenders	2.96		2.22
		18.50	19.49
Payment to auditors		3.01	2.74
Advertisement and publicity		13.31	12.23
Security expenses		327.23	290.96
Entertainment expenses		13.88	13.16
Expenses for guest house	18.94		16.40
Less: Recoveries	2.67		2.18
		16.27	14.22
Education expenses		9.31	10.02
Brokerage & commission		2.79	2.60
Community development and welfare expenses	84.79		58.32
Less: Grants-in-aid	0.39		0.24
		84.40	58.08
Donation		0.14	(0.10)
Ash utilisation & marketing expenses	5.20		4.22
Less: Sale of ash products	0.04		0.06
		5.16	4.16
Directors sitting fee		0.30	0.25
Books and periodicals		2.65	1.94
Professional charges and consultancy fees		28.40	30.19
Legal expenses		27.12	15.27
EDP hire and other charges		14.53	14.41
Printing and stationery		12.36	11.56
Oil & gas exploration expenses		8.78	14.34
Hiring of vehicles		55.23	47.08
Rebate to customers		521.71	632.87
Reimbursement of L.C.charges on sales realisation		0.60	4.10
Bank charges		2.93	2.95
Net loss in foreign currency transactions & translations		5.07	35.31
Miscellaneous expenses		106.25	95.67
Stores written off		0.14	0.15
Survey & investigation expenses written off		2.37	7.05
Loss on disposal/write-off of fixed assets		59.91	58.40
		4,620.64	4,170.12
Less: Allocated to fuel cost		281.84	236.11
Transferred to development of coal mines		13.62	12.92
Transferred to deferred foreign currency fluctuation asset/liability		1.51	15.65
Transferred to expenditure during construction period (net) - Note 28		318.70	381.83
		4,004.97	3,523.61
Provisions for			
Tariff adjustments		103.24	-
Diminution in value of long term investments in subsidiary company		-	8.14
Diminution in value of long term investments in joint venture		1.04	-
Doubtful loans, advances and claims		0.09	0.05
Shortage in stores		1.34	0.88

₹ Crore

For the year ended	31.03.2013	31.03.2012
Obsolescence in stores	**4.66**	10.39
Shortage in construction stores	**0.13**	0.26
Unserviceable capital work-in-progress	**49.89**	3.54
Unfinished minimum work programme for oil and gas exploration	**5.08**	41.19
Shortages in fixed assets	**0.27**	0.73
Others	**40.51**	-
	206.25	65.18
Total	**4,211.22**	3,588.79

a) Spares consumption included in repairs and maintenance	**1,006.61**	834.50
b) Details in respect of payment to auditors:		
As auditor		
Audit fee	**1.00**	0.85
Tax audit fee	**0.35**	0.30
Limited review	**0.60**	0.52
In other capacity		
Other services (certification fees)	**0.35**	0.33
Reimbursement of expenses	**0.40**	0.53
Reimbursement of service tax	**0.31**	0.21
Total	**3.01**	2.74

Payment to the auditors includes ₹ **0.24 crore** (previous year ₹ 0.13 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 ₹ **5.72 crore** (previous year (-) ₹ 67.57 crore) has been accounted and disclosed as 'Interest payable to customers'.

27. Prior period items (net)

₹ Crore

For the year ended	31.03.2013	31.03.2012
Revenue		
Sales	**(0.03)**	9.00
Others	**1.88**	0.81
	1.85	9.81
Expenditure		
Employee benefits expense	**(5.13)**	(322.05)
Finance costs:		
Interest	**(12.00)**	(0.61)
Other borrowing costs	**(7.91)**	-
Depreciation and amortisation	**(0.25)**	(1.35)
Generation, administration and other expenses		
Repairs and maintenance	**0.39**	(0.21)
Professional consultancy charges	**0.14**	-
Communication expenses	**0.04**	0.04
Advertisement and publicity	**0.12**	-
Rates & taxes	**(0.07)**	0.09
Rent	**(0.33)**	0.90
Others	**(12.96)**	(1.43)
	(37.96)	(324.62)
Net expenditure/(revenue)	**(39.81)**	(334.43)
Less: Transferred to expenditure during construction period (net)-Note 28	**(10.09)**	(19.01)
Transferred to Development of coal mines	**-**	(1.84)
Total	**(29.72)**	(313.58)

28. Expenditure during construction period (net)

₹ Crore

For the year ended		31.03.2013	31.03.2012
A. Employee benefits expense			
Salaries and wages		**470.39**	410.83
Contribution to provident and other funds		**38.81**	32.11
Staff welfare expenses		**32.43**	24.94
Total (A)		**541.63**	467.88
B. Finance costs			
Interest on			
Bonds		**390.47**	467.08
Foreign currency term loans		**94.88**	99.93
Rupee term loans		**1,486.58**	1,397.01
Foreign currency bonds/notes		**222.88**	104.91
Other borrowing costs			
Foreign currency bonds/notes expenses		**5.54**	10.47
Management/arrangers/upfront fee		**36.24**	20.77
Others		**50.56**	23.05
Exchange differences regarded as an adjustment to interest costs		**(185.25)**	185.25
Total (B)		**2,101.90**	2,308.47
C. Depreciation and amortisation		**36.11**	32.21
D. Generation, administration & other expenses			
Power charges	**100.59**		155.21
Less: Recovered from contractors & employees	**1.60**		1.76
		98.99	153.45
Water charges		**10.76**	47.77
Rent		**5.27**	4.21
Repairs & maintenance			
Buildings	**6.81**		7.18
Construction equipment	**0.74**		0.37
Others	**22.73**		14.58
		30.28	22.13
Insurance		**1.48**	1.23
Rates and taxes		**0.84**	2.40
Communication expenses		**5.56**	5.04
Travelling expenses		**35.33**	32.32
Tender expenses	**5.78**		4.46
Less: Income from sale of tenders	**0.06**		0.08
		5.72	4.38
Advertisement and publicity		**1.49**	0.85
Security expenses		**43.82**	39.38
Entertainment expenses		**2.30**	2.46
Guest house expenses		**4.13**	3.18
Education expenses		**0.01**	0.02
Books and periodicals		**0.91**	0.35
Community development expenses		**7.46**	2.59
Professional charges and consultancy fee		**6.35**	7.97
Legal expenses		**5.15**	1.94
EDP hire and other charges		**1.22**	1.20
Printing and stationery		**1.17**	1.28
Miscellaneous expenses		**50.46**	47.68
Total (D)		**318.70**	381.83
E. Less: Other income			
Hire charges		**3.70**	2.76
Sale of scrap		**-**	0.11
Interest from contractors		**22.34**	29.09
Interest others		**0.87**	0.60
Miscellaneous income		**11.93**	7.60
Total (E)		**38.84**	40.16
F. Prior period items (net)		**(10.09)**	(19.01)
Grand total (A+B+C+D-E+F)		**2,949.41***	3,131.22

*** 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. Government of India, Ministry of Power vide its letters F.No.6/1/2007-Fin.(Vol.VIII) dated 5th February 2013 and 29th March 2013 directed Government of National Capital Territory of Delhi (GNCTD) to release payment towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU) amounting to ₹ 835.97 crore as principal and ₹ 1,684.11 crore as interest to the company. Consequently, provision for doubtful debt of ₹ 835.97 crore has been written back (Note 22) and interest of ₹ 1,684.11 crore has been recognised as an exceptional item in the Statement of Profit and Loss during the year.

33. Vide gazette notification F no.22021/1/2008-CRC/II dated 30.12.2011 issued by Ministry of Coal (MoC), grading and pricing of non-coking coal was migrated from Useful Heat Value (UHV) to Gross Calorific Value (GCV) based system w.e.f. 1st January 2012. The Coal Supply Agreements (CSAs) entered into by the Company were required to be amended to incorporate acceptable procedures for sample collection, preparation, testing and analysis, to facilitate such migration, which are still pending. The Company's Board of Directors approved payments to the coal companies based on the GCV based pricing system, and directed to frame modalities for implementation of GCV based grading system. Accordingly, modalities were framed to effect joint sampling and testing of coal at mine end/station end and future payments to coal companies. The above modalities were communicated to the coal companies w.e.f. October/ November 2012, thereafter the Company released payments on the basis of GCV measured at station end following the implementation of the said modalities since variation in the GCV of coal supplied and received at power stations was noticed. The Company regularly informed coal companies about this variation which has not been accepted by them. The issue has been taken up with the coal companies directly and through the MoP and MoC, GOI for resolution. Pending resolution of the issue, difference between the amount billed by the coal companies and the amounts admitted by the company is disclosed as contingent liability with corresponding possible reimbursements from the beneficiaries (Refer Note-50).

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. Disclosure as per Accounting Standard - 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'

i) Ministry of Corporate Affairs, Government of India through Circular no. 25/2012 dated 9th August 2012 has clarified that para 6 of Accounting Standard (AS) 11 and para 4 (e) of AS 16 shall not apply to a Company which is applying para 46-A of AS 11. Accordingly, Company has modifed the related accounting policies. Consequently, exchange differences arising on settlement/translation of foreign currency loans to the extent regarded as an adjustment to interest costs as per para 4 (e) of AS 16 and hitherto charged to Statement of Profit and Loss, have now been adjusted in the cost of related assets. As a result, profit for the year ended 31st March 2013 is higher by ₹ 14.80 crore, fixed assets are higher by ₹ 173.56 crore and Deferred Income from Foreign Currency Fluctuation is higher by ₹ 158.76 crore.

ii) During the year, the Company reviewed its policy for accounting of carpet coal which was hitherto charged to the Statement of Profit and Loss and capitalised the cost of carpet coal with the coal handling plant. Consequently, tangible assets and profit for the year are higher by ₹ 20.36 crore.

iii) During the year, the Company has reviewed and modifed the accounting policy related to amortisation of other intangible assets to bring more clarity. However, this does not have any impact on accounts for the year.

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 ₹ **3.56 crore** (previous year ₹ 19.66 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of fixed assets is ₹ **1,056.01 crore** (previous year ₹ 1,661.21 crore).

37. Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'

Revenue grants recognised during the year is ₹ **0.39 crore** (previous year ₹ 0.24 crore).

38. 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 ₹ **192.88 crore** (previous year ₹ 173.46 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	**31.03.2013**	31.03.2012
Obligitions at the end of the year	**4,755.00**	4,118.35
Fair value of plan assets at the end of the year	**4,812.77**	4,183.86

B. Gratuity & Pension

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.

The Company has a scheme of pension at one of the stations in respect of employees taken over from erstwhile state government power utility. In respect of other employees of the Company, pension scheme is yet to be implemented as stated in Note 11.

The existing schemes are funded by the Company and are managed by separate trusts. The liability for the same is recognised on the basis of actuarial valuation.

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 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. 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. 73.33 % of the earned leave is en-cashable while in service, and upto a maximum of 300 days on separation. Half-pay leave is 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 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	65.23 {59.02}	13.81 {11.03}	50.12 {41.87}	5.55 {4.98}
Interest cost on benefit obligation	103.11 {100.75}	29.56 {26.49}	59.17 {55.40}	18.35 {16.35}
Expected return on plan assets	(92.84) {(82.34)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	48.14 {0.97}	51.03 {29.34}	184.16 {87.25}	30.21 {25.94}
Expenses transferred to capital work-in-progress	5.94 {6.68}	3.72 {3.60}	8.24 {18.01}	- {-}
Expenses recognised in the statement of profit & loss	117.70 {71.72}	90.68 {63.26}	285.21 {166.51}	54.11 {47.27}
Actual return on plan assets	102.20 {94.63}	- {-}	- {-}	- {-}

ii) The amount recognised in the Balance Sheet

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2013	1,433.87 {1,288.86}	451.06 {369.49}	853.42 {739.57}	271.85 {229.34}
Fair value of plan assets as at 31.03.2013	1,256.05 {1,162.97}	- {-}	- {-}	- {-}
Net liability recognised in the balance sheet	177.82 {125.89}	451.06 {369.49}	853.42 {739.57}	271.85 {229.34}

iii) Changes in the present value of the defined benefit obligations:

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2012	1,288.86 {1,185.28}	369.49 {311.67}	739.57 {651.90}	229.34 {192.29}
Interest cost	103.11 {100.75}	29.56 {26.49}	59.17 {55.40}	18.35 {16.35}
Current service cost	65.23 {59.02}	13.81 {11.03}	50.12 {41.87}	5.55 {4.98}
Benefits paid	(80.84) {(69.45)}	(12.83) {(9.04)}	(179.60) {(96.85)}	(11.60) {(10.22)}
Net actuarial (gain)/ loss on obligation	57.51 {13.26}	51.03 {29.34}	184.16 {87.25}	30.21 {25.94}
Present value of the defined benefit obligation as at 31.03.2013	1,433.87 {1,288.86}	451.06 {369.49}	853.42 {739.57}	271.85 {229.34}

iv) **Changes in the fair value of plan assets:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2012	1,162.97 {1,031.68}	- {-}	- {-}	- {-}
Expected return on plan assets	92.84 {82.34}	- {-}	- {-}	- {-}
Contributions by employer	67.22 {102.32}	- {-}	- {-}	- {-}
Benefit paid	(76.35) {(65.66)}	- {-}	- {-}	- {-}
Net actuarial gain/(loss)	9.37 {12.29}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2013	1,256.05 {1,162.97}	- {-}	- {-}	- {-}

v) **Other disclosures:**

₹ Crore

Gratuity/Pension	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
Present value of obligation as at the end of	1433.87	1288.86	1185.28	1065.02	1040.99
Fair value of plan assets as at the end of	1256.05	1162.97	1031.68	987.14	535.94
Surplus/(Deficit)	(177.82)	(125.89)	(153.60)	(77.88)	(505.05)
Experience adjustment on plan liabilities (loss)/gain	(50.04)	(18.87)	(59.49)	10.13	(21.04)
Experience adjustment on plan assets (loss)/gain	9.37	12.29	5.10	25.12	4.61

₹ Crore

PRMF	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
Present value of obligation as at the end of	451.06	369.49	311.67	244.39	213.29
Experience adjustment on plan liabilities (loss)/gain	(19.53)	(30.60)	(33.27)	(12.65)	(4.24)

₹ Crore

Leave	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
Present value of obligation as at the end of	853.42	739.57	651.90	585.07	647.94
Experience adjustment on plan liabilities (loss)/gain	(180.46)	(89.90)	(87.83)	(37.25)	(107.16)

₹ Crore

Terminal Benefits	**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
Present value of obligation as at the end of	271.85	229.34	192.29	167.47	125.51
Experience adjustment on plan liabilities (loss)/gain	(25.49)	(24.38)	(23.95)	(36.68)	(16.94)

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	5.72	(6.27)
Present value of obligation	73.42	(60.22)

F. Details of the Plan Assets

The details of the plan assets at cost are:

₹ Crore

		31.03.2013	31.03.2012
i)	State government securities	**337.46**	273.43
ii)	Central government securities	**331.27**	330.85
iii)	Corporate bonds/debentures	**465.84**	417.27
iv)	Money market instruments	**7.50**	5.97
v)	Investment with insurance companies	**76.34**	104.34
vi)	Fixed deposits with banks	**5.16**	5.44
Total		**1,223.57**	1,137.30

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 **₹ 102.20 crore** (previous year ₹ 94.63 crore).

H. **Other Employee Benefits**

Provision for long service award and family economic rehabilitation scheme amounting to **₹ 3.36 crore** (previous year ₹ 4.85 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:

	31.03.2013	31.03.2012
i) Method used	Projected Unit Credit Method	
ii) Discount rate	**8.00%**	8.50%
iii) Expected rate of return on assets:		
- Gratuity	**8.00%**	8.00%
- Pension	**7.00%**	7.00%
iv) Annual increase in costs	**6.00%**	6.00%
v) Future salary increase	**6.00%**	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.

J. The Company's best estimate of the contribution towards gratuity/pension for the financial year 2013-14 is **₹ 44.81 crore**.

39. Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'

Borrowing costs capitalised during the year are **₹ 2,148.14 crore** (previous year ₹ 2,342.21 crore).

40. 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
Revenue :						
Sale of energy/consultancy, project management and supervision fees *	**64,189.57**	61,002.20	**126.81**	142.69	**64,316.38**	61,144.89
Other income**	**3,347.88**	1,113.31	**1.65**	3.36	**3,349.53**	1,116.67
Total	**67,537.45**	62,115.51	**128.46**	146.05	**67,665.91**	62,261.56
Segment result #	**16,645.05**	12,300.36	**16.14**	(19.46)	**16,661.19**	12,280.90
Unallocated corporate interest and other income					**2,793.71**	2,580.32
Unallocated corporate expenses, interest and finance charges					**2,876.27**	2,535.06
Profit before tax					**16,578.63**	12,326.16
Income tax (net)					**3,959.24**	3,102.43
Profit after tax					**12,619.39**	9,223.73

₹ Crore

	Business Segments				Total	
	Generation		Others			
	Current year	Previous year	**Current year**	Previous year	**Current year**	Previous year
Other information						
Segment assets	**81,719.33**	64,642.77	**340.02**	220.52	**82,059.35**	64,863.29
Unallocated corporate and other assets					**79,057.11**	75,967.45
Total assets	**81,719.33**	64,642.77	**340.02**	220.52	**161,116.46**	140,830.74
Segment liabilities	**10,715.15**	8,235.50	**295.06**	167.53	**11,010.21**	8,403.03
Unallocated corporate and other liabilities					**69,718.74**	59,136.54
Total liabilities	**10,715.15**	8,235.50	**295.06**	167.53	**80,728.95**	67,539.57
Depreciation (including prior period)	**3,358.94**	2,753.31	**0.24**	0.17	**3,359.18**	2,753.48
Non-cash expenses other than depreciation	**169.63**	15.29	**5.08**	41.19	**174.71**	56.48
Capital expenditure	**18,629.53**	14,513.32	**596.89**	289.85	**19,226.42**	14,803.17

* Includes ₹ **1,487.94 crore** (previous year ₹ 281.64 crore) for sales related to earlier years.

** Generation segment includes ₹ **1,684.11** crore (previous year Nil) towards exceptional items (Refer Note no.32).

\# Generation segment result would have been ₹ **15,157.11 crore** (previous year ₹ 12,018.72 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.

41. 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., 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 A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh	Director (Projects)
Shri D.K. Jain	Director (Technical)[1]
Shri S.P.Singh	Director (Human Resources)[2]
Shri N.N.Mishra	Director (Operations)
Shri A.K.Jha	Director (Technical)[3]
Shri U.P.Pani	Director (Human Resources)[4]

1. Superannuated on 30th June 2012 2. Superannuated on 28th February 2013 3. W.e.f. 1st July 2012 4. W.e.f. 1st March 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.	**393.14**	335.47
- NTPC-Alstom Power Services Private Ltd.	**6.19**	10.10
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.51**	0.13
- NTPC-Alstom Power Services Private Ltd	**1.23**	0.82
- Trincomalee Power Company Limited	**0.82**	0.15
- Pan-Asian Renewables Private Ltd.	**0.13**	-
ii) Dividend Received:		
- Utility Powertech Ltd.	**4.00**	3.00
- NTPC-Alstom Power Services Private Ltd.	**0.36**	0.30
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.22**	0.94
- NTPC-Alstom Power Services Private Ltd	**0.04**	0.04
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**64.27**	48.83
- NTPC-Alstom Power Services Private Ltd	**7.86**	10.44
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.66**	0.30
- NTPC-Alstom Power Services Private Ltd	**1.32**	0.33
- Trincomalee Power Company Limited	**0.97**	0.15
- Pan-Asian Renewables Private Ltd.	**0.13**	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **6.35 crore** (previous year ₹ 4.18 crore).

c) Remuneration to key management personnel for the year is ₹ **3.59 crore** (previous year ₹ 2.79 crore) and amount of dues outstanding to the Company as on 31st March 2013 are ₹ **0.07 crore** (previous year ₹ 0.08 crore).

₹ Crore

Managerial remuneration to Key management personnel	**31.03.2013**	31.03.2012
Shri Arup Roy Choudhury	**0.54**	0.35
Shri A.K. Singhal	**0.55**	0.47
Shri I.J. Kapoor	**0.45**	0.43
Shri.B.P.Singh	**0.52**	0.45
Shri D.K. Jain	**0.38**	0.42
Shri S.P.Singh	**0.43**	0.31
Shri N.N.Misra	**0.44**	0.36
Shri A.K.Jha	**0.26**	-
Shri U.P.Pani	**0.02**	-
Total	**3.59**	2.79

42. Disclosure as per Accounting Standard - 19 on 'Leases'

a) Finance leases

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

	31.03.2013	31.03.2012
a) Obligations towards minimum lease payments		
• Not later than one year	**0.24**	0.48
• Later than one year and not later than five years	**0.05**	0.22
• Later than five years	**-**	-
Total	**0.29**	0.70
b) Present value of (a) above		
• Not later than one year	**0.22**	0.43
• Later than one year and not later than five years	**0.05**	0.21
• Later than five years	**-**	-
Total	**0.27**	0.64
c) Finance charges	**0.02**	0.06

b) Operating leases

The Company's 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 ₹ **76.38 crore** (previous year ₹ 75.68 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 'Miscellaneous expenses' in Note - 26.

43. 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	**12,619.39**	9,223.73
Weighted average number of equity shares used as denominator	**8,24,54,64,400**	8,24,54,64,400
Earning per share (Basic and Diluted) - ₹	**15.30**	11.19
Nominal value per share - ₹	**10/-**	10/-

44. Disclosure as per Accounting Standard - 26 on 'Intangible Assets'

Research expenditure charged to revenue during the year is ₹ **91.85 crore** (previous year ₹ 29.89 crore).

45. Disclosure as per Accounting Standard - 27 on 'Financial Reporting of Interest in Joint Ventures'

a) Joint Venture Entities:

Company	Proportion of ownership interest as on (excluding share application money)	
	31.03.2013 (%)	31.03.2012 (%)
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.*	**33.41**	31.52
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**	25.00
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 Sri Lanka)	**50.00**	50.00
2. Bangladesh -India Friendship Power Company Private Ltd.$ (incorporated in Bangladesh)	**50.00**	-

* The accounts are unaudited

$ No investment has been made as at 31st March 2013. Further, there were no financial transactions during the year.

The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2013 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

₹ Crore

	31.03.2013	31.03.2012
A. Assets		
• Long term assets	**14,424.69**	12,314.73
• Current assets	**1,961.71**	1,978.68
Total	**16,386.40**	14,293.41
B. Liabilities		
• Long term liabilities	**8,879.94**	8,085.19
• Current liabilities and provisions	**2,218.80**	1,940.20
Total	**11,098.74**	10,025.39
C. Contingent liabilities	**117.90**	78.09
D. Capital commitments	**6,800.18**	1,848.88
	Current year	Previous year
E. Income	**3,638.71**	3,659.89
F. Expenses	**3,477.21**	3,022.44

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., the operator, the Company's share in respect of assets and liabilities as at 31st March 2013 and expenditure for the year are given below:

₹ Crore

Item	2012-13 (Un-audited)	2011-12 (Un-audited)
Expenses	**2.28**	3.61
Assets	**0.06**	0.03
Liabilities	**1.43**	0.95
Capital commitments (Unfinished MWP)	**91.49**	88.48

It is also informed that exploration activities in block KG-OSN-2009/4 has been suspended w.e.f. 11.01.2012 due to non clearance by Defence Ministry, GOI. Further in case of AN-DWN 2009/13, GSPC has submitted notice of withdrawal from the block subsequent to completion of minimum work programme and ONGC has decided to acquire 10% participating interest 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 ₹ 46.27 crore from ₹ 41.19 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 ₹ 0.09 crore for the year 2012-13 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 2013 and expenditure for the year is as under:

₹ Crore

Item	2012-13 (Un-audited)	2011-12 (Un-audited)
Expenses	**0.22**	0.18
Assets	**14.64**	14.64
Liabilities	**2.32**	2.10
Contingent liabilities	**41.42**	67.57

46. 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, the Company has carried out the assessment of impairment of assets. Based on such assessment, there has been no impairment loss during the year.

47. Foreign currency exposure not hedged by a derivative instrument or otherwise:

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Borrowings, including interest accrued but not due thereon.	USD	**252.41**	204.13	**13,859.96**	10,538.98
	JPY	**4904.08**	5337.26	**2,872.81**	3,378.49
	EURO	**12.22**	6.12	**860.17**	423.42
Trade payables/deposits and retention monies	USD	**20.55**	22.63	**1,128.52**	1,168.53
	EURO	**7.60**	11.37	**535.15**	786.62
	Others	**35.76**	30.64	**23.98**	34.96
Trade receivables and Bank balances	USD	**0.01**	0.02	**0.78**	0.82
	Others	**0.50**	-	**0.30**	-
Unexecuted amount of contracts remaining to be executed	USD	**96.13**	39.37	**5,278.73**	2,033.53
	EURO	**65.79**	20.75	**4,632.92**	1,435.51
	Others	**899.21**	34.55	**612.84**	51.55

The Company has formulated an Exchange Risk Management Policy with effect from 1st October 2012. In terms of the requirements of the said Policy and guidelines of the Reserve Bank of India, the Company is currently negotiating International Swaps and Derivatives Association (ISDA) agreements with Authorised Dealer banks. No derivative transactions have been undertaken during the year pending finalisation of ISDA agreements with the banks.

48. Information in respect of micro and small enterprises as at 31st March 2013 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ Crore

Particulars		Amount
a)	Amount remaining unpaid to any supplier:	
	Principal amount	17.55
	Interest due thereon	0.02
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. (*₹ 73,985/-)	*
d)	Amount of interest accrued and remaining unpaid (*₹ 73,985/-)	*
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	-

49. 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	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Kanti Bijlee Utpadan Nigam Ltd.	**12.57**	17.14	**17.14**	21.71
NTPC Hydro Ltd.	**32.27**	-	**32.27**	-
Total	**44.84**	17.14	**49.41**	21.71

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 : ₹ 44.84 crore

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

50. 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 ₹ **3,966.11 crore** (previous year ₹ 4,427.27 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 land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ **747.54 crore** (previous year ₹ 1,173.58 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues with coal companies as disclosed in Note 33, payments and accounting of coal are being made based on GCV ascertained at station end. The difference between the amount billed by the coal companies and the payment released by the company amounts to ₹ **2,531.10 crore** (previous year ₹ Nil).

Further, an amount of ₹ **367.73 crore** (previous year ₹ 400.63 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 ₹ **862.81 crore** (previous year ₹ 877.47 crore) has been estimated.

(v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of ₹ **961.24 crore** (previous year ₹ 1,769.70 crore) relating to the hydro power project stated in Note 21 b) - Other 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 ₹ **2,792.06 crore** (previous year ₹ 283.45 crore).

b) **Disputed Income Tax/Sales Tax/Excise Matters**

Disputed Income Tax/Sales Tax/Excise matters pending before various Appellate Authorities amount to ₹ **1,547.61 crore** (previous year ₹ 3,038.63 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 ₹ **365.19 crore** (previous year ₹ 2,111.54 crore).

c) **Others**

Other contingent liabilities amount to ₹ **252.20 crore** (previous year ₹ 316.93 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.

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 2013 is ₹ **48,905.56 crore** (previous year ₹ 29,563.89 crore).

b) In respect of investments of ₹ **3,850.15 crore** (previous year ₹ 2,895.97 crore) in the joint venture entities, the Company has restrictions for their disposal ranging from two years to fifteen years from the date of incorporation/allottment of shares/commercial operation of the projects as the case may be.

c) In respect of investments of ₹ **892.26 crore** (previous year ₹ 866.61 crore) in the subsidiary Companies, the Company has restrictions for their disposal for five years from the date of commercial operation of the respective project.

d) As at 31st March 2013, the Company has commitments of ₹ **4,041.86 crore** (previous year ₹ 3,236.96 crore) towards further investment in the joint venture entities.

e) As at 31st March 2013, the Company has commitments of ₹ **1,393.67 crore** (previous year ₹ 1,419.32 crore) towards further investment in the subsidiary companies.

f) Company's commitment towards the minimum work programme in respect of oil exploration activity of Cambay Block (100% owned by the company) is ₹ **183.45 crore (USD 33.73 million)** (previous year ₹ 182.84 crore, USD 35.41 million).

g) Company's comittment towards the minimum work programme in respect oil exploration activities of joint venture operations has been disclosed in Note - 45.

h) Company's commitment in respect of further commitments relating to lease agreements has been disclosed in Note - 42.

52. 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			**1,009.05**	880.34
Spare parts			**124.44**	190.09
b) Expenditure in foreign currency:				
Professional and consultancy fee			**4.16**	7.07
Interest			**625.38**	390.03
Others			**5.52**	14.44
c) Value of components, stores and spare parts consumed (including fuel):	**Current year**		Previous year	
	%age	**Amount**	%age	Amount
Imported	**10.86**	**4,570.55**	18.69	7,942.77
Indigenous	**89.14**	**37,500.66**	81.31	34,572.43
			Current year	Previous year
d) Earnings in foreign exchange:				
Professional & consultancy fees			**2.15**	2.48
Others			**0.10**	0.28

For and on behalf of the Board of Directors

(A. K. Rastogi)
Company Secretary

(A. K. Singhal)
Director (Finance)

(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

(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

(Monika Agrawal)
Partner
M No. 093769

For A. R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Anil Gaur)
Partner
M No. 017546

Place : New Delhi
Dated : 10th May 2013

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 2013, 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"). 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 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. 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, 2013;

(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. 33 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;
   (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	(Monika Agrawal) Partner M No. 093769	(Anil Gaur) Partner M No. 017546

Place : New Delhi
Dated : 10th May 2013

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 2013.

(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 2013 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to ₹ 134.43 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	21.06
			Commissioner of Sales Tax	21.32
			Dy. commissioner of Sales/ Commercial Taxes	0.20
			High Court	80.50
			Sales Tax Tribunal	3.88
			Joint Commissioner (Appeal) Trade tax	1.13
2.	Central Excise Act, 1944	Central Excise Duty/ Service tax	CESTAT	1.89
3.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	1.28
			Income Tax Appellate Tribunal/CIT	0.08
			Allahabad High Court	2.55
			Asst. Commissioner	0.03
			Income Tax Officer	0.51
	Total			**134.43**

(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 not raised any money by public issue during the year.

(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 2 cases of frauds involving an aggregate amount of ₹0.01 crore towards fraudulent claim/non deposit of rent by the Contractor have been committed on the Company during the year. The Company has taken appropriate action against the employee/contractor and the matters are under investigation.

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
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(M. S. Balachandran) Partner M No. 024282	(Monika Agrawal) Partner M No. 093769	(Anil Gaur) Partner M No. 017546

Place : New Delhi
Dated : 10th May 2013

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NTPC LIMITED, NEW DELHI, FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of NTPC Limited, New Delhi for the year ended 31st March 2013 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 10 May 2013.

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 2013. 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/-
(Brij Mohan)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place : New Delhi
Dated : 31 May 2013

EMPLOYEE COST SUMMARY

₹ Crore

Description	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	**2012-13**
A. Salaries, wages & benefits	818.00	824.80	956.80	1,170.30	1,909.30	2,580.70	2,666.60	3,101.83	3,461.58	**3,774.64**
(incl. Provident Fund and other contributions)										
B. Other Benefits										
1. Welfare expenses	143.00	172.30	180.70	197.50	320.00	316.90	280.20	293.44	295.10	**355.00**
2. Township	57.50	62.90	56.70	61.00	65.60	74.50	56.20	111.64	120.08	**136.33**
3. Educational & School facilities	15.80	16.00	16.00	18.30	22.10	26.90	14.10	24.45	23.95	**11.99**
4. Medical Facilities	42.70	42.40	44.40	57.10	65.00	65.70	66.10	120.34	116.30	**130.24**
5. Subsidised Transport	4.50	4.70	4.60	3.60	4.80	4.90	2.40	5.04	5.31	**7.55**
6. Social & Cultural activities	10.90	10.80	10.00	10.20	12.00	11.50	13.20	14.84	11.62	**7.51**
7. Subsidised Canteen	15.90	16.00	17.40	22.30	26.20	18.50	18.50	22.23	27.46	**32.91**
Total (B)	290.30	325.10	329.80	370.00	515.70	518.90	450.70	591.98	599.82	**681.53**
Total (A+B)	**1,108.30**	**1,149.90**	**1,286.60**	**1,540.30**	**2,425.00**	**3,099.60**	**3,117.30**	**3,693.81**	**4,061.40**	**4,456.17**
8. Year end No. of Employees	20,971	21,420	21,870	23,602	23,677	23,390	23,743	23,797	24,011	**23,865**
9. Average No.of Employees	21,190	21,196	21,645	22,736	23,640	23,534	23,567	23,770	23,904	**23,938**
10. Average Salary, wages and benefits per employee (₹)	386,040	389,139	442,042	514,734	807,657	1,096,584	1,131,497	1,304,935	1,448,117	**1,576,840**
11. Average Cost of Other Benefits per employee per annum (₹)	137,002	153,382	152,368	162,738	218,147	220,490	191,242	249,045	250,929	**284,706**
12. Average cost of employees remuneration & benefits per annum (₹)	523,042	542,521	594,410	677,472	1,025,804	1,317,074	1,322,739	1,553,980	1,699,046	**1,861,546**

Revenue Expenditure on Social Overheads for the year ended 31st March 2013

₹ 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	51.91	-	143.46	-	-	0.12	**195.49**	167.55
2	Materials Consumed	10.59	0.01	12.42	-	-	-	**23.02**	17.78
3	Rates & Taxes	3.25	-	-	-	-	-	**3.25**	3.39
4	Welfare Expenses	2.66	8.69	111.92	4.94	6.84	31.49	**166.54**	168.37
5	Others incl. Repairs & Maintenance	102.56	1.17	10.03	3.25	0.49	1.48	**118.98**	98.82
6	Depreciation	46.83	2.14	1.73	-	0.56	0.17	**51.43**	47.50
7	Sub Total (1 to 6)	217.80	12.01	279.56	8.19	7.89	33.26	**558.71**	503.41
8	Less: Recoveries	29.56	0.02	5.86	0.64	0.38	0.23	**36.69**	31.14
9	**Net Expenditure (7-8)**	**188.24**	**11.99**	**273.70**	**7.55**	**7.51**	**33.03**	**522.02**	**472.27**
10	Previous Year	162.92	26.12	236.19	5.84	11.62	29.58	**472.27**	

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 Eleventh Annual Report on the working of the Company for the financial year ended on 31st March 2013 together with Audited Statement of Accounts, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS (₹ Crore)

	2012-13	2011-12
Total Revenue	**28.92**	**55.66**
Total Expenses	53.58	44.54
Profit/(Loss) before Tax	**(24.66)**	**11.12**
Tax expenses	(0.07)	3.46
Profit/(Loss) after Tax	**(24.59)**	**7.66**

Revenue for the current year was lower than last year mainly due to the last 10% amount for the completed Rajiv Gandhi Grameen Vidyutikaran Yojana projects, not being released by Rural Electrification Corporation Limited, as franchisees are yet to be put in place by state government/Discoms and reduction in final executed cost of some projects as compared to awarded/amended cost, affecting total service charges that can be realized by the Company. Though manpower was rationalized during the financial year under review, employee cost has registered a net increase due to allocation of additional amount of ₹14.87 Crore by NTPC Limited relating to employee benefits on revision of the method of allocation of such expenses to subsidiary and JV companies.

DIVIDEND

During the financial year 2012-13, Directors have not recommended any dividend.

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 sales of ₹30.31 crore during the financial year 2012-13. KINESCO has incurred a loss of ₹3.33 crore during the financial year 2012-13. The loss is mainly due to payment of an amount of ₹3.38 crore to Kerala State Electricity Board towards accumulated arrears on account of revision of the bulk supply tariff for the period 01.01.2011 to 30.06.2012 based on the directions of the Hon'ble Kerala State Electricity Regulatory Commission.

During the financial year under review, 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, Odisha and Madhya Pradesh. During this period, 2842 villages were electrified and 25204 nos. Below Poverty Line (BPL) connections were provided. Cumulative achievement till 31st March 2013 is 32,398 villages and 26.08 Lakh BPL connections.

Your Company has also undertaken turnkey execution job on deposit work basis for setting up electrical distribution network within 5 kms of eight NTPC projects/stations.

Your Company has undertaken the Project Management Consultancy Services for setting up 220 KV substation, switchyard & connected facilities related to CEMP - II for BPCL-Kochi Refinery Limited, Kochi. The project has since been commissioned on 10th May 2012.

Your Company is developing a comprehensive Corporate Plan for 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 2013.

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 Auditor of the Company for the financial year 2012-13.

In their report, the Statutory Auditors of the Company have drawn attention of the members to two issues. The first such issue pertains to the Accounting Policy No.5.1.1 of the company by which the Company recognizes revenue from project management services for service charges alone and not on gross basis i.e. for the entire value of contracts including service charges. In their report, the Auditors have mentioned that such practice is in alignment with an expert opinion from ICAI on the matter but they are not in agreement with such 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 Note no. 17(a) and 17(b) to the Financial Statements regarding Employees Benefits expenses, wherein the Auditors have stated that superannuation and provident fund liabilities, which are allocated and charged to the company by its parent i.e NTPC Limited according to the corporate policy, are defined benefit schemes and that the Company has not made requisite disclosures as per provisions of Accounting Standard 15 (AS 15) relating to such schemes. The aforesaid treatment has been done 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.

C&AG REVIEW

A Supplementary Audit was conducted by the Comptroller & Auditor General of India under Section 619(3) (b) of the Companies Act, 1956. C&AG vide its letter dated June 25, 2013 communicated that on the basis of audit, nothing significant was noticed giving rise to any comments upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act,1956. A letter from C&AG on the accounts of the company for the financial year 2012-13 is placed after the report of Statutory Auditors of your Company.

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 2012-13 and of the loss 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 S.P. Singh, consequent upon superannuation from services of NTPC Limited has ceased to be the Director of the Company w.e.f. February 28, 2013 (A/N).

The Board of Directors, consequent upon nomination received from NTPC Limited, had appointed Shri U.P. Pani, Director (Human Resources), NTPC Limited as an Additional Director of the Company. Shri U.P. Pani 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, 1956, Dr. Arup Roy Choudhury, Chairman 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

Place : New Delhi
Date : July 15, 2013

(Dr. Arup Roy Choudhury)
Chairman

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, 2013, all the states, have set up their Regulatory Commissions. In addition, two Joint Electricity Regulatory Commissions have been set up for Manipur & Mizoram and Goa & UTs. 18 state 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 neighbouring states, state grids are interconnected to form regional grids.

Despite unbundling and corporatizing, the state governments are reluctant for privatization 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. Keeping this in mind, your Company is contemplating tie ups with best players in electricity distribution sector to explore new opportunities.

Development of Renewable Energy Sources (RES)

Today, the total installed capacity of the nation stands at 223626 MW and RES, at 27542 MW, accounts for 12.32% 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. 79% 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.

Your Company is watching these developments closely with a view to occupy the space created by such opportunities.

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 38 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 Limited, 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 handing over and (iii) the risk of reduction in profit margins in case of time overrun of such projects.

OPPORTUNITIES AND OUTLOOK

The Electricity Act, 2003 provides an opportunity to bulk consumers with a load of more than 1 MW to source their power requirement from anywhere in the country through Open Access for which the state utility is obliged to provide necessary clearances. This provides an opportunity in various industrial and Special Economic Zones (SEZ) which are being promoted by the state industrial development corporations wherein a contiguous geographical area of all such consumers can be earmarked and power fed from upcoming power plants of NTPC and its JVs. Today, wherever major industrial development is taking place, this business model offers tremendous opportunity as quality and reliable power can be assured to these growing industries.

Considering that the North to South transmission corridor will come up by 2014 only, your Company would initially focus on distribution in industrial areas of Northern and Central India.

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.

The development of the Delhi Mumbai Industrial Corridor offers an excellent opportunity for your Company in not only development of transmission & distribution infrastructure but also in retail distribution of power in industrial cities that are planned to be developed in influence region of the corridor.

With 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.

With the sanction of 14 Smart Grid pilot projects in the country, your Company is looking towards this opportunity for contributing in technological up-gradation of the power sector in the country.

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 112 spread over around 28 locations across the country. In the event of a sharp decline in revenue stream, 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 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 an independent and 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, Odisha, 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 programme.

NTPC Limited had entered into a Memorandum of Understanding 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 2012-13, against target of 13 un-electrified and de-electrified villages (UE/DE) villages set by the Govt. of India in the MoU, your Company achieved 22 UE/DE villages and against the target of 50477 BPL connections, your Company has achieved a performance of 25204 connections. Further, against cumulative target of charging of 1876 UE/DE villages, 1407 villages were energized. Energization of 487 villages (balance 469 villages plus 18 villages added subsequently in the scope), for reasons beyond the control of your Company, could not be achieved owing to: non-availability of forest clearances, non-availability of railways clearances, pending RCE sanction for Ranchi and sub-transmission problems. The balance left over works is proposed to be taken up in the financial year 2013-14.

In implementation of electrical distribution network within 5 kms. radius of NTPC projects/stations, work has been taken up in 8 projects/stations where work is in progress and is expected to be completed by 2nd quarter of financial year 2013-14.

Your Company has undertaken turnkey execution job on deposit work basis for setting up sub-station, transmission line and associated system for the coal mining project of NTPC at Pakri Barwadih, Jharkhand.

Your Company has also undertaken turnkey execution job on deposit work basis for construction power work for upcoming NTPC power projects at Lara, Gadarwara & Darlipalli and power evacuation arrangement for NTPC solar projects at Faridabad & Rajgarh. Your Company has also undertaken Works of power supply arrangement at 33/0.4 kV substation of NTPC-BHEL JV (NBPPL) and 22/11 kV substation at KINFRA park - Palakkad for KINESCO.

