DRAFT PROSPECTUS
Dated November 15, 2013

A MAHARATNA COMPANY

NTPC LIMITED

(A Government of India Enterprise)

Our Company was originally incorporated in New Delhi on November 7, 1975 under the Companies Act, 1956 ("**Companies Act 1956**") as a private limited company under the name, 'National Thermal Power Corporation Private Limited'. For information on changes in our Company's name and registered office, see "***History and Certain Corporate Matters***" on page 69.

Registered and Corporate Office: NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi 110 003 **Tel:** (+91 11) 2436 0100; **Fax:** (+91 11) 2436 1018; **Website:** www.ntpc.co.in**; Executive Director & Company Secretary and Compliance Officer**: Mr. A.K. Rastogi**; Tel: (**+91 11) 2436 0071; **Fax:** (+91 11) 2436 0241; **E-mail:** akrastogi@ntpc.co.in

THE PROMOTER OF OUR COMPANY IS THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF POWER, GOVERNMENT OF INDIA ("GOI") ("MOP")

PUBLIC ISSUE BY NTPC LIMITED ("COMPANY" OR "ISSUER" OR "NTPC") OF TAX-FREE SECURED REDEEMABLE NON-CONVERTIBLE BONDS OF FACE VALUE OF ₹ 1,000 EACH, IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("INCOME TAX ACT" AND SUCH BONDS, "BONDS"), FOR AN AMOUNT AGGREGATING UP TO ₹ 1,000 CRORE ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 750 CRORE FOR ISSUANCE OF ADDITIONAL BONDS AGGREGATING TO A TOTAL OF UP TO ₹ 1,750 CRORE*, ("ISSUE SIZE") IN FISCAL 2014 ("ISSUE").

The Issue is being made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("**SEBI Debt Regulations**") and pursuant to Notification No. 61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI ("**MoF**") ("**CBDT Notification**"), by virtue of powers conferred on it under Section 10(15)(iv)(h) of the Income Tax Act.

**In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*

GENERAL RISKS

Investors are advised to read the risk factors carefully before making an investment decision in relation to the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. Specific attention is invited to "***Risk Factors***" on page 13 and "***Material Developments***" on page 118. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue that the information contained in the Draft Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Draft Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

ICRA Limited ("**ICRA**") has, by its letter (No. D/RAT/2013-14/N3/2) dated July 16, 2013, assigned a rating of [ICRA] AAA (Stable) to the Bonds, and revalidated such rating by letter (No. D/RAT/2013-14/N3/3) dated November 8, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely financing of obligations and carry lowest credit risk. Further, CRISIL Limited ("**CRISIL**") has, by its letter (No. VK/CGS/NTPCLTD/JUN13/90014) dated June 3, 2013, assigned a rating of CRISIL AAA to the Bonds, and revalidated such rating by letter (No. VK/NTPCL/SN26294) dated November 8, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. These ratings are not a recommendation to buy, sell or hold securities, and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency (ies) and should be evaluated independently of any other ratings. For the rationale for these ratings, see "***Annexure B – Credit Rating***".

PUBLIC COMMENTS

The Draft Prospectus has been filed with BSE Limited ("**BSE**"), being the Designated Stock Exchange, and the National Stock Exchange of India Limited ("**NSE**") (together, "**Stock Exchanges**") pursuant to Regulation 6(2) of the SEBI Debt Regulations. The Draft Prospectus shall be uploaded by the Stock Exchanges on their respective websites, www.bseindia.com and www.nseindia.com, and is open for public comments for 7 Working Days from the date of filing of this Draft Prospectus. All comments on the Draft Prospectus are to be forwarded to the attention of Mr. A.K. Rastogi, Executive Director & Company Secretary and Compliance Officer at the registered office, at the following address: NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi 110 003 ("**Registered Office**"); Fax: (+91 11) 2436 0241; E-mail: akrastogi@ntpc.co.in. All comments from the public must be received by our Company within 7 Working Days of the date of filing of the Draft Prospectus with the Stock Exchanges, i.e., not later than 5 P.M. (Indian Standard Time) on the 7th Working Day. Comments may be sent through post, fax or e-mail.

LISTING

The Bonds are proposed to be listed on BSE and NSE. We have obtained in-principle listing approvals for the Bonds by letter (No. [●]) dated [●] from BSE and letter (No. [●],) dated [●] from NSE. The Designated Stock Exchange for the Issue is BSE.

LEAD MANAGERS

A. K. CAPITAL SERVICES LIMITED 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Tel: (+91 22) 6754 6500/6634 9300 Fax: (+91 22) 6610 0594 Email: ntpctfbonds13@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Mr. Mandeep Singh/Mr. Lokesh Singhi Compliance Officer: Mr. Vikas Agarwal SEBI Registration No.: INM000010411	**AXIS CAPITAL LIMITED** 1st floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025 Tel: (+91 22) 4325 2525 Fax: (+91 22) 4325 3000 E-mail: ntpctaxfree@axiscap.in Investor Grievance Email: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mr. Akash Aggarwal Compliance Officer: Mr. M. Natarajan SEBI Registration No.: INM000012029	**ICICI SECURITIES LIMITED** ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel: (+91 22) 2288 2460 Fax: (+91 22) 2282 6580 Email: project.ntpc@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Mr. Mangesh Ghogle/Mr. Sumit Agarwal Compliance Officer: Mr. Subir Saha SEBI Registration No.: INM000011179	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED** 27 BKC, 1st Floor, Plot No. C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (+91 22) 4336 0000 Fax: (+91 22) 67132447 E-mail: project.ntpcbonds@kotak.com Investor Grievance: E-mail: kmccredressal@kotak.com; Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane Compliance Officer: Mr. Ajay Vaidya SEBI Registration Number: INM000008704	**SBI CAPITAL MARKETS LIMITED** 202, Maker Tower E, Cuffe Parade, Mumbai 400 005 Tel: (+91 22) 2217 8300 Fax: (+91 22) 2218 8332 Email: ntpcbonds2013@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Ms. Shikha Agarwal/Mr. Nithin Kanuganti Compliance Officer: Mr. Bhaskar Chakraborty SEBI Registration No.: INM000003531

REGISTRAR TO THE ISSUE	BOND TRUSTEE#
KARVY COMPUTERSHARE PRIVATE LIMITED Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 Tel: (+91 40) 4465 5000;Fax: (+91 40) 2343 1551;E-mail: ntpc.bond@karvy.com; Investor Grievance Email: einward.ris@karvy.com; Website: http://karisma.karvy.com; Contact Person: Mr. M. Murali Krishna; SEBI Registration Number: INR000000221	**IL&FS TRUST COMPANY LIMITED** The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (+91 22) 2653 3908;Fax: (+91 22) 2653 3297;Email: itclcomplianceofficer@ilfsindia.com; Investor Grievance Email: investorgrievances.itcl@ilfsindia.com Website: www.itclindia.com; Contact Person: Senior Vice President; SEBI Registration No.: IND000000452

ISSUE PROGRAMME**

ISSUE OPENS ON	ISSUE CLOSES ON
[●]	[●]

*** The Issue shall remain open for subscription from 10 A.M. to 5 P.M (Indian Standard Time). during the period indicated above with an option for early closure/extension as may be decided by the board of directors of our Company or a duly constituted committee thereof, including the Committee of the Board for Allotment and Post-Allotment Activities of NTPC's Securities and the Committee for Public Issue of Tax Free Bonds ("**Board**"). In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in at least one leading national daily newspaper with wide circulation.*

 # IL&FS Trust Company Limited has by its letter dated November 14, 2013, given its consent for its appointment as the Bond Trustee and for its name to be included in this Draft Prospectus and in all subsequent communications sent to the Bondholders.

*A copy of the Prospectus shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), in terms of Sections 56 and 60 of the Companies Act 1956 and corresponding provisions of the Companies Act, 2013, to the extent notified and in force ("**Companies Act 2013**") along with endorsed/certified copies of all requisite documents. For more information, see "**Material Contracts and Documents for Inspection**" on page 180.*

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SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
"Issuer", "NTPC", "our Company" or "the Company"	NTPC Limited, a company incorporated under the Companies Act 1956 and having its registered office at NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi 110 003
"We" or "us", "our"	NTPC, together with its Subsidiaries and Joint Ventures on a consolidated basis, unless the context otherwise requires
Articles/Articles of Association/AoA	Articles of association of our Company
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof, including the Committee of the Board for Allotment and Post-Allotment Activities of NTPC's Securities and the Committee for Public Issue of Tax Free Bonds
BRBCL	Bhartiya Rail Bijlee Company Limited
Equity Shares	Equity shares of our Company of face value ₹ 10 each
Joint Statutory Auditors/Auditors/Independent Auditors	O.P. Bagla & Co. Chartered Accountants, K.K. Soni & Co. Chartered Accountants, PKF Sridhar & Santhanam, Chartered Accountants, V. Sankar Aiyar & Co., Chartered Accountants, Ramesh C. Agrawal & Co., Chartered Accountants and A.R. & Co., Chartered Accountants
Joint Venture(s)	Our 21 joint venture companies (excluding PTC India Limited, where our Company holds nominal shareholding of 4.05% of the issued, subscribed and paid-up equity share capital) as referred to in "***History and Certain Corporate Matters***" on page 69
KBUNL	Kanti Bijlee Utpadan Nigam Limited
Memorandum/Memorandum of Association/MoA	Memorandum of Association of our Company
NHL	NTPC Hydro Limited
Promoter	The President of India, acting through the MoP
Registered Office	Registered and corporate office of our Company situated at NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi 110 003
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Scheme	The scheme of amalgamation approved by the Board pursuant to a resolution dated May 10, 2012 for amalgamating NHL with our Company
Subsidiaries (and each, individually, a Subsidiary)	Subsidiaries of our Company as referred to in "***History and Certain Corporate Matters***" on page 69

Issue Related Terms

Term	Description
2012 Circular	Circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 issued by SEBI
AK Capital	A. K. Capital Services Limited
Allotment Advice	The communication sent to the Allottees conveying the details of Bonds Allotted to the Allottees in accordance with the Basis of Allotment
Allotment/Allot/Allotted	Issue and allotment of Bonds to successful Applicants pursuant to the Issue
Allottee	A successful Applicant to whom Bonds are Allotted pursuant to the Issue
Applicant	A person who makes an offer to subscribe to the Bonds pursuant to the terms and the Prospectus and Application Form for the Issue
Application	An application to subscribe to the Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed in this Draft Prospectus and the Prospectus
Application Amount	Aggregate value of Bonds applied for, as indicated in the Application Form
Application Form	Form in terms of which an Applicant (including the application form used by an NRI Applying on a non-repatriation basis) shall make an offer to subscribe to Bonds and which will be considered as the application for Allotment of Bonds in terms of the Prospectus
Application Supported by Blocked Amount/ASBA/ASBA	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application authorising the SCSB to block the Application Amount in a specified bank account maintained with such SCSB

Application	
ASBA Account	An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form made in ASBA mode by an ASBA Applicant
ASBA Applicant	Any Applicant who applies for the Bonds through the ASBA Process.
Axis	Axis Capital Limited
Base Issue Size	₹ 1,000 crore
Basis of Allotment	The basis on which the Bonds will be Allotted to successful Applicants under the Issue and which is described in "***Terms of the Issue – Basis of Allotment***" on page 130
Bond Certificate(s)	Certificate issued to Bondholder(s) pursuant to Allotment, in case the Applicant has opted for Bonds in physical form based on the request from the Bondholders
Bond Trust Deed	Trust deed to be executed between the Bond Trustee and our Company
Bond Trustee	Trustee for the Bondholders, in this case being IL&FS Trust Company Limited
Bondholder(s)	Any person holding Bonds and whose name appears on the beneficial owners list provided by the Depositories (in case of Bonds held in dematerialized form) or whose name appears in the Register of Bondholders maintained by our Company/the Registrar to the Issue/any other agency designated by our Company for such purpose (in case of bonds held in physical form)
Bonds	Tax-free secured redeemable non-convertible bonds in the nature of debentures, of our Company of face value of ₹ 1,000 each, having benefits under Section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by our Company pursuant to the Prospectus
Category I/QIBs	PFIs, scheduled commercial banks, MFs registered with SEBI, state industrial development corporations, insurance companies registered with the IRDA, Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, provident funds with a minimum corpus of ₹ 25 crore, pension funds with a minimum corpus of ₹ 25 crore, the National Investment Fund set up by resolution (F. No. 2/3/2005-DD-II) dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, subject to such being authorized to invest in the Bonds. *With regard to Section 372A(3) of the Companies Act 1956, see general circular (No. 6/2013), dated March 14 , 2013 issued by the MCA clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act.*
Category II/Corporates	Companies falling within the meaning of Section 2(20) of the Companies Act 2013, limited liability partnerships, statutory corporations, trusts, partnership firms in the name of their respective partners, associations of persons, co-operative banks, regional rural banks and other legal entities constituted and/or registered under applicable laws in India that are authorized to invest in Bonds by their respective constitutional and/or charter documents, subject to compliance with respective applicable laws. *With regard to Section 372A(3) of the Companies Act 1956, see general circular (No. 6/2013), dated March 14 , 2013 issued by the MCA clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act.*
Category III/High Net Worth Individuals	Resident individual investors (including HUFs applying through their Kartas), and NRIs Applying on non-repatriation basis only, who have applied for Bonds for an amount more than ₹ 10 lakh across all Series of Bonds in the Issue
Category IV/Retail Individual Investors	Resident individual investors (including HUFs applying through their Kartas), and NRIs Applying on non-repatriation basis only, who have applied for Bonds for an amount less than or equal to ₹ 10 lakh across all Series of Bonds in the Issue
CBDT Notification	Notification No. 61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue that are authorized to collect the Application Forms (other than in respect of Applications made under ASBA) as per the Escrow Agreement
Consolidated Certificate	In case of Bonds applied for in physical form or rematerialized Bonds held in physical form, the certificate issued by our Company to the Bondholder for the aggregate amount of each of the Series of Bonds that are rematerialized and/or held by such Bondholder
Consortium (each individually, a member of the Consortium)	The Lead Managers and the Consortium Members
Consortium Agreement	Consortium Agreement dated [●] among our Company and the Consortium
Consortium Members	[●]
Corporate Portion	The portion of the Issue, constituting [●]% of the Issue which shall be available for

	allocation to Applicants falling under Category II
Credit Rating Agencies	ICRA and CRISIL
Coupon/Interest Payment Date(s)	The dates on which interest/coupon on the Bonds shall fall due for payment as specified in the Prospectus, which in case of the first coupon/interest payment shall be the date falling one year from Deemed Date of Allotment and, for subsequent fiscals, shall be the same date of such respective fiscal. The last interest payment in each case will be made on the respective Redemption Dates/Maturity Dates for each Series of Bonds
Deemed Date of Allotment	The date on which the Board approves the Allotment of Bonds for the Issue or such date as may be determined by the Board and notified to the Designated Stock Exchange. All benefits accruing in relation to the Bonds including interest on Bonds shall be available from Deemed Date of Allotment. Actual Allotment of Bonds may occur on a date other than Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his/her address, bank account details, occupation and PAN
Designated Branches	Such branches of the SCSBs as shall collect the Application Form used by ASBA Applicants, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other website as may be prescribed by SEBI from time to time
Designated Date	Date of instructions being given for Application Amounts to be transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, and the Registrar to the Issue issues instructions to the SCSBs for transfer of funds to the Public Issue Account or unblock such amounts as are liable to be Refunded, as appropriate, following which the Board shall Allot the Bonds to successful Applicants, provided that Application Amounts received will be kept in the Escrow Account(s) up to this date and our Company will have access to such funds only after creation of adequate security for the Bonds
Designated Stock Exchange	BSE
Direct Online Application Mechanism	Applications made through an online interface establishment and maintained by the Stock Exchanges enabling direct application by investors to a public issue of their debt securities with an online payment facility in terms of the 2012 Circular
DP ID	Depository Participant ID
Draft Prospectus	This draft prospectus dated November 15, 2013 filed by our Company with the Stock Exchanges and which shall be open for public comments, in accordance with SEBI Debt Regulations
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s), in whose favour Applicants other than ASBA Applicants will issue cheques or demand drafts in respect of the Application Amount when submitting Applications
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, Refunds of amounts collected from Applicants (other than ASBA Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Banks that are clearing members and registered with SEBI with whom the Escrow Account will be opened, in this case being [●]
High Net Worth Individual Portion	The portion of the Issue, constituting [●]% of the Issue which shall be available for allocation to Applicants falling under Category III
ICICI Securities	ICICI Securities Limited
Issue	Public issue by our Company of tax-free secured redeemable non-convertible Bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750 crore* during fiscal 2014. ** In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*
Issue Agreement	The agreement entered into on November 13, 2013, between our Company and the Lead Managers
Issue Closing Date	[●]. The Issue shall remain open for subscription from 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period with an option for early closure or extension, as