Your Company has booked an order worth ₹86 Crore from other than GOI schemes for the first time in one year.

Your Company also provided Third Party Inspection Agency (TPIA) services of rural electrification projects for PGCIL.

Project Management Consultancy Services

Your Company, during the year, has also provided Project Management Consultancy Services for the following assignments:

- setting up 220 KV sub-station, switchyard & connected facilities for BPCL, Kochi Refinery Ltd.
- construction and augmentation of 66/11 kV sub-stations for UT of Chandigarh.

Financial Performance

The main revenue of your Company has been realized by consultancy, project management and supervision fees.

(₹ Crore)

	2012-13	2011-12
Sales	**16.34**	46.09
Other income	**12.58**	9.57
Total	**28.92**	55.66

Revenue from RGGVY projects during the financial year 2012-13 contributed approx. 37.5% of total sales as compared to 79% in the previous financial year. Interest from banks contributed approx. 93% of the total other income as compared to 99% in the previous financial year.

The decrease in total income during the current financial year was due to reduction in business volume of the Company and non-release of last 10% amount for completed RGGVY projects by REC, as franchisees were yet to put in place by state government/ Discoms and reduction in final executed cost of some projects as compared to the awarded/amended cost, affecting total service charges that can be realized by the Company.

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)

	2012-13	2011-12
Employee benefits expense	**41.27**	29.37
Administration & other expenses	**12.13**	16.24
Prior period items (net)	**-**	(1.27)
Total operating expenses	**53.40**	44.34

The increase in total operating expenses was mainly due to increase in employee benefit expense. During the current financial year the Company had rationalized manpower but employee cost had registered a net increase due to allocation of additional amount of ₹14.87 Crore, by NTPC, relating to employee benefits on revision of methodology of allocation of such expenses to subsidiary and joint venture companies.

The total expenses including operating expenses of the Company are as follows:-

(₹ Crore)

	2012-13	2011-12
Total operating expenses	**53.40**	44.34
Depreciation and amortization expense	**0.18**	0.20
Total expenses including operating expenses	**53.58**	44.54

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 ₹2.19 crore as on 31.3.2013.

(₹ Crore)

	2012-13	2011-12
Profit /(Loss) before tax	**(24.66)**	11.12
Tax expenses	**(0.07)**	3.46
Profit /(Loss) for the year	**(24.59)**	7.66

During the current financial year, the Company has incurred a loss of ₹24.59 Crore as compared to profit of ₹7.66 Crore during the previous financial year. The Company during the current financial year has incurred a loss due to reduction in the business volume, non-release of last 10% amount for completed RGGVY projects and allocation of additional amount of ₹14.87 Crore, by NTPC, relating to employee benefits on revision of methodology of allocation of such expenses to subsidiary and joint venture companies.

Your Company is taking appropriate steps for realization of last 10% amount for completed RGGVY projects from REC.

Reserves & Surplus

During the current financial year after transferring the loss of ₹24.59 Crore, the Reserves & Surplus has reduced to ₹27.92 Crore as compared to ₹52.50 Crore during the previous financial year

Current Assets

The current assets at the end of the current year were ₹822.41 crore as compared to ₹941.52 crore in previous year.

(₹ Crore)

	31.3.2013	31.3.2012
Trade receivables	**11.94**	8.00
Cash and bank balances	**788.07**	920.54
Short-term loans and advances	**1.02**	0.57
Other current assets	**21.38**	12.41
Total Current Assets	**822.41**	941.52

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 2012-13, current liabilities have decreased to ₹826.00 crore as compared to ₹912.27 crore in the financial year 2011-12 mainly on account of decrease in other current liabilities relating to deposit works.

(₹ Crore)

	31.3.2013	31.3.2012
Trade payables	**10.31**	7.33
Other current liabilities	**815.69**	899.13
Short-term provisions	**-**	5.81
Total Current Liabilities	**826.00**	912.27

Cash Flow Statement

(₹ Crore)

	2012-13	2011-12
Opening Cash and cash equivalents	**920.54**	919.01
Net cash from operating activities	**(133.24)**	(0.73)
Net cash from investing activities	**6.58**	6.92
Net cash flow from financing activities	**(5.81)**	(4.66)
Net Change in Cash and cash equivalents	**(132.47)**	1.53
Closing cash and cash equivalents	**788.07**	920.54

The closing cash and cash equivalents for the financial year ended March 31, 2013 has decreased to ₹788.07 crore from ₹920.54 crore.

Financial Indicators

The various performance indicators for the current year as compared to previous year are as under:

	2012-13	2011-12
Capital employed in ₹Crore	**27.99**	52.58
Net worth in ₹Crore	**27.99**	52.58
Return on capital employed (PBT/CE)	**(88.10%)**	21.15%
Return on net worth (PAT/NW)	**(87.85%)**	14.57%
Dividend as % of equity capital	**-**	6180
Earning per share in ₹	**(3038.77)**	946.59

The capital employed as well as net worth has decreased due to loss incurred during the financial year 2012-13.

Human Resources

As on 31st March 2013, there were 122 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

Place : New Delhi
Dated : July 15, 2013

(Dr. Arup Roy Choudhury)
Chairman

NTPC ELECTRIC SUPPLY COMPANY LIMITED
BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**809100**	809100
Reserves and surplus	3	**279150280**	525017525
		279959380	525826625
Non-current liabilities			
Deferred tax liabilities (net)	4	**-**	713226
Current liabilities			
Trade payables	5	**103117041**	73277495
Other current liabilities	6	**8156846435**	8991326864
Short-term provisions	7	**18407**	58129657
		8259981883	9122734016
TOTAL		**8539941263**	9649273867
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	**9124148**	10110196
Non-current investments	9	**3100000**	3100000
Long Term Loan & Advances	10	**303562589**	220816685
		315786737	234026881
Current assets			
Trade receivables	11	**119440482**	80045156
Cash and bank balances	12	**7880725638**	9205369740
Short-term loans and advances	13	**10150633**	5756425
Other current assets	14	**213837773**	124075665
		8224154526	9415246986
TOTAL		**8539941263**	9649273867
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

For Bhudladia & Company
Chartered Accountants

For & on behalf of the Board of Directors

(Ramesh Kumar)
Partner
M. No.-503354

(R K Srivastava)
Chief Executive Officer

(A K Singhal)
Director

(Arup Roy Choudhury)
Chairman

Place : New Delhi
Dated : 29th April 2013

NTPC ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Note	31.03.2013	31.03.2012
Revenue from operations	15	**163452184**	460966868
Other income	16	**125770574**	95704689
Total revenue		**289222758**	556671557
Expenses			
Employee benefits expense	17	**412713545**	293721385
Depreciation and amortization expense	8	**1811667**	2006179
Administration & other expenses	18	**121278017**	162428359
Prior period expenditure	19	**-**	(12723512)
Total expenses		**535803229**	445432411
Profit/(Loss) before tax		**(246580471)**	111239146
Tax expense:			
Current tax			
Current year		**-**	36083000
Earlier years		**-**	(1490792)
Deferred tax			
Current year		**(713226)**	57999
Earlier years		**-**	-
Total tax expense		**(713226)**	34650207
Profit/(Loss) for the year		**(245867245)**	76588939
Earnings per equity share (Par value of ₹ 10/- each)	21		
Basic		**(3,038.77)**	946.59
Diluted		**(3,038.77)**	946.59

The accompanying notes form an integral part of these financial statements.

There are no extraordinary items in the above periods.

For Bhudladia & Company
Chartered Accountants

For & on behalf of the Board of Directors

(Ramesh Kumar)
Partner
M. No.-503354

(R K Srivastava)
Chief Executive Officer

(A K Singhal)
Director

(Arup Roy Choudhury)
Chairman

Place : New Delhi
Dated : 29th April 2013

NTPC ELECTRIC SUPPLY COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(Amount in ₹)

		31.03.2013	31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		**(246580471)**	111239146
Adjustment for:			
Depreciation		**1811667**	2006179
Provisions		**-**	18,407
Interest Received		**(117142574)**	(94290078)
Operating Profit before Working Capital Changes		**(361911378)**	18973654
Adjustment for:			
Trade & Other Receivables	**(39395326)**		5866919
Trade Payables & Other Liabilities	**(844017902)**		80655152
Other Current Assets	**54476**		753997
Loans & Advances	**(4394208)**	**(887752960)**	(3650797)
Cash generated from operations		**(1249664338)**	102598926
Direct Taxes Paid		**82745904**	109850946
Net Cash from Operating Activities - A		**(1332410242)**	(7252021)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		**(825619)**	(1393509)
Interest Received		**66703009**	70592047
Net cash flow from Investing Activities - B		**65877390**	69198538
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		**(50000000)**	(40000000)
Tax on Dividend		**(8111250)**	(6644000)
Net Cash flow from Financing Activities - C		**(58111250)**	(46644000)
Net Increase/Decrease in Cash & Cash equivalents (A + B + C)		**(1324644102)**	15302518
Cash & cash equivalents (Opening balance) (see Note below)		**9205369740**	9190067223
Cash & cash equivalents (Closing balance) (see Note below)		**7880725638**	9205369740

Note: 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.

Cash & cash equivalents	**-**	106426725
Demand deposit included in other bank balance	**7880725638**	9098943015
	7880725638	9205369740

As per our report of even date

For Bhudladia & Company
Chartered Accountants

For & on behalf of the Board of Directors

(Ramesh Kumar)	(R K Srivastava)	(A K Singhal)	(Arup Roy Choudhury)
Partner	Chief Executive Officer	Director	Chairman
M. No.-503354			

Place : New Delhi
Dated : 29th April 2013

NTPC ELECTRIC SUPPLY COMPANY LIMITED

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

3.1 Tangible Assets are carried at historical cost less accumulated depreciation.

3.2 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4 INVESTMENTS

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 assets 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 at the revised 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 The liabilities for employee benefits are accounted for on the basis of allocation of such expenses made by the parent company, in accordance with the corporate policy.

5.2.9 Preliminary expenses on account of new projects incurred prior to approval of feasibility report 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.

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 STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

Note No. 2 Share Capital

(Amount in ₹)

As at	31.03.2013	31.03.2012
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) 80,910 equity shares valuing ₹ 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	31.03.2013	31.03.2012
Reserves		
General reserve		
As per last balance sheet	**74859000**	67200000
Add:Transfer from surplus balance in the statement of profit & loss	-	7659000
Closing balance	**74859000**	74859000
Surplus		
As per last balance sheet	**450158525**	439339836
Add: Profit for the year from statement of profit & loss	**(245867245)**	76588939
Less: Transfer to general reserve		7659000
Proposed dividend	-	50000000
Tax on proposed dividend	-	8111250
Net surplus	**204291280**	450158525
Total	**279150280**	525017525

a) The Company has proposed final dividend for the year 2012-13 @ ₹ **NIL** per equity share par value of ₹ 10/- each (previous year ₹ 617.97 per equity share)

Note No. 4 Deferred Tax Liabilities (Net)
The item-wise details of deferred tax liability are as

(Amount in ₹)

	As at 01.04.2012	Additions/ (Adjustments) during the year	As at 31.03.2013
Difference of book depreciation and tax depreciation	713226	(112592)	**600634**
Less: Deferred tax assets on unabsorbed depreciation		(600634)	**(600634)**
Total	713226	(713226)	**-**

a) The net decrease during the year in the deferred tax liability of ₹ 1,12,592 (previous year increase ₹ 57,999) 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 increase during the year in the deferred tax assets of ₹ 6,00,634 (previous year NIL) has been credited to statement of Profit & Loss.

Note No. 5 Trade Payables

(Amount in ₹)

As at	31.03.2013	31.03.2012
For goods and services	**103117041**	73277495
Total	**103117041**	73277495

a) No amounts are payable to Micro, Small and Medium Enterprises during the year as well as previous year.

Note No. 6 Other Current Liabilities

(Amount in ₹)

As at	31.03.2013	31.03.2012
Book overdraft	**11174200**	6463918
Advances from customers and others	**159061650**	215771331
Other payables		
Tax deducted at source and other statutory dues	**1321963**	6145046
Amount received against deposit works	**7602172277**	8593672929
Payables to Employees	**28717980**	31730971
Others	**354398365**	137542669
Total	**8156846435**	8991326864

a) Other payables - others include amounts payable to the Holding Company, NTPC Limited amounting to ₹ 35,43,80,435 (Previous Year ₹ 13,75,24,739).

b) No amounts are payable to Micro, Small and Medium Enterprises during the year as well as previous year.

Note No. 7 Short Term Provisions

(Amount in ₹)

As at	31.03.2013	31.03.2012
Provision for employee benefits		
As per last balance sheet	-	2567570
Amounts paid during the year	-	2567570
Closing balance	-	-
Provision for proposed dividend		
As per last balance sheet	**50000000**	40000000
Additions during the year	-	50000000
Amounts used during the year	**50000000**	40000000
Closing balance	-	50000000
Provision for tax on proposed dividend		
As per last balance sheet	**8111250**	6644000
Additions during the year	-	8111250
Amounts paid during the year	**8111250**	6644000
Closing balance	-	8111250
Provision for shortage in fixed assets pending investigation		
As per last balance sheet	**18407**	-
Additions during the year	-	18407
Closing balance	**18407**	18407
Total	**18407**	58129657

Note No. 8 Non-Current Assets

TANGIBLE ASSETS (Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Temporary erection	190550	-	-	**190550**	190550	-	-	**190550**	**-**	-
Furniture and fixtures	6481467	20108	-	**6501575**	3578681	261604	-	**3840285**	**2661290**	2902786
Office equipment	4974541	612661	-	**5587202**	1119334	338224	-	**1457558**	**4129644**	3855207
EDP, WP machines and satcom equipment	8536473	192850	-	**8729323**	5184270	1211839	-	**6396109**	**2333214**	3352203
Total	**20183031**	**825619**	**-**	**21008650**	**10072835**	**1811667**	**-**	**11884502**	**9124148**	**10110196**
Previous year	18878789	1389809	(3700)	**20272298**	8138001	2006179	-	**10144180**	**10128118**	10740788

INTANGIBLE ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Software	936895	-	-	**936895**	936895	-	-	**936895**	**-**	-
Total	**936895**	-	-	**936895**	936895	-	-	**936895**	**-**	-
Previous year	936895	-	-	**936895**	936895	-	-	**936895**	**-**	-

Deduction/adjustments from gross block and amortisation for the year includes:

	Gross Block		Depreciation / Amortisation	
	31.03.2013	**31.03.2012**	**31.03.2013**	**31.03.2012**
Assets capitalised with retrospective effect / Write back of excess capitalisation	**-**	3700	-	-
	-	3700	-	-

Note No. 9 Non-Current Investment

(Amount in ₹)

As at	Number of shares Current Year / (Previous Year)	Face value per share Current Year / (Previous Year) (₹)	31.03.2013	31.03.2012
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.

NOTE NO. 10 Long Term Loans and Advances
(Considered good, unless otherwise stated)

(Amount in ₹)

As at	31.03.2013	31.03.2012
ADVANCES		
Advance tax deposit & tax deducted at source	**513943142**	431197238
Less: Provision for current tax	**210380553**	210380553
Total	**303562589**	220816685

Note No. 11 Trade Receivables
(Considered good, unless otherwise stated)

(Amount in ₹)

As at	31.03.2013	31.03.2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured	**36236669**	2592353
Others - Unsecured	**83203813**	77452803
Total	**119440482**	80045156

Note No. 12 Cash & Bank Balances

(Amount in ₹)

As at	31.03.2013	31.03.2012
Cash & cash equivalents		
Balances with banks		
- Current accounts	**-**	105216487
Cheques & drafts on hand	**-**	1210238
Other bank balances		
Deposits with original maturity of more than three months but not more than twelve months	**7880725638**	9098943015
Total	**7880725638**	9205369740

a) Other bank balances - deposits include ₹ **645,98,05,664** (Previous year ₹ 786,92,67,349) towards advances received from REC Ltd. for RGGVY works.

Note No. 13 Short Term Loans And Advances
(Considered good, unless otherwise stated)

(Amount in ₹)

As at	31.03.2013	31.03.2012
ADVANCES		
Others (unsecured)		
Cenvat credit receivables	**6042904**	5634483
Others	**4107729**	121942
Total	**10150633**	5756425

a) Others include prepaid rent and amount recoverable from Joint venture company i.e. KINESCO.

Note No. 14 Other Current Assets

(Amount in ₹)

As at	31.03.2013	31.03.2012
Interest accrued on :		
Term deposits		
Deposit Work Amount of REC Ltd.	**162446259**	123069240
Others	**50439565**	-
Advance to Contractors	**934027**	988503
	213819851	124057743
Assets held for disposal	**17922**	17922
Total	**213837773**	124075665

Note No. 15 Revenue From Operations

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Consultancy, project management and supervision fees (including turnkey construction projects)	**163452184**	460966868
Total	**163452184**	460966868

Note No. 16 Other Income

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Interest from		
Others		
Indian banks	**117142574**	94290078
Interest from income tax refunds	**-**	1414611
Other non-operating income		
EMD forfeited	**8628000**	-
Total	**125770574**	95704689

a) Interest from Indian bank is net of ₹ **66,20,53,855** (previous year ₹ 64,16,15,379) towards interest earned on investment of advances received from REC Ltd. 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 - Others (Note No. 6).

Note No. 17 Employee Benefits Expense

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Salaries and wages	**384426859**	264311656
Contribution to provident and other funds	**16563215**	21519341
Staff welfare expenses	**11723471**	7890388
Total	**412713545**	293721385

a) All the employees of the Company are on secondment from the Holding Company, i.e. NTPC Ltd.

b) Employee benefits expense include ₹ **4,15,40,924** for the year (Previous year ₹ 56,57,078) towards leave, Superannuation and other benefits in respect of employees posted on secondment basis from the NTPC Ltd. (holding company).

c) Employee benefits expense include ₹ **10,71,78,672** towards leave, superannuation and other benefits pertaining to earlier years i.e. 01.01.2007 to 31.03.2012 being additional provisions made during the current year due to change in the methodology of allocation of such provisions, according to the corporate policy.

Note No. 18 Administration & Other Expenses

(Amount in ₹)

For the period ended		31.03.2013	31.03.2012
Power charges		**794303**	840719
Rent		**3674966**	4315443
Repairs & maintenance		**148390**	3305900
Insurance		**27909**	35150
Training & recruitment expenses		**376800**	47000
Communication expenses		**7178403**	8291697
Travelling expenses		**28104488**	29046925
Tender expenses	**6961137**		3903630
Less: Receipt from sale of tenders	**379125**		324000
		6582012	3579630
Payment to auditors (refer details below)		**196650**	112700
Advertisement and publicity		**10000**	-
Security expenses		**3840212**	4468111
Entertainment expenses		**1319093**	1317031
Expenses for guest house		**436434**	482234
Brokerage & commission		**-**	17000
Community development and welfare expenses		**2298107**	599893
Books and periodicals		**95885**	133500
Professional charges and consultancy fees		**46940507**	83030622
Legal expenses		**10500**	3072

Note No. 18 Administration & Other Expenses

(Amount in ₹)

For the period ended		31.03.2013	31.03.2012
EDP hire and other charges		**762949**	1133738
Printing and stationery		**871321**	1041839
Hiring of vehicles		**15095287**	17992640
Bank charges		**1803**	16401
Miscellaneous expenses		**2508803**	2598707
Loss on disposal/write-off of fixed assets		**3195**	-
		121278017	162409952
Provisions for			
Shortage in fixed assets		**-**	18407
		-	18407
Total		**121278017**	162428359
a) Details in respect of payment to auditors:			
As auditor			
Audit fee	**80000**		66000
Tax audit fee	**26000**		21000
Reimbursement of expenses	**90650**		25700
		196650	112700

Note No. 19 Prior Period Expenditure

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Employee benefits expense	**-**	(12723512)
Total	**-**	(12723512)

Other Notes

20 The Company is operating in a single segment, that is providing consultancy, project management and supervision services.

21 **Discloure as per Accounting Standard - 20 on 'Earnings Per Share'**

The elements considered for calculation of Earning Per Share (Basic & Diluted) are as under:

	Current Year	Previous Year
Net Profit after Tax used as numerator - ₹	**(245,867,245)**	76,588,939
Weighted average number of equity shares used as denominator	**80,910**	80,910
Earning Per Share (Basic & Diluted) - ₹	**(3,038.77)**	946.59
Face value per share - ₹	**10.00**	10.00

22 **Discloure 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 ₹ **1,94,61,405** (Previous year ₹ 2,15,92,778) 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 ₹ **36,74,966** (Previous year ₹ 43,15,443) are shown as Rent in Note No. 18 - Administration and other expenses.

23 **Discloure 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)	
	31.03.2013	**31.03.2012**
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 2013 and income and expenses for the year based on unaudited accounts are given below:

(Amount in ₹)

A	Assets	31.03.2013	31.03.2012
	Non-current assets	96,143,796	80,582,886
	Current assets	36,027,498	35,343,380
	Total	132,171,294	115,926,266
B	Equity & liabilities		
	Shareholders' funds	11,914,857	16,768,246
	Non-current liabilities	9,013,076	6,485,599
	Current liabilities	111,243,362	92,672,422
	Total	132,171,295	115,926,267
C	Contingent liabilities	8,464,414	14,921,685
D	Capital commitments	34,467,456	24,500
		Current Year	Previous Year
E	Income	152,751,509	113,380,323
F	Expenses	166,684,717	101,787,646

24 The common services being utilized by the Company for it's' 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	128,567,204	398,430,383
2	Amount disbursed for consultancy contracts on deposit work basis	2,767,266,090	3,769,951,000
3	Amount of advance received from customers for consultancy contracts on deposit work basis	825,125,009	2,431,368,000
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 investment to 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. Further Service Tax matter is pending for the year 2011-12 before the Commissioner of Customs, Central Excise and Service Tax, Noida amounting to ₹ 20,85,97,984.

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	Nil	90,476

29 Previous year's figures have been regrouped/rearranged wherever necessary.

For Bhudladia & Company
Chartered Accountants

For & on behalf of the Board of Directors

(Ramesh Kumar) Partner M. No.-503354	(R K Srivastava) Chief Executive Officer	(A K Singhal) Director	(Arup Roy Choudhury) Chairman

Place : New Delhi
Dated : 29th April 2013

AUDITORS' REPORT

To the Members of

NTPC ELECTRIC SUPPLY COMPANY LTD.

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 2013, 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 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.

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.

In our opinion and to the best of our information and according to the explanations given to us the financial statements, read with point 3 below, 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 2013;

(b) In the case of the Statement of Profit and Loss, of the loss 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.

1. 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.

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 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 in sub-section (3C) of section 211of 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.

3. Attention is drawn to:

a) The company's Accounting policy No. 5.1.1 of recognising revenue from Project Management Services for the service charges alone 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 recognised 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, instead it has to be on gross basis.

b) The fact that technical estimates for the purpose of measurement of income as certified by the management have been relied upon by us;

c) Note 17 (a) and 17(b) to the Financial Statements, in respect of Employee Benefits, according to which ₹ 4,15,40,924.00 being superannuation provision for F.Y. 2012-13 and ₹ 10,71,78,672.00 being difference towards superannuation liability of earlier years since F.Y. 2006-07 till 2011-12 have been provided for in the accounts of the current year. According to the accounting policy in respect of Employee Benefits, stated in Note 1 to Financial statements - Paragraph 5.2.8, superannuation and provident fund liabilities are allocated and charged to the company by its parent ie NTPC LTD., according to the corporate policy. Both these liabilities are defined benefit liabilities according the schemes in force. However the method of disclosure made in the financial statements are not in compliance of paragraph 33-35 of AS 15.

For Bhudladia & Company
Chartered Accountants
Firm's Reg. No. 002511N

(CA. Ramesh Kumar)
(Partner)
Membership No.: 503354

Place : New Delhi
Date : 29th April, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the statement of accounts of M/s NTPC Electric Supply Company Ltd., New Delhi for the year ended on 31st March 2013)

(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 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, 2013.

(c) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2013 as given herein below:

Statue	Nature of Dues	Amount (₹)	Forum where disputes are pending
Income Tax Act, 1961	TDS on perks Income Tax	49,85,286/-	High Court, Allahabad
Finance Act, 1994	Service Tax on Deposit works	462,15,07,284/-	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 incurred cash losses during the financial year covered by our audit.

(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 loans.

(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. Ramesh Kumar)
(Partner)
Membership No.: 503354

Place : New Delhi
Date : 29th April, 2013

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 2013.

The preparation of financial statements of NTPC Electric Supply Company Limited, New Delhi for the year ended 31 March 2013 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 29 April 2013.

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 2013. This supplemnentary 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

(Brij Mohan)
Principal Director of Commercial Audit & Ex-officio Member,
Audit Board-III, New Delhi

Place: New Delhi
Dated: 25 June, 2013

NTPC HYDRO LIMITED

(A wholly-owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their 11th Annual Report on the performance of the Company for the financial year ended 31st March, 2013 together with the Audited Accounts and Auditors' Report thereon.

OPERATIONAL REVIEW

Your Company is presently executing two projects namely, Lata Tapovan Hydro Electric Project (171 MW), located in Chamoli District of Uttarakhand and Rammam Hydro Electric Project, Stage – III (120 MW) located in Darjeeling District of West Bengal.

Lata Tapovan HEP is being developed as a regional power station with 12% free power to the State of Uttarakhand for which all requisite statutory clearances have been obtained and physical possession of land required for the project has also been obtained. Rammam HEP, Stage – III is being developed for the benefit of West Bengal and Sikkim. All requisite statutory clearances and physical possession of land have been obtained. Infrastructure Development activities like construction of approach road and bridges are under progress.

Your Company has awarded Civil Hydro Mechanical Package and Electro Mechanical Works EPC Contract Package for Lata Tapovan HEP. Packages for Rammam HEP are under various stages of bidding. Both projects are slated for commissioning during the 13th plan period.

With a view to reduce entity costs, synergy of operation, reduction in overhead expenditure, enhanced efficiency, better administrative control and optimum utilization of resources, the Board of Directors in its 36th meeting held on December 17, 2010 had accorded in-principle approval for merger of NTPC Hydro Limited (NHL) with NTPC Limited.

After approval of Ministry of Power, in accordance with the provision of Section 391 of the Companies Act, 1956 a petition was filed with Ministry of Corporate Affairs (MCA), Government of India for approval of the Scheme. MCA vide order dated 20th December, 2012 read with order dated 21st January, 2013, had directed convening the meeting of the Shareholders of the Company, which was held on 24th May, 2013 and the Scheme was approved by the requisite majority. MCA is being approached for fixation for final date of hearing of petition.

FINANCIAL REVIEW

The financial highlights of the Company are as under:

(₹. in Crore)

Particulars	F/Y 2012-13	F/Y 2011-12
Paid-up Share Capital	121.36	121.36
Share Capital Deposit – Pending Allotment	0.20	0.20
Fixed Assets (Net)	32.75	22.38
Capital Work in progress	96.44	86.24

During the financial year 2012-13, in order to meet the funds requirement, the Company has borrowed interest free unsecured loan of ₹ 32.27 crore from the holding Company i.e. NTPC Limited.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis for the year under review as stipulated under the provisions of the DPE Guideline on Corporate Governance is enclosed as Annexure-I.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March, 2013.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) vide letter No. CA. V/COY/ CENTRAL GOVT., NTPHYD (1) / 660 dated 24.08.2012 has appointed M/s Rohtas & Hans, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2012-13. M/s Rohtas & Hans has conducted statutory audit of the books of accounts for the financial year 2012-13. Copy of Audit Report is appended with the Financial Statements.

COMPTROLLER & AUDITOR GENERAL REVIEW

As per Section 619 (3) (b) of the Companies Act, 1956, Supplementary Audit of financial statements of the Company for the year ended on 31st March, 2013 was conducted by the Comptroller and Auditor General of India (C&AG). C&AG vide letter dated 6th June, 2013 have communicated that on the basis of audit nothing significant was noticed giving rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956. Copy of the letter received from C&AG is placed after the report of the Statutory Auditors.

BOARD OF DIRECTORS

Presently, the Board of Directors comprises Dr. Arup Roy Choudhury, Chairman and S/Shri A.K. Singhal, B.P.Singh, A.K.Jha, Directors of the Company.

As per the provisions of the Companies Act, 1956, Shri B.P.Singh, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

During the financial year 2012-13, four meetings of the Board of Directors were held on 3rd May, 2012, 17th July, 2012, 20th November, 2012 and 19th February, 2013 respectively.

AUDIT COMMITTEE

As per the provisions of Section 292A of the Companies Act, 1956, your Company has constituted an Audit Committee of the Board of Directors. Presently, the Audit Committee comprises Shri A.K. Singhal, Shri B.P.Singh and Shri A.K.Jha, Directors of the Company.

During the year under review two meetings of the Audit Committee were held on 3rd May, 2012 and 20th November, 2012 respectively.

PARTICULARS OF EMPLOYEES

Particulars of employees, having earning over the amount specified under Sec. 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are as under:

Employed for Part of the Year:

Name	Designation and Nature of duties	Remu-neration (₹.)	Qualification	Date of Commence-ment of Employment	Exp. (Yrs)	Age (Yrs)	Last Employ-ment held	Remarks
Shri S.M.Haq	AGM (Civil) Rammam-III	4359137	B.Sc. (Engg.), Civil	12.10.1981	32	60	-	Superan-nuated on 30.11.2012

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Since the projects undertaken by the Company are in implementation stages, there are no significant particulars relating to conservation of energy & technology absorption as required to be given under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

During the period under review, there was a payment of ₹1,78,33,201 (US$ 3,28,859) to Bharat Heavy Electricals Limited (BHEL) in respect of Electro Mechanical EPC Package, however, there was no earning in foreign currency.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act 1956, your Directors confirm that:

1. in the preparation of the Annual Accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have 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 as at 31st March, 2013 and of the loss of the Company for the said 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 for the financial year ended 31st March, 2013, ongoing concern basis.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the support and co-operation extended by the NTPC Limited, the holding Company, Ministry of Power & other agencies of Govt. of India, Govt. of Uttrakhand, Govt. of West Bengal, Govt. of Sikkim, Auditors, Bankers and employees of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 23 July, 2013

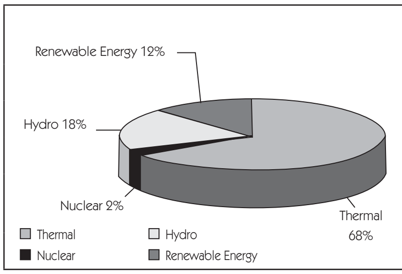
(Dr. Arup Roy Choudhury)
Chairman

ANNEXURE-I TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENT

Electric power plays an important role in the growth of an economy. The Indian power sector has seen substantial growth since independence and as on 31st March, 2013, the total installed capacity in India was 223343.60 MW out of which, share of Thermal, Hydro, Nuclear and Renewable energy sources were as follows:



	Installed Capacity
Thermal	151530.49
Nuclear	4780.00
Hydro	39491.40
Renewable Energy	27541.71
Total	**223343.60**

Source: Central Electricity Authority

In all sources of generation of power, Hydro Power has been identified as a reliable, affordable and environment friendly source of power. As per the re-assessment studies done by Central Electricity Authority in the year 1987, our country has been endowed with enormous hydro power potential i.e. 84000 MW at 60% load factor. However, as on 31st March, 2013, installed capacity of hydro electric projects in India was only 39491.40 MW.

II. STRENGTHS

The Company is presently executing two projects namely, Lata Tapovan Hydro Electric Project (171 MW), located in Chamoli District of Uttarakhand and Rammam Hydro Electric Project, Stage – III (120 MW) located in Darjeeling District of West Bengal. The Company has received all statutory clearances for both projects and has awarded Civil Hydro Mechanical Package and Electro Mechanical Works EPC Contract Package for Lata Tapovan HEP. Packages for Rammam HEP are under various stages of bidding. Both projects are slated for commissioning during the 13th plan period.

The Company has entered into Power Purchase Agreements, for Lata Tapovan Hydro Electric Project which provide for opening of Letter of Credit, Default Escrow Arrangement and first charge on the Incremental receivables with a view to secure realization of payment. Power Purchase Agreement for Rammam Hydro Electric Project with West Bengal Electricity Board has been finalized and likely to be signed soon.

III. OPPORTUNITIES

With a view to meet the growing demand of power, in recent years, the Government of India (GOI) has accorded a high priority to the development of Hydro Potential in the country and Government has taken a number of policy initiatives to address the issues impeding the development of Hydro Power. Various reforms and initiatives like ranking study of potential hydro sites by CEA, 50000 MW Hydro Electric initiatives, National Water Policy, Hydro Policy-2008 etc. have been taken by the GOI to accelerate development of Hydro Power in the Country and to address various problems which have impeded the development of Hydro Power from time to time.

IV. OUTLOOK

India is endowed with economically exploitable and viable hydro potential assessed to be about 84000 MW at 60% load factor (148701 MW installed capacity). In addition, 6780 MW in terms of installed capacity from Small, Mini, and Micro Hydel schemes have been assessed. However, presently installed capacity of Hydro Power of the country is 39491.40 MW only. Therefore, there is huge potential in the areas of Hydro Power which is yet to be harnessed.

V. RISK & CONCERNS/WEAKNESSES/ THREATS

During the year 2012-13, there was an increase of approx. 12% in total installed capacity in the country. However, there was an increase of only 1.3% in hydro power. Environmental & Forest Clearance, lack of infrastructure facilities like roads & construction power, issues relating to land acquisition and Rehabilitation & Resettlement, apportionment of catchment area treatment among various beneficiaries etc. are some of the areas of concern which have marred development of Hydro Power in the country. In addition to above, hydroelectric power plant has complex structures and involves large amounts of capital with a long gestation period. This situation imposes uncertainty factors with considerably high risks. The construction phase is identified as a critical phase in hydropower projects where many unforeseen factors such as geological surprises occur.

VI. INTERNAL CONTROL SYSTEM

The Company has adequate Internal Control system at its projects and administrative offices. The Company is following defined Scheme of Delegation of Power for its employees. In order to ensure that all checks and balances and internal controls are in order, internal audit of all projects and administrative offices are carried out by independent firms of Chartered Accountants and findings of Internal Auditors are placed before the Audit Committee of the Board. Further, being a wholly owned subsidiary of NTPC, the internal control mechanism of the Company is also subject to review periodically by the Internal Audit Department of the NTPC Limited.

VII. FINANCIAL PERFORMANCE

In view of ongoing amalgamation, there was no change in the paid up share capital of the Company. During the financial year 2012-13, there are addition of ₹ 10.37 crore in fixed assets and addition of ₹ 10.20 crore in Capital works in Progress. In order to meet the fund requirement, the Company has taken interest free unsecured loan of ₹ 32.27 crore from NTPC Limited.

VIII. HUMAN RESOURCE

Development of Human resource by imparting training is a continuous process. In the Company, there is a policy of imparting minimum 7 days training in a year. Training programs are generally conducted in association with Power Management Institute, one of the leading training institutes in Power Sector.

IX. ENVIRONMENT PROTECTION

As a responsible corporate citizen, the Company is committed for protection of environment and ecological balance in areas around the project. Both projects undertaken by the Company have received environment clearances from the Ministry of Environment & Forests, GOI. The Company has made all payments, which were required to be made for compensatory afforestation, to the State Governments.

X. 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 the Board of Directors

Place : New Delhi
Dated : 23 July, 2013

(Dr. Arup Roy Choudhury)
Chairman

NTPC Hydro Limited
BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**1,213,595,000**	1,213,595,000
Reserves and surplus	3	**(81,422,821)**	(81,391,473)
		1,132,172,179	1,132,203,527
Share application money pending allotment	4	**2,000,000**	2,000,000
Non-current liabilities			
Other long term liabilities	5	**4,140,421**	8,495,953
Current liabilities			
Short term borrowings	6	**322,727,111**	-
Trade payables	7	**2,240,648**	507,611
Other current liabilities	8	**132,540,959**	8,435,620
Short term provision	9	**5,554,132**	10,351,913
		463,062,850	19,295,144
TOTAL		**1,601,375,450**	1,161,994,624
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**327,546,385**	223,666,548
Intangible assets	10	**-**	84,460
Capital work-in-progress	11	**964,437,463**	862,434,932
Long-term loans and advances	12	**306,841,634**	71,667,987
		1,598,825,482	1,157,853,927
Current assets			
Cash and bank balances	13	**2,524,921**	1,887,625
Short-term loans and advances	14	**25,000**	2,242,215
Other current assets	15	**47**	10,857
		2,549,968	4,140,697
TOTAL		**1,601,375,450**	1,161,994,624
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date — For and on behalf of the Board of Directors

For Rohtas & Hans
Chartered Accountants
Firms' Regn. No. 04372N

(Parveen Kumar Singhal)	(Manish Kumar)	(A.K. Singhal)	(Arup Roy Choudhury)
Partner	Company Secretary	Director	Chairman

Membership No. 090700
Place : New Delhi
Date : 29 April, 2013

NTPC Hydro Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Note	31.03.2013	31.03.2012
Other income	16	**-**	-
Total revenue		**-**	-
Expenses			
Employee benefit expense	17	**-**	-
Depreciation and amortization expense	10	**-**	-
Generation, administration & other expenses	18	**31,348**	64,781
Prior period items (net)	19	**-**	-
Total expenses		**31,348**	64,781
Profit / (Loss) before tax		**(31,348)**	(64,781)
Tax expense		**-**	-
Profit / (Loss) for the year		**(31,348)**	(64,781)
Significant accounting policies	1		
Expenditure During Construction Period (net)	20		
Earnings per equity share (Par value of ₹10/- each)			
Basic		-	-
Diluted		-	-

The accompanying notes form an integral part of these financial statements.
There are no exceptional or extraordinary items in above periods.

As per our report of even date — For and on behalf of the Board of Directors

For Rohtas & Hans
Chartered Accountants
Firms' Regn. No. 04372N

(Parveen Kumar Singhal)	(Manish Kumar)	(A.K. Singhal)	(Arup Roy Choudhury)
Partner	Company Secretary	Director	Chairman

Membership No. 090700

Place : New Delhi
Date : 29 April, 2013

NTPC Hydro Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in ₹)

Particulars	31.03.2013		31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Prior Period Adjustment		**(31,348)**		(64,781)
Operating Profit before Working Capital Changes				
Adjustment for :				
Current Liabilities	**26,335,483**		(1,553,851)	
Other Long Term Liabilities	**(4,355,532)**		2,898,253	
Loans and Advances	**2,217,215**		(1,929,966)	
Other Current Assets	**10,810**		(546)	
		24,207,976		(586,110)
Net cash flow from Operating Activities - A		**24,176,628**		(650,891)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		**(346,266,443)**		(70,547,529)
Net cash used in Investing Activities - B		**(346,266,443)**		(70,547,529)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Share Capital Deposit		**-**		71,000,000
Borrowings from Holding Co.		**322,727,111**		-
Net cash flow from Financing Activities - C		**322,727,111**		71,000,000
Net Increase / Decrease in Cash & Cash Equivalents (A+B+C)		**637,296**		(198,420)
Cash & Cash Equivalents (Opening Balance)		**1,887,625**		2,086,045
Cash & Cash Equivalents (Closing Balance)		**2,524,921**		1,887,625

Note : 1. Cash & Cash equivalents consists of balances with banks amounting ₹24,98,296 (Previous Year : ₹18,61,000) and deposits as security with state authorities which are not available for use ₹26,625 (Previous Year : ₹ 26,625). [Note -13]

2. Previous year figures have been regrouped / rearranged whereever considered necessary.

The accompanying notes form an integral part of these financial statements

As per our report of even date — For and on behalf of the Board of Directors

For Rohtas & Hans
Chartered Accountants
Firms' Regn. No. 04372N

(Parveen Kumar Singhal)	(Manish Kumar)	(A.K. Singhal)	(Arup Roy Choudhury)
Partner	Company Secretary	Director	Chairman

Membership No. 090700

Place : New Delhi
Date : 29 April, 2013

NOTES ON ACCOUNTS

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 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. 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 is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Tangible Assets.
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 the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.

F. EXPENDITURE

1. Depreciation is charged on straight line method following the rates and methodology notified by CERC Tariff Regulations, 2009 provided under Section 616 (c) of the Companies Act, 1956.
2. Depreciation on the following asset is provided based on their estimated useful life

1	Personal computers & laptops including peripherals	5 Years
2	Photocopiers & Fax Machines	5 Years
3	Water Coolers and Refrigerators	12 Years

3. Depreciation on addition 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 upto ₹ 5000/- are fully depreciated in the year of acquisition.
5. Cost of software recognized as intangible assets, 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. Capital expenditure on asset not owned by the company 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. However, similar expenditure for community development is charged off to revenue.
8. Leasehold land and buildings are fully amortised over 25 years or lease period whichever is lower following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.
9. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
10. Prepaid expenses and prior period expenses /income of items of ₹ 100,000/- and below are charged to natural heads of accounts.

G. 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.

H. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as 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.

I. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

NTPC Hydro Limited

Note No. 2 : SHARE CAPITAL (Amount in ₹)

As at	31.03.2013	31.03.2012
EQUITY SHARES CAPITAL		
Authorised Shares		
50,00,00,000 shares of par value ₹ 10/- each (Previous year 50,00,00,000 shares of par value ₹10/- each)	5,000,000,000	5,000,000,000
Issued, Subscribed and fully paid-up shares		
12,13,59,500 shares of par value ₹ 10/- each (Previous year 121,359,500 shares of par value ₹10/- each)	1,213,595,000	1,213,595,000

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**	**No. of Shares**	**Amount in ₹**	No. of Shares	Amount in ₹
At the beginning of the period	121,359,500	1,213,595,000	113,959,500	1,139,595,000
Issued during the period	-	-	7,400,000	74,000,000
Outstanding at the end of the Period	121,359,500	1,213,595,000	121,359,500	1,213,595,000

b. The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of 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.

c. All the shares of the Company is owned by the holding Company i.e. NTPC Limited and it's nominees.

d. **Details of shareholders holding more than 5% shares in the Company :**

Particulars	31.03.2013		31.03.2012	
	No. of shares	%age of holding	No. of shares	%age of holding
NTPC & its nominees	121,359,500	100	121,359,500	100

Note No. 3 : RESERVES AND SURPLUS (Amount in ₹)

As at	31.03.2013	31.03.2012
Surplus in the statement of profit & loss		
As per last financial statements	(81,391,473)	(81,326,692)
Add : During the year transfer from statement of P&L	(31,348)	(64,781)
Total	(81,422,821)	(81,391,473)

Note No.4 : SHARE APPLICATION MONEY PENDING ALLOTMENT (Amount in ₹)

As at	31.03.2013	31.03.2012
Share application money pending allotment	2,000,000	2,000,000
Total	2,000,000	2,000,000

Disclosures :

1. The share application money pending allotment is the balance of fund received from NTPC Ltd, the holding company against which shares are not yet allotted.
2. The no. of shares issued on the balance of share application money pending allotment will be 2,00,000 @ ₹10/- per share.
3. There will be no premium on this share allotment.
4. The company has sufficient authorized capital to cover the share capital amount after this proposed allotment of shares but the Board of Directors of NTPC Hydro Limted in its 43rd meeting held on 03.05.2012 & Board of Directos of NTPC Ltd. in its 382nd meeting held on 10.05.2012 has approved a scheme of amalgamation of NTPC Hydro Limited with NTPC Limited and NTPC Ltd. has given a declaration to BSE that there shall be no alteration in the share capital of NTPC Hydro Limited prior to the scheme of amalgamation becoming effective.
5. As this amount is non-refundable and non interest bearing, no interest will accrue on the amount due for refund.

Note No. 5 : OTHER LONG TERM LIABILITIES (Amount in ₹)

As at	31.03.2013	31.03.2012
Trade payables (Other than MSMED)	20,421	149,034
Payable for capital expenditure - Others (Other than MSMED)	4,120,000	8,346,919
Total	4,140,421	8,495,953

Note No. 6 : SHORT TERM BORROWINGS (Amount in ₹)

As at	31.03.2013	31.03.2012
Unsecured Interest free Loan from NTPC Ltd.	32,27,27,111	-
Total	32,27,27,111	-

Unsecured interest free loan from NTPC Ltd. (Holding Company) has been sanctioned as fund requirement till proposed amlgamation.

Note No. 7 : TRADE PAYABLES

As at	31.03.2013	31.03.2012
For goods and services (Other than MSMED)	2,240,648	507,611
Total	2,240,648	507,611

Note No. 8 Other Current Liabilities (Amount in ₹)

As at	31.03.2013	31.03.2012
Payable for capital expenditure - Others (Other than MSMED)	90,585,112	7,452,335
Other payables		
Tax deducted at source and other statutory dues	2,297,881	968,641
Others *	7,575	14,644
Payable to NTPC Ltd. (Holding Company)	39,650,391	-
Total	132,540,959	8,435,620

* Others include payable towards electricity bills, telephone bills etc.

Note No. 9 : SHORT TERM PROVISIONS (Amount in ₹)

As at	31.03.2013	31.03.2012
Provision for employee benefits		
As per last balance sheet	10,351,913	3,876,872
Additions during the year	3,279,572	6,479,112
Amount paid during the year	1,237,390	-
Amount reversed during the year	6,871,311	4,071
Closing balance	5,522,784	10,351,913
Provision for shortage in fixed assets pending investigation		
As per last balance sheet	-	-
Additions during the year	31,348	-
Closing balance	31,348	-
Total	5,554,132	10,351,913

Note No. 10 : FIXED ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	**As at 31.03.2012**
TANGIBLE ASSETS **Land :** (including development expenses)										
Freehold	156,618,560	-	(41,968,737)	**198,587,297**	-	-		**-**	**198,587,297**	**156,618,560**
Leasehold*	17,534,711	-	(78,462,518)	**95,997,229**	2,491,082	3,200,586	(12,249,573)	**17,941,241**	**78,055,988**	**15,043,629**
Plant and machinery	83,325	-	-	**83,325**	33,538	3,629	-	**37,167**	**46,158**	**49,787**
Furniture and fixtures	3,160,933	-	662,736	**2,498,197**	1,660,426	129,894	303,557	**1,486,763**	**1,011,434**	**1,500,507**
Office equipment	1,682,469	-	291,056	**1,391,413**	864,802	83,694	226,280	**722,216**	**669,197**	**817,667**
EDP, WP machines and satcom equipment	4,438,107	-	1,064,108	**3,373,999**	2,967,529	358,305	966,511	**2,359,323**	**1,014,676**	**1,470,578**
Electrical Installations	82,569	-	-	**82,569**	18,460	4,185	-	**22,645**	**59,924**	**64,109**
Capital expenditure on assets not owned by the Company	48,101,711	-	-	**48,101,711**	-	-	-	**-**	**48,101,711**	**48,101,711**
Total	231,702,385	-	(118,413,355)	**350,115,740**	8,035,837	3,780,293	(10,753,225)	**22,569,355**	**327,546,385**	**223,666,548**
Previous year	231,490,773	102,516	(109,096)	**231,702,385**	7,029,467	1,258,506	252,136	**8,035,837**	**223,666,548**	**224,461,306**

1. **Deduction / adjustment from gross block and depreciation /amortisation for the year includes :** (Amount in ₹)

	Gross Block		Depreciation / Amortisation	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Cost adjustment#	(120,431,255)	(133,096)	(12,249,573)	252,136
Disposal of Assets		24000	-	-
Others (represents inter company transfer)*	2,017,900	-	1,496,348	-
Total	**(118,413,355)**	(109,096)	**(10,753,225)**	252,136

2. The execution of lease agreement of 187.328 acres lease hold land at Lata Tapovan Hydro Power Project of value ₹ 9,59,97,229 (Previous year 187.328 acres, value ₹ 1,75,34,711) is awaiting completion for legal formalities.
3. # Value addition in existing assets through adjustment pertains to value addition in already acquired land.
4. *Certain tangible assets are transfered from NTPC Hydro Limited to NTPC Ltd (holding company) with prior consent of NTPC Ltd., in line with secheme of merger.

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	**As at 31.03.2012**
INTANGIBLE ASSETS										
Software	570,596	-	237,544	**333,052**	486,136	84,460	237,544	**333,052**	**-**	**84,460**
Total	570,596	-	237,544	**333,052**	486,136	84,460	237,544	**333,052**	**-**	**84,460**
Previous Year	570,596	17,114	17,114	**570,596**	299,484	187,128	476	**486,136**	**84,460**	**271,112**

1. **Deduction / adjustment from gross block and depreciation /amortisation for the year includes :** (Amount in ₹)

	Gross Block		Depreciation / Amortisation	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Cost adjustment#	-	17114		476
Others (represents inter company transfer)*	237544	-	237544	-
Total	**237,544**	17,114	**237,544**	476

2. *Certain intangible assets are transfered from NTPC Hydro Limited to NTPC Ltd (holding company) with prior consent.

Depreciation / Amortisation of Tangible and Intangible Assets for the year is allocated as given below:

(Amount in ₹)

	31.03.2013	31.03.2012
Charged to Profit & Loss	**-**	-
Transferred to expenditure during construction period (net) - Note 20	**3,864,753**	1,445,634
Total	**3,864,753**	1,445,634

Note No. 11 : CAPITAL WORK IN PROGRESS

(Amount in ₹)

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2013
Roads, bridges, culverts & helipads	45,817,747	10,764,603	-	-	**56,582,350**
Hydraulic works, barrages, dams, tunnels and power channel	208,518,960	97,700,000			**306,218,960**
Electrical installations	10,050	-	-	-	**10,050**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	56,091,181	1,743,567#	894,585	-	**56,940,163**
Expenditure towards diversion of forest land	81,520,537	-	78,462,518	-	**3,058,019**
Expenditure during construction period (net)	470,476,457	71,151,465*	1	-	**541,627,921**
Total	**862,434,932**	**181,359,635**	**79,357,104**	**-**	**964,437,463**
Previous year	790,905,993	71,528,936	(3)	-	**862,434,932**

Includes previous year expenditure amounting ₹ 12,65,000 pertaing to GSI related to Lata Tapovan H.E.P

* Brought forward from expenditure during construction period (net) - Note 20

Note No. 12 : LONG TERM LOANS AND ADVANCES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Capital Advances		
Unsecured - considered good		
Covered by bank guarantee	**291,890,337**	16,393,679
Others*	**14,951,297**	55,274,308
Total	**306,841,634**	71,667,987

* Others include advances lying with Land Dept. Dist. Darjeeling , Govt of West Bengal and Geological Survey of India.

Note No. 13 : CASH & BANK BALANCES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Cash & cash equivalents		
Balances with banks		
- Current accounts	**2,498,296**	1,861,000
Other bank balances		
Deposits with original maturity of more than three months but not more than twelve months #	**26,625**	26,625
Total	**2,524,921**	1,887,625

Represents bank deposits amounting to ₹ 26,625/- (Previous year ₹ 26,625/-) deposited with Sikkim Sales Tax Authorites as security which is not available for use.

Note No.14 : SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Advances - Unsecured considered good		
Due from NTPC Ltd. (holding company)	**-**	2,217,215
Security Deposit (Unsecured)*	**25,000**	25,000
Total	**25,000**	2,242,215

* Represents bank deposits amounting to ₹ 25,000/- (Previous year ₹ 25,000/-) deposited with Trade Tax Authorites, Noida as security deposit.

Note No. 15 : OTHER CURRENT ASSETS

(Amount in ₹)

As at	31.03.2013	31.03.2012
Interest accrued on Term Deposit	**47**	10,857
Total	**47**	10,857

Note No. 16 : OTHER INCOME

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Interest from		
Contractors	**-**	276,331
Indian banks	**3,270**	3,937
Other non-operating income		
Miscellaneous income	**6,394**	94,231
	9,664	374,499
Less: Transferred to expenditure during construction period (net) - Note 20	**9,664**	374,499
Total	**-**	-

Note No. 17 EMPLOYEE BENEFIT EXPENSE

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Salaries and wages	**17,812,762**	39,282,340
Contribution to provident and other funds	**19,256,392**	2,733,939
Staff welfare expenses	**716,668**	1,157,516
	37,785,822	43,173,795
Less: Transferred to expenditure during construction period (net) - Note 20	**37,785,822**	43,173,795
Total	**-**	-

a. All the employees of the company are on secondment from the holding company i.e. NTPC Ltd.

b. Employee Benefits Expenses include ₹ 36,49,431 for the year (Previous year ₹ 11,53,462) towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the NTPC Ltd. (holding company).

c. Employee Benefits Expenses include ₹1,42,69,957 towards leave, superannuation and other benefits pertaining to earlier years i.e. 01.01.2007 to 31.03.2012 being additional provisions made during the current year due to change in the methodology of allocation of such provisions, according to the revised Corporate HR policy of Holding Company i.e. NTPC Limited.

Note No. 18 : ADMINISTRATION & OTHER EXPENSES

(Amount in ₹)

For the period ended		31.03.2013		31.03.2012
Power charges		**102,651**		294,770
Water charges		**-**		1,020
Rent		**828,348**		3,882,291
Repairs & maintenance				
Buildings		**-**		1,394,831
Others		**629,747**		1,265,178
Insurance		**6,299**		14,475
Training & recruitment expenses		**-**		64,781
Communication expenses		**3,520,725**		1,278,776
Travelling expenses		**1,172,834**		2,386,039
Tender expenses		**2,113,357**		-
Payment to auditors				
- As Audit Fee	80,000		80,000	
- As Reimbursement of Service Tax	9,888		8,240	
		89,888		88,240
Advertisement and publicity		**30,000**		5,000
Security expenses		**436,704**		416,636
Entertainment expenses		**122,207**		293,521
Expenses for guest house	705,366		699,174	
Less: Recoveries	18,578		16,035	
		686,788		683,139

Note No. 18 : ADMINISTRATION & OTHER EXPENSES

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Community development and welfare expenses	**147,350**	651,620
Books and periodicals	**14,270**	39,914
Professional charges and consultancy fees	**774,847**	66,180
Legal expenses	**5,382**	8,679
EDP hire and other charges	**452,548**	605,373
Printing and stationery	**103,277**	66,738
Hiring of vehicles	**694,541**	836,628
Bank Charges	**5,110**	-
Miscellaneous expenses	**347,739**	195,540
	12,284,612	14,539,369
Less: Transferred to expenditure during construction period (net) - Note 20	**12,284,612**	14,474,588
Sub Total	**-**	64,781
Provisions for		
Shortage in Fixed Assets	**31,348**	-
Sub Total	**31,348**	-
Total	**31,348**	64,781

Note No. 19 : PRIOR PERIOD ITEMS (NET)

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Expenditure		
Employee benefits expense	**-**	(8,981,426)
Depreciation and amortisation	**12,249,573**	109,695
Communication Expenses	**4,976,369**	-
Net Expenditure	**17,225,942**	(8,871,731)
Less: Transferred to Expenditure during construction period (net)-Note 20	**17,225,942**	(8,871,731)
Total	**-**	-

Note No. 20 : EXPENDITURE DURING CONSTRUCTION PERIOD (NET)

(Amount in ₹)

For the period ended		31.03.2013		31.03.2012
A. Employee benefits expense				
Salaries and wages		**17,812,762**		39,282,340
Contribution to provident and other funds		**19,256,392**		2,733,939
Staff welfare expenses		**716,668**		1,157,516
Total (A)		**37,785,822**		43,173,795
B. Depreciation and amortisation		**3,864,753**		1,445,634
C. Generation , administration and other expenses				
Power charges		**102,651**		294,770
Water charges		**-**		1,020
Rent		**828,348**		3,882,291
Repairs & maintenance				
Buildings		**-**		1,394,831
Others		**629,747**		1,265,178
Insurance		**6,299**		14,475
Communication expenses		**3,520,725**		1,278,776
Travelling expenses		**1,172,834**		2,386,039
Tender expenses		**2,113,357**		-
Audit fee				
- As Audit Fee	80,000		80,000	
- As Reimbursement of Service Tax	9,888		8,240	
		89,888		88,240
Advertisement and publicity		**30,000**		5,000
Security expenses		**436,704**		416,636
Entertainment expenses		**122,207**		293,521
Expenses for Guest house	705,366		699,174	
Less: Receipt from guest house	18,578		16,035	
		686,788		683,139
Community development and welfare expenses		**147,350**		651,620
Books and periodicals		**14,270**		39,914
Professional charges and consultancy fee		**774,847**		66,180
Legal expenses		**5,382**		8,679
EDP Hire and other charges		**452,548**		605,373
Printing and stationery		**103,277**		66,738
Expenses on hiring of vehicle		**694,541**		836,628
Bank Charges		**5,110**		-
Miscellaneous expenses		**347,739**		195,540
Total (C)		**12,284,612**		14,474,588
Total (A+B+C)		**53,935,187**		59,094,017
D. Less: Other income				
Interest from contractors		**-**		276,331
Interest others		**3,270**		3,937
Miscellaneous income		**6,394**		94,231
Total (D)		**9,664**		374,499
E. Prior period items (net)		**17,225,942**		(8,871,731)
Grand total (A+B+C-D+E)*		**71,151,465**		49,847,787

* Balance carried to capital work-in-progress - (Note 11)

NOTES ON ACCOUNT

21. Estimated amount of contract remaining to be executed on capital account and not provided for ₹12,33,39,89,470 (Previous year ₹ 21,98,39,000), considering a maximum 20% escalation of contract value, wherever applicable.

22. Above (Note No. 21) includes estimated amount of contract remaining to be executed on capital account, in foreign currency, not hedged by a derivative instrument or otherwise is $ 43,80,590 equivalent ₹ 24,05,38,197 (Previous year NIL).

23. Disclosure Regarding 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. Employees benefits expenses include ₹ 29,20,466 (Previous year ₹ 50,58,270) 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 are shown as Rent in Schedule Note No. 18 Administration and other expenses amounting ₹ 8,28,348 (Previous year ₹ 38,82,291).

24. Amount payable to NTPC Ltd., (holding company) has been shown ₹ 3,96,50,391 as part of the other current liabilities (Previous Year ₹ 22,17,215 as part of short term loans & advances). In addition to ₹ 32,27,27,111 (Previous year : NIL) sanctioned as unsecured interest free loan has been shown as short term borrowing from holding company i.e. NTPC Ltd.

25. Income /Expenses of NTPC Hydro Limited – Head Quarter is allocated to projects on the basis of capital expenditure for the period.

26. Balances shown under advances and creditors are subject to confirmation/ reconciliation and consequent adjustment, if any.

27. 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" as on 31.03.2013.

28. Earning Per Share

The elements considered for calculation for Earning per share (Basic and Diluted) are as under:

	Current Year	Previous Year
Net Loss used as numerator	31348	64781
Weighted Average number of equity shares used as denominator	121359500	114080811
Earning Per Share (Rupees) – Basic	-	-
Weighted Average number of equity shares used as denominator	121559500	114084090
Earning Per Share (Rupees) – Diluted	-	-
Face Value per share (Rupees)	10	10

29. The Board of Directors in its 36th meeting held on December 17th , 2010 has accorded in-principle approval for merger of NTPC Hydro Limited (NHL) with NTPC Limited, subject to approval of Ministry of Power.

Ministry of Power vide letter no. 5/5/2012-Th-II dated 10th April 2012 has decided to allow for amalgamation of NTPC Hydro Limited with NTPC Limited subject to approval of competent authority in terms of Section 391-394 of the Companies act 1956 after following due process. Subsequently, the Board of Directors of NTPC Hydro Limited in its 43rd meeting held on 3rd May 2012 has approved the Scheme of Amalgamation of NTPC Hydro Limited with NTPC Limited (Scheme)

In accordance with the provision of Section 391 of the Companies Act 1956 a petition was filed on 28th Aug 2012 with Ministry of Corporate Affairs (MCA), Government of India for approval of the Scheme. The petition was heard by MCA on 19th December 2012.

MCA vide order dated 20th December 2012 has directed convening the meeting of the Shareholders of NHL, which is scheduled to be held on 24th May 2013.

As per our report of even date

For and on behalf of the Board of Directors

For Rohtas & Hans
Chartered Accountants
Firms' Regn. No. 04372N

(Parveen Kumar Singhal)	**(Manish Kumar)**	**(A.K. Singhal)**	**(Arup Roy Choudhury)**
Partner	Company Secretary	Director	Chairman
Membership No. 090700			

Place : New Delhi
Date : 29 April, 2013

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
NTPC Hydro Limited

1. We have audited the accompanying financial statements of NTPC Hydro Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies.
2. Management is responsible for the preparation of these financial statement 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.
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. An audit involves performing procedures to obtain audit evidence about the amount 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 considered 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.
4. 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, 2013;
   (b) In the case of the Profit and Loss Account, Loss of ₹ 31,348/- for the year ended on the that date; and
   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. As require 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.
6. As require 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 GSR 829(E) dated 17.07.2003 issued by the 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 441 A 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 ROHTAS & HANS
Chartered Accountants
Firms' Registration No. 004372N

(Parveen Kumar Singhal)
Partner
Membership No. 090700

Date : 29 April, 2013
Place : New Delhi

The Annexure referred to in paragraph 5 of the Our Report of even date to the members of NTPC Hydro Limited On the Accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, 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, all the fixed assets have been physically verified by the management once two year as per the defined policies of the company which is reasonable having regards to the size of the company and the nature of its assets. Adjustment in shortage is created in the books of accounts.

(c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year and therefore does not affect the going concern assumption.

(ii) The company does not have any inventory accordingly the provisions of the clause 4(ii) (a), (iii) (b) & (iii) (c) are not applicable to the company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses 4 (iii) (b), (c), (d), (e) (f) and (g) of the companies (Auditors Report) Order, 2003 as amended by the companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company. However, the company has taken unsecured interest free loan from holding company i.e., NTPC Ltd. amounting to ₹ 32,27,27,111/-

(iv) In our opinion and according to the information and explanations given to us, there is generally adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weakness in the internal controls has been noticed.

(v) (a) As per information & explanation given to us, we are of the opinion, that there are no transition that need to be entered into the register maintained under section 301 of the Act' 1956. Accordingly, Clause (v) (b) of the order is not applicable of the company.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.

(vii) As per information & explanations given by the management, the Company has an internal audit system through its Internal audit department of holding company i.e. NTPC Limited which commensurate with its size and the nature of its business.

(viii) As per information & explanations given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 is not applicable to the company, as the company has not commenced any activities relating to the distribution of the electricity.

(ix) (a) According to the information and explanation given to us and on the basis of our examination of the books of accounts, of the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanation given to us, there were no outstanding statutory dues as on 31st March, 2013 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there is no amount payable in respect of Income Tax, Wealth tax, Service tax, Sales Tax, Custom Duty and Excise Duty which have not been deposited on account of any dispute.

(x) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

(xi) Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanation 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, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

(xiv) According to the information and explanation given to us, the Company is not dealing in or trading in Shares, Mutual funds & other Investments.

(xv) According to the information and explanation given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

(xvi) Based on our audit procedures and on the information given by the management, we report the Company has not raised term loans during the year.

(xvii) Based on the information and explanation given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) Based on the audit procedures performed and the information and explanation given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

(xix) The Company has not issued any debenture, consequently the provision of clause (xix) of the companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For ROHTAS & HANS
Chartered Accountants
Firms' Registration No. 004372N

(Parveen Kumar Singhal)
Partner
Membership No. 090700

Date : 29 April, 2013
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 NTPC HYDRO LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2013.

The preparation of financial statements of NTPC Hydro Limited, New Delhi, for the year ended 31st March 2013 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 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 29 April 2013.

I, on behalf of the Comptroller and Auditors General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of NTPC Hydro Limited, New Delhi for the year ended 31 March 2013. This supplemnentary 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 accounding records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments 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

(Brij Mohan)
Principal Director of Commercial Audit & Ex-officio Member,
Audit Board-III, New Delhi

Place: New Delhi
Dated: 06 June, 2013

NTPC VIDYUT VYAPAR NIGAM LIMITED

(A wholly owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report on the working of the Company for the financial year ended on 31st March 2013 together with Audited Statement of Accounts, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ in Crore)

	2012-13	2011-12
Total Revenue	**3075.32**	2379.18
Total Expenditure	**3012.28**	2319.92
Profit /(Loss) before exceptional and extraordinary items	**63.04**	59.26
Exceptional Items	**(115.82)**	107.18
Profit/(Loss) before Tax	**(52.78)**	166.44
Tax expenses	**(17.94)**	54.51
Profit/(Loss) for the year	**(34.84)**	111.93

DIVIDEND

During the financial year 2012-13, 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 ₹43.04 Crore from trade of 8382 million units including 1520 million units traded under SWAP arrangements and 1590 million units traded under Solar Bundled energy, as compared to margin of ₹44.82 Crore from trade of energy of 8529 million units including 2996 million units traded under SWAP arrangements and 329 million units traded under Solar Bundled energy in the financial year 2011-12. The overall volume of energy traded by Company during the financial year 2012-13 has marginally decreased by 1.7% over last financial year 2011-12.

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 conducted the process of Selection of the Solar Power Developers based on the Guidelines issued by the Ministry of New and Renewable Energy for Migration Projects Scheme and for New Projects Scheme under two batches viz. Batch-I and Batch-II.

Under the Migration Projects Scheme of JNNSM, Solar PV Projects of 48 MW Capacity out of 54 MW contracted has been commissioned in the States of Rajasthan (35 MW), Maharashtra (11 MW) and Punjab (2 MW).

Under Batch-I of New Projects Scheme, based on selection process conducted by your company, Power Purchase Agreements were signed with 35 Solar Power Developers for 610 MW capacity (140MW-Solar PV, 470 MW-Solar Thermal) and corresponding Power Sale Agreements with Buying Utilities/Discoms of the States of Andhra Pradesh, Karnataka, West Bengal, Rajasthan, Odisha, Punjab, Maharashtra, Assam, Tamil Nadu, Uttar Pradesh, Chattisgarh and DVC have been concluded and solar capacity has been allocated to them as per principles finalized with MOP/MNRE.

A Solar PV capacity of 130MW under Batch-I has been commissioned in the States of Rajasthan (100MW), Andhra Pradesh (10MW), Uttar Pradesh (5 MW), Karnataka (5 MW), Odisha (5 MW) and Tamil Nadu (5MW). The Solar Thermal Projects for 470 MW capacity in the States of Rajasthan (400MW), Andhra Pradesh (50 MW) and Gujarat (20 MW) are expected to be commissioned in financial year 2013-2014.

Under Batch-II, out of capacity of 340 MW, solar capacity of 290 MW have been commissioned in the states of Rajasthan (285 MW) and Maharashtra(5 MW).

As on 31st March 2013, a total solar capacity of 468 MW has been commissioned and corresponding allocation of NTPC coal power has been made by Ministry of Power. During the financial year 2012-13, a total of 1590 MUs of bundled power (including - 351 MUs of Solar Power) has been supplied by your company to the Discoms of Rajasthan, Punjab, Maharashtra, Andhra Pradesh, Uttar Pradesh, Tamil Nadu and Odisha.

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 has been signed on Feb 28, 2012 between your Company and Bangladesh Power Development Board. The Power supply to Bangladesh is expected to commence from August/September 2013.

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 your Company has increased to 100 which include private Discoms and also utilities. The Company has maintained a strong presence in all the five regions of India.

Your Company is also participating in Case-I tenders of various utilities. The Company has received Letter of Intent from Kerala State Electricity Board for supply of 300 MW from Chattisgarh (CSPDCL) for 3 years starting from March, 2014 to February, 2017

The business initiative for sale of Fly ash and Cenosphere were started during the year 2005-06. During the financial year 2012-13, 4198471 MT of Fly Ash was sold as compared to 3782470 MT of Fly Ash sold in the financial year 2011-12. The Ash sale revenue contributes to Ash Fund constituted in line with MOEF Notification of November 3, 2009. Net Addition to Ash Fund in 2012-13 was of ₹108 Crore (including an interest of ₹20 Crore) as against ₹68 Crore (including an interest of ₹ Nil) in the financial year 2011-12.

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 240 MT of Cenosphere as compared to 209 MT of Cenosphere in the financial year 2011-12.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) have appointed M/s Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2012-13.

There is no adverse comment, observation or reservation in the Auditors' Report on the accounts of the Company.

In their report, the Statutory Auditors of the Company have drawn attention of the members to Note no. 3(a) and 4(b) regarding treatment of interest on Fly Ash Utilization Fund. The Ministry of Environment & Forest, Government of India vide notification dated 03.11.2009, required the Company to keep amounts collected from sale of fly Ash and Fly Ash products in a separate account. As notification did not specify on treatment of interest on such funds, interest income earned on these funds is being considered as other income. Your Company has transferred interest income (net of taxes) to Fly Ash Utilization Fund as compared to earlier practice to retain the income under Reserves & Surplus. The said treatment has been carried out with retrospective effect by transferring an amount of ₹19.69 Crore from Reserves & Surplus to Fly Ash Utilization Fund. Till further clarification by Ministry of Environment & Forest, Government of India on treatment of interest income, above mentioned practice is followed based on recommendation of C&AG.

The Statutory Auditors of the Company have also drawn attention of the members to Note no. 7 and 25, in respect of funds realized by the Company on account of non-performance by the Solar Power Developers under the Jawahar Lal Nehru Solar Mission. In pursuance of communication received from the Ministry of New & Renewable Energy, Government of India, an amount of ₹7.66 Crore for financial year 2010-11, ₹107.15 Crore for financial year 2011-12 and interest accrued thereon of ₹1.01 Crore have been reversed during the year under exceptional items thereby affecting the profit/loss for the year to the said extent with consequent effect on Reserves & Surplus. An amount of ₹13.95 Crore as liquidated damages received in the current year on late commissioning of Solar Power Plants is credited to "Retention on A/c encashment (Solar)". Further, an amount of ₹8.41 Crore is also transferred on account of accrued interest for the current year in the said retained amount. The treatment has been done as per the aforesaid communication and the same will be followed till further orders.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India (C&AG), vide letter dated May 23, 2013, has decided not to review the report of the Statutory Auditors on the accounts of the Company for the financial year ended March 31, 2013 and as such has no comments to make under Section 619(4) of the Companies Act, 1956. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

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 did not have any foreign currency earnings. An expenditure of ₹0.02 crore in foreign currency has been incurred for travelling of employees during the financial year under review.

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 A.K. Singhal, Shri I.J. Kapoor and Shri N.N. Misra, Directors of the Company. Two meetings of the Audit Committee were held during the financial year 2012-13. 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 2012-13 and of the loss 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 going concern basis.

BOARD OF DIRECTORS

During the financial year under review Shri S.P. Singh, has ceased to be the Director of the Company w.e.f. February 28, 2013 (A/N), consequent upon superannuation from services of NTPC Limited.

The Board of Directors, consequent upon nomination received from NTPC Limited, had appointed Shri U.P. Pani, Director (Human Resources), NTPC Limited as an Additional Director of the Company. Shri U.P. Pani 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 candidatures for the office of Director liable to retire by rotation.

In accordance with the provisions of Companies Act, 1956, Shri A.K. Singhal, Director 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, the Auditors and the Bankers of the Company.

For and on behalf of the Board of Directors

Place : New Delhi (Dr. Arup Roy Choudhury)
Date : July 15, 2013 Chairman

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, 63 traders have obtained licenses for serving the needs of the various clients, out of which 21 nos. of licensees have been revoked / 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 2012-13 out of the electricity generation of approximately 907 billion units, approximately 74 billion units were traded, representing 8.17% of trading to total generation.

Structure of Power Industries in India*

(i)	Long –Term (89.1%)	808 BU
(ii)	Power Trading (8.2%)	74 BU
(iii)	Balancing Market (UI) (2.7%)	25 BU
	Total	907 BU

The trading of Power in India*

(i)	Bilateral Trading	37 BU
(ii)	Bilateral Direct	15 BU
(iii)	Through Power Exchange	23 BU
	Total	74 BU

*Source: CERC

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 29750 MW to 63000 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 the Company and Bangladesh Power Development Board (BPDB) for supply of 250 MW power from NTPC stations for 25 years has been signed on February 28, 2012. The Power supply to Bangladesh is expected to commence from August/September 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 under Phase I of the Jawaharlal Nehru National Solar Mission (JNNSM) for buying power from solar power developers in India and selling to distribution utilities after bundling with unallocated equivalent capacity from NTPC power stations. The business under this segment during the financial year 2012-13 was 1590 MUs.

Your Company is also selling fly ash from NTPC plant at Dadri, Unchahar Kahalgaon, Ramagundam 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 2013	Fiscal 2012
Trading of energy	Million units	
Power	**5272**	5204
Solar Bundled Power	**1590**	329
Power SWAP Arrangements	**1520**	2996
Total	**8382**	8529

During the Financial Year 2012-13, your company traded 8382 million units of power, which includes 1590 MUs of bundled solar power under Jawaharlal Nehru National Solar Mission. The overall volume of power traded by Company has marginally decreased by 1.7% 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 2013	Fiscal 2012
	Metric Ton	
Fly ash	**4198471**	3782470
Cenosphere	**240**	209

Financial Performance

The main revenue of your Company has been realized by trading of energy of 8382 million units contributing to 99% of total revenue.

₹ in Crore

	2012-13		2011-12	
Sales				
Bilateral energy	**2244.49**		2162.84	
Solar & Thermal Bundled Energy	**756.47**		147.10	
Energy under SWAP Arrangements	**5.78**	**3006.74**	11.84	2321.78
Other operating income		**36.22**		36.01
Fly Ash and Cenosphere	**108.86**	**-**	84.30	-
Less: Transfer to Fly Ash Utilization Fund	**108.86**	**-**	84.30	-
Other income		**32.36**		21.38
Total		**3075.32**		2379.17

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.

In view of the above notification during the current financial year the Company has transferred to fly ash utilization fund an amount of ₹88 Crore net proceed from sale of fly ash and cenosphere as compared to ₹68 Crore net proceed transferred during the previous financial year.

The Total operating expenses of the Company are as follows:-

₹ in Crore

	2012-13	2011-12
Purchase of energy	**2963.70**	2276.96
Rebate on energy sale	**36.40**	32.25
Employee benefits expense	**7.98**	6.91
Administration & other expenses	**4.15**	3.34
Prior period items (net)	**-**	(1.16)
Total operating expenses	**3012.23**	2318.30

Due to notification by the Ministry of Environment and Forest, Government of India, the operating expenses of fly ash business during 2012-13 has been netted off with revenue from sale of fly ash, hence not included in operating expenses.

The total expenses including operating expenses of the Company are as follows:-

₹ in Crore

	2012-13		2011-12
Total operating expenses	**3012.23**		2318.30
Depreciation & amortization expense	**0.05**		0.04
Finance cost:			
a. cash credit	**-**	0.02	
b. other	**-**	1.55	1.57
Total expenses including operating expenses	**3012.28**		2319.91

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 ₹0.84 Crore as on 31.3.2013.

₹ in Crore

	2012-13	2011-12
Profit/(Loss) before exceptional and extraordinary items & tax	**63.04**	59.26
Exceptional items	**(115.82)**	107.18
Profit /(Loss)before tax	**(52.78)**	166.44

During the financial year under review the Company has recognized loss 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.

As per the aforesaid directive the following amounts were debited to exceptional item and kept as "Retention on A/c BG encashment (solar)":-

(i) ₹7.66 Crore (gross) received in financial year 2010-11;

(ii) ₹107.15 Crore (gross) received in the previous year 2011-12 by way of encashment of Bank Guarantee; and

(iii) accrued interest of ₹1.01 Crore (gross) upto 31.03.2012 on amount invested on account of "Retention on A/c BG encashment (solar)".

₹ in Crore

	2012-13	2011-12
Profit/(Loss) before tax	**(52.78)**	166.44
Tax expenses	**(17.94)**	54.51
Profit /(Loss) for the year	**(34.84)**	111.93

Dividend

Due to losses incurred by the Company during the financial year 2012-13, Directors have not recommended any dividend.

Reserves & Surplus

In view of the observations of C&AG, a separate bank account was opened during current year for accounting receipts for sale of fly ash/ ash products. As observed by Government Auditors, interest earned on fly ash utilization fund during previous financial years and current financial year was transferred to Fly Ash Utilization Fund from Reserves & Surplus.

During the financial year 2012-13, total interest of ₹19.69 Crore, on fly ash utilization fund, consisting of ₹7.63 Crore (net of income tax) pertaining to period starting from 03.11.2009 to 31.03.2012 and ₹12.06 Crore (net of income tax) pertaining to current financial year was transferred from Reserve and surplus to fly ash utilization fund.

During the financial year 2012-13 an amount of ₹12.06 Crore was transferred from

General Reserve to Surplus in the Statement of Profit and Loss.

Current Assets

The current assets at the end of the financial year 2012-13 were ₹935.60 Crore as compared to ₹697.66 Crore in financial year 2011-12 registering an increase of 34%.

₹ in Crore

	31.03.2013	31.03.2012
Inventories	**0.01**	0.02
Trade receivables	**158.36**	162.07
Cash and Bank balances	**523.03**	339.55
Short term loan and advances	**2.92**	3.49
Other current assets	**251.28**	192.53
Total Current Assets	**935.60**	697.66

The increase was mainly on account of increase in cash and bank balance and Other Current assets. During the financial year under review, trade receivables has decreased to ₹158.36 Crore from ₹162.07 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 ₹523.03 Crore from ₹339.55 Crore due to increase in CLTDs/FDRs and the Other Current assets has increased to ₹251.28 Crore from ₹192.53 Crore mainly due to increase in unbilled revenue.

Current Liabilities

During the financial year 2012-13, Current Liabilities have increased to ₹603.94 Crore as compared to ₹374.92 Crore in the financial year 2011-12, mainly on account of increase in trade payables for energy purchase.

₹ in Crore

	31.03.2013	31.03.2012
Trade payables	**438.38**	323.79
Other current liabilities	**165.56**	19.09
Short-term provisions	**-**	32.04
Total Current Liabilities	**603.94**	374.92

The short term provisions for the financial year under review have become nil as compared to ₹32.04 Crore in previous financial year, mainly on account of payment of dividend and there is no provision of dividend during current financial year.

Cash Flow Statement

₹ in Crore

	2012-13	2011-12
Opening cash and cash equivalents	**339.55**	144.71
Net cash from operating activities	**186.92**	201.82
Net cash used in investing activities	**19.80**	12.01
Net cash flow from financing activities	**(23.24)**	(18.99)
Net change in cash and cash equivalents	**183.48**	194.84
Closing cash and cash equivalents	**523.03**	339.55

The closing cash and cash equivalent for the financial year ended March 31, 2013 has increased by 54% from ₹339.55 Crore in the previous year to ₹523.03 Crore in the current year.

Financial Indicators

The various performance indicators for the financial year 2012-13 as compared to financial year 2011-12 are as under:-

₹ in Crore

	Description	2012-13	2011-12
A	i) Capital employed	**143.06**	197.60
	ii) Net worth	**143.06**	197.60
B	i) Return on Capital Employed (PBT/CE)	**(37%)**	84%
	ii) Return on net worth (PAT/NW)	**(24%)**	57%
C	Dividend as % of Equity Capital	**-**	100
D	Earning per share in ₹ (EPS) before exceptional item	**21.30**	20.54
E	Earning per share in ₹ (EPS) after exceptional item	**(17.42)**	55.97

During the financial year 2012-13, the capital employed as well as net worth has decreased. The decrease is mainly on account of reduction in Reserve & Surplus due to transfer of total interest of ₹19.69 Crore to fly ash utilization fund and transfer of ₹12.06 Crore to Surplus in the Statement of Profit and Loss and recognition of loss of ₹115.82 Crore as exceptional item.

Human Resources

As on 31st March 2013, there were 52 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 7 man days of training every year.

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

Place : New Delhi
Date : July 15, 2013

(Dr. Arup Roy Choudhury)
Chairman

NTPC VIDYUT VYAPAR NIGAM LIMITED

BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Note No.	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**200,000,000**	200,000,000
Reserves and surplus	3	**1,230,591,152**	1,775,976,299
		1,430,591,152	1,975,976,299
Fly Ash Utilization Fund	4	**2,349,334,677**	1,269,751,597
Non-current liabilities			
Deferred tax liabilities (Net)	10	**-**	139,907
Other Long term liabilities	5	**9,906,036**	8,532,069
		9,906,036	8,671,976
Current liabilities			
Trade payables	6	**4,383,807,302**	3,237,905,641
Other current liabilities	7	**1,655,595,363**	190,850,328
Short-term provisions	8	**-**	320,449,813
		6,039,402,665	3,749,205,782
TOTAL		**9,829,234,530**	7,003,605,654
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	**4,207,524**	2,471,855
Intangible assets	9	**14,700**	-
Deferred tax assets (net)	10	**179,268,996**	-
Long-term loans and advances	11	**289,761,188**	24,565,122
		473,252,408	27,036,977
Current assets			
Inventories	12	**134,246**	152,735
Trade receivables	13	**1,583,544,255**	1,620,715,226
Cash and bank balances	14	**5,230,290,672**	3,395,484,005
Short-term loans and advances	15	**29,205,705**	34,935,000
Other current assets	16	**2,512,807,244**	1,925,281,711
		9,355,982,122	6,976,568,677
TOTAL		**9,829,234,530**	7,003,605,654
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N
(C. Chuttani)
Partner
M.No.90723
Place : New Delhi
Dated : May 2, 2013

For and on behalf of Board of Directors

(Nitin Mehra)	(N.K.Sharma)	(A.K.Singhal)	(Arup Roy Choudhury)
Company Secretary	Chief Executive Officer	Director	Chairman

NTPC VIDYUT VYAPAR NIGAM LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	NOTE No.	31.03.2013	31.03.2012
Revenue from operations	17	30,429,610,119	23,577,920,449
Other income	18	323,571,108	213,844,876
Total Revenue		30,753,181,227	23,791,765,325
Expenses			
Purchase of energy	19	29,637,035,567	22,769,617,299
Rebate on energy sale		363,962,495	322,549,392
Cost of fly ash/ash products	20	-	-
Employee benefits expense	21	79,769,148	69,137,718
Finance costs	22	2,629	15,679,624
Depreciation and amortization expense	9	573,782	417,403
Administration & other expenses	23	41,469,043	33,366,444
Prior period items(net)	24	-	(11,596,403)
Total expenses		30,122,812,664	23,199,171,477
Profit/(Loss) before exceptional and extraordinary items & tax		630,368,563	592,593,848
Exceptional items	25	(1,158,216,659)	1,071,775,001
Profit/(Loss) before extraordinary items and tax		(527,848,096)	1,664,368,849
Extraordinary Items		-	-
Profit/(Loss) before tax		(527,848,096)	1,664,368,849
Tax expense:			
Current tax		-	545,050,799
Deferred tax		(179,408,903)	(9,244)
Total Tax expense		(179,408,903)	545041555
Profit/(Loss) for the year		(348,439,193)	1,119,327,294
Significant Accounting Policies	1		
Earnings per equity share (Par value of ₹ 10/- each) before Exceptional items			
Basic		21.30	20.54
Diluted		21.30	20.54
Earnings per equity share (Par value of ₹ 10/- each) after Exceptional items			
Basic		(17.42)	55.97
Diluted		(17.42)	55.97

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N
(C. Chuttani)
Partner
M.No.90723
Place : New Delhi
Dated : May 2, 2013

For and on behalf of Board of Directors

(Nitin Mehra)	**(N.K.Sharma)**	**(A.K.Singhal)**	**(Arup Roy Choudhury)**
Company Secretary	Chief Executive Officer	Director	Chairman

NTPC VIDYUT VYAPAR NIGAM LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in ₹)

		31.03.2013	31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax		(527,848,096)	1,664,368,849
Adjustment for:			
Depreciation	573,782		417,403
Interest Charges	2,629		15,524,979
Interest income	(303,520,421)		(169,202,423)
Increase in Fly Ash Utilization Fund	882,637,126		680,154,701
		579,693,116	526,894,660
Operating Profit before Working Capital Changes		51,845,020	2,191,263,509
Adjustment for:			
Trade and other receivables	(735,043,233)		(2,060,955,723)
Inventories	18,489		73,290
Trade payable and other liabilities	2,612,020,663		2,590,324,895
Loans and advances	251,262,295		(255,793,000)
		2,128,258,214	273,649,462
Cash generated from operations		2,180,103,234	2,464,912,971
Direct taxes paid		(310,853,283)	(446,722,508)
Net Cash from Operating Activities-A		1,869,249,951	2,018,190,463
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(2,352,927)		(57,185)
Disposal of fixed assets	28,776		4,610
Interest on Investments Received	240,176,092		137,332,276
Income Tax on Interest on Investments	(39,847,596)		(17,169,736)
Net Cash used in Investing Activities -B		198,004,345	120,109,965
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(200,000,000)	(150,000,000)
Tax on dividend		(32,445,000)	(24,333,750)
Interest Paid		(2,629)	(15,524,979)
Net Cash flow from Financing Activities-C		(232,447,629)	(189,858,729)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		1,834,806,667	1,948,441,699
Cash and Cash equivalents (Opening balance) *		3,395,484,005	1,447,042,306
Cash and Cash equivalents (Closing balance)*		5,230,290,672	3,395,484,005

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.