	may be decided by the Board
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which a prospective Applicant may submit their Application Forms
Issue Size	The aggregate limit of the Issue being ₹ 1,750 crore
Kotak	Kotak Mahindra Capital Company Limited
Lead Managers	AK Capital, Axis, ICICI Securities, Kotak and SBICAP
Market Lot/Trading Lot	One Bond
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the Foreign Exchange Management Act, 1999. OCBs are not permitted to invest in the Issue
Portion	The terms QIB Portion, Corporate Portion, High Net Worth Individual Portion and Retail Individual Investor Portion are individually referred to as "Portion" and collectively, referred to as "Portions"
Prospectus	The prospectus to be filed by our Company with the RoC, the Stock Exchanges and SEBI, in accordance with the provisions of the SEBI Debt Regulations
Public Issue Account	Account opened with the Escrow Collection Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date
QIB Portion	The portion of the Issue, constituting [●]% of the Issue which shall be available for allocation to Applicants falling under Category I
Record Date	Date falling 15 days prior to the relevant Coupon/Interest Payment Date on which interest amount or the Redemption Dates/Maturity Dates for each Series of Bonds on which the Maturity Amount is due and payable under the terms of the Prospectus. In the event that the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date
Redemption Amount or Maturity Amount	Amount repayable on the Bonds, comprising face value of the Bonds, together with coupon/interest accrued at the applicable coupon/interest Rate for each Series of Bonds on the respective Redemption Dates or Maturity Dates
Redemption Date or Maturity Date	The respective dates on which each Series of Bonds shall be redeemed and Redemption Amount shall be paid by our Company, at the end of the respective tenure of such Series of Bonds
Refund Account	Account opened with the Refund Bank from which Refunds, if any, of the whole or any part of the Application Amount shall be made to Applicants other than ASBA Applicants
Refund Bank	[●]
Register of Bondholders	Register of Bondholders maintained by the Issuer in accordance with the Companies Act and as detailed in "***Terms of the Issue – Rights of Bondholders***" on page 137
Registrar Agreement	Agreement dated November 14, 2013 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue or Registrar	Karvy Computershare Private Limited
Retail Individual Investor Portion	The portion of the Issue, constituting 40.00% of the Issue which shall be available for allocation to Applicants falling under Category IV
SBICAP	SBI Capital Markets Limited
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such website as may be notified by SEBI from time to time. A list of the branches of the SCSBs where Application Forms will be forwarded by such members of the Syndicate is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Series of Bonds or Series	Series of Bonds, which are identical in all respects including but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon/interest rate) and as further stated to be each, an individual Series in this Draft Prospectus
Specified Cities or Syndicate ASBA Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept Application Forms under the ASBA process in terms of the SEBI Circular (No. CIR/CFD/DIL/1/2011), dated April 29, 2011
Stock Exchanges	BSE and NSE
Syndicate	Collectively, the Consortium Members, brokers and sub-brokers appointed in relation to

	the Issue
Syndicate ASBA	ASBA Applications through the members of the Consortium or Trading Members of the Stock Exchanges only in the Specified Cities
Tax-free	Tax-free in the context of the Issue refers to tax benefits under Section 10(15)(iv)(h) of the Income Tax Act
Trading Member	Intermediaries registered with a Broker or a Sub-Broker under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Designated Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by the relevant Stock Exchanges from time to time
Tripartite Agreements	Tripartite agreement dated September 3, 2004 between our Company, CDSL and the Registrar to the Issue and the tripartite agreement dated July 16, 2004 between our Company, NSDL and the Registrar to the Issue
TRS	Transaction registration slip
Trustee Agreement	Trustee Agreement dated November 14, 2013, between our Company and the Bond Trustee
Working Days	All days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/Full Form
Additional CIT	Additional Commissioner of Income Tax
Alternative Investment Funds or AIFs	Alternative Investment Funds, as defined in and registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
Assistant CIT	Assistant Commissioner of Income Tax
Assistant CST	Assistant Commissioner of Sales Tax
BSE	BSE Limited
BTU	British Thermal Unit
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Sales tax Appellate Tribunal
Commissioner CEST (A)	Commissioner (Appeals), Customs, Central Excise and Service Tax
CIT (A)	Commissioner of Income Tax (Appeals)
Commissioner ST	Commissioner of Sales Tax
Companies Act 2013	Companies Act, 2013, to the extent notified by the MCA and in force as of the date of this Draft Prospectus
Companies Act 1956	Companies Act, 1956 to the extent applicable as of the date of this Draft Prospectus
Companies Act	Companies Act 1956, as superseded and substituted by notified provisions of the Companies Act 2013
CRISIL	CRISIL Limited
Debt Listing Agreement	The debt listing agreement entered into by our Company with BSE and NSE
Depository(ies)	CDSL and NSDL
Depositories Act	Depositories Act, 1996
Deputy CIT	Deputy Commissioner of Income Tax
DIN	Director identification number
DP/Depository Participant	Depository Participant, as defined under the Depositories Act
DRR	Debenture Redemption Reserve
DTC	Proposed Direct Taxes Code, as introduced in the Indian Parliament in 2010
ECB	External commercial borrowing
ERP	Enterprise Resource Planning
FIIs	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with the SEBI
Financial Year/fiscal/FY	Period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
GoI or Government	Government of India
HUF	Hindu Undivided Family
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961

Term/Abbreviation	Description/Full Form
India	Republic of India
IRDA	Insurance Regulatory and Development Authority
ITAT	Income Tax Appellate Tribunal
JBIC	Japanese Bank for International Co-operation (now known as the Japanese International Co-operation Agency)
JMFC	Judicial Magistrate First Class
KYC	Know-your-customer
MF	Mutual Fund
MoC	Ministry of Coal, GoI
MoP	Ministry of Power, GoI
MCA	Ministry of Corporate Affairs, GoI
MICR	Magnetic Ink Character Recognition
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NRI	Non-Resident Indian
NRE	Non-Resident External Account
NRO	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PFI	Public Financial Institution, as defined under Section 2(72) of the Companies Act 2013
PIL	Public interest litigation
PPAs	Power purchase agreements
RBI	Reserve Bank of India
RIL	Reliance Industries Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Securities Act	United States Securities Act, 1933
SLP	Special leave petition
Supreme Court	Supreme Court of India
TDS	Tax deducted at source
VAT	Value added tax

Technical and Industry Related Terms

Term	Description
2009-14 Regulations	Tariff regulations issued by the CERC for the period April 1, 2009 to March 31, 2014
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
IPMCS	Integrated Project Management and Control System
IPP	Independent power producer
PCC	Pulverized Coal Combustion
SEB	State electricity board
Tariff Policy	Tariff policy issued by the CERC in January 2006
GCV	Gross Calorific Value

Notwithstanding the foregoing, terms in "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***" on pages 169 and 51, respectively, and "***Annexure A - Financial Information***", shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in the Draft Prospectus to '**India**' are to the Republic of India and its territories and possessions.

Financial Data

The audited standalone and consolidated reformatted financial statements of our Company as of and for the fiscal years ended March 31, 2013, 2012, 2011, 2010 and 2009 included in this Draft Prospectus has been prepared in accordance with the requirements of Paragraph B(1), Part II of Schedule II, and revised Schedule VI of the Companies Act 1956 and the SEBI Debt Regulations. The statement of standalone unaudited financial results for the 6 months ended September 30, 2013 included in this Draft Prospectus have been reviewed in accordance with the Standard on Review Engagements (SRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified by the ICAI and standards on auditing issued by the Institute of Chartered Accountants of India.

In the Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to 2 decimal points.

Currently, the financial year of our Company commences on April 1 of the immediately preceding calendar year, and ends on March 31 of that particular calendar year; accordingly, all references to a particular 'financial year', 'fiscal year', 'fiscal' or 'FY', unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The degree to which the financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should, accordingly, be limited.

Currency and Unit of Presentation

In the Draft Prospectus, references to '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and references to 'US$', 'USD', and 'U.S. dollars' are to the legal currency of the United States of America and references to 'Euro' and '**€**' are to the legal currency of the European Union. All references to 'JPY' are to Japanese Yen, the legal currency of Japan.

Industry and Market Data

Any industry and market data used in the Draft Prospectus consists of estimates based on reports compiled by government bodies, professional organizations and other external sources available in the public domain. These publications generally state that the information they contain has been obtained from publicly available sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although our Company believes that the industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Exchange Rates

The exchange rates of US$, € and JPY as on September 30, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 are provided below:

Currency	Exchange Rate into ₹ as on September 30, 2013	Exchange Rate into ₹ as on March 31, 2013#	Exchange Rate into ₹ as on March 31, 2012^	Exchange Rate into ₹ as on March 31, 2011	Exchange Rate into ₹ as on March 31, 2010	Exchange Rate into ₹ as on March 31, 2009

Currency	Exchange Rate into ₹ as on September 30, 2013	Exchange Rate into ₹ as on March 31, 2013#	Exchange Rate into ₹ as on March 31, 2012^	Exchange Rate into ₹ as on March 31, 2011	Exchange Rate into ₹ as on March 31, 2010	Exchange Rate into ₹ as on March 31, 2009
1 US$	62.78	54.39	51.16	44.65	45.14	50.95
1 €	84.67	69.54	68.34	63.24	60.56	67.48
100 JPY	64.15	57.76	62.43	54.02	48.44	51.87

 # March 31, 2013 and March 30, 2013 were Sunday and Saturday, respectively, and March 29, 2013 was a holiday; hence, exchange rates for the last working day of March 2013, i.e. March 28, 2013, have been used.

^March 31, 2012 was a trading holiday; hence, exchange rates for the last working day of March 2012, i.e., March 30, 2012, have been used.

Source: www.rbi.org.in

FORWARD-LOOKING STATEMENTS

Certain statements contained in the Draft Prospectus that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek,' 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in the Draft Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our expansion and diversification plans are subject to a number of risks and uncertainties, which may result in an adverse effect on our business, financial condition and prospects.
- Power projects generally have long gestation periods, and subject us to various operational risks, which may result in an adverse effect on our business, financial condition and prospects.
- We have significant fuel requirements and may not be able to ensure availability of adequate fuel at competitive prices. Also, we may not be able to ensure availability of sufficient amounts of coal of the grade, quality and specifications that we require in order to operate our coal-based power stations, at commercially reasonable prices.
- The power sector in India is highly regulated. For instance, tariff regulations issued by the Central Electricity Regulatory Commission ("**CERC**"), may adversely affect our business, financial condition and prospects. Moreover, other regulatory matters and changes in applicable law and policy may adversely affect us.
- Our power purchase agreements ("**PPAs**") may expose us to certain risks that may affect our business, financial condition and prospects. Further, there is no assurance that we will be able to sell power outside the long term PPAs and this could have an adverse impact on our revenues.
- State utilities account for a significant portion of our sales of electricity generated from our directly owned power stations, and any change that adversely affects our ability to recover dues from them may adversely affect our financial position.
- We are involved in a number of legal proceedings that may be determined against us. Further, opposition from local communities may adversely affect our business.
- We have incurred significant indebtedness and may incur substantial additional borrowings in connection with our business.
- Failure to obtain or renew necessary regulatory approvals may adversely affect our business, financial condition and prospects.
- We are subject to various environmental, occupational, health and safety and other laws, which may subject us to increased compliance costs that may have an adverse effect on our business, financial condition and prospects.
- Our business, financial condition and prospects may be adversely affected if we are unable to take advantage of certain tax benefits or if there are adverse changes to the tax regime in the future.
- This Draft Prospectus includes certain unaudited standalone financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.
- Our Joint Statutory Auditors have included certain notes and matters of emphasis in their reports included in this Draft Prospectus, which should be considered carefully by prospective investors in the Issue.
- We have significant contingent liabilities, which may result in an adverse effect on our business, financial condition and prospects, to the extent that any such liabilities materialize.
- Inability to attract and retain, or appropriately replace, our key personnel and sufficient skilled workers may adversely affect our business, financial condition and prospects.
- Other factors discussed in the Draft Prospectus, including under "***Risk Factors***" on page 13.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "***Business***" and "***Material Developments***" on pages 58 and 118, respectively. Although our Company believes that the expectations reflected in such forward-looking statements

are reasonable as of the date of this Draft Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II - RISK FACTORS

*You should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties described below, and under "**Business**" on page 58 and "**Annexure A - Financial Information**", before making an investment in the Bonds. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, financial condition and prospects. If any of the following or any other risks actually occur, our business, financial condition and prospects may be adversely affected and the price and value of your investment in the Bonds could decline such that you may lose all or part of your investment.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

You should not invest in the Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the Bonds.

Unless otherwise stated, our financial information used in this section is derived from our consolidated reformatted financial information for fiscal 2013, 2012, 2011, 2010 and 2009 prepared in accordance with accounting standards generally accepted in India, and our unaudited standalone financial information for September 30, 2013.

RISKS RELATING TO OUR BUSINESS

1. Our expansion and diversification plans are subject to a number of risks and uncertainties, which may result in an adverse effect on our business, financial condition and prospects.

Our growth strategy and expansion plans subject us to a number of considerations, including the following:

- Our ability to finance capital expenditure for expansion, including the management of new equipment and projects and the maintenance and upgradation of existing equipment and projects, is subject to a number of risks, contingencies and other factors, including interest rates and availability and cost of borrowing.
- Our ability to procure fuel at prices and terms acceptable to us. In particular, estimates of coal reserves are subject to assumptions and, if the actual amounts of such reserves are less than estimated or if the quality of the coal reserves is lower than estimated or we are unable to commence planned captive coal mining activities for any other reason, we may not be able to implement our expansion plans.
- Our ability to obtain licences under the Electricity Act, 2003, including transmission licences, distribution licences and electricity trading licences, and other environmental laws (including mining laws) and labour, health and safety laws.
- Actual increases in demand for power as well as other services and products offered by us, such as our consultancy and other allied businesses, may not meet anticipated demand based on which we have planned our operations and growth for any given periods, or the success or sustainability of any of our growth plans may be adversely affected by other industry trends that we have been unable to correctly anticipate.
- There may be potential adverse short-term effects on operating results through increased costs or otherwise.
- We may experience economic, political and social uncertainty or volatility in the diverse regions in which we currently operate or in which we plan to set up operation.
- We may face challenges associated with recruitment and retention of adequate skilled personnel as well as possible diversion of management time and focus and managing the realignment of our management and administrative resources.
- We may not be selected for projects that we may bid for in the future, including as a result of other entities being able to make a more competitive bid.
- We may face increasing competition going forward, including from private sector players, in our current as well as planned business activities.

We also expect that the execution of our growth strategy and new power projects will place significant strains on our management, financial and other resources. Continued expansion increases the challenges involved in financial and technical management, recruitment, training and retaining sufficient skilled technical and management personnel, and developing and improving our internal administrative infrastructure. If we are unable to successfully implement our business plan and growth strategy, we may also be unable to meet the annual performance targets set by the Government pursuant to the annual memorandum of understanding which we enter into with the Government. Any of these factors may have an adverse effect on our business, financial condition and prospects.

In particular, as we seek to diversify our operations, including by way of forward and backward integration in the power sector and by way of diversifying our fuel mix, we may be subject to a number of additional risks. Any new businesses that we may enter into, may subject to a legal, regulatory, policy and business environment that we are not currently familiar with, or may pose significant challenges to our administrative, financial and operational resources. The early stages and long gestation periods of new businesses may make it difficult to predict their economic viability. Therefore, there is no assurance as to the timing and amount of any returns or benefits that we may receive from new business initiatives or new fuel sources that we are currently exploring or developing.

2. Power projects generally have long gestation periods, and subject us to various operational risks, which may result in an adverse effect on our business, financial condition and prospects.

Power projects generally have long gestation periods, which may entail a significant period of time before the economic viability of a given project can be established and there may be substantial capital outflow before we are able to realize expected benefits or returns on our investment. Moreover, the construction, development or operation of our power projects, coal mines or other facilities may be disrupted or affected by various factors that may be beyond our control, including the following:

- Our ability to acquire land depends on its ownership status, the classification of land use and the willingness of owners to sell or lease their land. Acquisition of Government land may involve a number of difficulties relating to rehabilitation and resettlement and provision of adequate compensation, while diversion of forest land would be subject to Government clearance.
- We depend on independent contractors for construction, installation, delivery and commissioning, as well as the supply and testing of key plant and equipment and other non-core aspects of our business. We may only have limited control over the timing and quality of services, equipment or supplies provided by contractors as well as suppliers and vendors, and any failure or delay in performance by any such persons or entities could result in time and cost overruns for us.
- We may experience geological difficulties during the execution of construction projects, especially during the development of hydroelectric, oil and gas and coal mining projects. For example, during the execution of our construction projects, we may discover adverse rock strata or terrain, or trapped gases or trapped water and our plant designs may be unsuitable for dealing with such geology. These geological factors may result in costs and time overruns or cause us to determine that a planned project or expansion is no longer economically feasible.
- Mechanical failure and equipment shutdowns, explosions, fires, natural disasters such as cyclones and earthquakes, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, accidents, transmission or transportation interruptions, environmental disasters, significant social or political disruptions including terrorism and labor disputes or industrial action may significantly affect our operations.
- Non-availability of fuel of desired quantity and quality may significantly disrupt our operations or reduce our profitability.

If such operational difficulties occur, our ability to supply electricity to our customers or source coal or oil and gas may be adversely affected. In the event any facility is significantly damaged or forced to shut down for a significant period of time, our business, financial condition and prospects may be adversely affected.

In particular, many of our power stations are ageing and may subject us to additional risks to the extent that we may be required to undertake renovation and modernization schemes involving significant capital expenditure.

3. ***We have significant fuel requirements and may not be able to ensure availability of adequate fuel at competitive prices. Also, we may not be able to ensure availability of sufficient amounts of coal of the grade, quality and specifications that we require in order to operate our coal-based power stations, at commercially reasonable prices.***

Availability of fuels at competitive prices is critical to our business. Fuel costs represent our largest expense, constituting 76.13% of our total expenses for fiscal 2013 on a standalone basis. Although we purchase a significant part of our fuel requirements, particularly coal and gas, under long-term fuel supply agreements, there is no assurance that our suppliers will be able to satisfy their contractual commitments, particularly in relation to the grade and quality of coal that we may require for our operations, or that alternative sources of supply will be available to us on reasonable terms. In the event our contracted sources of fuel supply or other domestic sources of fuel supply (for instance, through short term purchase agreements or orders placed by us on the spot market) fall short for any reason, or the grade, quality and specifications of fuel available for supply to us does not match our specifications and requirements, we may be required to explore alternative sources of fuel supply, including for import of fuels such as coal from other countries at prices that may be significantly higher than the prices at which we have historically sourced fuel for our power stations in the past.