As per our report of even date
For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N
(C. Chuttani)
Partner
M.No.90723
Place : New Delhi
Dated : May 2, 2013

For and on behalf of Board of Directors

(Nitin Mehra)	**(N.K.Sharma)**	**(A.K.Singhal)**	**(Arup Roy Choudhury)**
Company Secretary	Chief Executive Officer	Director	Chairman

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.

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.

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 rates agreed with the customers.
2. Interest earned (net of Income Tax) on "Fly Ash utilization fund" is credited to the fund.
3. The surcharge on late payment/overdue4 trade receivables for sale of energy and liquidated damages are recognized when no significant uncertainty as to measurability or collectability exists.

H EXPENDITURE

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 estimated life of 3 years, whichever is less.
5. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.
6. Prepaid expenses and prior period expenses/income of items of ₹ 1,00,000/- and below are charged to natural heads of accounts.
7. The contributions in respect of liabilities for employee benefits expense towards leave, superannuation and 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.

I. 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.

J. 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.

K. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

2 SHARE CAPITAL

(Amount in ₹)

As at	31.03.2013	31.03.2012
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	31.03.2013		31.03.2012	
	No. of shares	**%age holdings**	No. of shares	%age holdings
NTPC Limited and its nominees	**20000000**	**100**	20000000	100

3 RESERVES AND SURPLUS

(Amount in ₹)

As at	31.03.2013	31.03.2012
General Reserve		
As per last financial statements	**1,764,883,956**	884,883,956
(Less)/Add: Transfer to/from Surplus in the Statement of Profit and Loss	**(120,649,969)**	880,000,000
Less: Transfer to fly ash utilisation fund (interest) (Note 4)	**76,295,985**	-
Closing balance	**1,567,938,002**	1,764,883,956
Surplus in the Statement of Profit and Loss		
As per last financial statements	**11,092,343**	4,210,049
Add:- Profit/(Loss) after tax for the year from Statement of Profit & Loss	**(348,439,193)**	1,119,327,294
(Add)/Less:Transfer from/to General Reserve	**(120,649,969)**	880,000,000
Less:Transfer to fly ash utilisation fund (interest) (Note 4)	**120,649,969**	-
Proposed dividend	**-**	200,000,000
Tax on proposed dividend	**-**	32,445,000
Net surplus/(deficit)	**(337,346,850)**	11,092,343
Total	**1,230,591,152**	1,775,976,299

a) During the current year, interest estimated at ₹ **7,62,95,985/-** (net of income tax) pertaining to the period from 03.11.2009 to 31.03.2012 and ₹ 12,06,49,969/- (net of income tax) pertaining to the current year on Fly ash utilisation fund has been transferred to "Fly ash utilisation fund" (Note 4).

b) The company has proposed final dividend for the year 2012-13 @ ₹ 'Nil' per equity share of par value ₹ 10/- each (previous year ₹ 10/- per equity share).

4 FLY ASH UTILIZATION FUND

(Amount in ₹)

As at	31.03.2013	31.03.2012
As per last financial statements	1,269,751,597	589,596,896
Add: Transfer from sales (Note 17)	1,088,620,403	843,016,824
Transfer from reserve and surplus (Interest) (Note 3)	196,945,954	-
Less: Utilized during the year		
Capital expenditure (Note 9)	466,999	40,462,858
Cost of fly ash/ash products (Note 20)	23,438,456	10,355,207
Employee benefits expense (Note 21)	69,405,332	55,935,453
Administration & other expenses (Note 23)	112,672,490	56,108,605
	205,983,277	162,862,123
Total	2,349,334,677	1,269,751,597

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 ₹ **1,08,86,20,403/-** (previous year ₹ 84,30,16,824/-) has been transferred.

b) Further, during current year, interest estimated to have been earned on the fund amounting to ₹19,69,45,954/- (₹ 7,62,95,985/- (net of income tax) pertaining to the period from 03.11.2009 to 31.03.2012 and ₹12,06,49,969/- (net of income tax) pertaining to the current year) has been transferred from "Reserve and surplus" (Note 3).

c) During the current year the company utilized a sum of ₹ **20,59,83,277/-**(previous year ₹16,28,62,123/-) towards direct/indirect expenses (including capital expenses) as determined and approved by the management. The indirect expenses of ₹ 7,39,56,243/- 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.

d) 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 OTHER LONG TERM LIABILITIES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Deposits from customers	9,906,036	8,532,069
Total	9,906,036	8,532,069

Disclosure with respect to Micro, Small and Medium Enterprises as required by MSMED Act, 2006 is made in Note 30.

6 TRADE PAYABLES

(Amount in ₹)

As at	31.03.2013	31.03.2012
- Energy	4,363,829,303	3,196,122,098
- Open access charges(OAC)	14,652,495	38,500,198
- Other services	5,325,504	3,283,345
Total	4,383,807,302	3,237,905,641

Disclosure with respect to Micro,Small and Medium Enterprises as required by MSMED Act, 2006 is made in Note 30.

7 OTHER CURRENT LIABILITIES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Advances from customers and others	35,752,127	46,771,524
Payable for capital expenditure	106,850	-
Other Payables		
- Tax Deducted at Source and other statutory dues	3,813,614	4,326,720
- Deposits from contractors and others	21,876,854	13,810,587
- Payable to Holding Company	88,217,273	13,373,815
- Payable to Employees	19,912,266	14,403,886
- Retention on A/c BG encashment (Solar)	1,378,038,503	-
- Others	107,877,876	98,163,796
Total	1,655,595,363	190,850,328

a) Other payables-Retention on A/c BG encashment (solar)comprises of:

1.1) The liquidated damages of ₹ 7,65,65,000/- (gross) (received in financial year 2010-11) and ₹ 1,07,15,75,000/-(gross) (received in the previous year 2011-12) by way of BG encashment have been transferred to "Retention on A/c BG encashment (solar)".

1.2) Interest accrued amounting to ₹ 1,00,76,659/- (gross) upto 31.03.2012 on the amount invested out of BG encashment (solar) is also credited to the said account.

2.1) An amount of ₹ 13,95,00,000/- received as liquidated damages in the current year on late commissioning of solar power plants is credited to "Retention on A/c BG encashment (solar)".

2.2) Interest accrued amounting to ₹ 8,40,70,447/- (gross) for the current year on the amount invested out of BG encashment (solar) has also been credited to the said account.

3) ₹ 37,48,603/- on account of legal expenses has been debited to "Retention on A/c BG encashment (solar)".

4) 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)".

5) The above treatment 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.

b) Other payables-Others include the amount received on encashment of the Bank Guarantee of ₹ **9,50,65,000/-** (previous year ₹ 9,50,65,000/-) along with accrued interest of ₹ **1,28,03,887/-** (previous year ₹ 30,98,396/-) thereon which is required to be invested in Fixed Deposit as per the directive from the Hon'ble High Court of Delhi till the matter is settled through arbitration.

8 SHORT TERM PROVISIONS

(Amount in ₹)

As at	31.03.2013	31.03.2012
Provision for employee benefits		
Opening balance	-	1,263,098
Additions during the year	-	-
Amounts paid during the year	-	1,062,773
Amounts reversed during the year	-	200,325
Closing balance	-	-
Provision for current tax		
Opening balance	88,004,813	689,325,593
Additions during the year	-	560,575,778
Less: Set off against taxes paid	88,004,813	1,161,896,558
Closing balance	-	88,004,813
Provision for proposed dividend		
Opening balance	200,000,000	150,000,000
Additions during the year	-	200,000,000
Amounts paid during the year	200,000,000	150,000,000
Closing balance	-	200,000,000
Provision for tax on proposed dividend		
Opening balance	32,445,000	24,333,750
Additions during the year	-	32,445,000
Amounts paid during the year	32,445,000	24,333,750
Closing balance	-	32,445,000
Total	-	320,449,813

9 FIXED ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As At 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
A. Tangible Assets										
Plant and machinery (including associated civil works)	1,195,000	-	-	**1,195,000**	151,367	56,762	-	**208,129**	**986,871**	1,043,633
Furniture and fixtures	813,253	138,192	-	**951,445**	172,955	56,424	-	**229,379**	**722,066**	640,298
Office equipment	1,073,399	165,568	-	**1,238,967**	731,171	148,665	-	**879,836**	**359,131**	342,228
EDP, WP machines and satcom equipment	3,208,987	1,919,121	485,782	**4,642,326**	2,763,291	309,138	461,493	**2,610,936**	**2,031,390**	445,696
Comunication equipments	-	111,146	-	**111,146**	-	3,080	-	**3,080**	**108,066**	-
Total (A)	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
B. Assets created from Fly Ash Utilization Fund										
Plant & Machinery	3,419,707	-	-	**3,419,707**	-	-		**-**	**3,419,707**	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	1,577,209	-	(466,999)	**2,044,208**	-	-	-	**-**	**2,044,208**	1,577,209
Total	40,462,858	-	(466,999)	**40,929,857**	-	-	-	**-**	**40,929,857**	40,462,858
Less: Set off against Fly Ash Utilization Fund(Note 4)	40,462,858	-	(466,999)	**40,929,857**	-	-	-	**-**	**40,929,857**	40,462,858
Total (B)	-	-	-	**-**	-	-	-	**-**	**-**	-
Grand Total (A+B)	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
Previous Year	6,325,652	57,185	92,198	**6,290,639**	3,488,969	417,403	87,588	**3,818,784**	**2,471,855**	2,836,683

	Gross Block				Depreciation/Amortisation				Net Block	
	As At 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
C. Intangible Assets										
Software	241,078	18,900	4,487	**255,491**	241,078	(287)	-	**240,791**	**14,700**	-
TOTAL	**241,078**	**18,900**	**4,487**	**255,491**	**241,078**	**(287)**	**-**	**240,791**	**14,700**	**-**
Previous Year	241,078	-	-	**241,078**	241,078	-	-	241,078	-	-

10 DEFERRED TAX ASSET/(LIABILITY) (NET)

(Amount in ₹)

As at	31.03.2013	31.03.2012
Deferred tax asset		
On account of carry forward losses for tax purposes	**179,546,717**	-
Less: Deferred tax liability		
Difference of book depreciation and tax depreciation	**277,721**	139,907
Total	**179,268,996**	(139,907)

a) The net increase in deferred tax asset of ₹ 17,94,08,903/- (Previous Year decrease in deferred tax liability credited to statement of profit and loss ₹ 9,244/-) has been credited to statement of Profit and Loss.

b) Deferred tax aset and deferred tax liability have been offset as they relate to the same governing law.

11 LONG TERM LOANS AND ADVANCES

(Amount in ₹)

As at	31.03.2013	31.03.2012
(Unsecured,considered good, unless otherwise stated)		
Deposits	**2,550,000**	50,000
Advances		
Advance tax & tax deducted at source	**1,537,112,559**	713,840,715
Less:- Provision for taxation	**1,249,901,371**	689,325,593
	287,211,188	24,515,122
Total	**289,761,188**	24,565,122

12 INVENTORIES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Stock-in-Trade-Cenosphere	**134,246**	152,735
	134,246	152,735

Stock-in-Trade-Cenosphere has been valued considering the significant accounting policy No. F.1 of Note 1 to these financial statements.

13 TRADE RECEIVABLES

(Amount in ₹)

As at	31.03.2013	31.03.2012
(Unsecured,Considered good, unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Energy	**845,757,221**	419,569,425
Open Access Charges(OAC)	**973,261**	489,604
	846,730,482	420,059,029
Others		
Energy	**593,478,695**	994,045,468
Open Access Charges(OAC)	**143,335,078**	206,610,729
	736,813,773	1,200,656,197
Total	**1,583,544,255**	1,620,715,226

Unbilled revenue of ₹ **2,38,54,63,058/-** (previous year ₹ 1,61,57,48,854/-) is stated in Note 16 Other Current Assets.

14 CASH & BANK BALANCES

(Amount in ₹)

As at	31.03.2013	31.03.2012
Cash & cash equivallents		
Balances with banks		
- Current Accounts	633,765,481	2,956,026
- Current Account-Fly Ash	619,825	-
Other bank balances		
Bank deposits with original maturity of more than three months but not more than twelve months	4,595,880,366	3,392,502,979
Others-Term deposit as security with Sales Tax Authorities, not available for use	25,000	25,000
Total	5,230,290,672	3,395,484,005

Cash & bank balances include fly ash utilization fund balance and retention on A/c of BG encashment (solar).

15 SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

As at	31.03.2013	31.03.2012
(Unsecured,considered good, unless otherwise stated)		
Advances		
Others*	3,364,305	35,000
Deposits	25,841,400	34,900,000
Total	29,205,705	34,935,000

* Others include advances given to arbitrators ₹ **27,37,505/-** (previous year ₹ 'Nil') and to Indian Energy Exchange of ₹ **5,61,800/-** (previous year ₹ 'Nil').

16 OTHER CURRENT ASSETS

(Amount in ₹)

As at	31.03.2013	31.03.2012
(Unsecured,considered good, unless otherwise stated)		
Interest Accrued on Term deposits	127,344,186	63,999,857
Other Recoverables	-	245,533,000
	127,344,186	309,532,857
Unbilled revenues*	2,385,463,058	1,615,748,854
Total	2,512,807,244	1,925,281,711

* Unbilled revenues are for sales of energy for which the bills have been raised to customers subsequent to the reporting date.

17 REVENUE FROM OPERATIONS

(Amount in ₹)

For the year ended		31.03.2013	31.03.2012
Sales			
Bilateral energy	22,444,881,453		21,628,403,137
Solar & thermal bundled energy	7,564,750,557		1,470,963,522
Energy under swap arrangements	57,809,715		118,416,451
		30,067,441,725	23,217,783,110
Fly Ash	1,076,166,984		835,559,845
Cenosphere	12,453,419		7,456,979
		1,088,620,403	843,016,824
Less: Transferred to Fly Ash Utilization Fund (Note 4)		1,088,620,403	843,016,824
		-	-
		30,067,441,725	23,217,783,110
Other Operating Income			
Rebate on energy purchase		362,168,394	360,137,339
TOTAL		30,429,610,119	23,577,920,449

a) Sales of energy (in million units) 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 ₹ **2,11,79,344/-** (previous year ₹37,10,78,714/-) due to lesser supply/drawl of power by the supplier /buyers and open access charges on energy trading borne by the company.

c) (i) Sale of energy under Swap arrangements is billed by margin only to buyers. During the year, revenue on account of above has been recognised for ₹**5,78,09,715/-** (previous year ₹11,84,16,451/-).

(ii) 454 Mus (previous year 540 Mus) energy supplied by the sellers under Swap arrangements are yet to be returned back by the buyers.

18 OTHER INCOME

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Interest from		
Banks*	303,520,421	169,202,423
Other non-operating income		
Earnest Money/Security Deposit forfeited	444,653	15,604,707
Application Processing Fee-Solar	-	21,800,000
Surcharge received from Customers	1,759,342	6,879,066
RTI Application fee	50	90
Miscellaneous Income #	17,846,642	358,590
Total	323,571,108	213,844,876

* Excludes interest earned on Solar BG Retention A/c of ₹ **8,40,70,447/-** (previous year ₹ 'Nil') shown under "Retention on A/c BG encashment (solar)" (Note 7).

Miscellaneous income includes ₹ **1,36,30,994/-** (previous year ₹ 'Nil') on A/c of old liability of KSEB lying unadjusted for more than three years written back .

19 PURCHASE OF ENERGY

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Purchase of energy		
Bilateral energy	22,183,565,757	21,321,681,496
Solar & thermal bundled energy	7,453,469,810	1,447,935,803
Total	29,637,035,567	22,769,617,299

a) Purchases of energy (in million units) 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 ₹ **2,10,87,434/-** (previous year ₹ 33,39,19,947/-) due to lesser supply/drawl of power by the Company.

20 COST OF FLY ASH/ASH PRODUCTS

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
--Fly Ash	23,097,658	9,755,926
--Cenosphere	340,798	599,281
	23,438,456	10,355,207
Less:Transferred to Fly Ash Utilization Fund (Note 4)	23,438,456	10,355,207
Total	-	-

21 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Salaries and wages	**136,671,018**	111,382,632
Contribution to provident and other funds	**6,917,293**	8,459,350
Staff welfare expenses	**5,586,169**	5,231,189
	149,174,480	125,073,171
Less: Transferred to Fly Ash Utilization Fund (Note 4)	**69,405,332**	55,935,453
Total	**79,769,148**	69,137,718

a) All the employees of the Company are on secondment basis from its Holding Company i.e. NTPC Limited.

b) Employee benefits expense include ₹ **1,71,17,972/-** for the year (previous year net credit ₹ 7,21,171/-) towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the NTPC Ltd. (holding company).

c) Employee benefits expense include ₹**1,34,00,970/-** towards leave, superannuation and other benefits pertaining to earlier years i.e. 01.01.2007 to 31.03.2012 being additional provisions made during the current year due to change in the methodology of allocation of such provisions in accordance with the corporate policy.

d) Employee benefits expense includes Managerial Remuneration paid/ payable to Chief Executive Officer ₹ **31,60,492/-** (previous year ₹ 31,85,550/-).

22 FINANCE COSTS

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Interest on :		
Cash Credit	**-**	154,645
Others	**2,629**	15,524,979
Total	**2,629**	15,679,624

Others include interest accrued on account of deferment of advance tax under the provisions of the Income Tax Act, 1961 during the previous year.

23 ADMINISTRATION & OTHER EXPENSES

(Amount in ₹)

For the year ended		31.03.2013	31.03.2012
Power charges		**1,236,904**	1,217,402
Rent		**35,535,169**	31,121,036
Repairs & maintenance			
Office	1,974,293		839,707
Others	5,222,714		351,991
		7,197,007	1,191,698
Insurance		**17,374**	-
Rates and taxes		**6,823,146**	3,000,000
Training & recruitment expenses		**173,855**	89,983
Communication expenses		**2,191,005**	710,514
Inland Travel		**9,027,299**	7,865,293
Foreign Travel		**263,334**	475,701
Tender expenses	2,764,841		3,481,185
Less: Receipt from sale of tenders	400,000		380,000
		2,364,841	3,101,185
Payment to auditors			
Audit fee to statutory auditors	112,360		56,180
Tax audit fee	16,854		11,030
		129,214	67,210
Advertisement and publicity		**165,520**	200,000
Entertainment expenses		**706,199**	981,420
Brokerage & commission		**384,015**	237,554
Community development and welfare expenses		**1,175,593**	-
Ash utilisation & marketing expenses		**56,721,890**	15,564,999
Books and periodicals		**10,645**	21,915

23 ADMINISTRATION & OTHER EXPENSES

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Professional charges and consultancy fees	**24,529,517**	19,609,150
Legal expenses	**97,914**	805,748
EDP hire and other charges	**288,238**	239,767
Printing and stationery	**653,458**	577,838
Hiring of vehicles	**600,569**	234,135
Surcharge	**-**	303,758
Bank charges/LC Charges	**1,685,025**	540,623
Miscellaneous expenses	**2,163,802**	1,318,120
	154,141,533	89,475,049
Less: Transferred to Fly Ash Utilization Fund (Note 4)	**112,672,490**	56,108,605
Total	**41,469,043**	33,366,444

24 PRIOR PERIOD ITEMS (NET)

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Revenue	**-**	-
Expenditure		
Employee Benefits expense	**-**	(11,596,403)
Net Expenditure/(Revenue)	**-**	(11,596,403)

In terms of guidelines of Department of Public Enterprises (DPE), Government of India (GOI), issued vide OM:2(70)/08-DPE(WC)-GL-XIV/08 dated 26.11.2008 and OM:2(70)/08-DPE(WC)-GL-VII/09 dated 02.04.2009, the defined contribution pension scheme formulated by NTPC has been approved by the Ministry of Power (MOP), GOI, vide their letter dated 1st December 2011. As per the approval, the pension scheme will be managed through a separate trust to be formed for the purpose and the trust shall be managed by Board of trustees consisting members of both employers and employees. The proposed scheme is under discussions with employees representatives for their acceptance and finalization.Pending formation of a separate trust a review of provision that existed as at 1st April 2011 was carried out considering the requirement of above mentioned guidelines of DPE, and the excess over the requirement amounting to ₹1,15,96,403/- was written back during the previous year.

25 EXCEPTIONAL ITEMS

(Amount in ₹)

For the year ended	31.03.2013	31.03.2012
Bank guarantee encashment-solar	**(1,148,140,000)**	1,071,775,001
Interest on bank guarantee encashment-solar	**(10,076,659)**	-
	(1,158,216,659)	1,071,775,001

As per the Presidential directive dated 22.12.2009 issued by Ministry of Power, Government of India(GOI), NVVN was appointed the nodal agency under Phase-I of Jawahar Lal Nehru National Solar Mission (JNNSM) to enter into Power Purchase Agreements (PPAs) with Solar Power Developers (SPDs) to purchase power from the solar power projects connected at 33 kV and above grid at tariff regulated by CERC and enter into back to back Power Sale Agreements (PSAs) with the Distribution Utilities for sale of such power bundled with the power sourced from the unallocated capacity of NTPC coal based stations.

Under phase- I of JNNSM, the Government of India issued guidelines for migration of existing solar power developers (SPDs) to this Scheme. Further guidelines were issued for selection of new solar power developers and commissioning of solar power units by the SPDs under Batch I & II. Wherever, the SPDs defied the provisions of Guidelines issued by GOI, Request for Selection (RfS)/ letters of Intents (LOIs) issued by NVVN and Memorandum of Understandings (MOUs)/ Power Purchase agreements (PPAs) entered in between NVVN and SPDs, BGs given by SPDs upto the stage of detection of misrepresentation /committing the default, were encashed.

During current year ₹ 7,65,65,000/- (gross) (received in financial year 2010-11) and ₹ 1,07,15,75,000/-(gross) (received in the previous year 2011-12) by way of BG encashment with reference to the above Guidelines 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 has been 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 ₹ 1,03,58,826/- (Previous year ₹ 1,27,20,072/-) and are included in Note 21- "Employees Benefits Expense". Similarly, lease payments in respect of premises for offices amounting to ₹ 3,55,35,169/- (Previous year ₹ 3,11,21,036/-) are shown in Rent in Note 23-"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. 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(₹)	**425,970,673**	410,805,429
Weighted average number of equity shares used as denominator	**20000000**	20000000
Earning per share (Basic & Diluted)- (₹)	**21.30**	20.54
Face Value per share- (₹)	**10.00**	10.00

	Current Year	Previous Year
ii) Net profit/(loss) after Tax used as numerator (₹)	**(348,439,193)**	1,119,327,294
Weighted average number of equity shares used as denominator	**20000000**	20000000
Earning per share (Basic & Diluted)- (₹)	**(17.42)**	55.97
Face Value per share- (₹)	**10.00**	10.00

29. There are no external/internal indicators which leads to any impairement of assets of the company as required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006.

30. Disclosure in respect of Micro, Small and Medium Enterprises as at 31st March 2013 as required by Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 'Nil' (previous year ₹ 'Nil').

31. Contingent Liabilities:

a) Disputed Income Tax Matters:
During the current year all the Income Tax matters pending before various Appellate Authorities are decided in favour of the Company. The contingent liability of ₹ 'Nil' (Previous period ₹1,26,35,887/-) has been estimated.

b) Claims against the Company not acknowledged as debts in respect of:
Claims made by Kerala State Electricity Board (KSEB) towards energy charges, contingent liability of ₹'Nil' (Previous year ₹1,37,91,836/-) has been estimated.

c) Liability, if any, on account of late payment to suppliers is unascertainable.

d) 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 ₹ **89,74,74,338/-** including interest thereon (previous year ₹ 7,65,65,000/-) has been estimated.
- One party has challenged the invocation of BG of ₹ **1,27,51,781/-** including interest thereon (previous year ₹ 1,09,51,781/-)on the ground of non conclusion of contract with the company for ash business.
- One of the customer has approached state regulatory commission and has claimed ₹ **23,30,55,860/-** including interest thereon (previous year ₹ 20,27,00,660/-) for default in power supply.

32. Quantitative information: (As certified by the Management)

		Current Year	**Previous Year**
a)	Trading of energy (MUs)		
	Power	**5272**	5204
	Solar Bundled Power	**1590**	329
	Power Under Swap Arrangements	**1520**	2996
b)	Trading of Fly Ash / Cenosphere (MTs)		
	Fly Ash	**4198471**	3782470
	Cenosphere	**240**	209

33. Estimated amount of contract remaining to be executed on capital account and not provided for as at 31st March 2013 is ₹ 3,57,611/- (previous year ₹ Nil).

34. Expenditure in foreign currency (₹):

	Current Year	Previous Year
Travelling Expenses	**150,926**	277,421

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 Accounting Policy no.C.1. As such there is no reportable segment as at 31.03.2013.

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 31.03.2013.

37. Figures in the Financial Statements have been rounded off to nearest rupee.

38. Previous year figures have been regrouped / rearranged wherever considered necessary.

As per our report of even date

For and on behalf of Board of Directors

For Aiyar & Co.
Chartered Accountants
Firm Registration No.001174N

(Nitin Mehra) Company Secretary
(N.K.Sharma) Chief Executive Officer
(A.K.Singhal) Director
(Arup Roy Choudhury) Chairman

(C. Chuttani)
Partner
M.No.90723

Place : New Delhi
Dated : May 2, 2013

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 2013, 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"). 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. 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, 2013;

(b) in the case of the Statement of Profit and Loss , of the loss 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:

1. We draw your attention to Note 3 (a) & 4 (b) of the financial statements regarding creation & utilization of Fly Ash fund. The Ministry of Environment & Forest, Government of India vide notification dated 03.11.2009, requiring NVVN to keep in a separate account the collection from sale of Fly Ash and Fly Ash products. The notification did not specify on the treatment of interest on such funds and as such the interest income earned on these funds was considered by NVVN as other income, pending clarification from the Ministry of Environment & Forest. The said clarification is still awaited. However, the company while continuing to treat the interest income on these funds as income of NVVN transferred the interest income (net of tax) to Fly Ash Utilization Fund as compared to earlier practice to retain the income under Reserves & Surplus. The said treatment has been carried out retrospectively i.e. with effect from date of notification by transfer from General Reserve to Fly Ash Utilization Fund aggregating to ₹19,69,45,954/- thereby effecting the balances of Reserves & Surplus & Fly Ash Utilization Fund to the said extent.

2. Note 7 and 25 in respect of funds realized by NVVN on account of non performance by the Solar Power Developers under the Jawahar Lal Nehru National Solar Mission (JNNSM) amounting to ₹ 7,65,65,000/- (gross) for the financial year 2010-11 and ₹ 107,15,75,000/- (gross) for the financial year 2011-12. The said amount together with interest accrued thereon of ₹ 100,76,659/- upto 31.03.2012 were treated as income of the company under the head other income for the year 2010-11 and as exceptional item/ other income for the year 2011-12. During the year in pursuance of communication received from the Ministry of New & Renewable Energy, Government of India the amounts so received are to be kept in separate account and not to be considered as income of NVVN. In view thereof, the amount received during the year on account of non-performance and interest thereon has been treated accordingly. Further amounts so received up to 31.03.2012 have been reversed during the year under Exceptional item thereby effecting the profit/loss for the year to the said extent with consequent effect on Reserves & Surplus.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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)** a statement on the matters specified in paragraphs 4 and 5 of the Order.

1. 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 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
Dated : 2nd May, 2013

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 2013.

(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.

(b) 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.

(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 31.03.2013 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 2013, however it has incurred cash loss during the financial year covered by our audit but has not 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
Dated : 2nd May, 2013

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, 2013

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited, New Delhi, for the year ended 31 March 2013 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 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 02 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the statutory auditors on the accounts of NTPC Vidyut Vyapar Nigam Limited, New Delhi, for the year ended 31 March 2013 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Brij Mohan)
Principal Director of Commercial Audit & Ex-officio
Member Audit Board-III,
New Delhi

Place : New Delhi
Dated : 23 May, 2013

KANTI BIJLEE UTPADAN NIGAM LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Seventh Annual Report on the working of the Company together with Audited Accounts and Auditors' Report thereon for year ended on 31st March 2013.

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. The R&M of Unit#2 of Stage-I is in progress and is expected to be completed by March 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 and balance packages are at different stages of award.

Castings have been completed for TG deck#3, chimney shell, ID fan#3A, ID fan#3B. boiler drum for Unit#4 has been lifted. Erection of condenser of Unit#3, TG deck of Unit#3, FD fan#3A, EOT crane, flue can of chimney of Unit#3 have been started. Concreting for operating floor slab of CW pump house and boiler hydro test for Unit#3 has been completed. Other activities regarding Unit#3 and Unit#4 are in progress.

To take care of environmental norms, your Company has awarded contract to SGS India Private Limited 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 could not be done as R&M work of Unit #1 and 2 was in progress.

Although, there was no generation of ash during the last year as the plant was under R&M, then also, ash accumulated earlier was utilized to the tune of 90,077 Cum in 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 two numbers of high mast lights have been installed for public convenience, one at Public Health Centre and other at Kanti Chowk as a part of community development and welfare activities.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2013 are as under:-

(Amout in ₹)

Balance Sheet Items as at	31.03.2013	31.03.2012
Paid-up Share Capital	5,49,46,34,360	5,27,87,24,600
Reserves and Surplus	3,64,89,18,572	3,53,61,34,208
Share Capital Deposit Pending Allotment	88,61,43,347	39,00,41,201
Non-current liabilities	12,00,93,73,109	4,98,36,97,403
Current liabilities	2,39,68,28,220	1,85,12,44,178
Non-current assets	23,64,21,85,583	14,46,97,92,046
Current assets	79,37,12,025	1,57,00,49,544
Items from Statement of Profit and Loss for the year ended	**31.03.2013**	**31.03.2012**
Total Revenue	9,92,85,679	1,27,76,04,700
Total Expenses	24,07,44,185	1,20,02,58,656
Profit/ (Loss) before Tax	(14,14,58,506)	7,73,46,044
Total Tax Expenses	(1,24,10,916)	2,37,98,042
Profit/ (Loss) for the year	(12,90,47,590)	5,35,48,002

The financial statements and the performance 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 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Energy audit was done during November 2012 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 (2X110MW) 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 2,57,043 (Euro 3,753).

AUDIT COMMITTEE

As on 31.03.2013, the Audit Committee of the Board of Directors comprised S/Shri A.K. Singhal, N.N. Misra and V.C. Gupta, Directors as members of the Committee. However, due to change in Directors, the Board reconstituted the Audit Committee on 30.04.2013 and presently, the Audit Committee comprises S/Shri A.K. Singhal, N.N. Misra, V.C. Gupta, S. Roy and Anand Kishore (IAS), Directors as members of the Committee.

One meeting of the Audit Committee was held during the year on 04.05.2012.

AUDITORS' REPORT

The Comptroller & Auditor General of India through letter dated 03.08.2012 had appointed M/s B.B. Mathur & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2012-13. 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 17.06.2013, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31st March 2013 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 17.06.2013 of C&AG for the year 2012-13 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 28.09.2012, had appointed M/s Musib & Co., Cost Accountants, Mumbai as the Cost Auditor of the Company for the financial year 2012-13.

The Board, in its Meeting held on 30.04.2013, 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, 2012 was September 27, 2012 which was subsequently extended upto 28th February 2013 through General Circular No. 2/2013 dated 31.01.2013 issued by Ministry of Corporate Affairs and the Cost Audit Report for your Company was filed with the Central Government on 27.02.2013. The due date for filing consolidated Cost Audit Report for the financial year ended March 31, 2013 is September 27, 2013 and the consolidated Cost Audit Report as prescribed for the financial year 2012-13 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 23.07.2013.

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 2012-13 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 Lallan Prasad ceased to be the Director of the Company with effect from 09.02.2013 on ceasing to be the official of Bihar State Power Generation Company Limited (BSPGCL) (erstwhile Bihar State Electricity Board).

Shri U.P. Pani ceased to be the Director of the Company with effect from 23.03.2013 and in his place, NTPC had nominated Shri S. Roy, RED (East-I), NTPC as Director on the Board of your Company with effect from 23.03.2013.

Shri Anand Kishore (IAS), Managing Director, BSPGCL has been nominated by BSPGCL and appointed as the Director by the Board of your Company with effect from 30.04.2013.

Shri P.K. Rai ceased to be to the Director of the Company with effect from 05.06.2013 on ceasing to be the official of BSPGCL. In his place, BSPGCL has nominated Shri Sandeep Poundrik (IAS), Chairman, BSPGCL as Director of the Company. The Board has appointed him as the Director with effect from 11.06.2013.

Shri V.C. Gupta ceased to be to the Director of the Company with effect from 05.07.2013 on ceasing to be the official of BSPGCL.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri P.K. Rai, Shri U.P. Pani, Shri Lallan Prasad and Shri V.C. Gupta during their association with the Company.

As per the provisions of the Companies Act, 1956, Shri N.N. Misra, 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: 23rd July 2013

(Dr. Arup Roy Choudhury)
Chairman

Annex-1 to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SECTOR AND DEVELOPMENTS

The Power Sector in India has made rapid strides during the last six decades in the field of generation, transmission, distribution and utilization of electricity. The installed generating capacity in the country in 1947 was 1,362 MW which catered to power requirements of urban centres and adjoining areas with electrification of around 1,500 Villages. The power generating capacity in the country has since grown manifold to 2,23,343 MW at the end of March 2013.

GENERATION

Review of Installed Capacity & Capacity Addition during financial year 2012-13

The total installed capacity in the country as on March 31, 2013 was 223,343.60 MW with State Sector having a share of 39.91%, followed by Private Sector with 30.83% share and balance 29.26% contributed by Central Sector entities.

Sector	Total Capacity (MW)	% share
State	89,124.62	39.91
Private	68,859.04	30.83
Central	65,359.94	29.26
Total*	**223,343.60**	**100.00**

(Source: CEA)

Capacity addition of 20,622.80 MW during financial year 2012-13 exceeded the target of 17,956.30 MW with maximum contribution of 54.59% by Private Sector, followed by Central Sector of 26.17%.

Sector	Capacity Addition (MW)	% share
State	3,968.00	19.24
Private	11,257.50	54.59
Central	5,397.30	26.17
Total*	**20,622.80**	**100.00**

* Excluding RES which includes Small Hydro Project, Biomass Power, Urban & Industrial Waste Power, Wind Energy and Solar Power

The total thermal capacity, including gas and diesel stations accounts for about 67.85% of installed capacity of the country followed by hydro capacity at 17.68%. Nuclear stations account for 2.14% and the balance 12.33% is contributed by RES.

Existing Generation

The total power generation in the country during financial year 2012-13 was 912.06 BU as compared to 876.89 BU during last year, registering a growth of 4.01%.

Sector wise and fuel wise break-up of generation in BU for the financial year 2012-13 and financial year 2011-12 is detailed as under:

Sector	FY 2012-13	FY 2011-12	Fuel	FY 2012-13	FY 2011-12
Central	375.97	364.00	Thermal	760.68	708.81
State	347.15	367.96	Hydro	113.72	130.51
Private	184.15	139.65	Nuclear	32.87	32.29
Others*	4.79	5.28	Others*	4.79	5.28
Total	**912.06**	**876.89**	**Total**	**912.06**	**876.89**

*Import from Bhutan (Source: CEA)

Of the total National Generation during financial year 2012-13, the State Sector contributed 38%, Central Sector utilities contributed 41% where as Private Sector has contributed 20%. The overall generation during the year was ~ 2 % less than the program/target.

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). The PLF has shown a decline during financial year 2012-13 vis-à-vis financial year 2011-12.

Sector wise PLF (Thermal) (%)

Sector	FY 2012-13	FY 2011-12	Change
Central	79.18	82.01	-2.83
State	65.54	68.35	-2.81
IPP	62.16	67.27	-5.11
Private	75.69	76.19	-0.5
All India	69.93	73.47	-3.54

PLF of thermal stations declined from 73.47% to 69.93%. The decline in PLF was mainly on account of shortage / poor quality of coal , backing down/ shut down of units on account of low schedule from beneficiary states and delay in stabilization of new units.

Demand and Supply Position

The power supply position in the country during 2009-10 to 2012-13:

Year	Energy				Peak			
	Require-ment	Availa-bility	Surplus/ Deficits (-)		Peak Demand	Peak Met	Surplus/ Deficits(-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2009-10	8,30,594	7,46,644	83,950	-10.1	1,19,166	1,04,009	15,157	-12.7
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

The power supply position in Eastern Region and Bihar during 2012-13 and anticipated power supply position in Eastern Region and Bihar during 2013-14 is as under:

Particulars	Year 2012-13			Year 2013-14 (Anticipated)		
	Req (MU)	Avail (MU)	Surplus/ (Deficit)	Req (MU)	Avail (MU)	Surplus/ (Deficit)
Energy Requirement						
Eastern Region	1,07,457	1,02,510	(4,947 MUs) (4.6%)	1,19,632	1,31,880	12,248 MUs 10.2%
Bihar	15,409	12,835	(2,574 MUs) (16.7%)	15,268	12,361	(2,906 MUs) (19.0%)
Peak Requirement						
Eastern Region	16,655	15,415	(1,240 MUs) (7.4%)	18,257	19,700	1,443 MUs 7.9%
Bihar	2,295	1,784	(511 MUs) (22.3%)	2,750	1,954	(796 MUs) (29.0%)

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 2012-13. In the year 2013-14, 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. The Company has tied up loan portion of its financing plan with State Bank of India. 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 Holding Power Company Limited (erstwhile Bihar State Electricity Board) is also the beneficiary of the Company.

R&M of Stage-I (2X110MW) is being done by Bharat Heavy Electricals Limited and Main Plant order of Stage-II (2X195MW) has been awarded to Bharat Heavy Electricals Limited.

Weakness/ Threats:

Your Company has been facing constraint in tie-up of coal and tie-up of funds for working capital. The area in which the plant is located experiences heavy rainfall and floods.

RISK 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 working capital loan required for Stage-I and term loan for construction of ash dyke and AWRS for Stage-I.

The Company is in the process of tying up loan with Canara Bank and State Bank of India.

Rising prices of coal and oil and its subsequent impact on cost of energy sales needs to be addressed.

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.

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

Both the units of Stage-I of MTPP were under renovation and modernization. Construction work is in progress for Stage-II (2X195 MW) of the project.

During the financial year 2012-13, 1,44,13,033 number of shares were issued to NTPC and 71,77,943 number of shares were issued to Bihar State Power Generation Company Limited (BSPGCL) (erstwhile BSEB). The ratio of share capital (₹ 5,49,46,34,360) between NTPC and BSEB was 65:35 at the end of financial year 2012-13. The share application money pending allotment at the end of financial year amounted to ₹ 88,61,43,347.

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 ₹ 40 crore and ₹ 9,15,53,365 was recognised as Income.

Your Company has drawn secured term loan of ₹ 8,32,51,04,927 from consortium led by State Bank of India and secured loan of ₹ 2,68,60,00,000 till 31.03.2013 from other parties for Stage-II (2X195 MW) expansion project. The unsecured loan from the Holding Company stood at ₹ 8,85,71,429 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 current liabilities stood at ₹ 239,68,28,220.

The net tangible assets as at 31.03.2013 were ₹ 2,31,04,23,747 as against ₹ 2,13,53,07,988 as at 31.03.2012. The net intangible assets as at 31.03.2013 were ₹ 4,36,392 as against as at 31.03.2012 were ₹ 8,13,229. The capital work-in-progress was ₹ 19,58,53,08,393 as on 31.03.2013 as compared to ₹10,07,43,03,791 as on 31.03.2012. The current assets stood at ₹ 79,37,12,025 as on 31.03.2013, while the current assets as on 31.03.2012 were ₹ 157,00,49,544 .

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 31.03.2013 was ₹ 83,10,72,290.

There was no generation of electricity during the year as both the units of Stage-I were under R&M. The other operating revenue included amount of grants received from the Central Government and adjusted as income in the same proportion as depreciation written off on the assets acquired out of grants and amount of provisions written back. The revenue from operations thus amounted to ₹ 9,87,92,528 and other income (interest from banks, sale of scrap etc) amounted to ₹ 4,93,151. The total expenses were ₹ 24,07,44,185 which included employee benefit expense, finance cost, depreciation and amortisation expenses, generation, administration & other expenses and net of prior period items. The total amount of expenditure during construction net of income and prior period items was ₹ 1,32,58,04,198 which was carried to CWIP.

The deferred tax expense amounted to (₹ 1,24,10,916). The loss for the year was ₹ 12,90,47,590, which was transferred to reserves and surplus.

HUMAN RESOURCE

Presently, the Company has total strength of 197 employees, out of which, 166 employees are deputed from the Holding Company i.e. NTPC Limited (including 12 ETs), 22 employees are deputed from BSEB and 9 employees are on the rolls of KBUNL. Out of the total strength, the company has employed 19 SC candidates, 10 ST candidates and 35 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 paid ₹ 32,48,68,199/- towards Salaries, Wages, Allowances, Benefits, Contribution to Provident and other Funds and welfare expenses. This included ₹ 5,23,81,147 towards leave, superannuation and other benefits pertaining to earlier years i.e. 01.01.2007 to 31.03.2012 being additional provision made during the current year due to change in the methodology of debit of such provisions by the Holding Company, i.e. NTPC Limited. Out of ₹ 32,48,68,199/-, the amount transferred to Expenditure during Construction was ₹ 28,54,61,950/-.

During the year, the Company organised four meetings with the employees/ representatives 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 the Board of Directors

Place : New Delhi **(Dr. Arup Roy Choudhury)**
Dated: 23rd July 2013 **Chairman**

KANTI BIJLEE UTPADAN NIGAM LTD.
BALANCE SHEET AS AT

(Amount in ₹)

PARTICULARS	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**5,494,634,360**	5,278,724,600
Reserves and surplus	3	**3,648,918,572**	3,536,134,208
Share application money pending allotment	4	**886,143,347**	390,041,201
Non-current liabilities			
Long-term borrowings	5	**11,099,676,356**	4,639,202,788
Deferred tax liabilities (net)	6	**1,199,206**	13,610,122
Other Long term liabilities	7	**908,497,547**	330,884,493
Current liabilities			
Short term borrowing	8	**350,535,236**	402,162,655
Trade payables	9	**419,146,810**	369,403,130
Other current liabilities	10	**1,393,758,745**	912,642,218
Short-term provisions	11	**233,387,429**	167,036,175
Total		**24,435,897,608**	16,039,841,590
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**2,310,423,747**	2,135,307,988
Intangible assets	12	**436,392**	813,229
Capital work-in-progress	13	**19,585,308,393**	10,074,303,791
Long-term loans and advances	14	**1,746,017,051**	2,259,367,038
Current assets			
Inventories	15	**230,040,626**	187,555,564
Trade receivables	16	**433,220,337**	557,489,418
Cash and bank balances	17	**108,542,401**	672,704,981
Short-term loans and advances	18	**19,348,033**	14,118,627
Other current assets	19	**2,560,628**	138,180,954
Total		**24,435,897,608**	16,039,841,590
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	**(P.K.Rai)**	**(Arup Roy Choudhury)**
Company Secretary	Director	Chairman

As per 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 : 01 May 2013

KANTI BIJLEE UTPADAN NIGAM LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

PARTICULARS	Note	31.03.2013	31.03.2012
Revenue from operations(Gross)	20	**98,792,528**	1,275,285,705
Other income	21	**493,151**	2,318,995
Total Revenue		**99,285,679**	1,277,604,700
Expenses:			
Fuel		**-**	751,550,615
Employee benefits expense	22	**39,406,249**	90,178,845
Finance costs	23	**10,174,602**	83,747,950
Depreciation and amortization expense	12	**228,189,425**	219,553,944
Generation, administration & other expenses	24	**16,067,093**	64,456,257
Prior period items (Net)	25	**(53,093,184)**	(9,228,955)
Total expenses		**240,744,185**	1,200,258,656
Profit/(Loss) before tax		**(141,458,506)**	77,346,044
Tax expense:			
Current tax		**-**	10,187,920
Deferred tax		**(12,410,916)**	13,610,122
Total tax expense		**(12,410,916)**	23,798,042
Profit/(Loss) for the year		**(129,047,590)**	53,548,002
Expenditure during construction period (Net)	26		
Significant accounting policies	1		
Earning Per Equity share (Par value of ₹ 10/- each)	31		
Basic		**(0.25)**	0.15
Diluted		**(0.22)**	0.14

The accompanying notes form an integral part of these financial statements.
There are no exceptional or extra ordinary items in the above periods

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	**(P.K.Rai)**	**(Arup Roy Choudhury)**
Company Secretary	Director	Chairman

As per 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 : 01 May 2013

CASH FLOW STATEMENT

(Amount in ₹)

FOR THE YEAR ENDED MARCH 31,		2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and after Prior Period Adjustments		**(141,458,506)**	77,346,044
Adjustment for:			
Depreciation/Amortisation	**228,189,425**		219,553,944
Provisions	**2,565,954**		(1,285,284)
Interest income	**(20,547)**		(33,074,786)
Interest charge	**10,174,602**		193,472,150
Guarantee fee & other finance charges	**1,340,545**	**242,249,979**	135,274,054
Operating Profit before Working Capital Changes		**100,791,473**	591,286,122
Adjustment for:			
Trade and other receivables	**124,269,081**		(126,564,300)
Inventories	**(42,485,062)**		(163,347,575)
Trade Payables & Other Liabilities	**1,174,824,515**		538,911,353
Loans & advances	**508,120,581**		1,139,650,894
Other Current Assets	**135,620,326**	**1,900,349,441**	(133,271,478)
Cash generated from operations		**2,001,140,914**	1,846,665,016
Income Tax/Advance Tax Paid		**-**	(3,545,520)
Net Cash from Operating Activities - A		**2,001,140,914**	1,843,119,496
B. CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		**(9,086,767,158)**	(8,437,230,936)
Interest income		**20,547**	33,074,786
Net Cash Flow from Investing Activities - B		**(9,086,746,611)**	(8,404,156,150)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long term borrowing		**6,408,846,149**	4,467,378,121
Grants-in-aid received		**241,831,954**	648,711,527
Proceeds from Issue of Share Capital/ Share Capital Deposit		**712,011,906**	2,222,168,094
Interest paid		**(839,906,347)**	(193,472,150)
Guarantee fee & other finance charges		**(1,340,545)**	(135,274,054)
Net Cash Flow from Financing Activities - C		**6,521,443,117**	7,009,511,538
Net increase/Decrease in cash and cash equivalents (A+B+C)		**(564,162,580)**	448,474,884
Cash and cash equivalents (Opening Balance)		**672,704,981**	224,230,096
Cash and cash equivalents (Closing Balance)		**108,542,401**	672,704,981

NOTES:

1. Cash and cash equivalents consists of Cash in hand and balance with Banks
2. Previous year's figures have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	**(P.K.Rai)**	**(Arup Roy Choudhury)**
Company Secretary	Director	Chairman

As per 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 : 01 May 2013

KANTI BIJLEE UTPADAN NIGAM LIMITED

Notes to the Financial Statements for the year ended 31st March 2013

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 and the provisions of Electricity Act 2003 to the extent applicable.

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. 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.

4. FIXED ASSETS

4.1 Tangible assets are carried at historical cost less accumulated depreciation/amortisation.

4.2 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.

4.3 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4.4 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

4.5 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.

4.6 Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

5. CAPITAL WORK-IN-PROGRESS

5.1 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.

5.2 Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

5.3 Unsettled liability for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

6. FOREIGN CURRENCY TRANSACTIONS

6.1 Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

6.2 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.

6.3 Foreign exchange differences arising from settlement / translation of long term foreign currency monetary items are adjusted in the carrying cost of related assets.

6.4 Other exchange differences are recognized as income or expense in the period in which they arise.

7. 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.

8. INVENTORIES

8.1 Inventories are valued at the lower of, cost determined on weighted average basis, and net realisable value.

8.2 The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

9. INCOME RECOGNITION

9.1 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.

9.2 The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

9.3 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.

9.4 Scrap other than steel scrap is accounted for as and when sold.

9.5 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.

10. EXPENDITURE

10.1 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.

10.2 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

10.3 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.

10.4 Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.

10.5 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.

10.6 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.

10.7 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.

10.8 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.

10.9 Expenditure for community development is charged off to revenue.

10.10 Leasehold land are fully amortised over 25 years or lease period whichever is lower following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.

10.11 Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.

10.12 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.

10.13 Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

10.14 Prepaid expenses and prior period expenses/income of items of ₹.100,000/- and below are charged to natural heads of accounts.

10.15 Transit and handling losses of coal as per norms are included in cost of coal.

11. 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.

12. 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.

13. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

NOTE NO. 2 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
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		
54,94,63,436 equity shares of par value of ₹ 10/- each fully paid up (Previous year 52,78,72,460 equity shares of par value of ₹ 10/- each fully paid-up)	**5,494,634,360**	5,278,724,600

a) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT BEGINNING & AT THE END OF THE YEAR

Particulars	2012-13	2011-12
Number of shares outstanding at the beginning of the year	**527,872,460**	88,507,537
Shares issued during the year	**21,590,976**	439,364,923
Number of shares outstanding at the close of the year	**549,463,436**	527,872,460

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 OR ITS ULTIMATE HOLDING COMPANY INCLUDING SHARES HELD BY OR BY SUBSIDIARIES OR ASSOCIATES OF THE HOLDING COMPANY OR THE ULTIMATE HOLDING COMPANY IN AGGREGATE:**

Holding Company- NTPC Ltd. - 35,71,51,233 Equity shares of ₹ 10/- each (Previous year 34,27,38,200 Equity shares of ₹ 10/- each)

d) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF SHARES IN THE COMPANY:

Particulars	31.03.2013		31.03.2012	
	No. of shares	**%age holding**	No. of shares	%age holding
NTPC LTD.	**357,151,233**	**65.00**	342,738,200	64.93
BSPGCL	**192,312,203**	**35.00**	185,134,260	35.07

NOTE NO. 3 TO THE FINANCIAL STATEMENTS (Amount in ₹)

As at	31.03.2013	31.03.2012
RESERVES AND SURPLUS		
Capital Reserve		
As per last balance sheet	**3,629,191,783**	2,980,480,256
Add: Grants received during the year	**400,000,000**	750,000,000
Less: Grants recognised as Income	**91,553,365**	47,143,579
Less: Adjustments during the year	**66,614,681**	54,144,894
Closing Balance	**3,871,023,737**	3,629,191,783
Surplus in the statement of Profit and Loss		
As per last balance sheet	**(93,057,575)**	(146,605,577)
Add(Less):-Profit/(Loss) after tax for the year from Statement of Profit & Loss	**(129,047,590)**	53,548,002
Closing Balance	**(222,105,165)**	(93,057,575)
Total	**3,648,918,572**	3,536,134,208

NOTE NO. 4 TO THE FINANCIAL STATEMENTS (Amount in ₹)

As at	31.03.2013	31.03.2012
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Share application money	**886,143,347**	390,041,201

1. 8,86,14,334 Equity shares of ₹ 10/- each shall be issued againest the Share application money.
2. The shares are likely to be allotted in the financial year 2013-14.
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	31.03.2013	31.03.2012
LONG TERM BORROWINGS		
Term Loans		
From Banks		
Secured [1]	**8,325,104,927**	3,430,917,073
From Other parties		
Secured [1]	**2,686,000,000**	1,074,000,000
Unsecured [2]	**88,571,429**	134,285,715
Total	**11,099,676,356**	4,639,202,788

1. a) Loan from consortium led by SBI 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{Stage I land 598.53 acre (transferred from BSPGCL) & stage II land 389.3993 acre (341.22 acre acquired upto 31.03.2013 and advance paid for balance land to DLAO)}. 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 is pending.

   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. As the requirement of securitization as per Companies Act is complete, the loan has been disclosed as " Secured loan" .

2 a) Loan from Holding company NTPC Ltd.

   b) Repayable in 7 years on half yearly basis starting from 30th Sep 2008.

   c) The rate of interest is at per with SBAR (State Bank Advance Rate) as adjusted to half yearly rests with a year of 365 days.

   d) Details of non current and current portion

Particulars	Non current portion		Current portion	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
NTPC Ltd	**88,571,429**	134,285,715	**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	01.04.2012	Addition/ (adjustments) during the year	01.04.2013
DEFERRED TAX LIABILITIES (NET)			
Difference of book depreciation and tax depreciation	25,366,750	(12,471,109)	**12,895,641**
Less: Deferred tax assets	-	-	**-**
Provisions & Other disallowances for tax purposes	11,756,628	(60,193)	**11,696,435**
Disallowances u/s 43B of the Income Tax Act, 1961	-	-	**-**
Total	13,610,122	(12,410,916)	**1,199,206**

a) The net increase during the year in the deferred tax liability of ₹ **(1,24,10,916)** (previous year ₹ 1,36,10,122) 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	31.03.2013	31.03.2012
OTHER LONG TERM LIABILITIES		
Trade Payable	**209,908**	65,410
Other Liabilities		
Payable For capital Expenditure	**908,287,639**	330,819,083
TOTAL	**908,497,547**	330,884,493

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	31.03.2013	31.03.2012
SHORT TERM BORROWINGS		
Cash Credit Loan	**350,535,236**	402,162,655
TOTAL	**350,535,236**	402,162,655

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.

NOTE NO. 9 TO THE FINANCIAL STATEMENTS (Amount in ₹)

As at	31.03.2013	31.03.2012
TRADE PAYABLES		
For Goods & Services	**419,146,810**	369,403,130
TOTAL	**419,146,810**	369,403,130

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	31.03.2013	31.03.2012
OTHER CURRENT LIABILITIES		
Current maturity of long term borrowings		
Unsecured		
Loan From NTPC Ltd.	**37,142,857**	37,142,857
Book Overdraft	**25,270,852**	-
Payable for Capital Expenditure	**878,563,974**	597,994,555
Other Payables		
Tax deducted at source and other statutory dues	**115,786,025**	15,125,534
Deposit From Contractors & Others	**15,870,232**	5,769,690
Payable to Employees	**1,874,950**	1,266,046
Payable to NTPC Ltd	**256,744,267**	158,353,252
Others	**62,505,588**	96,990,284
TOTAL	**1,393,758,745**	912,642,218

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 5.

c) Other payables- Others include amounts payable to employees and BSPGCL.

NOTE NO. 11 TO THE FINANCIAL STATEMENTS (Amount in ₹)

As at	31.03.2013	31.03.2012
SHORT TERM PROVISIONS		
Provision for Employee Benefits		
As per last Balance Sheet	**29,393,775**	30,062,223
Additions during the year	**3,901,599**	4,107,023
Amounts reversed during the year	**207,945**	-
Amounts paid during the year	**-**	4,775,471
	33,087,429	29,393,775
Provision for current tax		
As per last balance sheet	**6,642,400**	-
Additions during the year	**-**	10,187,920
Less: Set off against taxes paid	**6,642,400**	3,545,520
Closing balance	**-**	6,642,400
Provision for obligations incidental to land acquisition		
As per last balance sheet	**131,000,000**	-
Additions during the year	**69,300,000**	131,000,000
	200,300,000	131,000,000
Total	**233,387,429**	167,036,175

NOTE NO. 12 TO THE FINANCIAL STATEMENTS

TANGIBLE ASSETS (Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deduction/ Adjustment	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deduction/ Adjustment	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Land :										
(including development expenses)										
Freehold	744,000,985	393,189,062	58,729,577	**1,078,460,470**	-	-	-	**-**	**1,078,460,470**	744,000,985
Leasehold	33	-	-	**33**	5	1	-	**6**	**27**	28
Roads, bridges, culverts & helipads	12,430,863	-	-	**12,430,863**	2,809,915	356,997	-	**3,166,912**	**9,263,951**	9,620,948
Building :										
Freehold										
Main plant	113,508,719	-	-	**113,508,719**	37,977,435	6,471,974	-	**44,449,409**	**69,059,310**	75,531,284
Others	191,498,666	-	-	**191,498,666**	38,019,256	6,414,347	-	**44,433,603**	**147,065,063**	153,479,410
Water Supply, drainage & sewerage system	4,444,628	-	-	**4,444,628**	1,031,068	107,191	-	**1,138,259**	**3,306,369**	3,413,560
MGR track and signalling system	18,393,666	-	-	**18,393,666**	2,759,050	1,839,367	-	**4,598,417**	**13,795,249**	15,634,616
Plant and machinery (including associated civil works)	1,416,176,865	4,599,467	(603,426)	**1,421,379,758**	301,930,109	210,858,003	(13,427,289)	**526,215,401**	**895,164,357**	1,114,246,756
Furniture and fixtures	8,667,024	8,275,703	(84,659)	**17,027,386**	2,491,848	1,771,206	(84,659)	**4,347,713**	**12,679,673**	6,175,176
Office equipment	4,300,783	1,365,963	329,987	**5,336,759**	1,581,894	409,707	323,022	**1,668,579**	**3,668,180**	2,718,889
EDP, WP machines and satcom equip.	7,586,105	2,936,593	(565,602)	**11,088,300**	3,724,924	1,364,655	(100,737)	**5,190,316**	**5,897,984**	3,861,181
Construction equipments	7,338,511	5,363,653	-	**12,702,164**	1,110,603	1,056,678	-	**2,167,281**	**10,534,883**	6,227,908
Electrical Installations	366,565	63,424,616	-	**63,791,181**	80,566	2,286,083	-	**2,366,649**	**61,424,532**	285,999
Communication Equipments	112,567	9,900	9,900	**112,567**	9,985	17,026	9,900	**17,111**	**95,456**	102,582
Hospital Equipments	34,946	-	-	**34,946**	26,280	423	-	**26,703**	**8,243**	8,666
Total	**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**
	1,773,222,150	751,598,331	(4,040,445)	**2,528,860,926**	172,960,391	220,223,656	(368,891)	**393,552,938**	**2,135,307,988**	1,600,261,759

Deduction/Adjustment from gross block and depreciation/amortisation for the year includes:

(Amount in ₹)

	Gross Block		Depreciation/ Amortisation	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Cost adjustment including exchange difference	**58,729,577**	(4,040,445)	**(13,612,685)**	(368,991)
Assets capitalised with retrospective effect/write back of excess capitalisation	**(603,426)**	-	**-**	-
Others	**(310,374)**	-	**332,922**	-
	57,815,777	(4,040,445)	**(13,279,763)**	(368,991)

a) The conveyancing of the title of 341.22 acre of free hold land in possisssion of the company of value ₹ **87,81,60,471** (Previous year 291.34 acre of value ₹61,30,00,985), in favor of the Company are awaiting completion of legal formalities.

b) The borrowing costs capitalised during the year ended 31st March 2013 is ₹ **83,10,72,290** (previous year ₹ 22,75,10,417). 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 ₹) **For the year ended 31st March 2013**	(Amount in ₹) For the year ended 31st March 2012
	Borrowing costs included in fixed assets/CWIP	Borrowing costs included in fixed assets/CWIP
Building		
Main plant	**190,757,305**	58,929,777
Others	**695,887**	147,583
MGR track	**5,151,282**	-
Railway siding		
Plant and equipment	**634,168,034**	168,433,057
Others	**299,782**	-
Total	**831,072,290**	227,510,417

INTANGIBLE ASSETS (Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deduction/ Adjustment	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deduction/ Adjustment	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Software	2,274,542	98,711	-	**2,373,253**	1,461,313	475,548	-	**1,936,861**	**436,392**	813,229
Total	**2,274,542**	**98,711**	**-**	**2,373,253**	**1,461,313**	**475,548**	**-**	**1,936,861**	**436,392**	**813,229**
Previous year	868,428	1,406,114	-	**2,274,542**	780,507	680,806	-	**1,461,313**	**813,229**	87,921

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2013	31.03.2012
Charged to Statement of Profit & Loss	**228,189,425**	219,553,944
Transferred to expenditure during construction period (net)-Note-26	**5,239,781**	1,350,518
	233,429,206	220,904,462

NOTE NO. 13 TO THE FINANCIAL STATEMENTS

NON CURRENT ASSETS (Amount in ₹)

	As at 01.04.2012	Addition	Deduction/ Adjustment	Capitalised	**As at 31.03.2013**
CAPITAL WORK-IN-PROGRESS					
Development of land	282,377,135	162,240,424	-	-	**444,617,559**
Roads, bridges, culverts & helipads	1,078,639	379,788	-	-	**1,458,427**
Buildings :					
Main plant	1,165,294,196	1,419,084,807	-	-	**2,584,379,003**
Others	31,294,999	27,562,388	-	-	**58,857,387**
Temporary erection	61,983,962	-	61,983,962	-	**-**
MGR track and signalling system	127,320,683	139,989,680	-	-	**267,310,363**
Plant and machinery	6,254,137,047	7,647,810,950	66,532,002	2,956,092	**13,832,459,903**
Furniture and fixtures	134,899	62,566	-	134,899	**62,566**
EDP/WP Machines & Satcom Equipments	-	7,036,148	-	-	**7,036,148**
Construction equipments	3,342,697	152,640	2,956,092	-	**539,245**
Electrical Installation	-	1,440,654	(61,983,962)	63,424,616	**-**
	7,926,964,257	**9,405,760,045**	**69,488,094**	**66,515,607**	**17,196,720,601**

Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	533,346,085	114,882,975	-	-	**648,229,060**
Pre-commissioning expenses (net)	-	13,408,089	-	-	**13,408,089**
Expenditure during construction period (net)-Note 26	-	1,325,804,198*	-	-	**1,325,804,198**
Less: Allocated to related works	-	1,325,804,198	-	-	**1,325,804,198**
	533,346,085	**128,291,064**	**-**	**-**	**661,637,149**
Construction stores (At Cost)					
Steel	933,126,189	(116,962,101)	-	-	**816,164,088**
Cement	15,412,611	1,703,619	-	-	**17,116,230**
Others	670,811,765	225,424,514	-	-	**896,236,279**
Sub-total	1,619,350,565	110,166,032	-	-	**1,729,516,597**
Less: Provision for Shortages	5,357,116	-	2,791,162	-	**2,565,954**
Sub-total	**1,613,993,449**	**110,166,032**	**(2,791,162)**	**-**	**1,726,950,643**
Total	**10,074,303,791**	**9,644,217,141**	**66,696,932**	**66,515,607**	**19,585,308,393**
Previous Year	2,397,755,453	6,860,602,007	(815,946,331)	-	**10,074,303,791**

* Brought from expenditure during construction period (net) - Note 26

NOTE NO. 14 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
LONG TERM LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
CAPITAL ADVANCES		
Unsecured		
Covered by Bank Guarantee	**1,096,673,293**	1,720,534,156
Others	**637,254,132**	526,779,993
Deposit with Customs port trust & others (Unsecured)	**8,463,400**	10,261,479
Advance tax deposited & tax deducted at source	**3,626,226**	1,791,410
Total	**1,746,017,051**	2,259,367,038

NOTE NO. 15 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
INVENTORIES		
Coal	**78,172,617**	17,373,003
Fuel oil	**71,719,485**	11,718,487
Components and spares	**36,563,594**	13,354,011
Chemicals & consumables	**1,059,884**	1,780,933
Loose tools	**589,641**	-
Steel Scrap	**39,123,360**	60,000,000
Others	**9,247,067**	85,757,050
	236,475,648	189,983,484
Less: Provision for shortages	**6,435,022**	1,582,302
Less: Provision for diminution in value of obsolete/ unserviceable/surplus inventory	**-**	845,618
Total	**230,040,626**	187,555,564

a) Inventory items, other than steel scrap , have been valued considering the significant accounting policy no. 8 disclosed in Note no. -1 to these financial statement. Steel scrap has been valued at estimated realisable value.

b) Other Inventories includes items of steel, cement of Stage-I and other spares.

NOTE NO. 16 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**433,220,337**	106,008,855
Others, unsecured, considered good	**-**	451,480,563
Total	**433,220,337**	557,489,418

NOTE NO. 17 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
CASH & BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	**29,203,591**	42,781,803
Deposits with original maturity of less than three months	**79,338,810**	599,250,735
Other bank balance		
Deposits with original maturity of more than three months but not more than 12 months	**-**	30,672,443
Total	**108,542,401**	**672,704,981**

NOTE NO. 18 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
SHORT TERM LOANS & ADVANCES		
ADVANCES		
Contractors & Suppliers, including material issued on loan		
Unsecured	**15,305,470**	13,756,602
Others		
Prepaid Insurance	**4,042,563**	362,025
Total	**19,348,033**	14,118,627

NOTE NO. 19 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

As at	31.03.2013	31.03.2012
OTHER CURRENT ASSETS		
Interest accrued :		
Term deposits	**88,629**	1,845,591
	88,629	1,845,591
Claims Recoverable		
Unsecured, considered good	**2,424,154**	8,450,000
	2,424,154	8,450,000
Unbilled Revenue	**-**	127,837,518
Asset Held for Disposal	**47,845**	47,845
Total	**2,560,628**	138,180,954

NOTE NO. 20 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
REVENUE FROM OPERATIONS		
Sales		
Energy Sales	-	1,179,727,250
	-	1,179,727,250
Energy Internally Consumed	-	985,761
Other operating revenues		
Grants recognised as Income during the year	91,553,365	47,143,579
Interest from customers	-	47,414,972
Provision written back		
Shortage in stores	1,433,717	14,143
Shortage in Construction stores	5,357,116	-
Obsolescence in stores	448,330	-
	98,792,528	94,572,694
Total	98,792,528	1,275,285,705

NOTE NO. 21 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
OTHER INCOME		
Interest from		
Others		
Indian Banks	20,547	15,586,949
Interest from Contractor	15,400,667	12,663,042
Interest from Income Tax refund	44,148	-
	15,465,362	28,249,991
Other non-operating income		
Miscellaneous income	4,586,341	3,603,071
Other Receipts from Contractors/ Suppliers	3,263,954	8,450,000
Sale of Scrap	12,554,227	68,566,704
	20,404,522	80,619,775
	35,869,884	108,869,766
Less : Transferred to expenditure during construction period (net) - Note 26	35,376,733	106,550,771
Total	493,151	2,318,995

a) Miscellaneous income includes EMD forfeited , LD recovered and township recoveries.

NOTE NO. 22 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	301,378,623	184,762,284
Contribution to provident and other funds	14,443,660	15,042,474
Staff welfare expenses	9,045,916	8,723,579
	324,868,199	208,528,337
Less: Allocated to fuel cost	-	5,942,027
Transferred to expenditure during construction period (net) - Note 26	285,461,950	112,407,465
Total	39,406,249	90,178,845

a) Employee benefits expense include ₹ **3,52,49,043** for the year (previous year ₹ 80,40,337) towards leave,superannuation and other benefits in respect of employees posted on secondment basis from NTPC Ltd and ₹ **39,01,599** for the year (previous year ₹ 39,18,895) in respect of employees posted on deputation from BSPGCL towards pension and leave contribution.

b) Employee benefits expense include ₹ **5,23,81,147** towards leave, superannuation and other benefits pertaining to earlier years i.e. 01.01.2007 to 31.03.2012 being additional provision made during the current year due to change in the methodology of debit of such provisions, by to the holding company NTPC Ltd.

NOTE NO. 23 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
FINANCE COSTS		
Interest on :		
Rupee term loans	808,633,388	92,240,733
Cash Credit Loan	10,174,602	53,394,004
Others (Loan From Holding Company)	21,098,357	30,349,576
Sub-Total	839,906,347	175,984,313
Other Borrowing Costs :		
Guarantee fee	-	2,369,115
Up-front fee	1,340,545	132,904,939
Sub-Total	1,340,545	135,274,054
	841,246,892	311,258,367
Less: Transferred to Expenditure during construction period (net)- Note 26	831,072,290	227,510,417
Total	10,174,602	83,747,950

NOTE NO. 24 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended		31.03.2013	31.03.2012
GENERATION, ADMINISTRATION & OTHER EXPENSES			
Power charges	50,203,750		28,500,501
Less: Recovered from contractors & employees	356,719		1,666,146
		49,847,031	26,834,355
Stores consumed		2,841,863	2,803,428
Rent		1,029,136	339,927
Repairs & maintenance			
Buildings	5,170,315		3,507,837
Plant & Machinery	29,107,040		69,326,466
		34,277,355	72,834,303
Others		1,239,737	4,459,039
Insurance		7,616,620	15,149,484
Rates and taxes		3,293,897	713,033
Water cess & environment protection cess		119,918	239,702
Training & recruitment expenses		929,458	241,791
Communication expenses		6,289,788	2,924,368
Travelling expenses		17,067,635	14,237,712
Foreign Travel		257,043	-
Tender expenses	3,010,980		3,252,700
Less: Receipt from sale of tenders	142,875		52,875
		2,868,105	3,199,825
Payment to auditors		188,963	181,091
Advertisement and publicity		-	40,000
Security expenses		80,398,499	62,020,027
Entertainment expenses		1,208,836	856,848
Expenses for guest house	8,597,234		5,090,077
Less: Recoveries	109,755		80,030
		8,487,479	5,010,047
Brokerage & commission		734,993	58,610
Community development expenses		432,000	-
Books and periodicals		27,426	24,631
Professional charges and consultancy fees		12,545,776	7,713,935
Legal expenses		128,070	9,148
EDP hire and other charges		565,410	544,943
Printing and stationery		1,384,247	812,511
Hiring of vehicles		8,579,030	4,090,455
Bank charges		1,193,903	3,223,005
Miscellaneous expenses		1,568,611	3,372,279
		245,120,829	231,934,497

NOTE NO. 24 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
Less: Allocated to fuel cost	-	5,519
Less: Transferred to Expenditure during Construction period(net)- Note 26	237,906,127	175,185,503
	7,214,702	56,743,475
Provisions for		
Shortage in stores	6,286,437	1,582,302
Obsolescence in stores	-	773,364
Shortage in construction stores	2,565,954	5,357,116
	8,852,391	7,712,782
Total	16,067,093	64,456,257
a) Spares consumption included in repairs and maintenance	9,458,127	19,973,753
b) Details in respect of payment to auditors:		
As auditor		
Audit fees	80,000	86,545
Tax audit fee	20,000	20,000
In other capacity		
Other services	10,000	10,000
Reimbursement of expenses	78,963	64,546
	188,963	181,091

NOTE NO. 25 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended	31.03.2013	31.03.2012
PRIOR PERIOD ITEMS (NET)		
REVENUE		
Grants Recognised	66,614,681	-
	66,614,681	-
EXPENDITURE		
Employee Benefit expenses	-	(9,228,955)
Depreciation & amortisation	13,541,026	-
Rent	236,276	2,649,723
Communication Expenses	1,244,978	-
	15,022,280	(6,579,232)
Net Expenditure/(Income)	(51,592,401)	(6,579,232)
Less: Transferred to Expenditure during construction period (net)-Note- 26	1,500,783	2,649,723
Total	(53,093,184)	(9,228,955)

NOTE NO. 26 TO THE FINANCIAL STATEMENTS

(Amount in ₹)

For the period ended		31.03.2013	31.03.2012
EXPENDITURE DURING CONSTRUCTION PERIOD (NET)			
A. Employee benefits expense			
Salaries and wages		264,119,642	102,109,829
Contribution to provident and other funds		13,187,174	7,200,794
Staff welfare expenses		8,155,134	3,096,842
Total (A)		285,461,950	112,407,465
B. Finance Costs			
Interest on			
Rupee term loans		829,731,745	92,240,732
Guarantee Commission		-	2,369,115
Upfront Fee		1,340,545	132,904,939
Others		-	(4,370)
Total (B)		831,072,290	227,510,416
C. Depreciation and amortisation		5,239,781	1,350,518
D. Generation , administration and other expenses			
Power charges	49,934,184		27,514,740
Less: Recovered from contractors & employees	257,556		1,405,395
		49,676,628	26,109,345
Rent		1,029,136	339,927
Repairs & maintenance			
Buildings	4,302,985		-
Others	27,555,860		49,607,186
		31,858,845	49,947,113
Insurance		7,616,620	8,437,950
Rates and taxes		3,208,175	657,533
Communication expenses		6,215,654	1,939,581
Travelling expenses		16,710,540	6,548,972
Tender expenses	3,010,980		2,416,707
Less: Income from sale of tenders	142,875		4,500
		2,868,105	2,412,207
Advertisement and publicity		-	40,000
Security expenses		80,398,499	44,902,220
Entertainment expenses		1,053,258	493,400
Guest house expenses		8,487,479	3,493,692
Payment to auditors		188,963	127,854
Brokerage & Commission		734,993	5,995
Books & periodical		27,426	5,820
Professional charges and consultancy fee		12,238,828	6,581,944
Legal expenses		128,070	4,800
EDP Hire and other charges		565,410	21,883
Printing and stationery		1,384,246	293,598
Miscellaneous expenses		13,515,252	23,161,596
Total (D)		237,906,127	175,185,503
Total (A+B+C+D)		1,359,680,148	516,453,902
E. Less: Other Income			
Interest From Bank		-	15,225,563
Interest from contractors		15,400,667	12,410,875
Sale of scrap		12,554,227	68,566,704
Other Receipts from Contractors/ Suppliers		3,263,954	8,450,000
Miscellaneous income		4,157,885	1,897,629
TOTAL (E)		35,376,733	106,550,770
F. Prior Period Items (net)		1,500,783	2,649,723
GRAND TOTAL (A+B+C+D-E+F)*		1,325,804,198	412,552,855

*** Balance carried to Capital Work-in-progress - (Note 13)**

27. Balances shown under advances, debtors,creditors and material lying with contractors in so far as these have since not been realized/discharged or adjusted are subject to confirmation / reconciliation and consequential adjustment, if any.

28. **Disclosure as per Accounting Standard – 12 on 'Accounting for Government Grants'**

    As per the MOU dt.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 grant, ₹2,60,00,00,000 paid to M/s BHEL against R&M contract on behalf of the Company and balance amount of ₹1,50,00,00,000 has been paid to KBUNL till 31.03.2013 and the same have been accounted as 'Grants received' in Note -3.

    Grant recognized as income for the year ₹9,15,53,366/- (previous year

₹4,71,43,579/-). Due to re-computation of the amounts recognized as income out of the grants till 31.03.2012, an amount of ₹ 6,66,14,681/- has been adjusted out of the grants and recognized as prior period income.

29. **Disclosure as per Accounting Standard – 16 on 'Borrowing Costs'**

Borrowing costs capitalized (taken to CWIP) during the year are ₹83,10,72,290/- (previous year ₹22,75,10,417/-).

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 ₹34,33,194/- (Previous Year ₹48,93,047) 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 (₹)	(12,90,47,590)	5,35,48,002
Weighted average number of equity shares used as denominator nos.	52,30,57,502	35,38,07,122
Earning per share (₹)	(0.25)	0.15
Diluted Earning per share(₹)	(0.22)	0.14
Face value per share (₹)	10/-	10/-

32. **Foreign Currency Exposure not hedged by a derivative instrument or otherwise :**

Particulars	Currencies	Amount ₹	
		31.03.2013	31.03.2012
Unexecuted amount of contracts remaining to be executed	USD	97,94,839	92,09,752
	JPY	111,84,328	121,42,797

33. **Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006.**

Particulars	Amount ₹
a) Amount remaining unpaid to any supplier:	
Principal amount	4,12,67,498
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. **Contingent Liabilities:**

Disputed Entry Tax Demand

Sales Tax Authorities of Government of Bihar, Muzaffarpur have issued notice of demand of Entry Tax along with 3 times penalty under section 33 of the Bihar VAT Act 2005, in respect of Light Diesel Oil purchased from IOC, Kolkata. The said demand was raised on the basis of Audit Observation of the audit of Commercial Tax deptt. for the year 2008-09 and 2009-10 considering rate of entry tax on LDO as 16% covered in entry no. 22 of the schedule of entry tax as "Diesel & Petrol". Whereas KBUNL deposited entry tax @ 8% considering the LDO under entry no. 23 of the schedule of entry tax as "Other petroleum Product". The case was represented upon Dy Commissioner Commercial taxes through KBUNL advocate. In response of the same order has been passed by Commercial Tax Officer, Muzaffarpur confirming demand of entry tax along with 3 times penalty amounting to ₹1,84,14,891/- . As opined by advocate a writ petition has been filed in the High Court of Judicature at Patna on 20.04.2013. It is opined that maximum liability of differential tax may arise hence an amount of ₹46,03,723/- equivalent to differential entry tax has been provided in books of accounts and balance amount ₹1,38,11,168/- shown as contingent liability.

35. **Capital and other commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2013 is ₹1421,41,20,367/- (previous year ₹1454,42,29,577/-).

36. **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	2,57,043	-
b) Value of component, stores and spare parts consumed	94,58,127	1,99,73,753

37. **Information pursuant to Ministry of Environment & forest notification no. s.o.2804(E) New Delhi the 3rd November, 2009 for ash:**

(i) Unit no.-2 (1*110MW) has been declared for commercial operation w.e.f:15/10/2010.

(ii) No ash generated & there is no sale of ash.

(iii) Pond & Slurry ash is used for site filling of area for Stage-II (195x2MW) of KBUNL.

38. Figures have been rounded off to nearest rupee.

39. Previous year figures have been regrouped/ rearranged wherever necessary.

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	(P.K.Rai)	(Arup Roy Choudhury)
Company Secretary	Director	Chairman

As per 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 : 01 May 2013

AUDITOR'S REPORT

To the Members of

KANTI BIJLEE UTPADAN NIGAM LTD.

1. We have audited the attached Balance Sheet of **KANTI BIJLEE UTPADAN NIGAM LTD.** (a Subsidiary of NTPC Ltd.) as at 31st March 2013, the Statement of Profit and Loss and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of the section 227 of the Companies Act 1956, we enclose in annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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 it appears from our examination of such books.
   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt by this report are in agreement with the books of accounts.
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, subject to notes to accounts annexed thereto, dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   (e) Being a Government Company, pursuant to the Notification No. GSR 829(E) dated 17.07.2003 issued by Government of India. Provision of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the company;
   (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India : -
      (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2013
      (ii) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date and
      (iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For **M/s B.B.Mathur & Co.,**
Chartered Accountants
Firm Regn No.000290N

(Rajneesh Behari Mathur)
Partner
M. No. 088034

Place : New Delhi
Date : 1st May 2013

ANNEXURE TO AUDITORS' REPORT

{Referred to in paragraph (3) of our report of even date}

Re : **KANTI BIJLEE UTPADAN NIGAM LTD.**

(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.

(b) Not Applicable.

(c) Not Applicable.

(d) Not Applicable.

(e) The company has taken a secured loan from NTPC, its holding company. The maximum amount outstanding during the year was ₹17,14,28,572/- and the closing balance as on 31st March 2013 was ₹12,57,14,286/-.

(f) 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.

(g) 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 goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal control system.

(v) (a) 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.

(b) Not Applicable.

(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 been informed that by the management that cost records are being maintained as per section 209 (1) (d) of Companies Act 1956. Further a cost auditor has been appointed by the company although the cost audit has not been conducted till the date of signing of this report.

(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, investor education protection 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at the last day of the financial year, 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 Entry tax demand amounting to ₹1,84,14,891/-which are disputed in a Writ Petition before the Patna High Court. Liability and contingent liability amounting to ₹ 46,03,723/- and ₹1,38,11,168/- respectively have been provided/shown in financial statements.

(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 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

Place : New Delhi
Date : 1st May 2013

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 2013.

The preparation of financial statements of KANTI BIJLEE UTPADAN NIGAM LTD., New Delhi, for the year ended 31 March 2013 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 01 May 2013.

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, New Delhi for the year ended 31 March 2013. 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

(Brij Mohan)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place : New Delhi
Dated : 17th June 2013

BHARTIYA RAIL BIJLEE COMPANY LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Sixth Annual Report on the working of the Company together with Audited Accounts and Auditors' Report thereon for year ended on 31st March 2013.

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, 1,328.15 acres of land has been acquired and efforts are being made to acquire balance land.

The construction work is going on in full swing at site. In Main Plant area - Boiler drums of Units # 1, 2 and 3 have already been lifted in its position and drum lifting for Unit # 4 has been planned in 2nd quarter of 2013-14. Further, hydro test of Unit #1 boiler is planned in 3rd quarter of 2013-14. ESP#1 – Funnel Duct erection for Pass A&B has been completed and collecting electrode erection in Pass C is going on. Other erection works like equipments in Mills of Unit #1, front water wall panel erection in Boiler#1 are in progress.

For Main Plant Civil works of Unit # 1, main power house structural erection is near completion and other foundations are in progress. Raft casting of Chimneys for Unit#1,2,3&4 have been completed. In Coal Handling Plant - Fabrication & erection of TP-3&4 and conveyor 2A&2B are under progress. Civil & erection works of other plant works like Pre-treatment Plant, DM Plant, Fire Fighting system, CW channel, erection of LDO 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. The Rail corridor work inside the plant has already been awarded and works have been taken up for laying rail lines. Award of contract for rail corridor work outside the plant is under progress, Forest Clearance for land falling under Railway Corridor has been obtained on 04.04.13 from MoEF. Other contract packages related to coal transportation are also under various stages of award.

The construction activities of your Company has been hampered by ultra activities for which steps are being taken to construct the boundary wall as soon as possible and posting of CISF.