Further, domestic coal and gas allocations and gas prices are currently determined by Government policy, while coal prices are contractually set, which limits our financial and operational flexibility to an extent. In the event that coal and gas supplies or gas prices in India were to be deregulated, there is no assurance that we will be able to obtain adequate supplies of coal and gas at competitive prices. Moreover, the availability and cost of fuels, including coal and gas, are subject to volatility in world commodity markets, the level of investment in exploitation of mine reserves in India and elsewhere, the quality and grade of coal and gas available in India and elsewhere, and other factors that may be beyond our control. Any constraints on sourcing adequate quantities of fuel at commercially reasonable costs, and of acceptable grade, quality or other specifications, may adversely affect our business, financial condition and prospects.

The domestic demand for coal is expected to increase significantly in the future, driven by significant capacity addition in the Indian power sector. High dependence on domestic coal could therefore expose us to potential price and availability risks. In the event of a shortage of coal, not only will the productivity of our coal-fired power stations be reduced but it will also hinder the our expansion plans. We also source coal through bilateral short term memoranda of understanding, through imports and through e-auctions. However, there is no assurance that such sources of coal will continue to be available to us in the future at reasonable prices or terms or at all.

With respect to gas, our use has been limited in the past due to inadequate supply of domestic gas. We have arranged for the supply of re-liquefied natural gas through long- and short-term contracts to meet part of its requirements. The short-term RLNG contracts are agreed on a "reasonable endeavors" basis with no obligation on our part of such as "ship-or-pay" or, "take-or-pay" and no supply or pay obligation on the part of the suppliers. However, due to high re-liquefied natural gas prices, the off-take of power by distribution companies and beneficiaries and, consequently, re-liquefied natural gas consumption have been low. We estimate that we will require 16.39 million metric standard cubic metres of gas per day in fiscal 2014 to operate our directly owned gas-fired power stations at a plant load factor (which is a measure equal to the percentage of capacity actually utilized) of 85.00%. If we experience a shortage in the supply of gas to our gas-fired power stations, the productivity of those power stations would be reduced. Although we are in the process of securing a supply of gas for our projects at Kawas and Gandhar, there is no assurance that we will be able to secure an adequate supply of gas for our current gas-fired power stations or future gas-fired projects. Our ability to secure adequate fuel supply for our Kawas and Gandhar projects may also be affected by our dispute with Reliance Industries Limited ("**RIL**") on the sale and purchase agreement for gas supply for those projects. For details, see "***Outstanding Litigation***" on page 101.

Further, Ratnagiri gas power project, which is under operation with one our 21 joint venture companies (excluding PTC India Limited, where our Company holds nominal shareholding of 4.05% of the issued, subscribed and paid-up equity share capital) ("**Joint Ventures**"), Ratnagiri Gas and Power Private Limited, is facing shortage of domestic gas supply from KG-D6 block. Any shortage of this kind may severally affect the solvency of the project and that of our Joint Ventures.

4. ***The power sector in India is highly regulated. For instance, tariff regulations issued by the CERC, may adversely affect our business, financial condition and prospects. Moreover, other regulatory matters and changes in applicable law and policy may adversely affect us.***

Our businesses are regulated by the central and state governments in India, through a number of laws, rules, regulations and policies applicable to the power sector in India.

For instance, we are significantly impacted by tariff policy issued by the GoI and regulations and directives issued by the CERC. The tariff policy issued in January 2006 ("**Tariff Policy**") provides that all future requirements for power be procured through tariff based competitive bidding by distribution licensees, except in cases of expansion of existing projects or where there is a state controlled/owned developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose be restricted to one time addition of not more than 50.00% of the existing capacity. For public sector projects, capacity addition of all new generation and transmission projects shall be decided on the basis of competitive bidding after January 6, 2011, provided that a developer of a hydroelectric project would have the option of getting the tariff determined by the appropriate commission subject to conditions specified in the Tariff Policy. Exemptions from the competitive bidding route may be adopted in certain transmission projects. The Government has also issued competitive bidding guidelines. Both central power sector utilities and private sector developers are participating in the tariff based bidding process for securing power projects, including coal-fired ultra mega power projects.

In addition, the CERC has issued tariff regulations for the period from April 1, 2009 to March 31, 2014 ("**2009-14 Regulations**"), under which return on equity is calculated on a pre-tax basis at a base rate of 15.50%, grossed up by the tax rate applicable for the respective year. For projects commissioned on or after April 1, 2009, there is additional return of 0.50% on a grossed up basis if the new projects are completed within the timeline specified in the 2009-14 Regulations. In addition, under the 2009-14 Regulations, we can recover deferred tax liability only as and when it materializes on our power generation business through our tariffs on power sold up to March 31, 2009. Actual income tax paid and any deferred tax liability created during fiscal 2010 to 2014 are not recoverable as part of tariff. Recovery of interest cost on debt and return on equity for all power stations declared in commercial operation on or after April 1, 2009 will be based on a prescribed 70:30 debt to equity ratio. Where equity employed is greater than 30.00%, the amount of equity for determination of tariff will be limited to 30.00%. Return on excess equity can be recovered on the same basis as recovery on the debt component. Where equity employed is less than 30.00%, the actual amount of equity will be used for purposes of determination of tariff. In case of existing power stations, recovery of interest costs on debt will be based on the debt to equity ratio previously allowed by the CERC for determination of tariff for the period ending March 31, 2009. Tariff regulations for the period April 1, 2014 to March 31, 2019 are yet to be notified by the CERC. There is no assurance that the CERC will continue the present methodology for fixation of tariffs. Further, for the period beyond March 31, 2019, the nature of the tariff regulations may pose additional risks which presently are not comprehensible.

Moreover, the regulatory framework in India continues to evolve and there is a particular focus on increasing private participation in the future. For instance, competition in hydroelectric power is likely to increase in the future due to increased opportunities for private investment in the market and the hydroelectric potential in India, pursuant to the New Hydro Policy 2008. Non-compliance with applicable laws and regulations may also lead to penalties, revocation of our permits and registrations, or costly litigation. Any significant legal or regulatory change or uncertainty in the power sector may adversely impact our business, financial condition and prospects.

5. ***Our PPAs may expose us to certain risks that may affect our business, financial condition and prospects. Further, there is no assurance that we will be able to sell power outside the long term PPAs and this could have an adverse impact on our revenues.***

Under our PPAs with our customers, which are generally state utilities, our profitability is largely a function of our ability to operate our power projects at optimal levels in accordance with minimum performance standards that may be determined from time to time by regulatory bodies and our ability to manage our costs. Any failure to meet such minimum performance standard or manage our costs may have an adverse effect on our business, financial condition and prospects. Further, the PPAs have inherent risks that may restrict our operational and financial flexibility. For example, long-term PPAs

provide for sale of power to customers at tariffs and terms determined by the regulator. Accordingly, if there is an industry-wide increase in tariffs, we will not be able to take advantage of increased tariffs or negotiate satisfactory alternative off-take arrangements. These limitations affect our ability to enjoy the benefits of an increased tariff rate that our competitors selling power outside long-term PPAs may otherwise enjoy.

In addition, in the event that PPAs are terminated prematurely, or not renewed or extended after the initial term expires and, if we are unable to enter into purchase agreements with other customers, this may have an adverse effect on our business, financial condition and prospects. Further, as provided by the National Electricity Policy 2005 ("**NEP"**), up to 15.00% of our new generating capacities may be sold outside long term PPAs. We are not able to guarantee that we will be able to sell outside the PPAs at better prices or at all. We may enter into short term off-take agreements or sell power on a merchant basis to entities, including entities affiliated with us. Such agreements may create additional variability in our revenues and could expose our business to risks of market fluctuations in demand and price for power. If we are unable to adapt our business model to sell power from our power stations outside long term PPAs or sell the power generated by our merchant power stations, our business, financial results and prospects may be adversely affected.

6. State utilities account for a significant portion of our sales of electricity generated from our directly owned power stations, and any change that adversely affects our ability to recover dues from them may adversely affect our financial position.

The state-owned distribution companies and State Electricity Boards ("**SEBs**") are the largest purchasers of electricity generated from our power stations. Some of these entities have had weak credit histories in the past and continue to operate under financial constraints, due in part to the regulatory and policy constraints applicable to them in their respective states. Historically, we have had significant problems recovering payments from the SEBs, which, we believe, have been largely resolved due to Governmental intervention. However, any inability to adequately enforce such customers' ability to honor their offtake obligations towards us, or the escrow, letter of credit or other arrangements entered into with the SEBs or any other change that adversely affects our ability to recover dues from the SEBs or other state utilities (for instance, due to state policy or regulatory requirements that the state utilities may be subject to, or other factors affecting the profitability, creditworthiness and operations of such entities) may adversely affect our business, financial condition and prospects.

7. We are involved in a number of legal proceedings that may be determined against us. Further, opposition from local communities may adversely affect our business.

In the ordinary course of our business, we are involved in several legal, regulatory, arbitral and administrative proceedings and claims at various levels of investigation or adjudication. These proceedings may include criminal cases (including motor accidents claims, fatal accidents claims, dishonor of cheques, etc), public interest litigation ("**PIL**"), appeals against tariff orders of the CERC, civil suits, arbitral claims, taxes (including income and sales tax) and other statutory levies (including royalty claims), employment-related disputes, land-acquisition related disputes, environmental disputes, etc. The total claim or amount of contingent liability relating to such proceedings is not ascertainable, as the monetary claim against us has not been quantified in many instances, and may be substantial. An adverse decision in any such proceeding may have an adverse effect on our business, financial condition and prospects. There is also no assurance that similar proceedings will not be initiated against us in future. Further, should new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and liabilities.

In addition, the acquisition of land for our projects and related rehabilitation and resettlement requirements, as well as the construction and operation of our projects or our fuel diversification plans (including coal mining, hydroelectric, renewable or nuclear power projects), may face opposition from local communities or special interest groups due to the perceived negative impact such activities may have on the environment and community access to natural resources, or other specific factors from time to time. Significant opposition by local communities, special interest groups and other parties may delay project implementation, divert management focus and otherwise adversely affect our business, financial condition and prospects.

8. We have incurred significant indebtedness and may incur substantial additional borrowings in connection with our business.

As on March 31, 2013, we had total outstanding indebtedness of ₹ 70,418.78 crore on a consolidated basis, including ₹ 22,426.41 crore of secured loans. As on September 30, 2013, we had total outstanding indebtedness of ₹ 60,629.44 crore on a standalone basis, including ₹ 10,125.64 crore of secured loans. Our substantial indebtedness and restrictions imposed on us under current or future loan arrangements may adversely impact our business, financial condition and prospects in various ways, including the following:

- We may be required to dedicate a significant portion of our cash flow towards repayment of debt, which will reduce availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements.
- We may be required to maintain certain financial ratios and satisfy certain financial or other covenants.
- Because some of our borrowings are secured against our assets, lenders may sell or take over those assets to enforce their claims.
- We may be required to obtain approval from our lenders, regarding, among other things, reorganisation, amalgamation or merger, incurrence of additional indebtedness, disposition of assets and expansion of our business, and no assurance can be given that we will receive such approvals in a timely manner or at all.
- Our project costs may increase since we capitalize interest during the construction of our facilities.

Moreover, our ability to meet our debt service obligations and to repay outstanding borrowings will depend primarily upon the cash flow generated by our business over time, as well as our ability to tap the capital markets as a source of capital. If we fail to meet our debt service obligations or financial or other covenants under our financing documents, our lenders could declare default and cancel unutilized facilities, accelerate the maturity of our obligations or enforce security, which may have an adverse effect on our business, financial condition and prospects, particularly in the event cross-default under multiple financing arrangements is triggered. Further, in such event, the availability and cost of future borrowings may be negatively impacted, with consequences that may include increased finance charges, decreased income available to fund future growth, decreased working capital and imposition of restrictive covenants under financing arrangements.

9. Failure to obtain or renew necessary regulatory approvals may adversely affect our business, financial condition and prospects.

In the ordinary course of our business, we as well as our independent contractors and counterparties, are required to obtain and, in several cases, renew, from time to time, various regulatory approvals, including, for instance, consents from the state pollution control boards in India to establish and operate our projects and other facilities and for appropriate handling of biomedical and other hazardous waste, discharge of waste water, as well as registrations with relevant tax and labor authorities in India. In particular, several of our environmental, electrical installation testing, wireless set and boiler-usage or gas-cylinder storage, height clearance, structural design and stability and other approvals across several of our projects are scheduled to expire in the ordinary course on December 31, 2013 or on other dates in the near future, and we have applied for or are in the process of applying for renewals or extensions of such approvals in due course.

Failure to obtain and maintain or renew required approvals and registrations may have an adverse effect on our business, financial condition and prospects. Further, such approvals and registrations may be subject to numerous conditions, including periodic reporting or audit requirements, which may require us to undertake substantial compliance-related expenditure and other procedures. Any actual or alleged non-compliance with specified conditions may result in suspension or cancellation of, or refusal to renew, required approvals and registrations or imposition of penalties, which may be significant, by the relevant authorities. A suspension, cancellation or refusal to extend required approvals and registrations may require us to cease production at some or all of our facilities or to engage in time-consuming and costly administrative and/or legal proceedings in order to resolve such issues, or may affect other aspects of our operations, which may have an adverse effect on our business, financial condition and prospects.

10. ***We are subject to various environmental, occupational, health and safety and other laws, which may subject us to increased compliance costs that may have an adverse effect on our business, financial condition and prospects.***

Our operations are subject to central, state and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from power projects as well as with respect to the utilization of fly ash produced in course of our generation and with respect to mining operations conducted in India . For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our power projects, and will require prospecting licences and, subsequently, mining leases in order to commence prospecting and mining activities at the coal blocks allocated to us.

In addition, in the ordinary course, we are subject to several risks generally associated with power generation as well as coal mining, including explosions, fires, mechanical failures, accidents, discharges of toxic or hazardous substances or gases and other environmental risks. These hazards may cause personal injury and loss of life, environmental damage and severe damage to or destruction of property and equipment. We may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or actual or alleged noncompliance with permits or registrations required at our facilities, or the conditions imposed on us under such permits and registrations. Further, on the expiry or termination of any operating permits held by us, including any mining licences granted to us in the future, we may be required to incur significant costs to dismantle and decommission our operations and remove our equipment and installations at such sites.

Moreover, environmental and health and safety laws, regulations and policies, and the interpretation and enforcement thereof, are subject to change and have tended to become stricter over time. In particular, we expect that the GoI, as well as the governments of several nations worldwide, may be considering further measures to achieve a significant reduction in carbon and greenhouse gas emissions. Compliance with current and future environmental and health and safety laws, regulations and policies, particularly at older power stations, may require substantial capital expenditure. If we fail, or are alleged to have failed, to comply with such laws, regulations and policies, we may be subject to significant fines, penalties, costs, liabilities or restrictions on operations. In certain cases, we may also be required to become involved in costly and time-consuming legal or administrative proceedings in order to resolve any such allegations or claims that may arise against us, in relation to compliance with applicable environmental and health and safety laws, regulations and policies, which may adversely affect our business, financial condition and prospects.

11. ***Our business, financial condition and prospects may be adversely affected if we are unable to take advantage of certain tax benefits or if there are adverse changes to the tax regime in the future.***

Section 80-IA of the Income Tax Act provides that, subject to certain conditions, 100.00% of the profits from projects for generation, distribution or transmission of power, which begin generation or distribution of power before March 31, 2014, are entitled for deduction from total income for 10 consecutive assessment years out of 15 years, beginning from the year in which the project commences power generation, transmission or distribution. If such or other tax benefits become unavailable, our financial condition, business and prospects may be adversely affected.

12. ***This Draft Prospectus includes certain unaudited standalone financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Draft Prospectus includes certain unaudited standalone financial information in relation to our Company, for the 6 months ended September 30, 2013, in respect of which the Joint Statutory Auditors of our Company have issued their Limited Review Report dated October 29, 2013. As this financial information has been subject only to limited review as required by the Stock Exchanges, in accordance with the equity listing agreement, and not to an audit, any reliance by prospective investors on such unaudited standalone financial information for the 6 months ended September 30, 2013 should, accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including

the 6 months ended September 30, 2013, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors in the Issue are advised to read such unaudited standalone financial information for the 6 months ended September 30, 2013 in conjunction with the audited financial information provided elsewhere in this Draft Prospectus in "***Annexure A - Financial Information***".

13. Our Joint Statutory Auditors have included certain notes and matters of emphasis in their reports included in this Draft Prospectus, which should be considered carefully by prospective investors in the Issue.

While there is no qualification in the Joint Statutory Auditors' report on our standalone and consolidated reformatted financial statements as on and for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 and the 6 months ended September 30, 2013, our Joint Statutory Auditors have included certain notes and matters of emphasis in their reports included in this Draft Prospectus, which should be considered carefully by prospective investors in the Issue.