Your Company has taken number of steps towards rehabilitation and resettlement like infrastructure developments, providing solar street lights, providing potable water, distribution of scholarships for ITI students of PAPs, distribution of playing kits among schools in PAPs' villages, establishing stitching centres for ladies, providing mobile health clinic for the Project Affected Villagers, construction of crematoriums etc.

In pursuance of Memorandum of Understanding signed between NTPC Limited and Ministry of Railways to set up 1,320 MW power project at Adra, West Bengal. Your Company has initiated proposal to carry out balance site specific studies. The water allocation has been sanctioned from Damodar-Barakar River System and NOC from Airport Authority of India has been obtained.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2013 are as under:-

(Amount in ₹)

Balance Sheet Items as at	31.03.2013	31.03.2012
Paid-up Share Capital	6,88,46,00,000	6,88,46,00,000
Reserves and Surplus	(69,05,337)	(52,62,166)
Share Application Money Pending Allotment	83,00,39,000	83,00,39,000
Non-current liabilities	17,15,35,68,401	5,83,91,36,906
Current liabilities	2,82,69,92,707	1,28,03,30,186
Non-current assets	27,53,88,52,877	13,84,88,14,771
Current assets	14,94,41,894	98,00,29,155
Items from Statement of Profit and Loss for the year ended	**31.03.2013**	**31.03.2012**
Total Revenue	-	-
Total Expenses	16,43,171	1,43,178
Loss for the year	(16,43,171)	(1,43,178)

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

The Board has constituted an Audit Committee which comprises S/ Shri B.P. Singh, R.K.S. Gahlowt and Sudhir Kumar Saxena, Directors as members. During the financial year 2012-13, one meeting of the Audit Committee was held on 03.05.2012.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period ending 31st March 2013.

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 29.07.2013.

AUDITORS' REPORT

The Comptroller & Auditor General of India through letter dated 31.07.2012 has appointed M/s I.P. Pasricha & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2012-13. 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 13.06.2013, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31st March 2013 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 13.06.2013 of C&AG for the year 2012-13 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 has installed solar lights in the affected villages. During the period under review, the Company incurred INR 18,120 (USD 350) and there was no earning 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 2012-13 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 U.P. Pani ceased to be the Director of the Company with effect from 15.03.2013 and in his place, NTPC had nominated Shri S. Roy, RED (East-I) as Director of the Company. The Board appointed him as the Director of the Company with effect from 15.03.2013.

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 has 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 him as the Director of the Company with effect from 29.07.2013.

The Board places on record its deep appreciation for the services rendered by Shri U.P. Pani and Shri R.K.S. Gahlowt during their tenure as Directors of the Company.

As per the provisions of the Companies Act, 1956, Shri S.K. Saxena, 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
DATE : 29th July 2013

(B.P. Singh)
Chairman

Annex-1 to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SECTOR AND DEVELOPMENTS

The Power Sector in India has made rapid strides during the last six decades in the field of generation, transmission, distribution and utilization of electricity. The installed generating capacity in the country in 1947 was meagre 1,362 MW which catered to power requirements of urban centres and adjoining areas with electrification of around 1,500 Villages. The power generating capacity in the country has since grown manifold to 2,23,343 MW at the end of March 2013.

GENERATION

Review of Installed Capacity & Capacity Addition during financial year 2012-13

The total installed capacity in the country as on March 31, 2013 was 223343.60 MW with State Sector having a share of 39.91%, followed by Private Sector with 30.83% share and balance 29.26% contributed by Central Sector entities.

Sector	Total Capacity (MW)	% share
State	89124.62	39.91
Private	68859.04	30.83
Central	65359.94	29.26
Total*	**223343.60**	**100.00**

(Source: CEA)

Capacity addition of 20622.80 MW during financial year 2012-13 exceeded the target of 17956.30 MW. With maximum contribution of 54.59% by Private Sector, followed by Central Sector of 26.17%.

Sector	Capacity Addition (MW)	% share
State	3968.00	19.24
Private	11257.50	54.59
Central	5397.30	26.17
Total*	**20622.80**	**100.00**

*Excluding RES which includes Small Hydro Project, Biomass Power, Urban & Industrial Waste Power, Wind Energy and Solar Power

The total thermal capacity, including gas and diesel stations accounts for about 67.85% of installed capacity of the country followed by hydro capacity at 17.68%. Nuclear stations account for 2.14% and the balance 12.33% is contributed by RES.

Existing Generation

The total power generation in the country during financial year 2012-13 was 912.06 BU as compared to 876.89 BU during last year, registering a growth of 4.01%.

Sector wise and fuel wise break-up of generation in BU for the financial year 2012-13 and financial year 2011-12 is detailed as under:

Sector	FY 2012-13	FY 2011-12	Fuel	FY 2012-13	FY 2011-12
Central	375.97	364.00	Thermal	760.68	708.81
State	347.15	367.96	Hydro	113.72	130.51
Private	184.15	139.65	Nuclear	32.87	32.29
Others*	4.79	5.28	Others*	4.79	5.28
Total	**912.06**	**876.89**	**Total**	**912.06**	**876.89**

*Import from Bhutan (Source: CEA)

Of the total National Generation during financial year 2012-13, the State Sector contributed 38%, Central Sector utilities contributed 41% where as Private Sector has contributed 20%. The overall generation during the year was ~ 2 % less than the program/target.

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). The PLF has shown a decline during financial year 2012-13 vis a vis financial year 2011-12.

Sector wise PLF (Thermal) (%)

Sector	FY 2012-13	FY 2011-12	Change
Central	79.18	82.01	-2.83
State	65.54	68.35	-2.81
IPP	62.16	67.27	-5.11
Private	75.69	76.19	-0.5
All India	69.93	73.47	-3.54

PLF of thermal stations declined from 73.47% to 69.93%. The decline in PLF was mainly on account of shortage / poor quality of coal , backing down/ shut down of units on account of low schedule from beneficiary states and delay in stabilization of new units.

Demand and Supply Position

The power supply position in the country during 2009-10 to 2012-13 :

Year	Energy				Peak			
	Require-ment	Availa-bility	Surplus/ Deficits (-)		Peak Demand	Peak Met	Surplus/ Deficits(-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2009-10	8,30,594	7,46,644	83,950	-10.1	1,19,166	1,04,009	15,157	-12.7
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

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 is yet to be signed between the Company and Coal India Limited.

Weakness/ Threats:

The major threat the company is facing in acquiring parts of land. Law and order situation and project security of the project has been also a considerable concern for the company. The Company is also facing problems in acquiring aggregate and boulders.

RISKS AND CONCERN

The risk 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 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 2012-13, the Company had neither issued/ bought back any shares. The share capital stood at ₹ 6,88,46,00,000 as it was during the previous year. The share application money pending allotment was also the same as that of the previous year i.e ₹ 83,00,39,000. The Company had withdrawn cumulative loan of ₹ 15,81,14,95,391 upto FY 2012-13 as against ₹ 5,60,65,04,666 upto FY 2011-12 from PFC and REC. Borrowing costs capitalized during the year was ₹ 1,08,87,16,241. Such borrowing costs are apportioned on the average balance of capital work-in-progress for the year.

The tangible assets after depreciation amounted to ₹ 3,55,44,50,787 as at 31.03.2013 as against ₹ 1,82,35,84,339 as at 31.03.2012. The tangible assets included capital expenditure of ₹ 22,35,86,080 incurred on assets not owned by the Company. The Holding Company i.e. NTPC Limited has received an opinion from the EAC of the Institute of Chartered Accountants of India 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 account 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 accounting treatment, existing treatment has been continued as per the relevant accounting policy.

The intangible assets after depreciation amounted to ₹ 1,61,769 and ₹ 4,73,564 as at 31.03.2013 and 31.03.2012 respectively. The depreciation transferred to Expenditure During Construction (EDC) for the financial year 2012-13 was ₹ 81,16,138. The capital work-in-progress stood at ₹ 21,46,51,38,770 and ₹ 8,46,96,55,673 as at 31.03.2013 and 31.03.2012 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 ₹ 1,36,86,00,424. 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 ₹ 16,43,171 which was transferred to reserves and surplus. The net loss for the financial year 2011-12 was 1,43,178.

HUMAN RESOURCE

Presently, the Company has total strength of 126 employees (including 9 Executive Trainees), out of which 124 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 organisation the Company has deployed 25 SC employees, 5 ST employees and 29 OBC employees out of the total strength of 124 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 ₹ 19,71,49,773 for the financial year 2012-13, which have been transferred to expenditure during construction account as the project is in construction stage. It included ₹ 4,95,92,617 debited by the Holding Company towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the Holding Company.

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 the Board of Directors

PLACE : New Delhi (B.P. Singh)
DATE : 29th July 2013 Chairman

BHARTIYA RAIL BIJLEE COMPANY LIMITED
BALANCE SHEET AS AT

Amount in ₹

Particulars	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**6,884,600,000**	6,884,600,000
Reserves and surplus	3	**(6,905,337)**	(5,262,166)
		6,877,694,663	6,879,337,834
Share Application money pending allotment	4	**830,039,000**	830,039,000
Non-current liabilities			
Long-term borrowings	5	**15,811,495,391**	5,606,504,666
Other long term liabilities	6	**1,342,073,010**	232,632,240
		17,153,568,401	5,839,136,906
Current liabilities			
Trade payable	7	**17,818,773**	11,752,778
Other current liabilities	8	**1,705,795,513**	1,268,577,408
Short-term provisions	9	**1,103,378,421**	-
		2,826,992,707	1,280,330,186
TOTAL		**27,688,294,771**	**14,828,843,926**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**3,554,450,787**	1,823,584,339
Intangible assets	10	**161,769**	473,564
Capital work-in-progress	11	**21,465,138,770**	8,469,655,673
Other non-current assets	12	**21,996,078**	16,380,060
Long-term loans and advances	13	**2,497,105,473**	3,538,721,135
		27,538,852,877	13,848,814,771
Current assets			
Cash and bank balances	14	**146,487,542**	977,836,646
Short-term loans and advances	15	**89,932**	40,170
Other current assets	16	**2,864,420**	2,152,339
		149,441,894	980,029,155
TOTAL		**27,688,294,771**	**14,828,843,926**
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) Chief Executive Officer — **(S. K. Saxena)** Director — **(B. P. Singh)** Chairman

This is the Balance Sheet referred to in our report of even date.

Maneet Pal Pasricha
For I. P. Pasricha & Co.
Chartered Accountants
Firm Reg. No. 000120N
M.No. 516612

Place : New Delhi
Dated : 7th May 2013

BHARTIYA RAIL BIJLEE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Amount in ₹

Particulars	Note	31.03.2013	31.03.2012
Other income	17	**-**	-
Total revenue		-	-
Expenses			
Employee benefits expense	18	**-**	-
Finance costs	19	**-**	-
Administration & other expenses	20	**1,643,171**	143,178
Total expenses		**1,643,171**	143,178
Profit / (Loss) before tax		**(1,643,171)**	(143,178)
Total Tax Expense		**-**	-
Profit / (Loss) for the year		**(1,643,171)**	(143,178)
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) Chief Executive Officer — **(S. K. Saxena)** Director — **(B. P. Singh)** Chairman

This is the Statement of Profit & Loss referred to in our report of even date.

Maneet Pal Pasricha
For I. P. Pasricha & Co.
Chartered Accountants
Firm Reg. No. 000120N
M.No. 516612
Place : New Delhi
Dated : 7th May 2013

BHARTIYA RAIL BIJLEE COMPANY LIMITED
CASH FLOW STATEMENT

Amount in ₹

For the year ended March 31,	2013	2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss as per statement of Profit and Loss	**(1,643,171)**	(143,178)
Adjustment for		
Increase/(Decrease) in Current liabilities	**1,546,662,521**	832,336,474
Increase/(Decrease) in Other Current Assets	**(712,081)**	1,571,120
Increase/(Decrease) in Loans & Advances	**(49,762)**	107,273,720
	1,545,900,678	941,181,314
Net Cash from Operating Activities-A	**1,544,257,507**	941,038,136
B CASH FLOW FROM INVESTMENT ACTIVITIES	**(13,690,038,106)**	(5,956,212,316)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	**11,314,431,495**	4,566,208,396
Net Cash flow from Financing Activities-C	**11,314,431,495**	4,566,208,396
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	**(831,349,104)**	**(448,965,784)**
Cash and Cash equivalents (Opening Balance)	**977,836,646**	1,426,802,430
Cash and Cash equivalents (Closing Balance)	**146,487,542**	977,836,646

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)**	**(B. P. Singh)**
Chief Executive Officer	Director	Chairman

Maneet Pal Pasricha
For I. P. Pasricha & Co.
Chartered Accountants
Firm Reg. No. 000120N
M.No. 516612

Place : New Delhi
Dated : 7th May 2013

Notes to the financial statements for the year ended 31st March 2013

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 & the provision 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 is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Tangible Assets.
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 difference 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 translation of foreign currency borrowings recoverable or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulation are accounted as 'Deffered foreign currency fluctuation asset/liability'. The increase or decrease in depreciation or interest and finance charges for the year due to the accounting of such exchange differences 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. EXPENDITURE

1. Depreciation 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 following the rates and methodology notified by CERC Tariff Regulations, 2009.
6. Capital expenditure on assets not owned by the Company 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. However, similar expenditure for community development is charged off to revenue.
7. Leasehold land and buildings are fully amortised over 25 years or lease

period whichever is less following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.

8. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
9. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
10. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.

H. 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.

I. 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.

J. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

NOTE NO. 2 SHARE CAPITAL Amount in ₹

As at	31.03.2013	31.03.2012
Equity Share Capital		
AUTHORISED		
1606,000,000 shares of par value of ₹10/- each, (previous year 1606,000,000 shares of par value of ₹ 10/- each)	**16,060,000,000**	16,060,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
688,460,000 shares of par value of ₹10/- each (Previous year 688,460,000 shares of par value of ₹10/- each)	**6,884,600,000**	6,884,600,000
Total	**6,884,600,000**	6,884,600,000

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) 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	31.03.2013		31.03.2012	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Ltd. and their nominees	**509,460,000**	**74**	509,460,000	74
Ministry of Railways and their nominees	**179,000,000**	**26**	179,000,000	26

NOTE NO. 3 RESERVES AND SURPLUS Amount in ₹

As at	31.03.2013	31.03.2012
Surplus in the statement of profit & loss		
As per last balance sheet	**(5,262,166)**	(5,118,988)
Add: Profit/(Loss) for the year from statement of profit & loss	**(1,643,171)**	(143,178)
Net surplus	**(6,905,337)**	(5,262,166)
Total	**(6,905,337)**	**(5,262,166)**

NOTE NO. 4 SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

Amount in ₹

As at	31.03.2013	31.03.2012
Amount received for allotment and is pending for allotment		
Received from NTPC Ltd and	**39,000**	39,000
Received from Ministry of Railways	**830,000,000**	830,000,000
	830,039,000	830,039,000

a) Share allotment to Ministry of Railways will be made after proportionate Loan fund raised from PFC, REC and Equity contribution from NTPC Ltd.

b) Equity shares of ₹ 10/- each in ratio of 74:26 to be issued to the above shareholders at par.

c) No equity shares have been allotted during the FY 2012-13. The balance amount is proposed to be allotted in the FY 2013-14.

d) 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.

e) No amount is refundable out of above share application money.

NOTE NO. 5 LONG-TERM BORROWINGS Amount in ₹

As at	31.03.2013	31.03.2012
Term loans		
From Financial Institutions		
Secured		
Rupee loans	**15,811,495,391**	5,606,504,666
Total	**15,811,495,391**	5,606,504,666

a) Securities - Secured by Equitable mortgage/hypothication 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) The rupee term loans - Interest on term loan is payable at the applicable three year "AAA" Bond yield rate plus agreed margin. Moratorium & Principal repayment Period : 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 6 months (moratorium period), whichever is earlier. The repayment schedule is for a period of 15 years, beginning after 6 months from COD, in 60 quarterly installments.

c) There has been no defaults in repayment of any of the loans or interest thereon as at the end of the year.

NOTE NO. 6 OTHER LONG TERM LIABILITIES Amount in ₹

As at	31.03.2013	31.03.2012
Other liabilities		
Payable for capital expenditure	**1,342,073,010**	201,977,512
Others	**-**	30,654,728
Total	**1,342,073,010**	232,632,240

a) Other liabilities-Others include deposits received from contractors and others.

NOTE NO. 7 TRADE PAYABLES Amount in ₹

As at	31.03.2013	31.03.2012
For goods and services	**17,818,773**	11,752,778
Total	**17,818,773**	11,752,778

NOTE NO. 8 OTHER CURRENT LIABILITIES Amount in ₹

As at	31.03.2013	31.03.2012
Interest accrued and due on borrowings	**216,301,025**	107,018,239
Payable for capital expenditure	**1,408,031,494**	1,096,350,686
Other payables		
Tax deducted at source and other statutory dues	**22,382,486**	17,245,069
NTPC Ltd	**43,917,057**	14,030,982
Payable to employees	**13,459,239**	22,810,019
Others *	**1,704,212**	11,122,413
Total	**1,705,795,513**	1,268,577,408

* Other payables - others include stale cheque and amount payable to club and association etc.

NOTE NO. 9 SHORT TERM PROVISIONS Amount in ₹

As at	31.03.2013	31.03.2012
Provision for obligations incidental to land acqisition		
Opening Balance	-	-
Additions during the year	1,103,378,421	-
Amount paid during the year	-	-
Amount reversed during the year	-	-
Closing balance	1,103,378,421	-

NOTE NO. 10 TANGIBLE ASSETS Amount in ₹

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land : (including development expenses)										
Freehold	1,585,441,463	-	(1,650,492,445)	3,235,933,908	-	-	-	-	3,235,933,908	1,585,441,463
Roads, bridges, culverts & helipads	534,632	-	-	534,632	460,601	20,567	-	481,168	53,464	74,031
Building - Others	-	46,215,451	-	46,215,451	-	916,574	-	916,574	45,298,877	-
Temporary erection	13,595,810	2,034,049	-	15,629,859	13,595,810	1,716,320	-	15,312,130	317,729	-
Water supply, drainage & sewerage system	194,953	-	-	194,953	49,440	34,408	-	83,848	111,105	145,513
Plant and equipment	1,361,344	-	5,569	1,355,775	214,217	65,166	5,569	273,814	1,081,961	1,147,127
Furniture and fixtures	10,380,727	4,248,565	174,890	14,454,402	1,882,806	913,649	32,013	2,764,442	11,689,960	8,497,921
Office equipment	4,567,252	291,696	86,966	4,771,982	1,330,790	463,619	123,062	1,671,347	3,100,635	3,236,462
EDP, WP machines and satcom equipment	5,201,875	3,146,367	(50,967)	8,399,209	1,833,509	994,933	(2,269)	2,830,711	5,568,498	3,368,366
Construction equipments	19,442,887	-	-	19,442,887	3,612,698	1,859,561	-	5,472,259	13,970,628	15,830,189
Electrical Installations	12,918,749	564,150	(106,390)	13,589,289	889,510	692,647	(18,850)	1,601,007	11,988,282	12,029,239
Communication Equipments	1,962,330	109,528	41,348	2,030,510	168,933	126,899	14,982	280,850	1,749,660	1,793,397
Laboratory and workshop equipments	17,747	-	-	17,747	17,747	-	-	17,747	-	-
Capital expenditure on assets not owned by the Company	192,020,631	-	(31,565,449)	223,586,080	-	-	-	-	223,586,080	192,020,631
Total	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
Previous year	1,833,502,489	13,975,212	(162,699)	1,847,640,400	12,091,668	11,964,393	-	24,056,061	1,823,584,339	1,821,410,821

Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

	Gross Block		Depreciation/Amortisation	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
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 2013 is ₹ **1,088,716,241** (previous year ₹ 248,878,839). 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 2013		For the year ended 31st March 2012	
	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	-	152,584,301	-	-
Others	-	14,900,208	-	-
Plant & Machinery	5,710,365	836,297,724	7,439,971	-
MGR Track and Signalling system	-	33,714,503	-	-
Electrical Installation	-	51,107,848	-	-
Others including pending allocation	-	111,657	-	248,878,839
	5,710,365	1,088,716,241	7,439,971	248,878,839

INTANGIBLE ASSETS

	Gross Block				Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Software	1,035,896	-	13,688	1,022,208	562,332	311,795	13,688	860,439	161,769	473,564
Total	1,035,896	-	13,688	1,022,208	562,332	311,795	13,688	860,439	161,769	473,564
Previous year	1,018,782	17,114	-	1,035,896	228,086	334,246	-	562,332	473,564	790,696

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

31.03.2013	31.03.2012
7,947,943	12,297,398
8,116,138	12,298,639

NOTE NO. 11 CAPITAL WORK-IN-PROGRESS

Amount in ₹

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2013
Development of land	256,071,988	114,290,749	-	-	**370,362,737**
Roads, bridges, culverts & helipads	135,969	20,356	-	-	**156,325**
Buildings :					
Main plant	628,900,225	1,699,926,959	749,637	-	**2,328,077,547**
Others	127,984,316	193,665,651	57,368,175	46,215,451	**218,066,341**
Temporary erection	1,471,160	391,608	-	-	**1,862,768**
Water supply, drainage and sewerage system	97,537	738,907	-	-	**836,444**
MGR track and signalling system	204,172,787	244,852,441	-	-	**449,025,228**
Plant and equipment	2,795,279,388	10,496,190,237	(58,117,812)	-	**13,349,587,437**
Furniture and fixture	-	681,622	-	681,622	**-**
EDP/WP machines & satcom equipment	-	936,987	-	-	**936,987**
Electrical installations	275,714,052	438,755,405	-	-	**714,469,457**
Capital expenditure on assets not owned by the company	46,605,449	4,110,000	-	31,565,449	**19,150,000**
Sub total	4,33,64,32,871	13,194,560,922	-	78,462,522	**17,452,531,271**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	785,746,251	-	(67,062,398)	-	**852,808,649**
Expenditure during construction period (net)	946,558,105	1,368,600,424*	67,062,398	-	**2,248,096,131**
Less Allocated to related works	-	(2,248,096,131)	-	-	**(2,248,096,131)**
	6,068,737,227	12,315,065,215	-	78,462,522	**18,305,339,920**
Construction stores	2,400,918,446	758,880,404	-	-	**3,159,798,850**
Total	8,469,655,673	13,073,945,619	-	78,462,522	**21,465,138,770**
Previous year	2,327,535,007	6,142,120,666	-	-	8,469,655,673

* Brought from expenditure during construction period (net) - Note 21

NOTE NO. 12 OTHER NON CURRENT ASSETS

Amount in ₹

As at	31.03.2013	31.03.2012
Deffered foreign currency fluctuation asset *	**21,996,078**	16,380,060
	21,996,078	16,380,060

* In line with accounting policy No.E.5 disclosed in Note 1, deferred foreign currency fluctuation asset to the extent of ₹ **21,996,078** (previous year ₹16,380,060) has been made.

NOTE NO. 13 LONG TERM LOANS AND ADVANCES
(Considered good, unless otherwise stated)

Amount in ₹

As at	31.03.2013	31.03.2012
CAPITAL ADVANCES		
Secured	**-**	-
Unsecured		
Covered by bank guarantee	**1,729,277,183**	2,897,842,001
Others	**759,977,090**	633,027,934
	2,489,254,273	3,530,869,935
SECURITY DEPOSITS (Unsecured)	**7,851,200**	7,851,200
Total	**2,497,105,473**	3,538,721,135

NOTE NO. 14 CASH & BANK BALANCES

Amount in ₹

As at	31.03.2013	31.03.2012
Cash & cash equivalents		
Balances with banks		
- Current accounts	**146,487,542**	27,836,646
- Deposits with original maturity upto three months	**-**	950,000,000
Total	**146,487,542**	977,836,646

NOTE NO. 15 SHORT-TERM LOANS AND ADVANCES
(Considered good, unless otherwise stated)

Amount in ₹

As at	31.03.2013	31.03.2012
ADVANCES		
Employees		
Unsecured	**24,432**	40,170
Contractors & Suppliers, including material issued on loan		
Unsecured	**65,500**	-
Total	**89,932**	40,170

NOTE NO. 16 OTHER CURRENT ASSETS

Amount in ₹

As at	31.03.2013	31.03.2012
Interest accrued on : Short Term deposits	**-**	1,163,701
Other Recoverable *	**2,864,420**	988,638
Total	**2,864,420**	2,152,339

* Other recoverable includes service provided to the other company and Interest on STDR.

NOTE NO. 17 OTHER INCOME

Amount in ₹

For the period ended	31.03.2013	31.03.2012
Interest from-Contractors	**40,039,152**	34,944,144
Other non-operating income		
Miscellaneous income	**4,864,183**	1,537,999
	44,903,335	36,482,143
Less: Transferred to expenditure during construction period (net) - Note 21	**44,903,335**	36,482,143
Total	**-**	-

a) Miscellaneous income includes income from LD, Recoveries from Contractor, Hire Charges etc.

NOTE NO. 18 EMPLOYEE BENEFITS EXPENSE

Amount in ₹

For the period ended	31.03.2013	31.03.2012
Salaries and wages	**174,778,217**	118,914,798
Contribution to provident and other funds	**9,302,869**	9,454,449
Staff welfare expenses	**13,068,687**	9,854,842
	197,149,773	138,224,089
Less: Transferred to expenditure during construction period (net) - Note 21	**197,149,773**	138,224,089
Total	**-**	-

a) Employee benefit include ₹49,592,617/- (Previous Year: ₹6,420,074/-) debited by NTPC Ltd towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the holding company i.e. NTPC Ltd.

b) All the employees of the company are on secondment posting from the holding company. i.e. NTPC Ltd. except one employee on deputation from Ministry of Railways. Salaries paid to Employees on secondment and other benefits to them have been entered into the Books of Company on the basis of transfer entries made by NTPC in this regard.

NOTE NO. 19 FINANCE COSTS Amount in ₹

For the period ended	31.03.2013	31.03.2012
Interest on		
Rupee term loans	**1,127,193,202**	313,415,024
Less: Interest from Short Term Deposit	**39,540,259**	64,536,185
	1,087,652,943	248,878,839
Other borrowing costs		
Commitment Charges	**1,063,298**	-
	1,088,716,241	248,878,839
Less: Transferred to expenditure during construction period (net) - Note 21	**1,088,716,241**	248,878,839
Total	**-**	-

NOTE NO. 20 ADMINISTRATION & OTHER EXPENSES Amount in ₹

For the period ended		31.03.2013	31.03.2012
Power charges	**39,496,217**		16,561,298
Less: Recovered from contractors & employees	25,298		64,700
		39,470,919	16,496,598
Rent	**1,094,450**		1,791,654
Less: Recoveries	**53,071**		324,449
		1,041,379	1,467,205
Repairs & maintenance			
Buildings & others		**10,420,061**	5,224,644
Insurance		**13,504**	269,122
License Fee		**75,000**	100,000
Training & recruitment expenses		**1,643,171**	143,178
Postage & Telegram/ courier		**256,459**	34,004
Communication expenses		**4,377,125**	5,489,940
Travelling expenses		**8,742,407**	9,983,005
Tender expenses	**1,119,945**		2,112,291
Less: Receipt from sale of tender documents	**18,000**		54,500
		1,101,945	2,057,791
Payment to auditors (refer details below) *		**114,270**	123,059
Advertisement and publicity		**1,281,538**	81,245
Security expenses		**7,790,529**	6,523,053
Entertainment expenses		**1,195,498**	1,968,810
Expenses for guest house	**591,699**		1,360,467
Less: Recoveries	**7,940**		2,860
		583,759	1,357,607
Community development and welfare expenses		**3,994,586**	1,724,752
Books and periodicals		**69,471**	36,485
Professional charges and consultancy fees		**10,675,760**	68,717,084
Legal expenses		**2,609,909**	1,877,547
EDP hire and other charges		**465,127**	212,797
Printing and stationery		**1,178,464**	559,615
Hire charge of vehicles		**11,208,115**	6,330,915

NOTE NO. 20 ADMINISTRATION & OTHER EXPENSES Amount in ₹

For the period ended	31.03.2013	31.03.2012
Hire charge of construction Equipment	**33,000**	11,000
DG Set operating expenses	**3,528,475**	9,793,298
Furnishing expenses	**116,321**	4,420
Hiring Charge- Office Equipment	**270,500**	33,887
Horticulture expenses	**24,620**	16,451
Bank charges	**7,848,757**	2,479,524
Net loss in foreign currency transactions & translations	**5,616,018**	16,380,060
Miscellaneous expenses	**1,034,111**	1,149,626
	126,780,798	160,646,722
Less: Transferred to deferred foreign currency fluctuation asset/liability	**5,616,018**	16,380,060
Transferred to expenditure during construction period (net) - Note 21	**119,521,609**	144,123,484
Total	**1,643,171**	143,178

* Details in respect of payment to auditors:			
As auditor - Audit fee	**80,000**		40,000
In other Capacity -Other services (certification fees)	**25,000**		-
Reimbursement of expenses	**-**		78,115
Reimbursement of service tax	9,270		4,944
	114,270	**114,270**	123,059

NOTE NO. 21 EXPENDITURE DURING CONSTRUCTION PERIOD (NET) Amount in ₹

For the period ended		31.03.2013	31.03.2012
A. Employee benefits expense			
Salaries and wages		**174,778,217**	118,914,798
Contribution to provident and other funds		**9,302,869**	9,454,449
Staff welfare expenses		**13,068,687**	9,854,842
Total (A)		**197,149,773**	138,224,089
B. Finance costs			
Interest on Rupee Term Loan		**1,087,652,943**	248,878,839
Other Borrowing costs - Commitment Charge		**1,063,298**	-
Total (B)		**1,088,716,241**	248,878,839
C. Depreciation and amortisation		**8,116,136**	12,297,398
D. Administration and other expenses			
Power charges	**39,496,217**		16,561,298
Less: Recovered from contractors & employees	**25,298**		64,700
		39,470,919	16,496,598
Rent		**1,041,379**	1,467,205
Repairs & maintenance			
Buildings & Others		**10,420,061**	5,224,644
Insurance		**13,504**	269,122
License Fee		**75,000**	100,000
Postage & Telegram/ Courier		**256,459**	34,004
Communication expenses		**4,377,125**	5,489,940
Travelling expenses		**8,742,407**	9,983,005
Tender expenses	**1,119,945**		2,112,291
Less: Receipt from sale of tender documents	**18,000**		54,500
		1,101,945	2,057,791
Payment to Auditors		**114,270**	123,059
Advertisement and publicity		**1,281,538**	81,245
Security expenses		**7,790,529**	6,523,053

NOTE NO. 21 EXPENDITURE DURING CONSTRUCTION PERIOD (NET) Amount in ₹

For the period ended	31.03.2013	31.03.2012
Entertainment expenses	1,195,498	1,968,810
Expenses for Guest house	583,759	1,357,607
Community development and welfare expenses	3,994,586	1,724,752
Books and periodicals	69,471	36,485
Professional charges and consultancy fee	10,675,760	68,717,084
Legal expenses	2,609,909	1,877,547
EDP Hire and other charges	465,127	212,797
Printing and stationery	1,178,464	559,615
Hire Charges of Vehicle	11,208,115	6,330,915
Hire charge of construction Equipment	33,000	11,000
DG Set operating expenses	3,528,475	9,793,298
Furnishing expenses	116,321	4,420
Hiring Charge- Office Equipment	270,500	33,887
Horticulture Expenses	24,620	16,451
Bank Charges	7,848,757	2,479,524
Miscellaneous expenses	1,034,111	1,149,626
Total (D)	**119,521,609**	144,123,484
Total (A+B+C+D)	**1,413,503,759**	543,523,810
E. Less: Other income		
Interest from contractors	40,039,152	34,944,144
Miscellaneous income	4,864,183	1,537,999
Total (E)	**44,903,335**	36,482,143
Grand total (A+B+C+D-E)	**1,368,600,424** *	507,041,667

* 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 ₹ **1,088,716,241** (previous year ₹ 248,878,839)

26 **Disclosure as per Accounting Standard - 19 on 'Leases'**

Expenses on operating leases of the premises for residential use of the employees amounting to ₹ **7,528,156** (previous year: ₹ 6,796,934) are included in "Rent Lease Accommodation". Similarly, lease payments in respect of premises for office/transit accommodation are shown as Rent ₹ **1,094,450** (Previous year ₹ 1,791,654) in Note-20 "Administration and other expenses".

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 - ₹	**(1,643,171)**	(143,178)
Weighted average number of equity shares used as denominator for Basic EPS	**6,884,600,000**	532,115,000
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 ₹	
		31.03.2013	31.03.2012
Sundry creditors/deposits and retention monies	USD	-	-
	EURO	**824,829,460**	720,339,448
Unexecuted amount of contracts remaining to be executed	USD	**71,886,031**	67,591,982
	EURO	**5,033,042,114**	6,216,656,688

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) Claims against the Company not acknowledged as debts is ₹ **4,693,120** (Previous year: Nil) towards lease rent of office and residential premises at Dalmianagar.

b) Demand notice received from the commercial tax office, Aurangabad, Bihar for ₹ **1,405,404,683** (Previous Year: Nil) on account of penalty and interest under Bihar Entry Tax Act for the FY 2010-11, 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 which is subjudice.

31 **Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2013 is ₹ **29,752,263,794/-** (previous year ₹ 38,108,971,275).

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				
Professional and consultancy fee			Nil	Nil
Interest			Nil	Nil
Others			18,120	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)	(B. P. Singh)
Chief Executive Officer	Director	Chairman

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

Maneet Pal Pasricha
For I. P. Pasricha & Co.
Chartered Accountants
Firm Reg. No. 000120N
M.No. 516612

Place : New Delhi
Dated : 7th May 2013

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 **M/s BHARTIYA RAIL BIJLEE COMPANY LIMITED,** which comprise the balance sheet as at **31 March 2013**, and the statement of the profit and loss and the cash flow statement for the year then ended, and a summary of the 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 the fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including 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 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 Institute of Chartered Accountant of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

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 assessment of 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Opinion

In our opinion and best to our information and according to the explanations given to us, the financial statements give the information required by Act in the manner so require 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 the affairs of the company as at 31 March 2013

b. In case of the statement of the profit and loss, of the loss for the year ended on that date, and

c. In case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and the 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 the Annexure a statement on the, manners specified in the 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 give to the best of our knowledge 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. This Clause is not applicable as BHARTIYA RAIL BIJLEE COMPANY LIMITED has no Branch.

   d. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of accounts.

   e. 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 section211 of Companies Act, 1956.

   f. On the basis of the written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of the clause(g) of sub section(1) of section 274 of the Companies Act, 1956.

For I.P. Pasricha & Co.
Chartered Accountants
FRN No. 000120N

CA Maneet Pal Singh
Partner
M.No. 516612

Place : New Delhi
Date : 7th May 2013

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re:

i. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   Fixed assets have not been physically verified by the management during the year as per the regular policy of the holding company i.e. NTPC Ltd.

   In our opinion and according to the information and explanation given to us, there was no disposal of a substantial part of the fixed assets during the year.

ii. 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.

iii. 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 ₹ 83 crores as on March 31st, 2013 against which no share have been allotted by company so far.

iv. 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.

v. 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.

vi. 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.

vii. The company has no internal audit system. However, Internal Audit is being conducted by the Jai Prakash Vaibhav & Associates.

viii. 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.

ix. 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, 2013.

   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 2010-11 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.

x. The company has accumulated losses ₹ 69,05,337 (including current years' loss) at the end of the financial year. Company has incurred ₹ 16,43,171 cash loss in the current financial year. The net worth of the company is ₹ 7,70,77,33,663 and accumulated loss is 0.00089% of net worth.

xi. 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 a financial institution and bank.

xii. 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.

xiii. 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 (as amended) are not applicable to the company.

xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.

xv. According to the information and the explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.

xvi. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

xvii. According to the information and the 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. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under sec 301 of the companies Act,1956.

xix. This clause is not applicable to the company as the company does not have any secured/ unsecured bonds or debentures.

xx. This clause is not applicable to the company as company has not made any private placement / right issue / public issue.

xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and the explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For I.P. Pasricha & Co.
Chartered Accountants
FRN No. 000120N

CA Maneet Pal Singh
Partner
M.No. 516612

Place : New Delhi
Date : 7th May 2013

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, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2013.

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited, New Delhi, for the year ended 31 March 2013 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 07 May 2013 and corrigendum dated 11 June 2013.

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, New Delhi for the year ended 31 March 2013. 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

(Brij Mohan)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place : New Delhi
Dated : 13th June 2013

CONSOLIDATED BALANCE SHEET AS AT

₹ Crore

Particulars	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**8,245.46**	8,245.46
Reserves and surplus	3	**72,995.49**	66,030.35
		81,240.95	74,275.81
Deferred revenue	4	**1,244.05**	1,430.06
Fly ash utilisation fund		**234.93**	126.98
Minority interest		**644.81**	595.59
Non-current liabilities			
Long-term borrowings	5	**64,587.72**	54,851.94
Deferred tax liabilities (net)	6	**1,080.72**	764.49
Other long term liabilities	7	**2,213.81**	1,791.57
Long-term provisions	8	**761.20**	623.49
		68,643.45	58,031.49
Current liabilities			
Short-term borrowings	5A	**382.16**	150.16
Trade payables	9	**5,888.67**	5,037.97
Other current liabilities	10	**13,142.54**	12,195.79
Short-term provisions	11	**7,289.02**	3,411.09
		26,702.39	20,795.01
TOTAL		**178,710.58**	155,254.94
ASSETS			
Non-current assets			
Goodwill on consolidation		**0.62**	0.62
Fixed assets			
Tangible assets	12	**71,578.34**	50,913.47
Intangible assets	12	**253.75**	217.40
Capital work-in-progress	13	**46,553.36**	50,396.99
Intangible assets under development	13	**1.28**	1.27
Non-current investments	14	**3,300.42**	4,922.88
Long-term loans and advances	15	**11,058.65**	6,216.05
Other non-current assets	15A	**1,145.49**	1,375.16
		133,891.91	114,043.84
Current assets			
Current investments	16	**1,622.46**	1,622.46
Inventories	17	**4,575.78**	4,177.91
Trade receivables	18	**6,096.64**	6,681.02
Cash and bank balances	19	**18,738.12**	18,087.39
Short-term loans and advances	20	**1,718.30**	1,676.66
Other current assets	21	**12,067.37**	8,965.66
		44,818.67	41,211.10
TOTAL		**178,710.58**	155,254.94

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

(A.K.Singhal)
Director (Finance)

(Arup Roy Choudhury)
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

(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

(Monika Agrawal)
Partner
M No. 093769

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Prabuddha Gupta)
Partner
M.No. 400189

Place : New Delhi
Dated : 10th May 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

₹ Crore

Particulars	Note	31.03.2013	31.03.2012
Revenue from operations (gross)	22	**69,948.38**	66,365.89
Less: Electricity duty / Excise duty		**571.56**	472.64
Revenue from operations (net)		**69,376.82**	65,893.25
Other income	23	**3,163.97**	2,949.23
Total revenue		**72,540.79**	68,842.48
Expenses			
Fuel		**42,827.77**	43,302.66
Electricity purchased		**15.33**	9.09
Employee benefits expense	24	**3,551.38**	3,260.96
Cost of material and services		**312.24**	325.18
Finance costs	25	**2,480.54**	2,134.72
Depreciation and amortisation expense	12	**3,823.22**	3,107.09
Generation, administration & other expenses	26	**4,521.43**	3,881.58
Prior period items (net)	27	**(33.78)**	(316.06)
Total expenses		**57,498.13**	55,705.22
Profit before tax and exceptional items		**15,042.66**	13,137.26
Exceptional items	33	**1,568.29**	-
Profit before tax		**16,610.95**	13,137.26
Tax expense			
Current tax			
Current year		**3,905.82**	3106.33
Earlier years		**(162.01)**	154.84
Deferred tax			
Current year		**316.23**	386.63
Earlier years		**-**	(293.90)
Less : MAT credit recoverable		**35.31**	31.30
Total tax expense		**4,024.73**	3,322.60
Profit after tax		**12,586.22**	9,814.66
Less: Share of Profit /(loss)-Minority interest		**(4.56)**	1.87
Group profit after tax		**12,590.78**	9,812.79
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value of ₹ 10/- each)	45		
Basic		**15.27**	11.90
Diluted		**15.27**	11.90

The accompanying notes form an integral part of these financial statements.

There are no extraordinary items in the above periods.

Total Revenue includes ₹ **3,653.98 crore** (previous year ₹ 3,662.27 crore) share of jointly controlled entities.

Total Expenditure includes ₹ **3,492.62 crore** (previous year ₹ 3,025.57 crore) share of jointly controlled entities.

The profit after tax is inclusive of ₹ **75.35 crore** (previous year ₹ 476.88 crore) towards share of jointly controlled entities.

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(A.K.Singhal) Director (Finance)	(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	(Monika Agrawal) Partner M No. 093769	(Prabuddha Gupta) Partner M.No. 400189

Place : New Delhi
Dated : 10th May 2013

CASH FLOW STATEMENT

₹ Crore

For the Year ended March 31,		2013	2013	2012
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before tax		**16,610.95**	13,137.26
	Adjustment for:			
	Depreciation/Amortisation	**3,823.22**		3,107.09
	Prior period depreciation/amortisation	**3.93**		(0.43)
	Provisions	**209.22**		75.83
	Deferred revenue on account of advance against depreciation	**(9.87)**		(73.58)
	Deferred Foreign Currency Fluctuation Asset/Liability	**238.75**		(876.83)
	Deferred Income from foreign currency fluctuation	**79.56**		792.00
	Interest charges	**2,457.80**		2,103.98
	Guarantee Fee & other Finance charges	**22.74**		30.74
	Interest/Income on term deposit/bonds/Investment	**(2,475.64)**		(2,381.51)
	Dividend Income	**(217.79)**		(151.71)
	Provisions Written Back	**(845.42)**		(317.32)
			3,286.50	2,308.26
	Operating Profit before Working Capital Changes		**19,897.45**	15,445.52
	Adjustment for:			
	Trade receivables	**1,417.14**		(3,400.03)
	Inventories	**(186.21)**		(96.95)
	Trade payables, provisions and other liabilities	**1,778.39**		858.96
	Loans & Advances and other current assets	**(3,419.45)**		(198.84)
			(410.13)	(2,836.86)
	Cash generated from operations		**19,487.32**	12,608.66
	Direct Taxes Paid		**(2,979.54)**	(1,211.70)
	Net Cash from Operating Activities - A		**16,507.79**	11,396.96
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets	**(20,405.74)**		(13,149.72)
	Purchase of Investments	**(17,955.00)**		(23,630.00)
	Sale of Investments	**19,583.83**		25,433.87
	Interest/income on term deposits/bonds/investments received	**2,474.48**		2,301.30
	Income tax paid on interest income	**(760.53)**		(690.09)
	Dividend received	**217.79**		151.71
	Net cash used in Investing Activities - B		**(16,845.17)**	(9,582.93)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings	**14,381.51**		10,712.62
	Repayment of long term borrowings	**(4,603.31)**		(3,651.79)
	Proceeds from short term borrowings	**232.00**		110.76
	Grant Received/Ash utilisation reserve etc.	**162.85**		189.24
	Interest paid	**(4,922.38)**		(4,721.80)
	Guarantee fee & other finance charges paid	**(139.40)**		(98.68)
	Dividend paid	**(3,550.10)**		(3,550.10)
	Tax on dividend	**(573.06)**		(573.06)
	Net Cash flow from Financing Activities - C		**988.11**	(1,582.81)
	Net Increase/Decrease in Cash and Cash equivalents (A+B+C)		**650.73**	231.22
	Cash and cash equivalents at the beginning of the year (see Note 1 below)		**18,087.39**	17,856.17
	Cash and cash equivalents at the end of the year (see Note 1 below)		**18,738.12**	18,087.39

NOTES

1 Cash and cash equivalents consists of Cash 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:

	2013	2012
Cash and cash equivalents	**553.54**	1,090.53
Demand deposits included in other bank balances	**18,110.68**	16,919.18
Other bank balances*	**73.90**	77.68
Cash and cash equivalents as restated (Note-19-Cash and bank balances)	**18,738.12**	18,087.39
* Amounts which are not available for use towards:		
1) Unclaimed dividend	**15.67**	11.49
2) Out of Margin money kept with RBI earmarked for fixed deposits from public	**1.77**	1.77
3) Deposited as security with Governement and other authorities	**0.01**	8.71
4) Margin money with banks	**56.45**	55.71
	73.90	77.68

2. The net profit before tax is after considering the exceptional items of ₹ **1,568.29 crore** (previous year Nil). Refer Note 33 for details.
3. Previous year 's figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(A.K.Singhal) Director (Finance)	(Arup Roy Choudhury) Chairman & Managing Director

This is the 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
(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	(Monika Agrawal) Partner M No. 093769	(Prabuddha Gupta) Partner M.No. 400189

Place : New Delhi
Dated : 10th May 2013

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

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, the relevant provisions of the Companies Act, 1956 including accounting standards notified there under 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.
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 liability 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 these are 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 is written off in the year when determined to be dry/abandoned.
4. All wells under 'Exploratory Wells-in-Progress' which are more than two years old from the date of completion of drilling are charged to statement of profit and loss, except those wells which have proven reserves and the development of the fields in which the wells are located has been planned.

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.

I. 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.

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. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
6. 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.
7. 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.
8. Scrap other than steel scrap is accounted for as and when sold.
9. 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. - 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	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/disposal.
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. However, similar expenditure for community development is charged off to revenue.
11. Leasehold land and buildings relating to generation of electricity business are fully amortised over 25 years or lease period 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

1. Defined contribution plan

Company's contributions 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 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

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.

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.1 or M.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 are 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. An 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'.

Notes forming part of Consolidated Financial Statements

2. Share capital

₹ Crore

As at	31.03.2013	31.03.2012
Equity share capital		
Authorised		
10,00,00,00,000 shares of par value of ₹10/- each (previous year 10,00,00,00,000 shares of par value of ₹10/- each)	**10,000.00**	10,000.00
Issued, subscribed and fully paid-up		
8,24,54,64,400 shares of par value of ₹10/- each (previous year 8,24,54,64,400 shares of par value of ₹10/- each)	**8,245.46**	8,245.46

3. Reserves and surplus

₹ Crore

As at	31.03.2013	31.03.2012
Capital reserve		
As per last financial statements	**391.33**	362.82
Add : Transfer from surplus	**0.97**	0.44
Add : Grants received during the year	**41.24**	76.98
Less : Adjustments during the year	**24.57**	48.91
Closing balance	**408.97**	391.33
Securities premium account	**2,228.11**	2,228.11
Foreign currency translation reserve	**(0.41)**	(0.83)
Debt service reserve		
As per last financial statements	**-**	-
Add : Transfer from surplus	**81.84**	-
Closing balance	**81.84**	-
Bonds redemption reserve		
As per last financial statements	**2,389.04**	2,231.66
Add : Transfer from surplus	**492.79**	482.38
Less : Transfer to surplus	**346.50**	325.00
Closing balance	**2,535.33**	2,389.04
General reserve		
As per last financial statements	**60,390.00**	55,087.18
Add : Transfer from surplus	**6,643.18**	5,348.20
Less: Adjustments during the year	**36.46**	45.38
Closing balance	**66,996.72**	60,390.00
Surplus		
As per last financial statements	**632.70**	229.33
Add : Profit for the year from Statement of Profit & Loss	**12,590.78**	9,812.79
Write back from bond redemption reserve	**346.50**	325.00
Less : Transfer to bond redemption reserve	**492.79**	482.38
Transfer to capital reserve	**0.97**	0.44
Transfer to debt service reserve	**81.84**	-
Transfer to general reserve	**6,643.18**	5,348.20
Dividend paid	**3,094.07**	2,887.92
Tax on dividend paid	**501.94**	465.41
Proposed dividend	**1,718.27**	473.29
Tax on proposed dividend	**291.99**	76.78
Net surplus	**744.93**	632.70
Total #	**72,995.49**	66,030.35

Includes ₹ **475.25 crore** (previous year ₹ 511.66 crore) share of jointly controlled entities.

4. Deferred revenue

₹ Crore

As at	31.03.2013	31.03.2012
On account of advance against depreciation	**708.60**	718.47
On account of income from foreign currency fluctuation	**535.45**	711.59
Total #	**1,244.05**	1,430.06

Includes ₹ **Nil** (previous year ₹ Nil) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

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 shareholder's funds and liabilities.

b) In line with significant accounting policy no. L.2 (Note 1) and the revised CERC order for 2004-09, an amount of ₹ **9.87 crore** (previous year ₹ 34.39 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 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. The amount does not constitute a liability to be discharged in future periods and hence has been disclosed separately from shareholder's funds and liabilities.

5. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
Bonds		
Secured		
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)[VIII]	**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
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) [VIII]	**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% 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) [VIII]	**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) [VIII]	**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

Notes forming part of Consolidated Financial Statements

₹ Crore

As at	31.03.2013	31.03.2012
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 Decemeber 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	**357.00**	428.50
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	**357.00**	428.50
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	**350.00**	400.00
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	**350.00**	400.00
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	**350.00**	400.00
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	**600.00**	700.00

Notes forming part of Consolidated Financial Statements

₹ Crore

As at	31.03.2013	31.03.2012
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]	**250.00**	300.00
5.95% 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 6th year and in annual installments thereafter upto the end of 10th year respectively from 15th September 2003 (Eighteenth issue - private placement) [VII]	**-**	100.00
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) [IX]	**300.00**	375.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each redeemable at par in ten equal annual instalments 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) [IX]	**300.00**	375.00
Unsecured*		
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)	**300.00**	-
	9,704.00	**9,057.00**
Foreign currency notes		
Unsecured		
4.75 % Fixed rate notes due for repayment on 3rd October 2022	**2,745.50**	-
5.625 % Fixed rate notes due for repayment on 14th July 2021	**2,745.50**	2,581.50
5.875 % Fixed rate notes due for repayment on 2nd March 2016	**1,647.30**	1,548.90
Term Loans		
From banks		
Secured		
Rupee loans [X]	**2,986.65**	2,517.84
Unsecured		
Foreign currency loans	**4,766.70**	3,927.15
Rupee loans	**13,919.18**	9,503.36
From Others		
Secured		
Foreign currency loan (guaranteed by GOI)	**-**	99.09
Rupee loans[X]	**8,313.13**	6,385.94
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,604.09**	2,999.49
Other foreign currency loans	**1,864.55**	1,872.51
Rupee loans	**13,090.55**	14,358.43
Deposits		
Unsecured		
Fixed deposits	**0.52**	0.47
Others		
Unsecured		
Bonds application money pending allottment**	**200.00**	-
Long term maturities of finance lease obligations (Secured) [XI]	**0.05**	0.26
Total #	**64,587.72**	54,851.94

\# Includes ₹ **8,651.80 crore** (previous year ₹ 7,932.53 crore) share of jointly controlled entities.

* Formalities for creation of security as per terms of bond issue are in progress.

** Bond application money received in respect of 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 nineth issue-private placement).

Notes forming part of Consolidated Financial Statements

a) **Details of terms of repayment and rate of interest** ₹ Crore

Particulars	Non current portion		Current portion	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Term loans				
Secured				
Rupee loans - Banks	**2,986.65**	2,517.84	**192.87**	168.70
Rupee loans - Others	**8,313.13**	6,385.94	**357.82**	256.63
Foreign currency loan (guaranteed by GOI) - Others	**-**	99.09	**96.44**	186.38
	11,299.78	9,002.87	**647.13**	611.71
Unsecured				
Foreign currency loans (guaranteed by GOI) - Others	**2,604.09**	2,999.49	**171.73**	183.64
Foreign currency loans - Banks	**4,766.70**	3,927.15	**233.59**	219.64
Other foreign currency loans - Others	**1,864.55**	1,872.51	**576.19**	646.04
Rupee loans - Banks	**13,919.18**	9,503.36	**1,759.13**	1,695.35
Rupee loans - Others	**13,090.55**	14,358.43	**1,367.73**	740.33
	36,245.07	32,660.94	**4,108.37**	3,485.00
Fixed deposits (unsecured)	**0.52**	0.47	**0.11**	11.79

i) Secured rupee term loan from banks carry interest linked to SBI base rate or fixed interest rate ranging from 8% to 12% 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 or fixed interest rate ranging from 8% to 12.25% 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.

iii) Secured foreign currency loan (guaranteed by GOI) carries floating rate of interest linked to Currency Weighted LIBOR and is repayable on 15th June 2013.

iv) 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 27 to 36 semiannual instalments as of 31st March 2013.

v) Unsecured foreign currency loans – Banks include loans of ₹ **591.81 crore** (previous year ₹ 635.95 crore) which carry fixed rate of interest of 4.31% p.a. and loans of ₹ **4,408.48 Crore** (previous year ₹ 3,510.84 Crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 26 semiannual instalments as of 31st March 2013, commencing after moratorium period if any, as per the terms of the respective loan agreements.

vi) Unsecured foreign currency loans – Others include loans of ₹ **1,071.57 crore** (previous year ₹ 654.40 crore) which carry fixed rate of interest ranging from 3.50% p.a. to 4.31% p.a., loans of ₹ **1,277.60** crore (previous year ₹ 1,675.48 crore) which carry floating rate of interest linked to 6M LIBOR / 6M EURIBOR and a loan of ₹ **91.57 crore** (previous year ₹ 188.67 crore) which carries floating rate of interest linked to the cost of borrowings of the Multilateral Agency lender. These loans are repayable in 2 to 24 semiannual installments as of 31st March 2013, commencing after moratorium period if any, as per the terms of the respective loan agreements.

vii) Unsecured rupee term loans carry interest ranging from 5.707 % to 12.75 % 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 five to fifteen years after a moratorium period of six months to five years.

viii) Unsecured fixed deposits carry interest @ 6.75% to 8.00% p.a. payable quarterly/monthly for non-cumulative schemes and on maturity in case of cumulative schemes compounded quarterly. The deposits are repayable during a period of one to three years from the date of issue.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four years.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

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, Loharinag Pala Hydro Power Project 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.

Notes forming part of Consolidated Financial Statements

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-pasu 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) 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, Loharinag Pala Hydro Power Project 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 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) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

IX 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, Loharinag Pala Hydro Power Project 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.

X (i) Secured by all moveable & immoveable, present and future assets belonging to Joint Venture entity at Vallur.

(ii) 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.

(iii) 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.

(iv) 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 receivable of the project except for specified receivables on which first charges 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 all 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 is as a owner seized and possessed of and otherwise well and fully entitled to both present and future assets.

(v) Secured by English 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.

(vi) 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.

(vii) Secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land 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 favour of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favour of security trustee is pending.

(viii) 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.

(ix) 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.

(x) Secured by first charge on all movable and immovable, present and future assets of the NTPC Tamilnadu Energy Company Ltd.

XI Secured against fixed assets obtained under finance lease.

XII Security cover mentioned at sl. no. I to X is above 100% of the debt securities outstanding.

Notes forming part of Consolidated Financial Statements

5A. Short term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
Loans repayable on demand		
From Banks		
Secured		
Cash Credit	**382.16**	150.16
Total #	**382.16**	150.16

\# Includes ₹ **347.12 crore** (previous year ₹ 109.94 crore) share of jointly controlled entities.

a) Includes cash credit fully secured against stock in trade of Kanti Bijlee Utpadan Nigam Ltd. with interest as per prevailing bank norms.

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. in favour of its working capital lending banks. Rate of interest is applicable at the bank base rate of the respective banks.

c) Includes Bank overdraft secured by charge on spare, present and future stock of coal and fuel at various places of NTPC Tamilnadu Energy Company Limited.

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 01.04.2012	Additions/ Adjustments during the year	**As at 31.03.2013**
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,201.99	317.90	**6,519.89**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	1,153.08	(363.44)	**789.64**
Disallowances u/s 43B of the Income Tax Act, 1961	329.82	4.31	**334.13**
	4,719.09	677.03	**5,396.12**
Less:-Recoverable from beneficiaries	3,954.60	360.80	**4,315.40**
Total #	764.49	316.23	**1,080.72**

\# Includes ₹ **183.23 crore** (previous year ₹ 126.15 crore) share of jointly controlled entities.

a) The net increase during the year in the deferred tax liability of ₹ **316.23 crore** (previous year ₹ 92.84 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	31.03.2013	31.03.2012
Trade payables	**6.83**	5.41
Deferred foreign currency fluctuation liability	**135.60**	134.43
Other liabilities		
Payable for capital expenditure	**2,066.54**	1,644.76
Others	**4.84**	6.97
Total #	**2,213.81**	1,791.57

\# Includes ₹ **21.36 crore** (previous year ₹ 4.46 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 ₹ **1.17 crore** (previous year ₹ 37.76 crore) has been made during the year.

b) Other liabilities - Others include deposits received from contractors, customers and parties towards sale of scrap etc.

8. Long-term provisions

₹ Crore

As at	31.3.2013	31.03.2012
Provision for employee benefits		
Opening balance	**613.85**	568.52
Additions/ (adjustments) during the year	**138.63**	45.33
Closing balance	**752.48**	613.85
Contractual obligations		
Opening balance	**9.64**	-
Additions during the year	**1.70**	9.78
Amounts adjusted during the year	**2.62**	0.14
Closing balance	**8.72**	9.64
Total #	**761.20**	623.49

\# Includes ₹ **21.26 crore** (previous year ₹ 19.79 crore) share of jointly controlled entities.
Disclosure required by AS 15 on 'Employees Benefits' has been made in Note no.40.

Notes forming part of Consolidated Financial Statements

9. Trade payables

₹ Crore

As at	31.03.2013	31.03.2012
For goods and services#	**5,888.67**	5,037.97

Includes ₹ **237.30 crore** (previous year ₹ 209.42 crore) share of jointly controlled entities.

10. Other current liabilities

₹ Crore

As at	31.03.2013	31.03.2012
Current maturities of long term borrowings		
Bonds-Secured	**693.00**	693.00
From Banks		
Secured		
Rupee term loans	**192.87**	168.70
Unsecured		
Other foreign currency loans	**233.59**	219.64
Rupee term loans	**1,759.13**	1,695.35
From Others		
Secured		
Rupee term loans	**357.82**	256.63
Foreign currency loan (guaranteed by GOI)	**96.44**	186.38
Unsecured		
Foreign currency loans (guaranteed by GOI)	**171.73**	183.64
Other foreign currency loans	**576.19**	646.04
Rupee term loans	**1367.73**	740.33
Fixed deposits	**0.11**	11.79
	5,448.61	4,801.50
Current maturities of finance lease obligations-secured	**0.29**	0.49
Interest accrued but not due on borrowings	**670.55**	533.02
Unpaid dividends	**15.67**	11.50
Unpaid matured deposits and interest accrued thereon	**0.20**	0.26
Unpaid matured bonds and interest accrued thereon	**0.59**	0.59
Book overdraft	**20.88**	3.64
Advances from customers and others	**424.50**	419.27
Payable for capital expenditure	**4,195.52**	4,400.06
Other payables		
Tax deducted at source and other statutory dues	**189.46**	169.34
Deposits from contractors and others	**1,264.91**	1,205.71
Gratuity obligations	**93.12**	60.16
Payable to employees	**468.81**	332.02
Others	**349.43**	258.23
Total #	**13,142.54**	12,195.79

Includes ₹ **1,490.20 crore** (previous year ₹ 1,453.54 crore) share of jointly controlled entities.

a) Unpaid dividends, matured deposits and bonds including the interest accrued thereon include the amounts which have not been claimed by the investor/holders of the equity shares/bonds/fixed deposits. Out of the above, no amount is due for payment to investor education and protection fund.

b) 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.

c) Other payables - Others include amount payable to hospitals, retired employees etc..

d) Payable for capital expenditure includes liabilities of ₹ **378.77 crore** (previous year ₹ 371.01 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.

Notes forming part of Consolidated Financial Statements

11. Short-term provisions

₹ Crore

As at	31.03.2013	31.03.2012
Provision for employee benefits		
Opening balance	**1,163.67**	1,183.28
Additions/ (adjustments) during the year	**266.16**	(19.61)
Closing balance	**1,429.83**	1,163.67
Provision for proposed dividend		
Opening balance	**473.29**	662.18
Additions during the year	**1,718.27**	473.29
Amounts used during the year	**473.29**	662.18
Closing balance	**1,718.27**	473.29
Provision for tax on proposed dividend		
Opening balance	**76.78**	107.65
Additions during the year	**291.99**	76.78
Amounts paid during the year	**76.78**	107.65
Closing balance	**291.99**	76.78
Provision for obligations incidental to land acquisition		
Opening balance	**376.97**	309.69
Additions during the year	**1,969.15**	138.46
Amounts paid during the year	**138.98**	25.58
Amounts adjusted during the year	**(21.58)**	45.60
Closing balance	**2,228.72**	376.97
Provision for tariff adjustment		
Opening balance	**1,228.39**	14.69
Additions during the year	**104.90**	1,526.45
Amounts reversed during the year	**-**	312.75
Closing balance	**1,333.29**	1,228.39
Provision for shortage in fixed assets pending investigation		
Opening balance	**1.31**	1.00
Additions during the year	**0.27**	0.74
Amounts adjusted during the year	**0.10**	0.07
Amounts reversed during the year	**0.39**	0.36
Closing balance	**1.09**	1.31
Others		
Opening balance	**90.68**	20.71
Additions during the year	**224.72**	43.60
Amounts adjusted during the year	**29.11**	(26.37)
Amounts reversed during the year	**0.46**	-
Closing balance	**285.83**	90.68
Total #	**7,289.02**	3,411.09

Includes ₹ **155.18 crore** (previous year ₹ 167.37 crore) share of jointly controlled entities.

a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note no.40.

b) In terms of guidelines of Department of Public Enterprises (DPE), Government of India (GOI) dated 26.11.2008 and 02.04.2009 and subsquent clarification issued by the DPE, the Company is allowed to contribute upto 30% of employees salary (basic pay plus DA) towards superannuation benefits including pension w.e.f. 1st January 2007. Consequent upon receipt of approval from the Ministry of Power (MoP), GOI for introduction of a defined contribution pension scheme in the Company w.e.f 1st January 2007, a separate pension trust has been formed for administration of the pension scheme. The pension scheme is yet to be made operational as clarification on certain issues referred to MoP and DPE are awaited. Pending this, an amount of ₹ **156.90 crore** (previous year ₹ 174.55 crore) for the year and ₹ **458.40 crore** up to 31st March 2013 (upto the previous year ₹ 301.50 crore) has been provided and included in provision for employee benefits.

c) Other provisions include ₹ **46.27 crore** (previous year ₹ 41.19 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 D (ii)] and ₹ **200.84 crore** (previous year ₹ 18.07 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 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Land :										
(including development expenses)										
Freehold	2,986.22	1,272.43	(944.99)	**5,203.64**	-	-	-	**-**	**5,203.64**	2,986.22
Leasehold	724.64	750.58	(53.91)	**1,529.13**	141.68	29.56	(2.62)	**173.86**	**1,355.27**	582.96
Roads,bridges, culverts & helipads	536.63	98.78	(2.86)	**638.27**	181.86	25.01	(0.02)	**206.89**	**431.38**	354.77
Building :										
Freehold										
Main plant	3,703.13	1,310.32	(73.86)	**5,087.31**	1,257.62	138.35	(0.71)	**1,396.68**	**3,690.63**	2,445.51
Others	2,371.04	257.39	(8.22)	**2,636.65**	884.71	105.20	(0.29)	**990.20**	**1,646.45**	1,486.33
Leasehold	50.96	-	(0.65)	**51.61**	24.74	3.00	-	**27.74**	**23.87**	26.22
Temporary erection	34.94	4.67	1.44	**38.17**	33.14	2.53	0.32	**35.35**	**2.82**	1.80
Water supply, drainage & sewerage system	642.92	43.91	(1.99)	**688.82**	298.25	23.80	(0.10)	**322.15**	**366.67**	344.67
MGR track and signalling system	1,267.97	24.84	(62.75)	**1,355.56**	593.15	42.72	(0.01)	**635.88**	**719.68**	674.82
Railway siding	433.53	56.60	(7.58)	**497.71**	157.47	22.31	0.05	**179.73**	**317.98**	276.06
Earth dam reservoir	298.22	38.17	(0.80)	**337.19**	95.38	16.45	(0.01)	**111.84**	**225.35**	202.84
Plant and equipment	73,680.28	18,544.47	(1,111.29)	**93,336.04**	32,939.30	3,811.87	96.46	**36,654.71**	**56,681.33**	40,740.98
Furniture and fixtures	405.97	40.87	2.82	**444.02**	238.19	18.88	2.22	**254.85**	**189.17**	167.78
Vehicles including speedboats										
Owned	12.19	0.73	1.31	**11.61**	6.02	0.73	0.67	**6.08**	**5.53**	6.17
Leased	2.07	0.02	(0.24)	**2.33**	1.43	0.56	(0.03)	**2.02**	**0.31**	0.64
Office equipment	143.94	22.94	2.79	**164.09**	72.96	9.36	3.11	**79.21**	**84.88**	70.98
EDP, WP machines and satcom equipment	375.19	41.52	14.09	**402.62**	260.01	28.13	12.67	**275.47**	**127.15**	115.18
Construction equipments	161.15	15.49	1.28	**175.36**	82.63	10.48	2.34	**90.77**	**84.59**	78.52
Electrical installations	336.76	76.27	(2.96)	**415.99**	153.08	13.56	0.21	**166.43**	**249.56**	183.68
Communication equipments	94.84	4.10	0.60	**98.34**	49.29	5.00	0.82	**53.47**	**44.87**	45.55
Hospital equipments	29.34	3.37	0.20	**32.51**	15.44	0.99	0.16	**16.27**	**16.24**	13.90
Laboratory and workshop equipments	41.65	11.27	(0.08)	**53.00**	13.26	2.01	(0.01)	**15.28**	**37.72**	28.39
Assets under 5 KM scheme of the GOI	-	0.53	-	**0.53**	-	0.01	-	**0.01**	**0.52**	-
Capital expenditure on assets not owned by the Company	219.61	5.46	(0.23)	**225.30**	140.11	12.78	0.32	**152.57**	**72.73**	79.50
Assets of Government	2.84	-	0.03	**2.81**	-	-	-	**-**	**2.81**	2.84
Less:Grants from Government	2.84	-	0.03	**2.81**	-	-	-	**-**	**2.81**	2.84
Total #	**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**
Previous year	78,907.62	7,734.38	(1,911.19)	88,553.19	34,255.47	3,450.96	66.71	37,639.72	50,913.47	44,652.15

Includes ₹ **8,270.35 crore** (previous year ₹ 5,449.53 crore) share of jointly controlled entities.

a) The conveyancing of the title to **12,211 acres** of freehold land of value ₹ **1788.36 crore** (previous year 10,860 acres of value ₹ 584.02 crore), buildings & structures of value ₹ **136.74 crore** (previous year ₹ 136.60 crore), and also execution of lease agreements for **10,703 acres** of land of value ₹ **476.70 crore** (previous year 9,494 acres, value ₹ 337.36 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **2,002 acres** valuing ₹ **642.07 crore** (previous year 819 acres valuing ₹ 29.67 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include cost of **1,181 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 **1,233 acres** of value ₹ **14.99 crore** (previous year 1,237 acres of value ₹ 14.90 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **152.48 crore** (previous year ₹ 124.77 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 free-hold 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 ₹ **6.20 crore** (previous year ₹ 6.18 crore) has been charged to the Statement of Profit and Loss.

h) 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 and loss as and when incurred. The Company has represented that

Notes forming part of Consolidated Financial Statements

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.

i) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the plant.

j) 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.

k) The borrowing costs capitalised during the year ended 31st March 2013 is ₹ **2,718.48 crore** (previous year ₹ 2,782.88 crore). 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/Adjsutment' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major fixed assets and CWIP through 'Addition' or 'Deductions/Adjustment' column are given below:

₹ Crore

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	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	**2.15**	**165.89**	26.94	70.23
Others	**0.18**	**33.92**	3.73	34.16
Hydraulic works, barrages, dams, tunnels and power channel	**-**	**194.24**	-	238.53
MGR track and signalling system	**-**	**12.82**	1.54	7.84
Railway siding	**0.03**	**18.42**	0.03	5.27
Plant and equipment	**655.55**	**1,906.36**	1,026.74	1,899.17
Others including pending allocation	**398.10**	**386.83**	602.23	527.68
Total	**1,056.01**	**2,718.48**	1,661.21	2,782.88

Intangible assets

₹ Crore

	Gross Block				Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 01.04.2012	For the year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Software	95.87	3.36	0.79	**98.44**	90.28	2.99	(0.23)	**93.50**	**4.94**	5.59
Right of Use - Land	7.79	41.17	(0.10)	**49.06**	2.51	2.38	-	**4.89**	**44.17**	5.28
- Others	222.58	-	(7.27)	**229.85**	16.05	9.16	-	**25.21**	**204.64**	206.53
Total #	**326.24**	**44.53**	**(6.58)**	**377.35**	**108.84**	**14.53**	**(0.23)**	**123.60**	**253.75**	**217.40**
Previous year	299.68	6.76	(19.80)	326.24	90.83	17.16	(0.85)	108.84	217.40	208.85

Includes ₹ **5.01 crore** (previous year ₹ 5.33 crore) share of jointly controlled entities.

a) The right of use of land, other than perpetual in nature, is amortised over its life or 25 years whicever is less.

b) Cost of acquisition of the right for drawl of water amounting to ₹ **226.33 crore** (previous year ₹ 219.06 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

	31.03.2013	31.03.2012
Charged to Statement of Profit and Loss	**3,823.22**	3,107.09
Allocated to the fuel cost	**216.33**	180.04
Transferred to expenditure during construction period (net) - Note 28	**41.37**	37.17
Transferred to development of coal mines	**1.20**	0.98
Adjustment with deffered income/expense from deferred foreign currency fluctuation	**255.70**	142.84
	4,337.82	3,468.12

Notes forming part of Consolidated Financial Statements

13. Capital work-in-progress

₹ Crore

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2013
Development of land	561.13	133.19	115.03	0.04	**579.25**
Roads, bridges, culverts & helipads	103.29	51.39	(32.74)	98.32	**89.10**
Piling and foundation	950.99	151.59	201.31	-	**901.27**
Buildings :					
Main plant	2,905.21	1,007.90	529.79	1,304.45	**2,078.87**
Others	594.68	474.38	70.18	263.47	**735.41**
Temporary erection	15.98	6.22	13.20	2.15	**6.85**
Water supply, drainage and sewerage system	75.42	28.74	0.25	39.48	**64.43**
Hydraulic works, barrages, dams, tunnels and power channel	3,452.97	645.23	2.10	-	**4,096.10**
MGR track and signalling system	219.57	221.36	99.04	24.84	**317.05**
Railway siding	219.42	126.15	(78.18)	56.60	**367.15**
Earth dam reservoir	73.56	14.40	2.09	35.34	**50.53**
Plant and machinery	36,546.18	12,078.86	(1,349.48)	18,342.31	**31,632.21**
Furniture and fixtures	5.82	18.53	0.04	12.32	**11.99**
Vehicles	0.18	-	(0.46)	-	**0.64**
Office equipment	4.95	0.82	2.24	0.21	**3.32**
EDP/WP machines & satcom equipment	0.22	2.21	(2.11)	0.23	**4.31**
Construction equipments	0.45	0.03	0.37	-	**0.11**
Electrical installations	208.86	86.08	88.13	54.30	**152.51**
Communication equipment	1.93	1.98	(0.15)	0.98	**3.08**
Hospital equipments	0.38	-	0.23	-	**0.15**
Laboratory and workshop equipments	1.46	-	1.30	-	**0.16**
Assets under 5 KM scheme of the GOI	2.24	48.67	(7.85)	0.53	**58.23**
Capital expenditure on assets not owned by the company	19.81	32.57	13.66	5.46	**33.26**
Exploratory wells-in-progress	7.66	-	0.02	-	**7.64**
Development of coal mines	279.74	96.42	(0.00)	-	**376.16**
	46,252.10	15,226.72	(331.99)	20,241.03	**41,569.78**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	317.79	41.11	23.35	-	**335.55**
Difference in exchange on foreign currency loans	628.68	795.23	572.55	-	**851.36**
Expenditure towards diversion of forest land	172.16	78.83	16.99	-	**234.00**
Pre-commisioning expenses (net)	257.13	371.64	528.38	-	**100.39**
Expenditure during construction period (net)	370.00	3,696.32*	(399.90)	-	**4,466.22**
Less: Allocated to related works	-	3,833.98	-	-	**3,833.98**
	47,997.86	16,375.87	409.38	20,241.03	**43,723.32**
Less: Provision for unserviceable works	22.45	-	(48.99)	-	**71.44**
Construction stores (net of provision)	2,421.58	-	(479.90)	-	**2,901.48**
Total #	50,396.99	16,375.87	(21.53)	20,241.03	**46,553.36**
Previous year	41,091.99	16,906.18	787.49	6,813.69	50,396.99

Includes ₹ **5,242.45 crore** (previous year ₹ 6,628.60 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 ₹ **0.63 crore** (previous year ₹ 1.28 crore)

b) Pre-commissioning expenses for the year amounting to ₹ **672.32 crore** (previous year ₹ 617.38 crore) and after adjustment of pre-commissioning sales of ₹ **300.68 crore** (previous year ₹ 307.02 crore) resulted in net pre-commissioning expenditure of ₹ **371.64 crore** (previous year ₹ 310.36 crore).

c) Additions to the development of coal mines includes expenditure during construction period of ₹ **96.42 crore** (previous year ₹ 84.69 crore)

d) **Assets under 5 KM scheme of the GOI:**

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 MOP Scheme.

	As at 01.04.2012	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2013
Intangible Assets under Development					
Software	1.27	0.05	0.04	-	**1.28**
Total #	1.27	0.05	0.04	-	**1.28**
Previous year	0.03	1.24	-	-	1.27

Includes ₹ **1.28 crore** (previous year ₹ 1.23 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

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) (₹)	31.03.2013	31.03.2012
Long term-Trade				
Equity Instruments (fully paid up-unless otherwise stated)				
Quoted				
Joint Venture Companies				
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	2521300 (3781950)	1000 (1000)	**252.13**	378.20
Assam	102928 (154392)	1000 (1000)	**10.29**	15.44
Bihar	3788800 (5683200)	1000 (1000)	**378.88**	568.32
Chattisgarh	966440 (1449660)	1000 (1000)	**96.64**	144.97
Gujarat	1674480 (2511720)	1000 (1000)	**167.45**	251.17
Haryana	2150000 (3225000)	1000 (1000)	**215.00**	322.50
Himachal Pradesh	66776 (100164)	1000 (1000)	**6.68**	10.02
Jammu and Kashmir	734720 (1102080)	1000 (1000)	**73.47**	110.21
Jharkhand	1920256 (2880376)	1000 (1000)	**192.03**	288.04
Kerala	2004800 (3007200)	1000 (1000)	**200.48**	300.72
Madhya Pradesh	1661680 (2492520)	1000 (1000)	**166.17**	249.25
Maharashtra	762800 (1144200)	1000 (1000)	**76.28**	114.42
Orissa	2205748 (3308622)	1000 (1000)	**220.57**	330.86
Punjab	692460 (1038690)	1000 (1000)	**69.25**	103.87
Rajasthan	435000 (435000)	1000 (1000)	**43.50**	43.50
Sikkim	68392 (102588)	1000 (1000)	**6.84**	10.26
Uttar Pradesh	7979800 (11969700)	1000 (1000)	**797.98**	1,196.97
Uttaranchal	799300 (1198950)	1000 (1000)	**79.93**	119.89
West Bengal	2348496 (3522744)	1000 (1000)	**234.85**	352.27
			3,288.42	4,910.88
Total #			**3,300.42**	4,922.88
Quoted investments				
Book value			**12.00**	12.00
Market value			**71.94**	73.32
Unquoted investments				
Book value			**3,288.42**	4,910.88

Investments have been valued considering the accounting policy no. J (Note1).

* Equity shares of ₹ **30,200/-** (previous year ₹ 30,200/-) held in various Company's employees co-operative societies.

\# Share of jointly controlled entities is ₹ **Nil** (previous year ₹ Nil).

Notes forming part of Consolidated Financial Statements

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012
Capital Advances		
Secured	**62.90**	19.64
Unsecured		
Covered by Bank Guarantee	**4,725.28**	1,595.31
Others	**3,281.30**	1,877.95
Considered doubtful	**2.54**	2.19
Less: Allowance for bad & doubtful advances	**2.54**	2.19
	8,069.48	3,492.90
Security Deposits (Unsecured)	**93.90**	91.61
Loans		
Related parties-Unsecured	**0.03**	0.05
Employees (including accrued interest)		
Secured	**400.27**	380.55
Unsecured	**144.14**	138.24
Loan to state government in settlement of dues from customers-Unsecured	**239.31**	335.04
Others-Secured	**14.29**	21.42
	798.04	875.30
Advances		
Contractors & Suppliers, including material issued on loan		
Unsecured	**92.18**	84.85
Others-Secured	**0.18**	0.16
	92.36	85.01
Advance tax deposit & tax deducted at source	**11,932.58**	10,370.99
Less: Provision for current tax	**10,036.37**	8,770.20
	1,896.21	1,600.79
MAT credit recoverable	**108.66**	70.44
Total #	**11,058.65**	6,216.05

Includes ₹ **926.65 crore** (previous year ₹ 299.11 crore) share of jointly controlled entities.

a) Capital advances include ₹ **226.27 crore** (previous year ₹ 162.29 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 represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

15 A. Other non current assets

₹ Crore

As at	31.03.2013	31.03.2012
Long term trade receivables		
Unsecured, considered good	**9.33**	1.42
Deferred foreign currency fluctuation asset	**1,136.16**	1,373.74
Total #	**1,145.49**	1,375.16

Includes ₹ **10.53 crore** (previous year ₹ 1.63 crore) share of jointly controlled entities.

In line with accounting policy no.L.3 disclosed in Note 1, deferred foreign currency fluctuation asset has been accounted and (-) ₹ **296.96 crore** (previous year ₹ 129.78 crore) being exchange fluctuations on account of interest and finance charges has been recognised as energy sales in Note 22.

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) (₹)	31.03.2013	31.03.2012
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
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 #			**1,622.46**	1,622.46
# Includes ₹ **Nil** (previous year ₹ Nil) share of jointly controlled entities.				
Unquoted investments				
Book value			**1,622.46**	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.

Notes forming part of Consolidated Financial Statements

17. Inventories

₹ Crore

As at	31.03.2013	31.03.2012
Coal	**1,039.74**	1,258.91
Fuel oil	**400.27**	261.23
Naphtha	**146.77**	177.04
Stores and spares	**2,440.60**	2,080.13
Chemicals & consumables	**76.96**	48.00
Loose tools	**6.76**	6.25
Steel Scrap	**25.89**	25.66
Others	**503.86**	382.14
	4,640.85	4,239.36
Less: Provision for shortages	**2.56**	2.24
Provision for obsolete/ unserviceable items/ dimunition in value of surplus inventory	**62.51**	59.21
Total #	**4,575.78**	4,177.91
# Includes ₹ **495.57 crore** (previous year ₹ 456.28 crore) share of jointly controlled entities.		
Inventories include material-in-transit		
Coal	**79.71**	87.58
Stores and spares	**31.56**	51.23
Chemicals & consumables	**0.62**	0.25
Loose tools	**0.05**	0.16
Others	**2.75**	1.43
	114.69	140.65

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	31.03.2013	31.03.2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**204.12**	107.18
Considered doubtful	**0.03**	840.70
Less: Allowance for bad & doubtful receivables	**0.03**	840.70
	204.12	107.18
Others- Unsecured, considered good	**5,892.52**	6,573.84
Total #	**6,096.64**	6,681.02

Includes ₹ **517.53 crore** (previous year ₹ 622.69 crore) share of jointly controlled entities.

Refer Note no. 33 for write back of Allowance for bad and doubtful receivables.

19. Cash and bank balances

₹ Crore

As at	31.03.2013	31.03.2012
Cash & cash equivalents		
Balances with banks		
Current accounts	**418.94**	543.83
Deposits with original maturity upto three months	**59.53**	544.75
Cheques & drafts on hand	**74.98**	1.83
Cash on hand	**-**	0.02
Others (stamps in hand)	**0.09**	0.10
Other bank balances		
Deposits with original maturity of more than three months[(a)]	**18,110.68**	16,919.18
Others *	**73.90**	77.68
Total #	**18,738.12**	18,087.39

Includes ₹ **533.54 crore** (previous year ₹ 520.25 crore) share of jointly controlled entities.

a) Includes bank deposits with original maturity of more than twelve months amounting to ₹ **0.02 crore** (previous year ₹ 9.44 crore).

* Not available for use to the Company and include:		
Unpaid dividend account balance	**15.67**	11.49
Balance with Reserve Bank of India[##]	**1.77**	1.77
Security with government authorities:		
As per court orders	**-**	0.10
As per demand	**0.01**	8.61
Margin money with banks	**56.45**	55.71
	73.90	77.68

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.

Notes forming part of Consolidated Financial Statements

20. Short-term loans and advances (Considered Good, Unless Otherwise Stated)

₹ Crore

As at	31.03.2013	31.03.2012
Loans		
Related parties		
Unsecured	**0.04**	0.03
Employees (including accrued interest)		
Secured	**76.92**	70.67
Unsecured	**91.68**	83.73
Considered doubtful	**-**	0.22
Loan to state government in settlement of dues from customers-unsecured	**95.73**	95.73
Others		
Secured	**35.71**	28.58
Unsecured	**-**	0.27
Less: allowance for bad & doubtful loans	**-**	0.22
	300.08	279.01
Advances		
Related parties		
Unsecured	**4.08**	1.64
Employees		
Unsecured	**9.21**	10.07
Considered doubtful	**0.11**	0.08
Contractors & suppliers, including material issued on loan		
Secured	**6.71**	5.60
Unsecured	**605.88**	960.18
Considered doubtful	**1.53**	1.64
Others		
Unsecured	**131.95**	97.53
Considered doubtful	**1.03**	1.01
Less: Allowance for bad & doubtful advances	**2.67**	2.73
	757.83	1,075.02
Security deposits (Unsecured)	**660.39**	322.63
Total #	**1,718.30**	1,676.66

\# Includes ₹ **107.42 crore** (previous year ₹ 111.35 crore) share of jointly controlled entities.

a) Other loans represent loans of ₹ **35.71 crore** (previous year ₹ 28.58 crore) given to APIIC.

b) Other advances mainly represent prepaid expenses amounting to ₹ **57.89 crore** (previous year ₹ 54.49 crore).

c) Security deposit (unsecured) includes ₹ **200.35 crore** (previous year ₹ 163.46 crore) sales tax deposited under protest with sales tax authorities.