For instance, our Joint Statutory Auditors have noted, in their audit and limited review reports included in this Draft Prospectus, that, by gazette notification F.No.22021/1/2008-CRC/II dated December 30, 2011 issued by the Ministry of Coal, GoI ("**MoC**"), the grading and pricing of non-coking coal was migrated from the Useful Heat Value system to the Gross Calorific Value ("**GCV**") system, with effect from January 1, 2012. The coal supply agreements entered into by our 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. Our Board approved payments to the coal companies based on the GCV based pricing system and directed the framing of modalities for implementation of the 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. These modalities were communicated to the coal companies with effect from October/November 2012, after which our Company released payments on the basis of GCV measured at the station end, following implementation of these modalities, since variation in the GCV of coal supplied and received at power stations was noticed. Our Company regularly informed coal companies about this variation, which has not been accepted by them. This issue has been taken up with the coal companies directly and through the MoP and MoC for resolution. Pending resolution of the issue, the difference between the amount billed by the coal companies and the amount admitted by our Company amounting to ₹ 4,065.12 crore up to September 30, 2013 (₹ 2,531.10 crore up to March 31, 2013) has been considered as contingent liability, with corresponding possible reimbursements from the beneficiaries.

14. We have significant contingent liabilities, which may result in an adverse effect on our business, financial condition and prospects, to the extent that any such liabilities materialize.

The contingent liabilities appearing in our consolidated reformatted financial statements, as on March 31, 2013, are summarized below:

(₹ in crore)

Particulars	Amount
Capital works	4,031.12
Land compensation cases	748.99
Fuel suppliers (coal, transportation charges, etc.)	2,898.83
Other statutory claims	862.81
Disputed income tax/sales tax/excise matters	2,215.26
Others	376.57
Total	**11,133.58**

15. Inability to attract and retain, or appropriately replace, our key personnel and sufficient skilled workers may adversely affect our business, financial condition and prospects.

Our success depends substantially on the continued service and performance of our senior management team and other key personnel, as well as on our skilled workforce. If we lose the services of any key individuals and are unable to find suitable replacements in a timely manner, our ability to realize strategic objectives may be impaired. Moreover, as we are a public sector undertaking, Government policies regulate and control emoluments and benefits that we pay to our employees, and such policies may not permit us to pay market rates. Consequently, private sector participants in power generation, coal mining,

oil exploration and production and related activities may dilute the talent pool available to public sector undertakings. Also, since most of our operations lie in remote regions of India, we may face competitive disadvantages in attracting and retaining key personnel and skilled workers at various levels and positions across our organization.

16. We may be adversely affected by strikes, work stoppages or increased wage demands or any other kind of disputes involving our work force. Further, Government announcements relating to increased wages for public sector employees will increase our expenses.

We employ a significant number of employees and engage various contractors who provide us with laborers at our power projects. Most of our non-executive workers are unionized. Any shortage of skilled personnel or work stoppages caused by disagreements with our work force and the unions may have an adverse effect on our business, financial condition and prospects. Further, under Indian law, we may be required to absorb a portion of contract labor as our employees or we may be held responsible for wage payments, benefits and amenities to labor engaged by our independent contractors, should such contractors default on wage payments or in providing benefits and amenities. Moreover, being a public sector undertaking, we will be affected by any increase in prescribed employee pay scale and benefits on account of an announcement by the Government. The next revision of wage and benefits is due in 2017.

17. We may encounter problems relating to the operations of our Joint Ventures, which may result in an adverse effect on our business, financial condition and prospects.

As on the date of this Draft Prospectus, our Company has formed 21 Joint Ventures for undertaking specific business activities, as well as 2 Subsidiaries that are not wholly owned. Our Joint Ventures, present and future, as well as our obligations under any joint venture agreements, whether subsisting or future, may subject us to certain risks, including the following:

- Our joint venture partners may be unable or unwilling to fulfil their financial or other obligations to us, or may have economic or business interests or goals that are inconsistent with ours, or may take actions contrary to our instructions, requests, policies and objectives or actions that are not acceptable to regulatory authorities or may become involved in litigation with us or third parties or may have financial difficulties that may make it difficult for us to enforce our agreements with them.
- Some of our joint venture agreements prohibit us from, among other things, disposing of our shareholding in the Joint Ventures for specified periods or acquiring additional shares without the written consent of the other party. Such covenants may limit our ability to make optimum use of our investments or exit these joint venture companies at our discretion, which may have an adverse impact on our business, financial condition and prospects.

18. Our operations and expansion plans have significant water requirements and we may not be able to ensure regular and adequate availability of water.

Water is a key input for hydroelectric and thermal power generation. Our operations and the proposed expansion of generation capacity will be dependent on, among other things, our ability to ensure unconstrained and undiminished availability of committed water supply from State Governments during the life cycle of the existing and planned power stations. Changing weather patterns and inconsistent rainfall and change in law can hamper water supply at our power stations. Although we create reservoirs to hold water to cover any temporary shortfall, these reservoirs do not have sufficient capacity to sustain supply to our power stations for extended periods of time.

We rely on water supply arrangements with certain State Governments and State Government bodies. Such water sources may run through several States and may be the subject of interstate water disputes. Any interstate water disputes may affect the ability of these State Governments to supply water to us. Water is a limited and politically sensitive resource, and is carefully allocated by the State Governments for use between several groups of users. Accordingly, due to political pressures, State Governments may not fulfil their contractual obligations to us under these water supply agreements.

In the event of water shortages, our power projects may be required to reduce their water consumption, which would reduce their power generation capability, thereby adversely affecting our average PLF. Expansion of our generation capacity and the development of new power stations cannot be initiated

unless we have regular and adequate availability of water and/or confirmation of water availability for these projects.

19. While we generate high levels of ash in our operations, our ash utilization activities may be insufficient to dispose of all the ash that we generate. Our power generation capacity may be adversely affected to the extent that we are unable to appropriately utilize ash generated for our operations as per stipulated laws and timelines.

In particular, our Company generates high levels of ash in its operations. There are limited uses for ash and therefore demand for ash is low. While we continue to explore methods to utilize or dispose of ash, our ash utilization activities are insufficient to dispose of the ash we generate. We are required to ensure that by 2014, 100% of ash produced through our generation activities is gainfully utilized. Compliance with this requirement, as well as any future norms with respect to ash utilization, may add to our capital expenditures and operating expenses. In certain cases where it may not be possible to increase our utilization of ash to comply with this requirement, we may need to reduce the generation of ash through a partial or full shutdown of our operating power stations, thereby reducing our average PLF which could have an adverse effect on our business, financial condition and prospects.

20. The interests of our Directors may cause conflicts of interest in the ordinary course of our business.

Conflicts of interest may arise in the ordinary course of decision making for our Company. Some of our non-executive Directors are also on the board of directors of certain companies which are engaged in businesses similar to our business. There is no assurance that our Directors will not provide competing services or compete with our business in which we are already present or will enter into in future.

21. Some of our immovable properties may have certain irregularities in title, which may adversely affect us.

There may be certain irregularities in respect of our title to some of the land acquired for our various power stations as well as other properties owned by and leased to us, for instance, the title deeds may not have been properly executed or stamped or registered or lease agreements may have expired and not yet been renewed. In certain cases, the prescribed land acquisition procedures are yet to be completed and, accordingly, we do not yet have clear and absolute title to certain immovable properties. Further, in respect of certain immovable properties, we are involved in legal or regulatory proceedings that are pending before various courts and authorities in India and the total claim against us in such proceedings is not quantifiable. Further, a portion of the land acquired for our projects is subject to adverse possession. Failure to possess or repossess such land may adversely affect our business, financial condition and prospects.

22. Inability to adapt to technological changes or disruptions to our technology platforms or business or communication systems may adversely affect us.

Our success depends in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology and costs of equipment and compliance, particularly as we continue to diversify into non-conventional energy sources, may require us to make significant additional capital expenditures to upgrade our facilities. If we are unable, for technical, legal, financial or other reasons, to identify and adapt in a timely and cost effective manner to technological changes and consequently evolving market conditions and customer requirements, our business, financial condition and prospects may be adversely affected. In addition, as we source hardware and software from third parties, there is no guarantee that there will not be any defects in these products, which may affect or disrupt our business.

23. Our business involves numerous risks that may not be covered by insurance.

While we maintain insurance that we believe to be consistent with industry practice, including a mega risk policy that is valid up to June 30, 2014 and which covers risks as to physical loss or damage and machinery breakdown including certain extensions to cover risks such as burglary, leakage and overflowing, fire fighting expenses, deliberate damage, removal of debris, subject to certain standard exclusions, exemptions and clarifications such as standard wear and tear and gradual deterioration of insured assets, the occurrence of any events that are not covered by our insurance, or any losses that are

in excess of our insurance coverage or that may be claimed by us in the future but not honored by our insurers for any reason, may have an adverse effect on our business, financial condition and prospects.

24. We may be adversely affected by changes in Government policy and shareholding.

The President of India, acting through the MoP, owns 75.00% of our Company's paid-up capital. While we generally manage our business on a daily basis with a high degree of financial and operational autonomy, in large part as a result of our 'Maharatna' status, Government ownership has been an important factor in many aspects of our business, including the settlement of electricity dues payable by the SEBs. Any pursuit of Government policies that are not in the interests of our Company, or the loss of 'Maharatna' status, or any significant change in Government shareholding in our Company could adversely affect our business, financial condition and prospects.

25. Failure to protect intellectual property rights may adversely affect our business and prospects.

We have not registered our trademark or that of our Subsidiaries and Joint Ventures. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India and may, in the event of a competing claim, be required to enter into expensive and prolonged litigation in order to establish or protect our use of such trademarks and other intellectual property.

RISKS RELATING TO INDIA

26. Economic, political or other factors beyond our control may have an adverse impact on our business, financial condition and prospects.

The following external risks may have an adverse impact on our business, financial condition and prospects:

- slowdown in economic growth, especially in the power sector, may adversely affect our business, financial condition and prospects;
- decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy and an increase in interest rates may adversely impact the valuation of the Indian Rupee *vis-à-vis* foreign currencies, as well as our access to capital and borrowing costs, which may constrain our ability to grow our business and operate profitably;
- the Indian and global economies have had sustained periods of high inflation in the recent past. High inflation may increase our employee costs and decrease demand for power, which may have an adverse effect on our profitability and competitive advantage;
- a downgrade of India's sovereign rating by international credit rating agencies may adversely impact our access to capital and borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions and our own operations;
- natural disasters such as cyclones and earthquakes may disrupt our operations or adversely affect the economy, on the health of which our business depends;
- civil unrest, terrorist attacks, regional conflicts or situations of war may adversely affect the financial markets and our own operations; and
- availability and reliability of transport and telecommunications infrastructure, particularly in India, may affect our business, financial condition and prospects, including in terms of impacting our cost of fuel and profit margins, as well as the expected schedule of commissioning of our projects under construction.

27. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition and prospects.

The regulatory and policy environment in which we operate is evolving. Such changes, including the instances mentioned below, may adversely affect our business, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy:

- The Companies Act 2013 has been recently notified. Although only certain provisions of the

Companies Act 2013 have been made operational, it envisages significant changes, including on issue of capital, corporate governance, audit and corporate social responsibility.

- The GoI proposes to revamp implementation of direct taxes through a Direct Taxes Code ("**DTC**"). If the DTC is enacted and notified, the tax impact discussed in this Draft Prospectus will be altered.
- The GoI has recently released safe harbor rules on acceptance by Indian tax authorities of declared transfer prices for certain international transactions (including intra-group loans and corporate guarantees) between an eligible assessee and its associated enterprises. The benefit, if any, which we may derive from application of such rules in the future is unclear.
- Until recently, transfer pricing regulations in India covered only cross border transactions. The Finance Act, 2012 extended its scope to cover certain domestic transactions with related parties within India, defined as 'specified domestic transactions', applicable from assessment year 2013-14 on.
- The GoI has proposed a national goods and services tax ("GST") regime to combine taxes and levies by the central and state governments into a unified rate structure.

Uncertainty in applicability, interpretation or implementation of any change in governing law or policy, including by reason of an absence or limited body of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact our business and prospects.

28. Our ability to raise capital outside India may be constrained by Indian law.

Under RBI's policy on external commercial borrowing ("**ECB**"), ECB by an eligible borrower is permitted under the automatic route up to US$ 750 million in a year, with a minimum average maturity of 5 years, for permissible end-uses. Permissible end uses for ECB include import of capital goods and new projects and modernization or expansion of existing production units in the industrial and certain other specified sectors, as well as import of services and technical know-how. End uses not permitted include working capital, general corporate purposes, repayment of existing Rupee denominated borrowings, investment in real estate and on-lending or investment for acquisition of a company or part thereof (other than an overseas subsidiary or joint venture, subject to existing laws governing overseas direct investment). Further, the all-in-cost is limited to 500 basis points above the London Interbank Offered Rate or applicable benchmark, with minimum average maturity of over 5 years. ECB not complying with these requirements is permitted with prior RBI approval. In addition, there are certain routine procedural and disclosure requirements in relation to ECB. Further, in raising funds in international capital markets, we will be required to comply with unfamiliar capital markets laws of such countries. These limitations may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our financial condition and prospects.

29. Our failure to successfully adopt IFRS-converged accounting standards may have an adverse effect on the price of the Bonds.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("**IFRS**"). These "IFRS based/synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS) in accordance with the roadmap for the convergence which IFRS announced by the Ministry of Corporate Affairs, GoI ("**MCA**"), through press note dated January 22, 2010. The MCA, through press release dated February 25, 2011, announced that it will implement converged accounting standards in a phased manner after various issues, including tax issues, are resolved. Accordingly, it is not possible to quantify whether our financial results will vary materially due to convergence to IND (AS). Further, we have made no attempt to quantify or identify the impact of the differences between the generally accepted accounting principles in India and IFRS or to quantify the impact of the difference between the generally accepted accounting principles in India and IFRS as applied to our financial statements.

30. Our ability to invest in overseas Subsidiaries and Joint Ventures may be constrained by Indian and foreign laws.

Under Indian foreign investment laws, with effect from August 14, 2013, an Indian company is permitted to invest in its overseas joint venture or subsidiaries up to 100.00% of its net worth as on the date of its last audited balance sheet. This limit also applies to any other form of financial commitment by the

Indian company, including in terms of a loan, guarantee or counter guarantee. The RBI has clarified that investments or financial commitments funded by way of eligible ECBs with the investment limit of 400.00% of the Indian company's net worth under the automatic route will continue to be allowed. Other restrictions include the restriction on an Indian company providing an "open ended" guarantee for an overseas entity (i.e., not specifying the amount and period of the guarantee, upfront). Investment or financial commitment not complying with the stipulated requirements is permitted with the RBI's prior approval. In addition, there are certain routine procedural and disclosure requirements in relation to any such overseas direct investment. These limitations may constrain our ability to acquire or increase our stake in overseas entities as well as to provide other forms of financial support to such entities, which may adversely affect our growth strategy and prospects.

RISKS RELATING TO INVESTMENT IN THE BONDS

31. There has been no prior public market for the Bonds and it may not develop in the future, and the price of the Bonds may be volatile.

The Bonds have no established market and there is no assurance that an active public market for these Bonds will develop or be sustained. Further, the liquidity and price of the Bonds may vary with changes in market and economic conditions, our financial condition and other factors that may be beyond our control.

32. There is no guarantee that the Bonds will be listed on the Stock Exchanges in a timely manner or at all, or that monies refundable to Applicants will be refunded in a timely manner.

In accordance with Indian law and practice, approval for listing and trading of the Bonds will not be granted until after the Bonds have been Allotted. While we will use best efforts to ensure that all steps for completion of the necessary formalities for Allotment, listing and commencement of trading on the Stock Exchanges are taken within 12 Working Days of the Issue Closing Date, there may be a failure or delay in listing the Bonds on the Stock Exchanges. We cannot assure you that any monies refundable on account of (a) withdrawal of applications, (b) withdrawal of the Issue, or (c) failure to obtain final approval from the Stock Exchanges for listing of the Bonds, will be refunded in a timely manner. We shall, however, refund any such monies, with interest due and payable thereon, as prescribed under applicable law.

33. You may not be able to recover, on a timely basis or at all, the full value of outstanding amounts on the Bonds.

Our ability to pay interest accrued and the principal amount outstanding from time to time in connection with the Bonds is subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. Although we have undertaken to ensure 100.00% asset cover for the Bonds, the realizable value of secured assets may be lower than the sum of the outstanding principal and interest accrued in connection with the Bonds.

34. Changes in interest rates may affect the price of the Bonds.

Securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the coupon rate, days to maturity and increase or decrease in prevailing interest rates. Increased rates of interest, which may accompany inflation and/or a growing economy, may have a negative effect on the price of the Bonds.

35. A downgrade in credit rating of the Bonds may affect the price of the Bonds.

The Bonds are rated CRISIL AAA by CRISIL, by its letter dated June 3, 2013 and revalidated by its letter dated November 8, 2013, and [ICRA]AAA(stable) by ICRA by its letter dated July 16, 2013 and revalidated by its letter dated November 8, 2013. We cannot guarantee that this rating will not be downgraded, suspended or withdrawn at any time during the tenor of the Bonds. Any downgrade, suspension or withdrawal in the credit rating on the Bonds may lower the price of the Bonds.

36. The Bonds are eligible for tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, only up to the amount of interest on the Bonds.

The Bonds are classified as 'tax-free' in terms of Section 10(15)(iv)(h) of the Income Tax Act and the CBDT Notification only as to the amount of interest on the Bonds and not the amount of investment in the Bonds, and is further subject to other applicable provisions of the Income Tax Act and the CBDT Notification.

37. Payments on the Bonds will be subordinated to certain tax and other liabilities preferred by law.

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 117C of the Companies Act 1956 and subject to notification of the relevant provision of the Companies Act 2013, any company issuing debentures shall create a debenture redemption reserve ("**DRR**") to which adequate amounts shall be credited out of the profits of the company until redemption of the debentures. The MCA has, through circular dated February 11, 2013, specified that companies other than as defined under Section 2(72) of the Companies Act 2013 ("**PFIs**"), all-India financial institutions and Non-Banking Financial Companies as defined under Section 45-IC and 45-IF of RBI Act, 1934 shall create DRR of 25.00% of the value of publicly issued debentures. Accordingly, we are presently required to create DRR of at least 25.00% of the value of Bonds and to credit amounts to the DRR from our profits every year until the Bonds are redeemed. The maintenance of such DRR may be modified in the future in the event of any change in applicable law. However, payment on the Bonds will be subordinated to certain liabilities preferred by law, such as claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our business. In an event of default in excess of the DRR, in particular, in an event of bankruptcy, liquidation or winding-up, our assets will be available to meet payment obligations on the Bonds only after all liabilities that rank senior to the Bonds have been paid and, in such event, there may not be sufficient assets remaining, after paying amounts relating to these claims, to pay amounts due on the Bonds.

SECTION III - INTRODUCTION
THE ISSUE

The following is a summary of the terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Terms of the Issue***" on page 128.

<table>
<tr><th colspan="6">COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS</th></tr>
<tr><td>Lead Managers</td><td colspan="5">A. K. Capital Services Limited ("AK Capital"), Axis Capital Limited ("Axis"), ICICI Securities Limited ("ICICI Securities"), Kotak Mahindra Capital Company Limited ("Kotak") and SBI Capital Markets Limited ("SBICAP")</td></tr>
<tr><td>Issuer</td><td colspan="5">NTPC Limited</td></tr>
<tr><td>Type of instrument/Issue of Bonds/Issue Size</td><td colspan="5">Public issue by our Company of tax-free secured redeemable non-convertible Bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750* crore during fiscal 2014.

* In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.</td></tr>
<tr><td>Face Value (₹) per Bond</td><td colspan="5">₹ 1,000</td></tr>
<tr><td>Issue Price (₹) per Bond</td><td colspan="5">₹ 1,000</td></tr>
<tr><td>Minimum Application</td><td colspan="5">5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds)</td></tr>
<tr><td>In the multiple of</td><td colspan="5">One Bond (₹ 1,000)</td></tr>
<tr><td>Nature of Bonds</td><td colspan="5">Tax-free secured redeemable and non-convertible</td></tr>
<tr><td>Nature of Indebtedness and Ranking/Seniority</td><td colspan="5">The claims of the Bondholders shall be superior to the claims of any unsecured creditors of our Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other secured creditors of our Company having the same security.</td></tr>
<tr><td>Mode of Issue</td><td colspan="5">Public issue</td></tr>
<tr><td>Minimum Subscription</td><td colspan="5">See "Terms of the Issue" on page 128.</td></tr>
<tr><td>Eligible Investors</td><td>Category I/QIBs#</td><td>Category II/Corporates#</td><td>Category III/HNIs</td><td>Category IV/Retail Individual Investors</td></tr>
<tr><td></td><td>• PFs as defined in Section 2(72) of the Companies Act 2013;
• Alternative Investment Funds, as defined in and registered under the SEBI (Alternative Investment Funds) Regulations, 2012 ("Alternative Investment Funds" or "AIFs");
• Scheduled commercial banks;
• Mutual funds ("MFs") registered with SEBI;
• State industrial development corporations;</td><td>• Companies falling within the meaning of Section 2(20) of the Companies Act 2013; and
• Limited liability partnerships, statutory corporations, trusts, partnership firms in the name of their respective partners, associations of persons, co-operative banks, regional rural banks and other legal entities constituted and/or registered under applicable laws in India,</td><td>Investors falling under the following categories applying for an amount aggregating to more than ₹ 10 lakh across all Series of Bonds in the Issue:

• Resident Individual Investors;
• Non-resident Indians ("NRIs") applying on a non-repatriation basis only; and
• Hindu Undivided Family ("HUF") applying in the name of their respective kartas.</td><td>Investors falling under the following categories applying for an amount aggregating up to and including ₹ 10 lakh across all Series of Bonds in the Issue:

• Resident Individual Investors;
• NRIs applying on a non-repatriation basis only; and
• HUF applying in the name of their respective kartas.</td></tr>
</table>

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS					
	• Insurance companies registered with the Insurance Regulatory and Development Authority ("**IRDA**"); • Provident funds with a minimum corpus of ₹ 25 crore; • Pension funds with a minimum corpus of ₹ 25 crore; • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; and • Insurance funds set up and managed by the Department of Posts, India, subject to such being authorized to invest in the Bonds.	that are authorized to invest in Bonds by their respective constitutional and/or charter documents, subject to compliance with respective applicable laws.		
	# See general circular (No. 6/2013) dated March 14, 2013 issued by the MCA that clarifies that in cases where the effective yield on tax-free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act 1956.				
Pay-in Date	Application Date. Full amount with the Application Form, except ASBA Applications. See "***Issue Procedure – Payment Instructions***" on page 159.				
Listing	The Bonds are proposed to be listed on BSE and NSE, with the BSE being the Designated Stock Exchange. For more information, see "***Terms of the Issue – Listing***" on page 139				
Credit Ratings	[ICRA] AAA (Stable) by ICRA and CRISIL AAA by CRISIL. See "***Annexure B – Credit Rating***".				
Objects of the Issue and Utilisation of Proceeds	See "***Objects of the Issue***" on page 49.				
Asset Cover	See "***Terms of the Issue - Security***" on page 128.				
Nature of Indebtedness and Ranking/Seniority	See "***Terms of the Issue – Ranking of the Bonds***" on page 140.				
Put/Call Option	None				
Mode of Issuance	In dematerialized form and physical form, at the option of the Applicant**				
Bond Trustee	IL&FS Trust Company Limited				
Mode of Trading	In dematerialized form only**				
Registrar to the Issue	Karvy Computershare Private Limited				
Modes of Payment/Settlement Mode	See "***Terms of the Issue – Manner and Modes of Payment***" on page 135.				
Market Lot/Trading Lot	One Bond				
Deemed Date of Allotment	The date on which the Board approves the Allotment of Bonds for the Issue or such date as may be determined by the Board and notified to the Designated Stock Exchange. All benefits accruing in relation to the Bonds including interest on Bonds shall be available from Deemed Date of				

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS	
	Allotment. Actual Allotment of Bonds may occur on a date other than Deemed Date of Allotment
Record Date	See "***Terms of the Issue – Record Date***" on page 136.
Working Day Convention/Day Count	See "***Terms of the Issue – Payment of Interest on the Bonds***" on page 132.
Transaction Documents	Documents/undertakings/agreements entered, or to be entered, into by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following. Bond Trust Deed: Trust Deed to be entered into between the Bond Trustee and our Company within 3 months from the Issue Closing Date Escrow Agreement: Agreement dated [●], 2013 entered into by our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) Issue Agreement: The agreement dated November 13, 2013 entered into between our Company and the Lead Managers Consortium Agreement: Consortium Agreement dated [●], 2013 entered into between our Company and the Consortium Registrar Agreement: Agreement dated November 14, 2013 entered into between our Company and the Registrar to the Issue Tripartite Agreements: Tripartite agreement dated September 3, 2004 between our Company, Central Depository Services (India) Limited ("**CDSL**") and the Registrar to the Issue and the tripartite agreement dated July 16, 2004 between our Company, National Securities Depository Limited ("**NSDL**") and the Registrar to the Issue
Issue Opening Date	[●]
Issue Closing Date	[●].The Issue shall remain open for subscription from 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period with an option for early closure or extension, as may be decided by the Board
Interest on Application Amount	See "***Terms of the Issue-Interest on Application and Refund Money***" on page 133
Default Interest Rate	To be specified in the Prospectus
Redemption Premium/Discount	Nil
Conditions precedent/subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 139
Event of Default	See "***Terms of the Issue***" on page 128
Cross Default	Not applicable
Roles and Responsibilities of Bond Trustee	See "***Terms of the Issue- Bond Trustee***" on page 138
Discount at which Bond is issued and the effective yield as a result of such discount	None
Governing Law	Laws of the Republic of India
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.
Coupon Type	Fixed rate
Coupon/Interest Payment Dates	See "***Terms of the Issue – Payment of Interest on the Bonds***" on page 132.
Coupon/Interest Reset Process	None
Frequency of Coupon/Interest Payment	Annual
Step-up/Step-down Coupon Rate	Nil
Depositories	NSDL and CDSL
Redemption Amount	Amount repayable on the Bonds, comprising the face value of the Bonds, together with coupon/interest accrued at the applicable coupon/interest rate for each Series of Bonds on the respective Redemption Dates or Maturity Dates

*** In terms of Regulation 4(2) (d) of the SEBI Debt Regulations, our Company will make the public issue of the Bonds in the dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, 1996 ("**Depositories Act**") our Company, at the request of the Investors*

who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.

Participation by any prospective investor in the Issue shall be subject to applicable statutory/regulatory requirements. Applicants are advised to ensure that the Applications made by them do not exceed the maximum permissible investment limits applicable to them. Applicants are advised to obtain the necessary statutory/regulatory permits, consents or approvals requisite in connection with Applying for, subscribing to or seeking Allotment of Bonds pursuant to the Issue. For specific terms of each Series of Bonds, see "***Issue Structure - Specific Terms and Conditions for each Series of Bonds***" on page 126.

IL&FS Trust Company Limited has by its letter dated November 14, 2013, given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications sent to the Bondholders pursuant to this Issue.

A copy of the Prospectus shall be filed with the RoC, along with the requisite endorsed/certified copies of all requisite documents. For more information, see "***Material Contracts and Documents for Inspection***" on page 180.

SELECTED FINANCIAL INFORMATION

*The following selected financial information is extracted from, and should be read in conjunction with, our financial statements included in "**Annexure A - Financial Information**". Further, for details regarding our standalone unaudited financial results for the quarter and half-year ended September 30, 2013, see "**Annexure A-Financial Information**".*

STANDALONE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

₹ Crore

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves and surplus	72,142.05	65,045.71	59,646.79	54,191.96	49,124.60
	80,387.51	73,291.17	67,892.25	62,437.42	57,370.06
Deferred revenue	1,244.05	1,430.06	854.48	1,590.76	2,543.72
Non-current liabilities					
Long-term borrowings	53,253.66	45,908.27	39,735.68	33,804.81	31,817.27
Deferred tax liabilities (net)	915.30	636.90	602.95	209.25	0.13
Other long-term liabilities	1,965.99	1,729.06	2,050.58	1,672.96	1,237.44
Long-term provisions	739.92	603.70	561.90	425.34	358.48
	56,874.87	48,877.93	42,951.11	36,112.36	33,413.32
Current liabilities					
Trade payables	5,158.77	4,460.65	4,070.65	2,720.50	2,357.95
Other current liabilities	10,446.72	9,537.24	7,762.50	7,338.41	6,671.61
Short-term provisions	7,004.54	3,233.69	2,207.89	2,656.64	2,908.06
	22,610.03	17,231.58	14,041.04	12,715.55	11,937.62
TOTAL	161,116.46	140,830.74	125,738.88	112,856.09	105,264.72
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	62,687.42	45,044.47	39,026.93	34,722.79	32,897.53
Intangible assets	248.68	211.89	206.89	35.85	38.25
Capital work-in-progress	37,109.42	41,827.82	35,495.30	28,699.86	22,957.63
Intangible assets under development	-	0.04	0.03	0.55	0.14
Non-current investments	9,137.64	9,583.92	10,532.84	11,212.14	12,121.27
Long-term loans and advances	9,633.45	5,394.35	6,519.86	6,539.41	8,239.28
Other non-current assets	1,132.77	1,371.88	459.15	365.17	973.44
	119,949.38	103,434.37	92,241.00	81,575.77	77,227.54
Current assets					
Current investments	1,622.46	1,622.46	1,812.00	3,594.95	1,862.21
Inventories	4,057.19	3,702.85	3,639.12	3,347.71	3,243.42
Trade receivables	5,365.49	5,832.51	1,434.96	946.24	1,021.24
Cash and bank balances	16,867.70	16,141.83	16,181.60	14,459.48	16,271.63
Short-term loans and advances	1,745.53	1,543.32	1,219.85	1,894.71	1,721.07
Other current assets	11,508.71	8,553.40	9,210.35	7,037.23	3,917.61
	41,167.08	37,396.37	33,497.88	31,280.32	28,037.18
TOTAL	161,116.46	140,830.74	125,738.88	112,856.09	105,264.72

STANDALONE REFORMATTED STATEMENT OF PROFIT AND LOSS

₹ Crore

Particulars	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Revenue from operations (gross)	66,200.24	62,480.88	55,340.66	46,696.29	42,310.51
Less: Electricity duty	526.31	428.65	278.01	245.89	221.67
Revenue from operations (net)	65,673.93	62,052.23	55,062.65	46,450.40	42,088.84
Other income	3,101.58	2,789.65	2,344.65	2,796.25	3,157.24
Total revenue	68,775.51	64,841.88	57,407.30	49,246.65	45,246.08
Expenses					
Fuel	41,018.25	41,635.46	35,373.78	29,462.74	27,110.69
Employee benefits expense	3,360.12	3,101.71	2,789.71	2,412.36	2,463.13
Finance costs	1,924.36	1,711.64	1,420.96	1,105.15	1,304.39
Depreciation and amortization expense	3,396.76	2,791.70	2,485.69	2,650.06	2,364.48
Generation, administration & other expenses	4,211.22	3,588.79	4,926.28	2,808.71	2,535.60
Prior period items (net)	(29.72)	(313.58)	(1,638.72)	(77.83)	108.32
Total expenses	53,880.99	52,515.72	45,357.70	38,361.19	35,886.61
Profit before tax and exceptional items	14,894.52	12,326.16	12,049.60	10,885.46	9,359.47
Exceptional items	1,684.11	-	-	-	-
Profit before tax	16,578.63	12,326.16	12,049.60	10,885.46	9,359.47
Tax expense					
Current tax	3,680.84	3,068.48	2,553.32	1,948.13	1,158.17
Deferred tax	278.40	33.95	393.69	209.13	(448.80)
Less:					
Deferred tax recoverable	-	-	-	-	(448.80)
Total tax expense	3,959.24	3,102.43	2,947.01	2,157.26	1,158.17
Profit for the year	12,619.39	9,223.73	9,102.59	8,728.20	8,201.30
Expenditure during construction period (net)					
Earnings per equity share (Par value ₹ 10/- each)					
Basic & Diluted (₹)	15.30	11.19	11.04	10.59	9.95

STANDALONE REFORMATTED STATEMENT OF CASH FLOWS

₹ Crore

For the year ended		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit before tax	16,578.63	12,326.16	12,049.60	10,885.46	9,359.47
	Adjustment for:					
	Depreciation / Amortisation	3,396.76	2,791.70	2,485.69	2,650.06	2,364.48
	Prior period depreciation / amortisation	(0.25)	(1.35)	(1,113.05)	16.55	(239.07)
	Provisions	206.25	65.18	1,552.15	10.90	24.61
	Deferred revenue on account of advance against depreciation	(9.87)	(73.58)	(818.79)	(325.17)	562.61
	Deferred foreign currency fluctuation asset/liability	240.28	(874.84)	(58.48)	614.80	(1,174.29)
	Deferred income from foreign currency fluctuation	79.56	792.00	90.46	(640.06)	647.01
	Interest charges	1,902.13	1,681.75	1,383.10	1,069.58	1,267.84
	Guarantee fee & other finance charges	22.23	29.89	37.86	35.57	36.55
	Interest/income on term deposits/bonds/investments	(2,397.11)	(2,307.65)	(2,049.09)	(2,353.01)	(2,747.04)
	Dividend income	(241.32)	(169.30)	(88.30)	(77.70)	(49.83)
	Provisions written back	(844.70)	(315.86)	(7.81)	(12.77)	(17.03)
	Profit on disposal of fixed assets	(4.62)	(13.28)	(8.16)	(6.99)	(12.74)
	Loss on disposal of fixed assets	59.91	58.40	60.87	27.64	40.34
	Operating Profit before Working Capital Changes	18,987.88	13,989.22	13,516.05	11,894.86	10,062.91
	Adjustment for:					
	Trade receivables	1,307.69	(2,862.83)	(2,804.13)	(3,067.21)	(601.40)
	Inventories	(157.16)	93.94	(169.75)	11.91	(483.30)
	Trade payables, provisions and other liabilities	1,550.38	375.87	1,474.86	(564.47)	1,657.70
	Loans & Advances and Other current assets	(3,298.04)	185.94	(722.49)	2,126.78	(1,436.90)
	Cash generated from operations	18,390.75	11,782.14	11,294.54	10,401.87	9,199.01
	Direct taxes paid	(2,895.58)	(1,072.29)	(2,368.13)	(2,288.50)	(1,942.85)
	Net Cash from Operating Activities - A	15,495.17	10,709.85	8,926.41	8,113.37	7,256.16
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of fixed assets	(16,296.65)	(10,794.44)	(9,372.27)	(9,310.59)	(8,540.58)
	Disposal of fixed assets	5.44	78.76	29.42	3.95	24.80
	Purchase of investments	(17,955.00)	(23,630.00)	(15,848.17)	(10,520.79)	-
	Sale of investments	19,577.46	25,433.87	19,268.07	10,439.52	1,692.00
	Investment in subsidiaries/joint ventures	(1,177.22)	(681.68)	(957.65)	(742.51)	(409.30)
	Loans & advances to subsidiaries	(73.06)	(2.98)	6.19	2.17	(12.43)
	Interest/income on term deposits/bonds/investments received	2,417.32	2,235.00	1,871.65	2,487.58	2,684.76
	Income tax paid on interest income	(756.50)	(688.37)	(586.27)	(454.01)	(557.45)
	Dividend received	241.32	169.30	88.30	77.70	49.83
	Net cash used in Investing Activities - B	(14,016.89)	(7,880.54)	(5,500.73)	(8,016.98)	(5,068.37)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	11,696.96	8,736.39	9,045.79	6,982.25	7,360.00
	Repayment of long term borrowings	(4,434.52)	(3,522.93)	(3,998.50)	(2,654.76)	(2,266.60)
	Grants received	-	1.33	0.27	-	-
	Interest paid	(3,831.50)	(3,885.12)	(3,036.94)	(2,507.21)	(2,429.80)
	Guarantee fee & other finance charges paid	(114.57)	(84.18)	(62.86)	(65.19)	(41.10)
	Dividend paid	(3,504.34)	(3,545.55)	(3,133.26)	(3,133.27)	(2,968.36)
	Tax on dividend	(564.44)	(569.02)	(518.06)	(530.36)	(503.49)
	Net cash used in Financing Activities - C	(752.41)	(2,869.08)	(1,703.56)	(1,908.54)	(849.35)
	Net increase/decrease in cash and cash equivalents (A+B+C)	725.87	(39.77)	1,722.12	(1,812.15)	1,338.44
	Cash and cash equivalents at the beginning of the year	16,141.83	16,181.60	14,459.48	16,271.63	14,933.19
	Cash and cash equivalents at the end of the period	16,867.70	16,141.83	16,181.60	14,459.48	16,271.63

Note: 1. Cash and cash equivalents consists of cash in hand and balances with banks.