21. Other current assets

₹ Crore

As at	31.03.2013	31.03.2012
Interest accrued :		
Bonds	**243.19**	312.14
Term deposits	**875.02**	804.91
Others	**23.98**	18.68
	1,142.19	1,135.73
Claims recoverable		
Unsecured, considered good	**4,782.01**	1,848.46
Considered doubtful	**13.05**	13.31
Less: Allowance for doubtful claims	**13.05**	13.31
	4,782.01	1,848.46
Unbilled revenue	**6,127.57**	5,966.52
Assets held for disposal	**3.03**	2.08
Others	**12.57**	12.87
Total #	**12,067.37**	8,965.66

\# Includes ₹ **285.44 crore** (previous year ₹ 193.37 crore) share of jointly controlled entities.

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Claims recoverables include ₹ **894.72 crore** (previous year ₹ 766.12 crore) towards the cost incurred upto 31st March 2013 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 ₹ **109.65 crore** (previous year ₹ Nil) in respect of two 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.

c) Claims recoverable includes ₹ **2,520.08 crore** (previous year Nil) recoverable from Government of National Capital Territory of Delhi (GNCTD) towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU). (Refer Note 33).

d) Unbilled revenue is net off credits to be passed to benificiaries at the time of billing and includes ₹ **6,508.72 crore** (previous year ₹ 5,411.93 crore) billed to the beneficiaries after 31st March for energy sales, sale of goods and services.

Notes forming part of Consolidated Financial Statements

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2013	31.03.2012
Energy sales (including electricity duty)	**67,996.09**	64,840.13
Consultancy, project management and supervision fees (including turnkey construction projects)	**401.67**	464.74
Sale of goods (including excise duty)	**126.69**	126.09
	68,524.45	65,430.96
Energy internally consumed	**93.17**	85.61
Other operating revenues		
Interest from customers	**432.60**	515.31
Recognized from deferred foreign currency fluctuation liability	**3.52**	0.16
Miscellaneous income	**49.22**	16.53
Provisions written back		
Tariff adjustment	**-**	312.75
Doubtful debts	**840.67**	0.14
Doubtful loans, advances and claims	**0.33**	0.14
Doubtful construction advances	**-**	0.03
Shortage in construction stores	**1.12**	0.34
Shortage in stores	**0.71**	1.10
Obsolescence in stores	**1.30**	1.02
Unserviceable capital works	**0.90**	-
Others	**0.39**	1.80
	845.42	317.32
Total #	**69,948.38**	66,365.89

Includes ₹ **3,642.66 crore** (previous year ₹ 3,662.79 crore) share of jointly controlled entities.

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 Talcher Thermal Power Station (TTPS). Beneficiaries are billed in accordance with the said provisional/final tariff orders except for three stations where it is done on provisional basis. The amount billed for the year ended 31st March 2013 on this basis is ₹ **61,794.68 crore** (previous year ₹ 59,965.57 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 ₹ **54,588.81 crore** for the year ended 31st March 2013 (previous year ₹ 55,537.41 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 ₹ **8,059.66 crore** for the year ended 31st March 2013 (previous year ₹ 5,145.38 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 ₹ **1,241.90 crore** for the year ended 31st March 2013 (previous year ₹ 547.78 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) 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 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. Consequently, the impact of the aforesaid issues amounting to (-) ₹ **45.95 crore** (previous year (-) ₹ 49.16 crore) has been recognized as sales during the year ended 31st March 2013 with corresponding adjustment in 'Provision for Tariff Adjustment'.

e) Sales include ₹ **246.04 crore** for the year ended 31st March 2013 (previous year (-) ₹ 266.14 crore) on account of income-tax recoverable from customers as per Regulations, 2004. Sales also include ₹ **53.16 crore** (previous year ₹ 37.77 crore) for the year ended 31st March 2013 on account of deferred tax materialized which is recoverable from customers as per Regulations, 2009.

f) Electricity duty on energy sales amounting to ₹ **564.35 crore** (previous year ₹ 428.65 crore) has been reduced from sales in the statement of profit and loss.

g) Revenue from operations include ₹ **93.17 crore** (previous year ₹ 85.61 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note-26).

h) CERC Regulations provides that where after the truing-up, the tariff recovered is less than the tariff approved by the Commission, the generating Company shall recover from the beneficiaries the under recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries has been accounted and disclosed as 'Interest from customers'.

i) Refer Note 33 (a) in respect of write back of provision for doubtful debts.

Notes forming part of Consolidated Financial Statements

23. Other income

₹ Crore

For the year ended		31.03.2013	31.03.2012
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**520.86**	659.38
Others			
Loan to state government in settlement of dues from customers		**34.58**	42.72
Loan to employees		**29.21**	25.55
Contractors		**43.84**	39.28
Deposits with banks		**1,920.20**	1,679.41
Income tax refunds	**39.48**		100.42
Less : Refundable to customers	**0.02**		34.47
		39.46	65.95
Others		**9.36**	12.23
Dividend from			
Long-term investments in			
Joint ventures		**103.66**	60.16
Current investments in			
Mutual funds		**114.13**	91.55
Other non-operating income			
Surcharge received from customers		**88.67**	1.39
Hire charges for equipment		**4.35**	3.26
Net gain in foreign currency transactions & translations		**28.12**	61.25
Sale of scrap		**89.06**	80.08
Liquidated damages recovered		**11.82**	7.13
Miscellaneous income		**211.44**	243.78
Profit on disposal of fixed assets		**4.76**	13.40
		3,253.52	3,086.52
Less: Transferred to expenditure during construction period (net)-Note 28		**53.35**	73.09
Transferred to development of coal mines		**8.30**	2.95
Transferred to deferred foreign currency fluctuation asset/liability		**27.90**	61.25
Total #		**3,163.97**	2,949.23

\# Includes ₹ **56.57 crore** (previous year ₹ 43.47 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	31.03.2013	31.03.2012
Salaries and wages	**3,667.99**	3,371.60
Contribution to provident and other funds	**392.73**	320.25
Staff welfare expenses	**373.11**	312.66
	4,433.83	4,004.51
Less: Allocated to fuel cost / Ash utilisation fund	**204.56**	173.95
Transferred to development of coal mines	**34.31**	32.00
Transferred to expenditure during construction period (net)- Note 28	**643.58**	537.60
Total #	**3,551.38**	3,260.96

\# Includes ₹ **138.06 crore** (previous year ₹ 113.94 crore) share of jointly controlled entities.

Disclosures required by AS 15 in respect of provision made towards various employees benefits is made in Note 40.

Notes forming part of Consolidated Financial Statements

25. Finance costs

₹ Crore

For the year ended	31.03.2013	31.03.2012
Interest on		
Bonds	**900.87**	831.50
Foreign currency term loans	**235.33**	205.71
Rupee term loans	**3,833.62**	3,170.07
Public deposits	**0.16**	1.24
Foreign currency bonds/notes	**345.91**	184.32
Cash credit	**21.01**	9.80
Others	**73.22**	66.07
	5,410.12	4,468.71
Other Borrowing Costs		
Bonds servicing & public deposit expenses	**2.38**	2.18
Guarantee fee	**40.19**	38.47
Management fee	**36.24**	10.97
Up-front fee	**23.87**	28.83
Foreign currency bonds/notes expenses	**6.05**	17.10
Insurance premium on foreign currency loans	**27.39**	-
Others	**3.28**	1.13
	139.40	98.68
Exchange differences regarded as an adjustment to interest costs	**(350.21)**	350.21
	5,199.31	4,917.60
Less: Transferred to expenditure during construction period (net)-Note 28	**2,672.25**	2,749.14
Transferred to development of coal mines	**46.52**	33.74
Total #	**2,480.54**	2,134.72

Includes ₹ **557.26 crore** (previous year ₹ 416.17 crore) share of jointly controlled entities.

26. Generation, administration & other expenses

₹ Crore

For the year ended		31.03.2013	31.03.2012
Power charges	**204.31**		244.98
Less: Recovered from contractors & employees	**18.88**		18.35
		185.43	226.63
Water charges		**508.16**	345.00
Stores consumed		**49.90**	48.02
Rent	**37.16**		35.18
Less:Recoveries	**7.84**		8.16
		29.32	27.02
Load dispatch centre charges		**42.41**	43.53
Repairs & maintenance			
Buildings		**181.08**	149.78
Plant & machinery			
Power stations	**1,923.17**		1,676.32
Construction equipment	**1.09**		0.95
		1,924.26	1,677.27
Others		**113.35**	103.22
Insurance		**111.61**	103.78
Interest payable to customers		**5.72**	(67.57)
Rates and taxes		**38.11**	27.41
Water cess & environment protection cess		**35.82**	25.72
Training & recruitment expenses	**64.80**		73.99
Less: Fees for application and training	**1.60**		1.34
		63.20	72.65
Communication expenses		**48.82**	41.80

Notes forming part of Consolidated Financial Statements

₹ Crore

For the year ended		31.03.2013	31.03.2012
Travelling expenses		**198.72**	185.87
Tender expenses	**24.52**		23.98
Less: Receipt from sale of tenders	**3.11**		2.34
		21.41	21.64
Payment to auditors		**3.29**	2.99
Advertisement and publicity		**13.92**	12.69
Security expenses		**357.79**	314.32
Entertainment expenses		**15.09**	14.28
Expenses for guest house	**21.26**		17.89
Less:Recoveries	**2.75**		2.23
		18.51	15.66
Education expenses		**9.41**	10.14
Brokerage & commission		**3.47**	3.35
Community development and welfare expenses	**86.96**		59.33
Less: Grants-in-aid	**0.39**		0.24
		86.57	59.09
Ash utilisation & marketing expenses	**10.93**		6.32
Less: Sale of ash products	**0.04**		0.06
		10.89	6.26
Directors sitting fee		**0.35**	0.30
Books and periodicals		**2.72**	2.01
Professional charges and consultancy fees		**41.14**	52.10
Legal expenses		**28.34**	16.60
EDP hire and other charges		**15.34**	15.17
Printing and stationery		**13.70**	12.67
Oil & gas exploration expenses		**8.78**	14.34
Hiring of Vehicles		**63.22**	53.31
Rebate to customers		**579.81**	662.60
Reimbursement of L.C.charges on sales realisation		**0.60**	4.10
Bank charges		**4.90**	4.22
Net loss in foreign currency transactions & translations		**6.11**	37.24
Miscellaneous expenses		**113.03**	104.66
Stores written off		**0.14**	0.15
Survey & investigation expenses written off		**4.12**	7.74
Loss on disposal/write-off of fixed assets		**62.25**	66.48
		5,020.81	4,524.24
Less: Allocated to fuel cost / Ash utilisation fund		**297.10**	243.79
Transferred to development of coal mines		**13.62**	12.92
Transferred to deferred foreign currency fluctuation asset/liability		**2.30**	17.64
Transferred to expenditure during construction period (net) - Note 28		**395.58**	444.14
		4,312.21	3,805.75
Provisions for			
Tariff adjustments		**103.24**	14.69
Doubtful debts		**-**	1.01
Doubtful loans, advances and claims		**0.09**	0.05
Shortage in stores		**2.01**	1.26
Obsolescence in stores		**4.67**	10.77
Shortage in construction stores		**0.39**	0.79
Unserviceable capital work-in-progress		**49.89**	3.54
Unfinished minimum work programme for oil and gas exploration		**5.08**	41.19
Others		**43.85**	2.53
		209.22	75.83
Total #		**4,521.43**	3,881.58

Includes ₹ **256.79 crore** (previous year ₹ 275.09 crore) share of jointly controlled entities.

a) Spares consumption included in repairs and maintenance	**1,017.41**	865.49

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 has been accounted and disclosed as 'Interest payable to customers'.

Notes forming part of Consolidated Financial Statements

27. Prior period items (Net)

₹ Crore

For the year ended	31.03.2013	31.03.2012
Revenue		
Sales	**0.06**	9.00
Others	**8.58**	2.23
	8.64	11.23
Expenditure		
Employee benefits expense	**(5.13)**	(328.22)
Finance costs	**-**	(0.44)
Interest	**(12.00)**	-
Other borrowing costs	**(7.91)**	-
Depreciation and amortisation	**3.93**	(0.43)
Generation, administration and other expenses		
Repairs and maintenance	**0.77**	(1.98)
Professional consultancy charges	**0.15**	0.64
Communication expenses	**0.66**	0.04
Advertisement and publicity	**0.12**	-
Rates & taxes	**(0.07)**	0.24
Rent	**(0.31)**	1.23
Net loss in foreign currency transactions & translations	**0.72**	-
Others	**(8.46)**	2.00
	(27.53)	(326.92)
Net Expenditure/(Revenue)	**(36.17)**	(338.15)
Less: Transferred to expenditure during construction period (net)-Note 28	**(3.11)**	(20.25)
Transferred to deferred foreign currency fluctuation asset/liability	**0.72**	-
Transferred to development of coal mines	**-**	(1.84)
Total #	**(33.78)**	(316.06)

Includes ₹ **1.25 crore** (previous year ₹ 0.86 crore) share of jointly controlled entities.

28. Expenditure during construction period (net)

₹ Crore

For the year ended			31.03.2013	31.03.2012
A.	**Employee benefits expense**			
	Salaries and wages		**561.24**	471.88
	Contribution to provident and other funds		**45.45**	37.01
	Staff welfare expenses		**36.89**	28.71
	Total (A)		**643.58**	537.60
B.	**Finance costs**			
	Interest on			
	Bonds		**390.47**	467.08
	Foreign currency term loans		**94.88**	99.93
	Rupee term loans		**2,032.61**	1,824.03
	Foreign currency bonds/notes		**222.88**	104.91
	Other borrowing costs			
	Foreign currency bonds/notes expenses		**5.54**	10.47
	Management/arrangers/upfront fee		**60.11**	20.77
	Others		**51.01**	36.70
	Exchange differences regarded as an adjustment to interest costs		**(185.25)**	185.25
	Total (B)		**2,672.25**	2,749.14
C.	**Depreciation and amortisation**		**41.37**	37.17
D.	**Generation, administration & other expenses**			
	Power charges	**128.17**		172.27
	Less: Recovered from contractors & employees	**1.92**		2.10
			126.25	170.17
	Water charges		**11.19**	47.88
	Rent		**5.85**	5.40
	Repairs & maintenance			
	Buildings	**9.25**		8.35
	Construction equipment	**0.97**		0.59
	Others	**28.55**		21.89
			38.77	30.83

Notes forming part of Consolidated Financial Statements

₹ Crore

For the period ended		31.03.2013	31.03.2012
Insurance		**2.26**	2.12
Rates and taxes		**1.39**	2.54
Communication expenses		**7.61**	6.46
Travelling expenses		**40.49**	36.39
Tender expenses	**7.42**		5.34
Less: Income from sale of tenders	**0.10**		0.10
		7.32	5.24
Payment to auditors		**0.07**	0.05
Advertisement and publicity		**1.73**	0.89
Security expenses		**58.84**	50.08
Entertainment expenses		**2.77**	2.92
Guest house expenses		**5.33**	3.94
Education expenses		**0.01**	0.02
Books and periodicals		**0.93**	0.35
Community development expenses		**8.02**	2.92
Professional charges and consultancy fee		**9.95**	15.67
Legal expenses		**5.55**	2.28
EDP hire and other charges		**1.54**	1.34
Printing and stationery		**1.61**	1.49
Miscellaneous expenses		**58.10**	55.16
Total (D)		**395.58**	444.14
E. Less: Other income			
Hire charges		**3.76**	2.79
Sale of scrap		**1.30**	8.29
Interest from contractors		**28.10**	33.40
Interest others		**6.32**	19.68
Miscellaneous income		**13.87**	8.93
Total (E)		**53.35**	73.09
F. Prior period items (net)		**(3.11)**	(20.25)
Grand total (A+B+C+D-E+F) #		**3,696.32***	3,674.71

*** Carried to capital work-in-progress - (Note 13)**
\# Includes ₹ **470.36 crore** (previous year ₹ 446.50 crore) share of jointly controlled entities.

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

Notes forming part of Consolidated Financial Statements

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.

B. The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2013	31.03.2012
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.(under amalgamation with NTPC Ltd.)	**100.00**	100.00
3. NTPC Vidyut Vyapar Nigam Ltd.	**100.00**	100.00
4. Kanti Bijlee Utpadan Nigam Ltd.	**65.00**	64.93
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. *	**33.41**	31.52
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**	25.00
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**	-

* The financial statements are un-audited.

$ The joint venture in which shares are to be held by the Company and Bangladesh Power Development Board, equally was incorporated on 31st October 2012 for developing coal based power plants in Bangladesh. No investment has been made as at 31st March 2013. Further, there were no financial transactions during the year.

C. In the previous year, Board of directors of the company has accorded in-principle approval for amalgamation of NTPC Hydro Limited, a 100% subsidiary company, with NTPC limited. The activities relating to the amalgamation are in progress.

Notes forming part of Consolidated Financial Statements

D. 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., the operator, the Company's share in respect of assets and liabilities as at 31st March 2013 and expenditure for the year are given below:

₹ Crore

Item	2012-13 (Un-audited)	2011-12 (Un-audited)
Expenses	**2.28**	3.61
Assets	**0.06**	0.03
Liabilities	**1.43**	0.95
Capital Commitments (Unfinished MWP)	**91.49**	88.48

It is also informed that exploration activities in block KG-OSN-2009/4 has been suspended w.e.f. 11.01.2012 due to non clearance by Defence Ministry, GOI. Further in case of AN-DWN 2009/13, GSPC has submitted notice of withdrawal from the block subsequent to completion of minimum work programme and ONGC has decided to acquire 10% participating interest 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 the cost of unfinished minimum work programme to the consortium with NTPC's share being USD 7.516 million. During the year provision in this respect has been updated to ₹ 46.27 crore from ₹ 41.19 crore along with interest. 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 ₹ 0.09 crore for the year 2012-13 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 2013 and expenditure for the year is as under:

₹ Crore

Item	2012-13 (Un-audited)	2011-12 (Un-audited)
Expenses	**0.22**	0.18
Assets	**14.64**	14.64
Liabilities	**2.32**	2.10
Contingent liabilities	**41.42**	67.57

E. Reduction in the share holding in NHPTL during the year is due to fresh allottment of shares to other partner by the Joint Venture Company.

F. 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. a) Government of India, Ministry of Power vide its letters F.No.6/1/2007-Fin.(Vol.VIII) dated 5th February 2013 and 29th March 2013 directed Government of National Capital Territory of Delhi (GNCTD) to release payment towards settlement of dues of erstwhile Delhi Electric Supply Undertaking (DESU) amounting to ₹ 835.97 crore as principal and ₹ 1,684.11 crore as interest to the company. Consequently, provision for doubtful debt of ₹ 835.97 crore has been written back (Note 22) and interest of ₹ 1,684.11 crore has been recognised as an exceptional item in the Statement of Profit and Loss during the year.

b) NVVN, the subsidiary of the Company had recognised ₹ 115.82 crore as revenue towards bank guarantee encashed in the previous year in respect of vendors in default relating to bid guarantee submitted for establishment of solar power plants under the Jawaharlal Nehru National Solar Mission. As per the clarification received during the year from the Ministry of New and Renewable Energy, the aforesaid amount has been reversed and disclosed under exceptional items by transferring the same under Other Current Liabilities.

34. Vide gazette notification F no.22021/1/2008-CRC/II dated 30.12.2011 issued by Ministry of Coal (MoC), grading and pricing of non-coking coal was migrated from Useful Heat Value (UHV) to Gross Calorific Value (GCV) based system w.e.f. 1st January 2012. The Coal Supply Agreements (CSAs) entered into by the Company were required to be amended to incorporate acceptable procedures for sample collection, preparation, testing and analysis, to facilitate such migration, which are still pending. The Company's Board of Directors approved payments to the coal companies based on the GCV based pricing system, and directed to frame modalities for implementation of GCV based grading system. Accordingly, modalities were framed to effect joint sampling and testing of coal at mine end/station end and future payments to coal companies. The above modalities were communicated to the coal companies w.e.f. October/ November 2012, thereafter the Company released payments on the basis of GCV measured at station end following the implementation of the said modalities since variation in the GCV of coal supplied and received at power stations was noticed. The Company regularly informed coal companies about this variation which has not been accepted by them. The issue has been taken up with the coal companies directly and through the MoP and MoC, GOI for resolution. Pending resolution of the issue, difference between the amount billed by the coal companies and the amounts admitted by the company is disclosed as contingent liability with corresponding possible reimbursements from the beneficiaries (Refer Note-49).

35. 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.

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 ₹ **107.96 crore** (previous year ₹ 68.02 crore) has been credited to the fund during the year after netting of related/allocable cost of ₹ **20.60 crore** (previous year ₹ 16.29 crore) from the sale proceeds.

37. **Disclosure as per Accounting Standard - 5 'Net profit or loss for the period, prior period items and changes in Accounting Policies'**

a) Ministry of Corporate Affairs, Government of India through Circular no. 25/2012 dated 9th August 2012 has clarified that para 6 of Accounting Standard (AS) 11 and para 4 (e) of AS 16 shall not apply to a Company which is applying para 46-A of AS 11. Accordingly, Company has modifed the related accounting policies. Consequently, exchange differences arising on settlement/translation of foreign currency loans to the extent regarded as an adjustment to interest costs as per para 4 (e) of AS 16 and hitherto charged to statement of Profit and Loss, have now been adjusted in the cost of related assets. As a result, profit for the year ended 31st March 2013 is higher by ₹ 14.80 crore, fixed assets are higher by ₹ 173.56 crore and Deferred Income from Foreign Currency Fluctuation is higher by ₹ 158.76 crore.

b) During the year, the Company reviewed its policy for accounting of carpet coal which was hitherto charged to the statement of Profit and Loss and capitalised the cost of carpet coal with the coal handling plant. Consequently, tangible assets and profit for the year of the Group are higher by ₹ 30.78 crore.

c) During the year, the Company has reviewed and modifed the accounting policy related to amortisation of other intangible assets to bring more clarity. However, this does not have any impact on accounts for the year.

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 ₹ **3.59 crore** (previous year debit of ₹ 19.60 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of Fixed Assets is ₹ **1,056.01 crore** (previous year debit of ₹ 1,671.05 crore).

39. **Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'**
Revenue grant recognised during the year is ₹ **0.39 crore** (previous year ₹ 0.24 crore).

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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 ₹ **196.50 crore** (previous year ₹ 186.36 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	**31.03.2013**	31.03.2012
Obligitions at the end of the year	**4,755.00**	4,118.35
Fair value of plan assets at the end of the year	**4,812.77**	4,183.86

B. Gratuity & Pension

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.

The Company has a scheme of pension at one of the stations in respect of employees taken over from erstwhile state government power utility. In respect of other employees of the Company, pension scheme is yet to be implemented as stated in Note 11 (b).

The existing schemes are funded by the Company and are managed by separate trusts. The liability for the same is recognised on the basis of actuarial valuation.

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 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.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. 73.33 % of the earned leave is en-cashable while in service, and upto a maximum of 300 days on separation. Half-pay leave is 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 and Loss, Balance Sheet are as under: (Figures given in { } are for previous year)

Notes forming part of Consolidated Financial Statements

i) **Expenses recognised in Statement of Profit & Loss**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Current service cost	66.42 {60.03}	13.91 {11.12}	51.14 {42.67}	5.61 {5.09}
Past Service Cost	0.00 {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	103.92 {101.41}	29.69 {26.61}	59.70 {55.86}	18.36 {16.35}
Expected return on plan assets	(93.42) {(82.94)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	48.29 {1.56}	51.09 {29.38}	185.46 {88.02}	30.21 {25.94}
Expenses recognised in the Statement of Profit & Loss	125.21 {80.06}	94.69 {67.11}	296.30 {186.55}	54.18 {47.38}

ii) **The amount recognised in the Balance Sheet**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2013	1,445.02 {1298.60}	452.94 {371.11}	861.73 {746.01}	272.40 {229.83}
Fair value of plan assets as at 31.03.2013	1,263.83 {1169.90}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	181.19 {128.70}	452.94 {371.11}	861.73 {746.01}	272.40 {229.83}

iii) **Changes in the present value of the defined benefit obligations:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2012	1,298.60 {1193.04}	371.11 {313.07}	746.01 {656.81}	229.83 {192.53}
Interest cost	103.92 {101.41}	29.69 {26.61}	59.70 {55.86}	18.36 {16.35}
Current service cost	66.42 {60.03}	13.91 {11.12}	51.14 {42.67}	5.61 {5.09}
Past Service Cost	- {-}	- {-}	- {-}	- {-}
Benefits paid	(81.65) {(69.86)}	(12.86) {(9.07)}	(180.58) {(97.35)}	(11.61) {(10.08)}
Net actuarial (gain)/ loss on obligation	57.73 {13.98}	51.09 {29.38}	185.46 {88.02}	30.21 {25.94}
Present value of the defined benefit obligation as at 31.03.2013	1,445.02 {1298.60}	452.94 {371.11}	861.73 {746.01}	272.40 {229.83}

Notes forming part of Consolidated Financial Statements

iv) **Changes in the fair value of plan assets:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2012	1169.90	-	-	-
	{1039.04}	{-}	{-}	{-}
Expected return on plan assets	93.42	-	-	-
	{82.94}	{-}	{-}	{-}
Contributions by employer	68.05	-	-	-
	{101.39}	{-}	{-}	{-}
Benefit paid	(76.98)	-	-	-
	{(65.89)}	{-}	{-}	{-}
Actuarial gain / (loss)	9.44	-	-	-
	{12.42}	{-}	{-}	{-}
Fair value of plan assets as at 31.03.2013	1,263.83	-	-	-
	{1169.90}	{-}	{-}	{-}

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	5.72	(6.27)
Present value of obligation	73.42	(60.22)

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to ₹ **3.39 crore** (previous year debit of ₹ 4.85 crore) for the year have been made on the basis of actuarial valuation at the year end and credited to the Statement of Profit & Loss.

41. **Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'**
Borrowing costs capitalised during the year are ₹ **2,718.48 crore** (previous year ₹ 2,782.88 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
Revenue :						
Sale of energy/consultancy, project management and supervision fees *	**67,407.11**	64,332.47	**619.37**	653.44	**68,026.48**	64,985.91
Other income**	**3,394.25**	1,151.64	**(78.25)**	146.63	**3,316.00**	1,298.27
Total	**70,801.36**	65,484.11	**541.12**	800.07	**71,342.48**	66,284.18
Segment Result #	**17,330.24**	13,336.59	**(54.48)**	192.38	**17,275.76**	13,528.97
Unallocated corporate interest and other income					**2,766.60**	2,558.30

Notes forming part of Consolidated Financial Statements

₹ Crore

	Business Segments				Total	
	Generation		Others			
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Unallocated corporate expenses, interest and finance charges					**3,431.41**	2,950.01
Profit before tax					**16,610.95**	13,137.26
Income tax (net)					**4,024.73**	3,322.60
Profit after tax					**12,586.22**	9,814.66
Other information						
Segment assets	**88,065.86**	73,203.85	**2,506.08**	2,243.93	**90,571.94**	75,447.78
Unallocated corporate and other assets					**88,138.64**	79,807.16
Total assets	**88,065.86**	73,203.85	**2,506.08**	2,243.93	**178,710.58**	155,254.94
Segment liabilities	**13,578.61**	10,803.08	**2,167.99**	1,794.67	**15,746.60**	12,597.75
Unallocated corporate and other liabilities					**81,723.03**	68,381.38
Total liabilities	**13,578.61**	10,803.08	**2,167.99**	1,794.67	**97,469.63**	80,979.13
Depreciation (including prior period)	**3,786.48**	3,067.39	**3.32**	2.40	**3,789.80**	3,069.79
Non-cash expenses other than depreciation	**169.63**	15.29	**5.08**	41.19	**174.71**	56.48
Capital expenditure	**23,494.47**	17,710.56	**615.17**	315.31	**24,109.64**	18,025.87

* Includes ₹ **1,487.94 crore** (previous year ₹ 281.64 crore) for sales related to earlier years.

** Generation segment includes ₹**1,684.11 crore** (previous year Nil) and other segment (-) ₹ **115.82 crore** (previous year Nil) towards exceptional items (Refer Note no.33).

\# Generation segment result would have been ₹ **15,842.30 crore** (previous year ₹ 13,054.95 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.

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., 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 A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh	Director (Projects)
Shri D.K. Jain	Director (Technical)[1]
Shri S.P.Singh	Director (Human Resources)[2]
Shri N.N.Mishra	Director (Operations)
Shri A.K.Jha	Director (Technical)[3]
Shri U.P.Pani	Director (Human Resources)[4]

1. Superannuated on 30th June 2012
2. Superannuated on 28th February 2013
3. W.e.f. 1st July 2012
4. W.e.f. 1st March 2013

Notes forming part of Consolidated Financial Statements

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.	**393.14**	335.47
- NTPC-Alstom Power Services Private Ltd.	**6.19**	10.10
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.51**	0.13
- NTPC-Alstom Power Services Private Ltd	**1.23**	0.82
- Trincomalee Power Company Ltd.	**0.82**	0.15
- Pan-Asian Renewables Private Ltd.	**0.13**	-
ii) Dividend Received:		
- Utility Powertech Ltd.	**4.00**	3.00
- NTPC-Alstom Power Services Private Ltd.	**0.36**	0.30
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.22**	0.94
- NTPC-Alstom Power Services Private Ltd	**0.04**	0.04
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**64.27**	48.83
- NTPC-Alstom Power Services Private Ltd	**7.86**	10.44
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.66**	0.30
- NTPC-Alstom Power Services Private Ltd	**1.32**	0.33
- Trincomalee Power company Ltd.	**0.97**	0.15
- Pan-Asian Renewables Private Ltd.	**0.13**	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **6.35 crore** (previous year ₹ 4.18 crore).

Remuneration to key management personnel for the year is ₹ **3.59 crore** (previous year ₹ 2.79 crore) and amount of dues outstanding to the Company as on 31st March 2013 are ₹ **0.07 crore** (previous year ₹ 0.08 crore).

₹ Crore

Managerial remuneration to key management personnel	31.03.2013	31.3.2012
Shri Arup Roy Choudhury	0.54	0.35
Shri A.K.Singhal	0.55	0.47
Shri I.J. Kapoor	0.45	0.43
Shri.B.P.Singh	0.52	0.45
Shri D.K.Jain	0.38	0.42
Shri S.P.Singh	0.43	0.31
Shri N.N.Misra	0.44	0.36
Shri A.K.Jha	0.26	-
Shri U.P.Pani	0.02	-
Total	**3.59**	2.79

Notes forming part of Consolidated Financial Statements

44. **Disclosure as per Accounting Standard - 19 on 'Leases'**

a) **Finance leases**

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

Particulars		31.03.2013	31.3.2012
a)	**Obligations towards minimum lease payments**		
	• Not later than one year	**0.28**	0.52
	• Later than one year and not later than five years	**0.09**	0.28
	• Later than five years		-
	Total	**0.37**	0.80
b)	**Present value of (a) above**		
	• Not later than one year	**0.26**	0.47
	• Later than one year and not later than five years	**0.07**	0.26
	• Later than five years		-
	Total	**0.33**	0.73
c)	**Finance charges**	**0.04**	0.07

b) **Operating leases**

The Group's 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 ₹ **83.80 crore** (previous year ₹ 83.20 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 'Miscellaneous expenses' in 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	**12,590.78**	9,812.79
Weighted average number of equity shares used as denominator	**8,24,54,64,400**	8,24,54,64,400
Earning per share (Basic and Diluted) - ₹	**15.27**	11.90
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 ₹ **91.85 crore** (previous year ₹ 29.89 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, the Company has carried out the assessment of impairment of assets. Based on such assessment, there has been no impairment loss during the year.

48. **Foreign currency exposure not hedged by a derivative instrument or otherwise:**

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Borrowings, including interest accrued but not due thereon.	USD	**252.41**	204.13	**13,859.96**	10,538.98
	JPY	**4904.08**	5337.26	**2,872.81**	3,378.49
	EURO	**12.22**	6.12	**860.17**	423.42

Notes forming part of Consolidated Financial Statements

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2013	31.03.2012	**31.03.2013**	31.03.2012
Trade payables/deposits and retention monies	USD	**21.49**	23.80	**1,179.80**	1,228.61
	EURO	**9.83**	12.42	**691.99**	859.28
	Others	**35.76**	30.64	**23.98**	34.96
Trade receivables and Bank balances	USD	**0.01**	0.02	**0.78**	0.82
	Others	**0.50**	-	**0.30**	-
Unexecuted amount of contracts remaining to be executed	USD	**105.15**	42.38	**5,773.61**	2,188.14
	EURO	**87.49**	22.64	**6,161.41**	1,566.40
	Others	**1472.40**	253.62	**999.89**	190.16

The Company has formulated an Exchange Risk Management Policy with effect from 1st October 2012. In terms of the requirements of the said Policy and guidelines of the Reserve Bank of India, the Company is currently negotiating International Swaps and Derivatives Association (ISDA) agreements with Authorised Dealer banks. No derivative transactions have been undertaken during the year pending finalisation of ISDA agreements with the banks.

49. **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 ₹ **4,031.12 crore** (previous year ₹ 4,471.24 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 land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ **748.99 crore** (previous year ₹ 1,174.20 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues with coal companies as disclosed in Note 34, payments and accounting of coal are being made based on GCV ascertained at station end. The difference between the amount billed by the coal companies and the payment released by the company amounts to ₹ **2,531.10 crore** (previous year `Nil).

Further, an amount of ₹ **367.73 crore** (previous year ₹ 400.63 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 ₹ **862.81 crore** (previous year ₹ 878.95 crore) has been estimated.

(v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of ₹ **961.24 crore** (previous year ₹ 1,769.70 crore) relating to the hydro power project stated in Note 21 (b) - Other 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 ₹ **2,792.06 crore** (previous year ₹ 283.45 crore).

Notes forming part of Consolidated Financial Statements

(b) Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters pending before various Appellate Authorities amount to ₹ **2,215.26 crore** (previous year ₹ 3,273.96 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 ₹ **827.34 crore** (previous year ₹ 2,112.02 crore).

(c) Others

Other contingent liabilities amount to ₹ **376.57 crore** (previous year ₹ 355.76 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 ₹ **118.75 crore** (previous year ₹ 78.09 crore) share of jointly controlled entitites.

50. **Capital and other commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2013 is ₹ **61,339.29 crore** (previous year ₹ 36,693.87 crore) which includes an amount of ₹ **6,803.66 crore** (previous year ₹ 1,848.88 crore) in respect of jointly controlled entities.

b) Company's comittment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 31 D.

c) Group's commitment in respect of further commitments relating to 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 ₹ **183.45 crore** (**USD 33.73 million**) (previous year ₹ 182.84 crore, USD 35.41 million).

51. For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(A.K.Singhal) Director (Finance)	(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
(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	(Monika Agrawal) Partner M No. 093769	(Prabuddha Gupta) Partner M.No. 400189

Place : New Delhi
Dated : 10th May 2013

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, 2013, 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.

Auditor's 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 presentation of the consolidated financial statements that give a true and fair view 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 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 Subsidiaries and the Joint Venture entities.

The financial statements of the following Subsidiaries and Joint Venture Companies have been audited by other auditors whose reports have been furnished to us, and in our opinion, so far as it relates to the amounts included in respect of these companies is based solely on the report of these auditors. The details of the assets, revenue and net cash flows in respect of these Subsidiaries and Joint Venture entities 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 ₹ 13.22 crore, revenues ₹ 15.28 crore and net cash flows (-) ₹ 0.96 crore)	867.21	44.20	(133.42)
2) NTPC Hydro Ltd. (under amalgamation with NTPC Ltd.)	160.14	-	0.06
3) NTPC Vidyut Vyapar Nigam Ltd.	982.92	75.22	183.48
4) Kanti Bijlee Utpadan Nigam Ltd	2,443.59	9.93	(56.42)
5) Bhartiya Rail Bijlee Company Ltd.	2,768.83	-	(83.13)
Joint Ventures:			
1) Utility Power tech Ltd.	93.63	219.46	0.48
2) NTPC -Alstom Power Services Pvt. Ltd.	47.01	35.03	2.52
3) NTPC-Tamilnadu Energy Company Ltd	4,176.11	151.13	(10.89)
4) Transformers and Electricals Kerala Ltd.	75.37	68.89	(1.49)
5) National High Power Test Laboratory Pvt. Ltd	13.58	-	0.92
6) Meja Urja Nigam Pvt Ltd.	594.36	-	8.58
7) Nabinagar Power Generating Company Pvt. Ltd.	700.55	-	(103.27)
8) Aravali Power Company Pvt. Ltd.	4,714.46	1,388.44	(13.27)
Total	**17,637.76**	**1,992.30**	**(205.85)**

The financial statements of the following Joint Ventures are unaudited and in our opinion so far as it relates to the amounts included in respect of the said joint ventures are based solely on the financial statements certified by the management of the respective entities. The details of assets, revenue and net cash flows in respect of these Joint Venture Entities to the extent to which they are reflected in the consolidated financial statement are given below:

₹ Crore

Name of the Companies	Assets	Revenues	Net Cash Flows
1) NTPC-BHEL Power Project Pvt. Ltd	97.07	57.58	(2.42)
2) NTPC- SAIL Power Company Pvt. Ltd.	1,763.23	948.93	73.93
3) BF-NTPC Energy Systems Ltd.	3.06	-	(0.36)
4) Ratnagiri Gas & Power Pvt. Ltd.	4,067.68	764.93	87.41
5) NTPC-SCCL Global Venture Pvt. Ltd.	0.05	-	-
6) National Power Exchange Ltd.	1.36	0.12	(0.17)
7) International Coal Venture Pvt. Ltd.	3.38	-	(22.57)
8) Energy Efficiency Services Ltd.	29.39	3.63	(4.35)
9) CIL NTPC Urja Pvt. Ltd.	0.01	-	-
10) Anushakti Vidyut Nigam Ltd.	0.05	-	-
11) Pan-Asian Renewables Private Ltd.	0.21	0.01	(0.26)
12) Trincomalee Power Company Ltd.	5.84	0.55	(0.72)
Total	**5,971.33**	**1,775.75**	**130.49**

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.

Emphasis of Matter

Without qualifying our report, we draw attention to Note 34 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, 2013;

(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

(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

(Monika Agrawal)
Partner
M No. 093769

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Prabuddha Gupta)
Partner
M.No. 400189

Place : New Delhi
Dated : 10th May 2013

NTPC Limited

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003

ATTENDANCE SLIP

37th Annual General Meeting to be held on Tuesday, September 17, 2013 at 10.30 a.m.

NAME OF THE ATTENDING MEMBER (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 37th Annual General Meeting of the Company at Manekshaw Centre, Parade Road, New Delhi – 110 010, on Tuesday, September 17, 2013.

Signature of Member/Proxy

*Applicable in case of shares held in Physical Form.

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.**

NTPC Limited

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003

FORM OF PROXY

DP ID :
Client ID :
No. of Shares :

Regd. Folio No.:
(in case of shares held in Physical Form)

I/We .... of .... in the District of .... being a member/ members of the above named Company, hereby appoint .... of ....in the District of .... or failing him/her .... of .... in the District of ....as my/our proxy to vote for me/us on my/our behalf at the 37th Annual General meeting of the Company to be held on Tuesday, September 17, 2013 and at any adjournments thereof.

Signed this .... day of .... 2013.

Signature

Affix One Rupee Revenue Stamp

This form is to be used in favour of resolution(s) no....................... and against resolution (s) no........................ Unless otherwise instructed, the Proxy will act as he thinks fit.

Notes:

a) The form should be signed across the stamp as per specimen signature registered with Karvy Computershares Private Limited, Registrar & Transfer Agent/ Depository Participant.

b) The form should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.

Achievements & Accolades

Indira Gandhi **Rajbhasha Award** being given to Dr. Arup Roy Choudhury, CMD, NTPC for its journal "Vidyut Swar" by the President of India Shri Pranab Mukherjee in the presence of Shri Sushilkumar Shinde, Hon'ble Union Home Minister.

NTPC Limited, India's largest power utility being awarded **Pride of India award** for its leadership and contribution to the power sector. Award was received by Shri I.J. Kapoor, Director (Commercial), NTPC from Hon'ble Union Minister of Oil and Natural Gas, Shri M. Veerappa Moily.

Shri N.N. Misra, Director (Operations) NTPC being given the top honor by Smt. Jayanti Natrajan, Hon'ble Union Minister of Environment and Forest for climate change initiatives at the **Earth Care Award 2012** in NewDelhi.

'**Golden Peacock Global Award** for Excellence in Corporate Governance' for the year 2012 was received by Shri A.K.Jha, Director (Technical) on behalf of NTPC from Rt Hon Eric Pickles MP, Secretary of State for Communities and Local Govt. UK in the presence of Mr. Ola Ullsten, former Prime Minister of Sweden and Lt Gen J S Ahluwalia, PVSM (retd), President, Institute of Directors, India.

CMD and Directors at the Analysts & Investors Meet at Mumbai on 1st August 2013

A Maharatna Company

NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003
www.ntpc.co.in

Appendix A

FORM A

(Refer: Clause 31(a) of equity Listing Agreement)
(To be filed with NSE and BSE)

1.	Name of the Company:	NTPC Limited
2	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Appeared first time
5.	Signatories:	
	CEO (Arup Roy Choudhury) Chairman & Managing Director	**CFO** (A K. Singhal) Director (Finance)
	Auditors of the company	
	(Partner) M/s O. P. Bagla & Co , Chartered Accountants	(Partner) M/s K. K. Soni & Co., Chartered Accountants
		(Partner) M/s PKF Sridhar & Santhanam Chartered Accountants
	(Partner) M/s V. Sankar Aiyar & Co. Chartered Accountants	(Partner) M/s Ramesh C Agrawal & Co Chartered Accountants
		(Partner) M/s A.R.& Co. Chartered Acccountants
	Audit Committee Chairman	
	S.B. Ghosh Dastidar (Director)	