2. Previous year figures have been regrouped/rearranged wherever considered necessary.

CONSOLIDATED REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

₹ Crore

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves and surplus	72,995.49	66,030.35	60,139.10	54,371.82	49,162.20
	81,240.95	74,275.81	68,384.56	62,617.28	57,407.66
Deferred revenue	1,244.05	1,430.06	854.48	1,590.76	2,543.66
Fly ash utilisation fund	234.93	126.98	58.96	10.62	-
Minority interest	644.81	595.59	485.05	278.96	166.19
Non-current liabilities					
Long-term borrowings	64,587.72	54,851.94	47,059.57	40,004.95	35,958.28
Deferred tax liabilities (net)	1,080.72	764.49	671.65	229.71	0.10
Other long-term liabilities	2,213.81	1,791.57	2,469.03	1,769.95	1,330.43
Long-term provisions	761.20	623.49	568.52	431.33	363.81
	68,643.45	58,031.49	50,768.77	42,435.94	37,652.62
Current liabilities					
Short-term borrowings	382.16	150.16	39.40	12.09	1.50
Trade payables	5,888.67	5,037.97	4,374.31	3,407.98	2,583.09
Other current liabilities	13,142.54	12,195.79	9,362.10	8,763.56	7,745.81
Short-term provisions	7,289.02	3,411.09	2,284.51	2,730.40	2,967.50
	26,702.39	20,795.01	16,060.32	14,914.03	13,297.90
TOTAL	178,710.58	155,254.94	136,612.14	121,847.59	111,068.03
ASSETS					
Non-current assets					
Goodwill on consolidation	0.62	0.62	0.62	0.62	0.62
Fixed assets					
Tangible assets	71,578.34	50,913.47	44,652.15	38,763.56	34,924.84
Intangible assets	253.75	217.40	208.85	37.86	38.62
Capital work-in-progress	46,553.36	50,396.99	41,091.99	33,447.70	26,733.44
Intangible assets under developmer	1.28	1.27	0.03	0.55	0.24
Non-current investments	3,300.42	4,922.88	6,545.33	8,182.66	9,833.74
Long-term loans and advances	11,058.65	6,216.05	7,700.47	7,529.31	9,118.06
Other non-current assets	1,145.49	1,375.16	463.40	365.25	973.49
	133,891.91	114,043.84	100,662.84	88,327.51	81,623.05
Current assets					
Current investments	1,622.46	1,622.46	1,812.00	3,594.95	1,862.21
Inventories	4,575.78	4,177.91	3,910.83	3,532.96	3,361.52
Trade receivables	6,096.64	6,681.02	1,746.27	1,097.84	1,154.17
Cash and bank balances	18,738.12	18,087.39	17,856.17	16,053.01	17,250.45
Short-term loans and advances	1,718.30	1,676.66	1,219.36	1,902.05	1,784.02
Other current assets	12,067.37	8,965.66	9,404.67	7,339.27	4,032.61
	44,818.67	41,211.10	35,949.30	33,520.08	29,444.98
TOTAL	178,710.58	155,254.94	136,612.14	121,847.59	111,068.03

CONSOLIDATED REFORMATTED STATEMENT OF PROFIT AND LOSS

₹ Crore

Particulars	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Revenue from operations (gross)	69,948.38	66,365.89	57,920.64	48,665.46	43,062.44
Less: Electricity duty / Excise duty	571.56	472.64	313.47	281.14	235.98
Revenue from operations (net)	69,376.82	65,893.25	57,607.17	48,384.32	42,826.46
Other income	3,163.97	2,949.23	2,401.01	2,819.24	3,209.92
Total revenue	72,540.79	68,842.48	60,008.18	51,203.56	46,036.38
Expenses					
Fuel	42,827.77	43,302.66	36,414.35	30187.66	27346.45
Electricity purchased	15.33	9.09	7.90	1.21	-
Employee benefits expense	3,551.38	3,260.96	2,922.26	2,523.09	2,532.51
Cost of material and services	312.24	325.18	247.14	182.36	124.40
Finance costs	2,480.54	2,134.72	1,725.75	1,358.57	1,419.10
Depreciation and amortisation expense	3,823.22	3,107.09	2,719.69	2,894.38	2,494.89
Generation, administration & other expenses	4,521.43	3,881.58	5,240.89	3,066.77	2,702.31
Prior period items (net)	(33.78)	(316.06)	(1,662.13)	(59.59)	109.48
Total expenses	57,498.13	55,705.22	47,615.85	40,154.45	36,729.14
Profit before tax and exceptional items	15,042.66	13,137.26	12,392.33	11,049.11	9,307.24
Exceptional items	1,568.29	-	-	-	-
Profit before tax	16,610.95	13,137.26	12,392.33	11,049.11	9,307.24
Tax expense					
Current tax	3743.81	3261.17	2602.16	1981.83	1214.66
Deferred tax	316.23	92.73	441.94	229.63	(452.03)
Less: MAT credit recoverable	35.31	31.30	-	-	-
Deferred tax recoverable	-	-	-	-	(452.15)
Total tax expense	4,024.73	3,322.60	3,044.10	2,211.46	1,214.78
Profit after tax	12,586.22	9,814.66	9,348.23	8,837.65	8,092.46
Less: Share of Profit /(loss)-Minority interest	(4.56)	1.87	(5.17)	(0.03)	(0.10)
Group profit after tax	12,590.78	9,812.79	9,353.40	8,837.68	8,092.56
Expenditure during construction period (net)					
Earnings per equity share (Par value of ₹ 10/- each)					
Basic & Diluted	15.27	11.90	11.34	10.72	9.81

CONSOLIDATED REFORMATTED STATEMENT OF CASH FLOWS

₹ Crore

	For the Year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit before tax	16,610.95	13,137.26	12,392.33	11,049.11	9,307.24
	Adjustment for:					
	Depreciation / Amortisation	3,823.22	3,107.09	2,719.69	2,894.38	2,494.89
	Prior period depreciation / amortisation	3.93	(0.43)	(1,170.72)	25.42	(237.55)
	Provisions	209.22	75.83	1,552.77	12.35	29.89
	Deferred revenue on account of advance against depreciation	(9.87)	(73.58)	(818.79)	(325.17)	562.61
	Deferred foreign currency fluctuation asset/liability	238.75	(876.83)	(58.28)	614.84	(1,174.29)
	Deferred income from foreign currency fluctuation	79.56	792.00	90.46	(640.06)	647.01
	Interest charges	2,457.80	2,103.98	1,689.63	1,323.48	1,386.80
	Guarantee fee & other finance charges	22.74	30.74	36.12	35.09	32.30
	Interest/income on term deposits/bonds/investments	(2,475.64)	(2,381.51)	(2,093.79)	(2,374.86)	(2,778.40)
	Dividend income	(217.79)	(151.71)	(74.30)	(67.20)	(6.00)
	Provisions written back	(845.42)	(317.32)	(7.84)	(12.79)	(17.04)
	Operating Profit before Working Capital Changes	19,897.45	15,445.52	14,257.28	12,534.59	10,247.46
	Adjustment for:					
	Trade receivables	1,417.14	(3,400.03)	(2,850.90)	(3,263.29)	(647.30)
	Inventories	(186.21)	(96.95)	(252.20)	(42.48)	(529.80)
	Trade payables, provisions and other liabilities	1,778.39	858.96	1,477.14	173.50	2,203.10
	Loans & Advances and Other current assets	(3,419.45)	(198.84)	(714.19)	2,176.95	(1,560.37)
	Cash generated from operations	19,487.32	12,608.66	11,917.13	11,579.27	9,713.09
	Direct taxes paid	(2,979.54)	(1,211.70)	(2,447.89)	(2,347.07)	(2,014.75)
	Net Cash from Operating Activities - A	16,507.79	11,396.96	9,469.24	9,232.20	7,698.34
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of fixed assets	(20,405.74)	(13,149.72)	(11,595.92)	(12,351.59)	(9,760.75)
	Purchase of investments	(17,955.00)	(23,630.00)	(15,848.17)	(10,520.79)	-
	Sale of investments	19,583.83	25,433.87	19,268.07	10,439.52	1,750.00
	Interest/income on term deposits/bonds/investments received	2,474.48	2,301.30	1,910.90	2,501.25	2,710.11
	Income tax paid on interest income	(760.53)	(690.09)	(586.27)	(454.01)	(557.45)
	Dividend received	217.79	151.71	74.30	67.20	6.00
	Net cash used in Investing Activities - B	(16,845.17)	(9,582.93)	(6,777.09)	(10,318.42)	(5,852.09)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	14,381.51	10,712.62	10,543.51	9,164.92	8,517.00
	Repayment of long term borrowings	(4,603.31)	(3,651.79)	(4,308.44)	(2,751.32)	(2,294.40)
	Proceeds from Short term borrowings	232.00	110.76	27.31	10.59	1.50
	Securities Premium on issue of Share Capital	-	-	-	-	(61.40)
	Grants received/Ash Utilisiation reserves etc.	162.85	189.24	327.50	176.50	42.00
	Interest paid	(4,922.38)	(4,721.80)	(3,742.01)	(2,976.61)	(2,645.10)
	Guarantee fee & other finance charges paid	(139.40)	(98.68)	(64.62)	(63.23)	(35.80)
	Dividend paid	(3,550.10)	(3,550.10)	(3,149.16)	(3,138.67)	(2,974.30)
	Tax on dividend	(573.06)	(573.06)	(523.08)	(533.40)	(505.80)
	Net cash used in Financing Activities - C	988.11	(1,582.81)	(888.99)	(111.22)	43.70
	Net increase/decrease in cash and cash equivalents (A+B+C)	650.73	231.22	1,803.16	(1,197.44)	1,889.95
	Cash and cash equivalents at the beginning of the year	18,087.39	17,856.17	16,053.01	17,250.45	15,360.50
	Cash and cash equivalents at the end of the period	18,738.12	18,087.39	17,856.17	16,053.01	17,250.45

Note: 1. Cash and cash equivalents consists of cash in hand and balances with banks.

2. Previous year figures have been regrouped/rearranged wherever considered necessary.

GENERAL INFORMATION

Our Company was incorporated on November 7, 1975 under the Companies Act 1956 as a private limited company under the name, 'National Thermal Power Corporation Private Limited'. The name of our Company was changed to 'National Thermal Power Corporation Limited' on September 30, 1976 consequent upon a notification issued by the GoI exempting government companies from the use of the word 'private'. On September 30, 1985, our Company was converted from a private limited company into a public limited company. The name of our Company was changed to 'NTPC Limited' and a fresh certificate of incorporation was issued on October 28, 2005. For more information on change of name of our Company, see "***History and Certain Corporate Matters***" on page 69.

Registered Office of our Company

NTPC Limited
NTPC Bhawan
SCOPE Complex
7, Institutional Area, Lodhi Road
New Delhi 110 003
Tel: + (91 11) 2436 0100
Fax: + (91 11) 2436 1018

Details	Registration/Identification number
Registration Number	055-7966
Company Identification Number	L40101DL1975GOI007966

For further information on changes in the location of the Registered Office, see "***History and Certain Corporate Matters***" on page 69.

Address of the RoC

Our Company is registered with the office of the RoC, situated at the address set forth below.

The Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
Tel: + (91 11) 2623 5704
Fax: + (91 11) 2623 5702

Company Secretary and Compliance Officer

Mr. A.K. Rastogi
Executive Director & Company Secretary and Compliance Officer
NTPC Bhawan
SCOPE Complex
7, Institutional Area, Lodhi Road
New Delhi 110 003
Tel: + (91 11) 2436 0071
Fax: + (91 11) 2436 0241
E-mail: akrastogi@ntpc.co.in

Chief Financial Officer

Mr. Gautam Kumar Sadhu
Executive Director (Finance)
NTPC Bhawan
SCOPE Complex
7, Institutional Area, Lodhi Road
New Delhi 110 003
Tel.: (+91 11) 2436 6278

Fax: (+91 11) 2436 1982
E-mail: sadhugk@yahoo.co.in

Applicants or prospective investors may contact the Registrar to the Issue or our Executive Director & Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice/in case of Bonds applied for in physical form or rematerialized Bonds held in physical form, the certificate issued by our Company to the Bondholder for the aggregate amount of each of the Series of Bonds that are rematerialized and/or held by such Bondholder ("**Consolidated Certificate**")/the certificate issued to Bondholder(s) pursuant to Allotment, in case the Applicant has opted for Bonds in physical form based on the request from the Bondholders ("**Bond Certificate**"), as the case may be (for Applicants who have applied for Allotment in physical form), demat credit or Refund Orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, amount paid on application, Depository Participant ("**DP**") and the collection centre of the relevant members of the Consortium, brokers and sub-brokers appointed in relation to the Issue ("**Syndicate**") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of Bonds applied for and amount blocked on Application.

All grievances arising out of Applications for the Bonds made through Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Lead Managers

A. K. Capital Services Limited
30-39, Free Press House, 3rd Floor
Free Press Journal Marg
215, Nariman Point
Mumbai 400 021
Tel: (+91 22) 6754 6500/6634 9300
Fax: (+91 22) 6610 0594
Email: ntpctfbonds13@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Mandeep Singh/Mr. Lokesh Singhi
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: INM000010411

Axis Capital Limited
1st floor, Axis House
C-2 Wadia International Centre
P.B. Marg
Worli, Mumbai 400 025
Tel: (+91 22) 4325 2525
Fax: (+91 22) 4325 3000
E-mail: ntpctaxfree@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mr. Akash Aggarwal
Compliance Officer:Mr. M. Natarajan
SEBI Registration No.: INM000012029

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate Mumbai 400 020
Tel: (+91 22) 2288 2460
Fax: (+91 22) 2282 6580
Email: project.ntpc@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Mangesh Ghogle/Mr. Sumit Agarwal
Compliance Officer: Mr. Subir Saha
SEBI Registration No.: INM000011179

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor
Plot No. C 27, G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: (+91 22) 4336 0000
Fax: (+91 22) 6713 2447
E-mail: project.ntpcbonds@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Mr. Ganesh Rane
Compliance Officer: Mr. Ajay Vaidya
SEBI Registration No.: INM000008704

SBI Capital Markets Limited
202, Maker Tower E, Cuffe Parade
Mumbai 400 005
Tel: (+91 22) 2217 8300
Fax: (+91 22) 2218 8332
Email: ntpcbonds2013@sbicaps.com
Investor Grievance Email:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Shikha Agarwal/Mr. Nithin Kanuganti
Compliance Officer: Mr. Bhaskar Chakraborty
SEBI Registration No.: INM000003531

Consortium Members

[●]

Bond Trustee

IL&FS Trust Company Limited
The IL&FS Financial Centre
Plot C 22, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel: (+91 22) 2659 3333
Fax: (+91 22) 2653 3297
Email: itclcomplianceofficer@ilfsindia.com
Investor Grievance Email: investorgrievances.itcl@ilfsindia.com
Website: www.itclindia.com
Contact Person: Senior Vice President
SEBI Registration No.: IND000000452

IL&FS Trust Company Limited has, by its letter dated November 14, 2013, given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in this Draft Prospectus and the Prospectus, and in all subsequent periodical communications sent to the Bondholders, pursuant to Regulation 4(4) of the SEBI Debt Regulations.

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24
Vithalrao Nagar
Madhapur
Hyderabad 500 081
Tel: (+91 40) 4465 5000
Fax: (+91 40) 2343 1551
E-mail: ntpc.bond@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: http:\\karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Joint Statutory Auditors

For dates of appointment of our Joint Statutory Auditors, see "***Other Regulatory and Statutory Disclosures***" on page 119.

O.P. Bagla & Co. *K.K. Soni & Co.*

Chartered Accountants
8/12, Kalkaji Extension
New Delhi 110 019
Tel: (+91 11) 2641 2939, 2623 9913
Fax: (+91 11) 2623 9912
Email: admin@opbco.in
Firm Registration No.: 000018N

Chartered Accountants
130, Sarojini Market
New Delhi 110 023
Tel: (+91 11) 2467 3254, 2688 0876
Fax: (+91 11) 2687 4930
Email: kks@kksoni.com
Firm Registration No.: 000947N

PKF Sridhar & Santhanam
Chartered Accountants
2nd Floor, Kiran Arcade, S.D. Road
D.No.1-2-272-273/6
MCH No:100
Secunderabad 500 003
Tel: (+91 40)2781 9743
Fax: (+91 40)2781 9743
Email: kots@pkfindia.in
Firm Registration No.: 003990S

V. Sankar Aiyar & Co.
Chartered Accountants
2 C Court Chambers
35, New Marine Lines
Mumbai 400 020
Tel: (+91 22) 2206 7440, 2200 4465
Fax: (+91 22) 2200 0649
Email: mumbai@vsa.co.in
Firm Registration No.: 109208W

Ramesh C. Agrawal & Co.
Chartered Accountants
S 203 Prayag Kunj
3 Strachey Road
Civil Lines
Allahabad 211 001
Tel: (+91 532) 2260099
Fax: (+91 532) 2260828
Email: rca123@gmail.com
Firm Registration No.: 001770C

A.R. & Co.
Chartered Accountants
C-I, 2nd Floor, R.D.C., Raj Nagar
Ghaziabad 201 001, Delhi NCR,
National Capital Region of Delhi
Tel: (+91 120) 275 5869, 413 5754
Fax: (+91 120) 275 5869
Email: ar_co1981@yahoo.co.in
Firm Registration No.: 002744C

Escrow Collection Banks/Bankers to the Issue

[●]

Refund Bank

[●]

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs in relation to the ASBA process is provided on www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the website mentioned above.

Bankers to our Company

Allahabad Bank
IFB, Parliament Street
2nd Floor
New Delhi 110 001
Tel: + (91 11) 2334 2790/2336 6832/2373 4621
Fax: + (91 11) 2334 2102
E-mail: br.del_ifb@allahabadbank.in
Website: www.allahabadbank.co.in
Contact Person: Mr. Parthadeb Datta/Mr. Somenath Majumdar

Andhra Bank
DDA Shopping Complex
Sector 6, Ram Krishna Puram
New Delhi 110 022
Tel: + (91 11) 2619 8380/6828
Fax: + (91 11) 2618 3103
E-mail: bmdel481@andhrabank.co.in
Website: www.andhrabank.in
Contact Person: Mr. Shaik Hussain

Bank of India
Tandwa Branch

Canara Bank
Nehru Place Branch

Rukmini Complex, Post Office Tandwa
District Chatra, Jharkhand
Tel: + (91 6559) 244 454
Fax: + (91 6546) 223 956
E-mail: Tandwa.Hazaribagh@bankofindia.co.in
Website: www.bankofindia.com
Contact Person: Mr. Ravi Sankar Gupta

Central Bank of India
Corporate Finance Branch
Jeevan Tara Building
5, Parliament Street
New Delhi 110 001
Tel: + (91 11) 4999 2200
Fax: + (91 11) 4353 6447
E-mail: dgmcfb3464@centralbank.co.in and
bmdela3464@centralbank.co.in
Website: www.centralbankofindia.co.in
Contact Person: Mr. V. Srinivasan

Dena Bank
Scope Complex Branch
Core 6
7, Lodhi Road
New Delhi 110 092
Tel: + (91 11) 2436 0440/0455/9002
Fax: + (91 11) 2436 3767
E-mail: scopec@denabank.co.in
Website: www.denabank.com
Contact Person: Mr. Tapan Kumar Das

ICICI Bank Limited
NBCC Place, ICICI Tower
Bhishma Pitamah Marg
Pragati Vihar
New Delhi 110 003
Tel: + (91 11) 3027 8360
Fax: +(91 11) 2436 9970
E-mail: sunil.rathi@icicibank.com
Website:www.icicibank.com
Contact Person: Mr. Sunil Rathi

Punjab National Bank
5, Parliament Street
Ground Floor
New Delhi 110 001
Tel: + (91 11) 2371 0457
Fax: + (91 11) 2376 6175
E-mail: bo0153@pnb.co.in
Website: www.pnbindia.com
Contact Person: Mr. B.S. Raina/Mr. S.R. Gupta

State Bank of Bikaner and Jaipur
27, Barakhamba Road
New Delhi House
New Delhi 110 001
Tel: + (91 11) 4999 5532/33
Fax: + (91 11) 4999 5544
E-mail: sbbj10390@sbbj.co.in

No. 1, D.D.A. Building
Nehru Place
New Delhi 110 019
Tel: + (91 11) 2628 6937
Fax: + (91 11) 2647 5955
E-mail: bismaysamal@canarabank.co.in
Website: www.canarabank.com
Contact Person: Mr. Bismay Samal

Citibank N.A.
17th Floor, DLF Square Building
Jacaranda Marg
Gurgaon
122 001
Tel: + (91 124) 489 3521
Fax: + (91 124) 489 3492
E-mail: ankit1.sharma@citi.com
Website: www.citibank.com
Contact Person: Mr. Ankit Sharma

Indian Overseas Bank
14 and 15 Farm Bhawan
Nehru Place
New Delhi 110 019
Tel: + (91 11) 2628 2360
Fax: + (91 11) 2648 9201
E-mail: nehrubr@ delco.iobnet.co.in
Website: www.iob.co.in
Contact Person: Mr. H.K. Arora

IDBI Bank Limited
Indian Red Cross Society Building
1, Red Cross Road
Post Bag No. 231
New Delhi 110 001
Tel: + (91 11) 2335 1413
Fax: + (91 11) 2371 1664
E-mail: Deepak.sood@idbi.co.in
Website: www.idbi.com
Contact Person: Mr. Deepak Sood

Punjab and Sind Bank
EOC Complex, NTPC Limited
Sector 24
Noida 201 301
Tel: + (91 120) 2411 197/2410 301
E-mail: n0865@psb.org.in
Website: www.psbindia.com
Contact Person: Mr. Davenderjit Singh

State Bank of Mysore
3, 4 and 5, D.D.A. Building
Nehru Place
New Delhi 110 019
Tel: + (91 11) 2644 3041
Fax: + (91 11) 4161 6739/2641 5823
E-mail: nehruplace@sbm.co.in

Website: www.sbbj.co.in
Contact Person: Mr. Rajesh Kumar

Website: www.statebankofmysore.co.in
Contact Person: Mr. Rajkumar B. Akkole

State Bank of Hyderabad
Core 6, Scope Complex
Lodhi Road
New Delhi 110 003
Tel: + (91 11) 4715 4908/09
Fax: + (91 11) 2436 5907/2566
E-mail: scopecomplex@sbhyd.co.in
Website: www.sbhyd.com
Contact Person: Ms. Bindu Acharya

State Bank of India
C.A.G. Branch, 12th Floor
Jawahar Vyapar Bhawan, Tolstoy Marg
Janpath
New Delhi 110 001
Tel: + (91 11) 2337 4541
Fax: + (91 11) 2335 3101
E-mail: dgm.cagdel@sbi.co.in
Website: www.sbi.co.in and
www.statebankofindia.com
Contact Person: Mr. S.K. Thapar

State Bank of Patiala
Commercial Branch
1st and 2nd Floor, Chanderlok Building
36, Janpath
New Delhi 110 001
Tel: + (91 11) 2335 7617/2373 8096/2373 8097
Fax: + (91 11) 2335 4365/2373 8097
E-mail: sbpcbnd@yahoo.co.in
Website: www.sbp.co.in
Contact Person: Mr. Rakesh Jindal

State Bank of Travancore
18/4, State Bank of Travancore House
2nd Floor, Arya Samaj Road
Karol Bagh
New Delhi 110 005
Tel: + (91 11) 4550 5524
Fax: + (91 11) 2875 9645
E-mail: newdelhi@sbt.co.in
Website: www.statebankoftravancore.com
Contact Person: Mr. Jayarajan N.

UCO Bank
Post Office Talcher Thermal
District Angul 759 101
Tel: + (91 6760) 249 063
E-mail: talche@ucobank.co.in
Website: www.ucobank.com
Contact Person: Mr. Om Prakash Gunani

Union Bank of India
M 11, 1st Floor
Middle Circle
Connaught Circus
New Delhi 110 001
Tel: + (91 11) 2431 3685/87
Fax: + (91 11) 23413686
E-mail: akawasthi@unionbankofindia.com
Website: www.unionbankofindia.com
Contact Person: Mr. Anil Kumar Awasthi

United Bank of India
Talcher Thermal Power Station Branch
Post Office Talcher Thermal
District Angul 759 101
Tel: (+91 6760) 249 076
E-mail: bmtps@unitedbank.co.in
Website: www.unitedbank.co.in
Contact Person: Mr. Satyaban Pradahn

HDFC Bank Limited
HDFC Bank House
B 6/3, Community Centre
Safdarjung Enclave
Opposite Deer Park
New Delhi 110 029
Tel: + (91 11) 4139 2100
Fax: + (91 11) 4165 2283
E-mail: l.k.dhamija@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. L.K. Dhamija

Legal Advisor to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
Tel.: (+91 11) 2692 0500
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Credit Rating Agencies

ICRA Limited
Building No. 8, Tower A, 2nd Floor
DLF Cyber City, Phase II
Gurgaon 122 002
Tel: (+91 124) 4545 310
Fax: (+91 124) 4050 424
Email: vw@icraindia.com
Investor Grievance Email: investors@icraindia.com
Contact Person: Mr. Vijay Wadhwa
Website: www.icra.in
SEBI Registration No.: IN/CRA/003/1999

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park
Powai
Mumbai 400 076
Tel: (+91 22) 3342 3000
Fax: (+91 22) 3342 3050
Email: sudip.sural@crisil.com/crisilratingdesk@crisil.com
Contact Person: Mr. Sudip Sural
Website: www.crisil.com
SEBI Registration No.: IN/CRA/001/1999

Credit Rating and Rationale

ICRA has, by its letter (No. D/RAT/2013-14/N3/2) dated July 16, 2013, assigned a rating of [ICRA] AAA (Stable) to the Bonds, and revalidated such rating by letter (No. D/RAT/2013-14/N3/3) dated November 8, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely financing of obligations and carry lowest credit risk. Further, CRISIL has, by its letter (No. VK/CGS/NTPCLTD/JUN13/90014) dated June 3, 2013, assigned a rating of CRISIL AAA to the Bonds, and revalidated such rating by letter (No. VK/NTPCL/SN26294) dated November 8, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For more information, see "***Annexure B – Credit Rating***".

Minimum Subscription

See "***Issue Structure – Minimum Subscription***" on page 126.

Expert Opinion

Except for the Joint Statutory Auditors' Reports dated November 1, 2013 on the standalone and consolidated reformatted financial information for fiscal 2013, fiscal 2012, fiscal 2011, fiscal 2010 and fiscal 2009, the limited review report dated October 29, 2013 on the standalone financial information for the 6 months ended September 30, 2013 and the Statement of Tax Benefits dated November 1, 2013 issued by O.P. Bagla and Co., K.K. Soni and Co., P.K.F. Sridhar and Santhanam, V. Sankar Aiyar and Co., Ramesh C. Agrawal and Co. and A.R. and Co., the Joint Statutory Auditors of our Company, our Company has not obtained any expert opinions.

Underwriting

The Issue is not underwritten.

Issue Programme

ISSUE PROGRAMME*

ISSUE OPENS ON	ISSUE CLOSES ON
[●]	[●]

** The Issue shall remain open for subscription from 10 A.M. to 5 P.M. (Indian Standard Time) during the period indicated above with an option for early closure as may be decided by the Board. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in at least one leading national daily newspaper with wide circulation.*

CAPITAL STRUCTURE

1. The details of share capital of our Company as on September 30, 2013 and as on the date of this Draft Prospectus is set forth below.

Details of share capital	Aggregate value at face value (₹ *in crore*)
Authorized share capital	
10,00,00,00,000 equity shares of face value of ₹ 10 each ("**Equity Shares**")	10,000
Issued, subscribed and paid up share capital before the Issue	
8,24,54,64,400 Equity Shares	8,245.46
Securities premium account	2,228.11

2. There have been no changes in the authorized share capital of our Company in the 5 years immediately preceding the date of this Draft Prospectus and as of September 30, 2013.

3. There have been no changes in the capital structure of our Company in the 5 years immediately preceding the date of this Draft Prospectus and as of September 30, 2013.

4. There has been no change in the Equity Share capital history of our Company in the 5 years immediately preceding the date of this Draft Prospectus and as of September 30, 2013. However, our Promoter undertook a further public offering in February 2010, whereby 41,22,73,220 Equity Shares were offered for sale, for cash at prices determined through the alternate book-building method under Part D of Schedule XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**"), on a fast-track basis, aggregating to ₹ 8,480.10 crore and comprising a net offer to the public of 40,80,00,000 Equity Shares and a reservation of 42,73,220 Equity Shares for subscription by eligible employees. Further, our Promoter undertook an offer for sale in February 2013 of 78,32,62,880 Equity Shares through the stock exchange mechanism, pursuant to circular (No. CIR/MRD/DP/18/2012) dated July 18, 2012.

5. Our Company has not issued any Equity Shares or debt securities on account of any acquisition, amalgamation, reorganisation or reconstruction in the one year immediately preceding the date of this Draft Prospectus. However, the MoP, pursuant to letter (no. 5/5/2012-Th-II) dated April 10, 2012 approved the amalgamation of NTPC Hydro Limited ("**NHL**") with our Company subject to the approval of the competent authority under the Companies Act 1956. The Board passed a resolution in their meeting held on May 10, 2012 approving the scheme of amalgamation ("**Scheme**"). Subsequently, meetings of the shareholders of NHL and of our Company were held on May 24, 2013, and the Scheme was approved pursuant to resolutions passed by the shareholders in such meetings. The Scheme is subject to further approvals from the MCA and registration. The salient features of the Scheme are set forth below.

   a. *Date of taking effect and operative date:* The Scheme shall be operative from April 1, 2012, the appointed date, but shall be effective from the date on which a certified or authenticated copy of the order of the GoI sanctioning the Scheme is filed with the RoC by our Company and NHL.
   b. *Transfer and vesting of NHL:* Upon the coming into effect of the Scheme, NHL shall be transferred to and vested in our Company for all estates, rights, title, interest and authorities of NHL without any further act, instrument, deed, matter or thing by a vesting order.
   c. *Issue of shares:* As NHL is a wholly-owned Subsidiary of our Company, our Company shall not issue any shares or pay any consideration to NHL or the shareholders of NHL pursuant to the sanction of the Scheme. 7 individual shareholders of NHL are nominees of our Company. Upon effecting the Scheme, no shares in our Company would be issued to individual shareholders, nor would any consideration be paid in respect of entitlement of the 7 individual nominee shareholders in NHL.

6. Details of Equity Shares held by the Promoter as on September 30, 2013:

SS. No.	Name of Promoter	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital	No. of Equity Shares pledged	Percentage of Equity Shares pledged
1.	The President of India, acting through the MoP	6,18,40,98,300	6,18,40,98,300	75.00	0	Nil

7. Except as set forth below, none of our Directors hold any Equity Shares as on November 8, 2013.

S No	Name of Director	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
1.	Dr. Arup Roy Choudhury	8,690	8,690	Negligible
2.	Mr. Subhash Chandra Pandey	2,304	2,304	Negligible
3.	Mr. Umesh Prasad Pani	922	922	Negligible
4.	Mr. Narendra Nath Misra	922	922	Negligible
5.	Mr. Ajit Mukundrao Nimbalkar	614	614	Negligible
6.	Dr. Alwyn Didar Singh*	426	426	Negligible
7.	Ms. Homai Ardeshir Daruwalla*	140	140	Negligible
	Total	**14,018**	**14,018**	**Negligible**

** Equity Shareholding reflected in the name of the first Equity Shareholder in case of joint Equity Shareholding.*

8. **Shareholding pattern of our Company and list of Equity Shareholders**

The following is the shareholding pattern and list of Equity Shareholders of our Company, as on September 30, 2013.

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Central Government/State Government(s)	1	6,18,40,98,300	6,18,40,98,300	75.00	75.00	0	0.00
Sub Total	1	6,18,40,98,300	6,18,40,98,300	75.00	75.00	0	0.00
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**1**	**6,18,40,98,300**	**6,18,40,98,300**	**75.00**	**75.00**	**0.00**	**0.00**
(B) Public Shareholding							
(1) Institutions							
MFs/UTI	222	10,25,66,712	10,25,66,712	1.24	1.24	-	-
Financial Institutions/Banks	98	71,26,45,171	71,26,45,171	8.64	8.64	-	-
Foreign Institutional Investors ("**FIIs**")	497	86,94,04,647	86,94,04,647	10.54	10.54	-	-
Sub Total	**817**	**1,68,46,16,530**	**1,68,46,16,530**	**20.43**	**20.43**	-	-
(2) Non-Institutions						-	-
Bodies Corporate	3,559	21,16,09,638	21,16,09,638	2.57	2.57	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to ₹ 0.01	7,31,469	14,24,56,863	14,23,83,725	1.73	1.73	-	-

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
crore							
Individual shareholders holding nominal share capital in excess of ₹ 0.01 crore	450	1,40,91,276	1,40,91,276	0.17	0.17	-	-
Any Others (Specify)	8,237	85,91,793	85,61,593	0.10	0.10	-	-
Non-Resident Indians	7,911	41,57,747	41,27,547	0.05	0.05	-	-
Trusts	87	22,84,978	22,84,978	0.03	0.03	-	-
Foreign Corporate Bodies	1	1,500	1,500	0.00	0.00	-	-
Foreign Nationals	5	2,683	2,683	0.00	0.00	-	-
Directors	9	24,808	24,808	0.00	0.00	-	-
Clearing Members	224	21,20,077	21,20,077	0.03	0.03	-	-
Sub Total	7,43,715	37,67,49,570	37,66,46,232	4.57	4.57	-	-
Total Public shareholding (B)	**7,44,532**	**2,06,13,66,100**	**2,06,12,62,762**	**25.00**	**25.00**	-	-
Total (A)+(B)	**7,44,533**	**8,24,54,64,400**	**8,24,53,61,062**	**100.00**	**100.00**	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**	**0**	**0.00**	**0.00**	-	-
(1) Promoter and Promoter Group	0	0	0	0.00	0.00	-	-
(2) Public	0	0	0	0.00	0.00	-	-
Sub Total	**0**	**0**	**0**	**0.00**	**0.00**	-	-
Total (A)+(B)+(C)	**7,44,533**	**8,24,54,64,400**	**8,24,53,61,062**	**100.00**	**100.00**	-	-

9. Top 10 Equity Shareholders

The following is the list of ten largest Equity Shareholders of our Company, as on September 30, 2013.

Sl. No.	Name of Shareholder*	No. of Equity Shares	Percentage of issued Equity Share capital
1.	The President of India, acting through the MoP	6,18,40,98,300	75.00
2.	Life Insurance Corporation of India	63,79,61,175	7.74
3.	Government of Singapore	7,84,89,178	0.95
4.	ICICI Prudential Life Insurance Company Limited	6,83,09,377	0.83
5.	Vanguard Emerging Markets Stock Index Fund	4,16,57,102	0.51
6.	Abu Dhabi Investment Authority	4,04,23,844	0.49
7.	National Westminster Bank PLC, as depositary of FIR	3,20,34,242	0.39
8.	IIFL Inc. A/C Vontobel India Select Fund	2,50,56,650	0.30
9.	Monetary Authority of Singapore	2,48,95,316	0.30
10.	DB International (Asia) Limited	2,43,90,202	0.30
Total		**7,15,73,15,386**	**86.80**

** Equity Shareholding consolidated on the basis of permanent account number ("**PAN**") of Equity Shareholders.*

10. Top 10 holders of non-convertible debentures

The 10 largest holders of non-convertible debentures of our Company, on a cumulative basis for all outstanding non-convertible debentures, as at September 30, 2013 is set forth below.

S. No.	Name of the Debenture holder	Total amount of Debentures held (₹ in crore)

S. No.	Name of the Debenture holder	Total amount of Debentures held (₹ in crore)
1.	Life Insurance Corporation of India	3,435.50
2.	Army Group Insurance Fund	1,035.00
3.	CBT EPF-11-C-DM	607.10
4.	CBT EPF-05-D-DM	605.42
5.	CBT EPF-11-D-DM	532.54
6.	CBT EPF-05-B-DM	486.94
7.	National Thermal Power Corporation Limited Employees Provident Fund Trust	475.00
8.	CBT EPF-05-C-DM	416.00
9.	HDFC Standard Life Insurance Company Limited	251.00
10.	SBI Life Insurance Company Limited	220.20

11. **Debt-equity ratio**

The details of the debt-equity ratio of our Company on a standalone basis are set forth below.

(₹ in crore)

	Standalone	
Particulars	**Pre Issue***	**Post Issue#**
Debt		
Long term Debt	55,770.01	57,520.01
Short Term Debt	-	-
Current maturities of Long term Debt	4,859.43	4,859.43
Total Debt (A)	**60,629.44**	**62,379.44**
Equity		
Share Capital	8,245.46	8,245.46
Reserve and Surplus	77,161.96	77,161.96
Total Equity (B)	**85,407.42**	**85,407.42**
Debt Equity Ratio (A/B)	**0.71**	**0.73**

**Pre-Issue figures are as on September 30, 2013.*

 # No effect has been given for changes in equity and debt subsequent to September 30, 2013 except for ₹1750 crore towards proposed Issue of the Bonds, which is assumed to have been fully subscribed

12. No Equity Shares held by our Promoter are pledged or otherwise encumbered.

13. Our Company (standalone) has not issued any Equity Shares or debt securities for consideration other than cash, whether in whole or part, since its incorporation.

14. Our Company (standalone) has not issued any debt securities at a premium or at a discount or pursuant to an option, since incorporation.

15. For information on outstanding borrowings of our Company (standalone) as at September 30, 2013, see "***Description of Financial Indebtedness***" on page 90.

OBJECTS OF THE ISSUE

Issue Proceeds

This is a public issue by our Company of tax-free secured redeemable non-convertible Bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750 crore* during fiscal 2014.

** In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*

Utilisation of Issue Proceeds

The funds raised through this issue will be utilized for, *inter alia,* funding of capital expenditure and refinancing for meeting the debt requirement in on-going projects, including recoupment of expenditure already incurred.

The main objects of the memorandum of association of our Company ("**Memorandum of Association**" or "**MoA**") enable us to undertake the activities for which the funds are being raised in the Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects specified in our Memorandum of Association.

In accordance with SEBI Debt Regulations, our Company is not permitted to utilize the proceeds of the Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management as our Company. Our Company is a public sector enterprise and, as such, we do not have any identifiable 'group' companies or 'companies under the same management'. Further, the Issue proceeds shall be utilized in course of our normal business activities and shall not be utilized towards any purposes restricted under the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including investment in the stock market or in real estate business or for carrying on agricultural/plantation activities, purchase of shares/debentures/bonds issued by companies in India or for re-lending.

We shall utilize the Issue proceeds only after the execution of documents for creation of security as stated in "***Terms of the Issue***" on page 128, and on the listing of the Bonds.

Project Cost and Means of Financing

The proceeds of Issue will be utilized as mentioned above and not for any specified project.

Interim use of Proceeds

Pending utilization of the Issue proceeds for the purposes described above, we intend to temporarily invest the Issue proceeds in term deposits with Authorized Dealer - Category 1 banks in India, or otherwise as may be approved by the Board from time to time in accordance with applicable law.

Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. The Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose under an appropriate separate head in our Company's financial results commencing fiscal 2014, the utilization of the proceeds of the Issue under a separate head along with any details in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Issue Expenses

The following are the estimated Issue expenses:

Particulars	Estimated Issue Expenses* (₹ in crore)	Percentage of Issue Size (%)*
Fees payable to Intermediaries		
To the Stock Exchanges	[●]	[●]
To the Registrar to the Issue	[●]	[●]
To the Lead Managers	[●]	[●]
To the Bond Trustee	[●]	[●]
To the Legal Counsel	[●]	[●]
Printing and dispatch of stationery and marketing expenses, brokerage and selling commission	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]
Total	[●]	[●]

** To be included in the Prospectus*

Our Company shall pay processing fees to the SCSBs for Applications Forms procured by the Consortium/brokers/sub-brokers/Trading Members and submitted to SCSBs for blocking the Application Amount of the Applicant, at the rate of ₹ [●] per Application Form procured, as finalized by our Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

For more information, see "***Terms of the Issue - Utilisation of Issue Proceeds***" and "***Issue Procedure - Monitoring and Reporting of Utilisation of Issue Proceeds***" on pages 139 and 140, respectively.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond holders. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bonds, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the laws or enactments described in this section. The Bondholders are advised to consider in their own case the tax implications in respect of subscription to the Bonds after consulting their own tax advisors, as alternate views or interpretations are possible, and tax benefits may be considered differently by the Indian income tax authorities, the Government, Tribunals or Courts. We are not liable to the Bondholders in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

1. Interest from Bonds do not form part of Total Income.

a) In exercise of power conferred by item (h) of sub clause (iv) of clause(15) of Section 10 of the Income Tax Act, 1961 (43 of 1961), the Central Government, vide Notification NO.61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013, authorizes NTPC Limited to issue through a public/private issue, during financial year 2013-14, tax-free, secured, redeemable, non-convertible bonds for the aggregate amount not exceeding Rs. 1,750 crore subject to the conditions as prescribed in the said notification.

It shall be mandatory for the subscribers of such Bonds to furnish their permanent account number to the issuer.

b) Section 10(15)(iv)(h) of the Income Tax Act, 1961provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included in the total income.

Further, as per Section 14 A(1), no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to said interest as it does not form part of the total income.

Section 2(36A) of Income Tax Act, 1961defines "Public Sector Company" as any corporation established by or under any Central, State or Provincial Act or a Government Company as defined in Section 617 of the Companies Act, 1956 (1 of 1956).

c) Accordingly, pursuant to the aforesaid notification to be read with Section 14A(1) of the Income Tax Act, 1961, interest from the Bonds will be exempt from income tax, net of related expenditure incurred to earn this interest income.

d) Since the interest income on the Bonds is exempt, no tax deduction at source ("**TDS**") is required. However interest on application money would be liable for TDS as well as would be subject to tax as per present tax laws.

2. CAPITAL GAIN

a) Under Section 2 (29A) of the Income Tax Act, 1961 read with section 2 (42A) of the Income Tax Act, 1961, a listed Bond is treated as a Long Term Capital Asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under Section 112 of the Income Tax Act, 1961, capital gains arising on the transfer of Long Term Capital Assets being listed securities are subject to tax at the rate of 20% of the Capital Gains calculated after reducing indexed cost of acquisition or 10% of the capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the Bonds from the sale consideration.

However as per third proviso to Section 48 of Income Tax Act, 1961 benefits of indexation of cost of acquisition under second proviso of Section 48 of Income Tax Act, 1961 is not available in case of bonds and debentures, except capital indexed bonds. Thus, Long Term Capital Gain Tax can be considered at a rate of 10% on listed bonds without indexation.

Securities Transaction Tax ("**STT**") is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. **However, STT is not applicable on transactions in the Bonds.**

In case of an individual or Hindu Undivided Family ("**HUF**"), being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. Rs.2,00,000 , Rs.250,000 in case of resident senior citizens of 60 or more years of age (on any day of the previous year) and Rs.500,000 in case of resident super senior citizens of 80 years or more of age (on any day of the previous year), the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and at the option of assessee the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the Income Tax Act, 1961 read with CBDT Circular 721 dated September 13, 1995 or 20% with indexation of cost , as the case may be.

Surcharge @10% is applicable for assessees having total income exceeding one crore rupees subject to marginal relief.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge wherever applicable) is payable by all categories of tax payers.

b) Short-term capital gains on the transfer of listed bonds, where Bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provision of Income Tax Act, 1961.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para(a) above would also apply to such short-term capital gains.

c) Under Section 54 EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising to the Bondholders on transfer of their Bonds shall not be chargeable to tax to the extent such capital gains are invested in certain notified Bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified Bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the Bonds are transferred or converted into money. Where the benefit of Section 54 EC of the Income Tax Act, 1961 has been availed on investments in the notified Bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the Income Tax Act, 1961.

For purpose of availing exemption from tax on capital gains, the investment made in the notified Bonds by an assessee in any financial year cannot exceed Rs. 50.00 lakh.

d) As per the provisions of Section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to a Bondholder who is an individual or HUF, are exempt from capital gains tax if the entire net sales considerations is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

Provided that nothing contained above shall apply where the said Bondholder owns more than one residential house other than the new asset, on the date of transfer of such original asset or

purchase any residential house, other than the new asset, within a period of one year after the date of transfer of such original asset or constructs any residential house, other than the new asset, within a period of three years after the date of transfer of such original asset and the income from such residential house other than the one residential house owned on the date of transfer of such original asset, is chargeable under the head Income from House Property. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Bondholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above),then the original exemption will be taxed as capital gains in the year in which such residential house is purchased or constructed.

e) Under Section 195 of Income Tax Act, income tax shall be deducted from any sum payable to Non-Residents on long term capital gain or short term capital gain arising on sale and purchase of Bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be.

f) The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the Act) realized by Foreign Financial Institutions on sale of security in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961:

- Short term capital gains- 30% (plus applicable surcharge and education cess); and
- Long term capital gains- 10% without cost of indexation (plus applicable surcharge and education cess)

As per section 90(2) of the Income Tax Act, 1961, the provisions of the Act, would not prevail over the provision of the tax treaty applicable to the non-resident to the extent that such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an application tax treaty.

g) However under section 196D(2), no deduction of tax shall be made from any income, by way of capital gain arising from the transfer of securities referred to in Section 115AD, payable to Foreign Institutional Investors.

3. Bonds held as Stock in Trade

In case the Bonds are held as stock in trade, the income on transfer of the Bonds would be taxed as business income or loss in accordance with and subject to the provisions of the Income Tax Act, 1961.

4. Taxation on gift

As per section 56(2)(vii) (c) of the Income Tax Act, 1961 in case where individual or HUF receives Bonds from any person on or after 1st October, 2009 –

A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;

B. for a consideration which is less than the aggregate fair market value of the Bonds by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such bonds/debentures as exceeds such consideration;

shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received

a) from any relative as defined in the Explanation to this Section; or
b) on the occasion of the marriage of the individual; or

c) under a will or by way of inheritance; or
d) in contemplation of death of the payer or donor, as the case may be; or
e) from any local authority as defined in the Explanation to clause (20) of section 10; or
f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trusts or institution referred to in clause (23C) of section 10; or
g) from any trusts or institution registered under section 12AA.

B. WEALTH TAX

Wealth tax is not levied on investment in Bonds under section 2(ea) of the Wealth Tax Act, 1957.

C. PROPOSALS MADE IN DIRECT TAX CODE

The Hon'ble Finance Minister has presented the Direct Tax Code Bill, 2010 (the "**DTC Bill**") on August 30, 2010. The DTC Bill is likely to be presented before the Indian Parliament in future. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For O.P. Bagla & Co.
Chartered Accountants
FRN 000018N

(Atul Aggarwal)
Partner
M. No.092656

For K.K. Soni & Co.
Chartered Accountants
FRN 000947N

(S. S. Soni)
Partner
M. No.094227

For PKF Sridhar & Santhanam
Chartered Accountants
FRN 003990S

(V. Kothandaraman)
Partner
M. No.025973

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208W

(M. S. Balachandran)
Partner
M. No.024282

For Ramesh C Agrawal & Co.
Chartered Accountants
FRN 001770C

(Monika Agrawal)
Partner
M. No.093769

For A.R. & Co.
Chartered Accountants
FRN 002744C

(Anil Gaur)
Partner
M. No.017546

Place: New Delhi
Date : November 1, 2013

SECTION IV- ABOUT OUR COMPANY
INDUSTRY OVERVIEW

The information in this section has been obtained or derived from publicly available documents prepared by various sources, including officially prepared materials from the Government of India and its various ministries and from various multilateral institutions. This information has not been prepared or independently verified by us or any of our advisors including the Lead Managers, and should not be relied on as if it had been so prepared or verified. Unless otherwise indicated, the data presented exclude captive generation capacity and generation.

THE INDIAN ECONOMY

According to the CIA World Fact Book, India's 2012 gross domestic product ("**GDP**") in purchasing power parity terms was estimated US$ 4.761 trillion. This made India the fourth largest economy in the world. (*Source: https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)*

The Indian economy, which recovered from the global economic crisis of 2008 and 2009 with a period of significant growth, has more recently been adversely affected by challenging global market and economic conditions that has caused and may continue to cause a downturn in the rate of economic growth in India. The following table compares India's GDP growth rate with the GDP growth rate of certain other countries:

Country	2008	2009	2010	2011	2012
Australia	3.8	1.6	2.1	2.4	3.4
Brazil	5.2	-0.3	7.5	2.7	0.9
China	9.6	9.2	10.4	9.3	7.8
France	-0.1	-3.1	1.7	2.0	0.0
Germany	1.1	-5.1	4.2	3.0	0.7
India	3.9	8.5	10.5	6.3	3.2
Japan	-1.0	-5.5	4.7	-0.6	1.9
Korea (south)	2.3	0.3	6.3	3.7	2.0
Malaysia	4.8	-1.5	7.2	5.1	5.6
Russia	5.2	-7.8	4.5	4.3	3.4
United Kingdom	-1.0	-4.0	1.8	1.0	0.3
United States	-0.4	-3.1	2.4	1.8	2.2

Source: World Development Indicators (WDI) Database, World Bank, October 2013

THE INDIAN POWER SECTOR

Overview of the Indian Power Sector

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional sources like coal, lignite, natural gas, oil, hydro and nuclear power to other viable non-conventional sources like wind, solar and agriculture and domestic waste. The demand for electricity in the country has been growing at a rapid rate and is expected to grow further in the years to come. (*Source: Year End Review of Power Ministry, dated December 28, 2012, Ministry of Power, GoI*)

The power sector is currently at a crucial juncture of its evolution from a dominantly public sector environment to a more competitive power sector with many private producers and greater reliance on markets, subject to regulation. The performance of the power sector shows many positive features, especially relating to the pace of addition to power generation but there are numerous problems relating to fuel supply which need to be resolved as also problems relating to the financial viability of the operation of the distribution companies. (*Source: Twelfth Five Year Plan (2012-2017), Planning Commission, GoI*)

According to the CEA, during the year 2012-2013, India has experienced energy shortage of 8.7% and peak power shortage of approximately 9.0%. (*Source: CEA Load Generation Balance Report (2013-14), Central Electricity Authority, Ministry of Power, GoI)* According to the monthly review of the power sector by the CEA, the provisional total energy deficit and peak power deficit for September 2013 was approximately 3.4% and 3.6% respectively. (*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)*

The Indian economy is based on planning through successive five year plans ("**Five Year Plan**") that set out targets for economic development in various sectors, including the power sector.

Further, during the Eleventh Five Year Plan (2007 to 2012) ("**11th Plan**") despite a substantial increase in the target for additional capacity to 62,374 MW, the actual capacity addition was 54,964 MW. The generation capacity addition target for the Twelfth Five Year Plan (2012-2017) ("**12th Plan**") has been fixed at approximately 88,537 MW. In addition, it is planned to add a grid interactive renewable capacity of 30,000 MW, comprising of wind (15,000 MW), solar (10,000 MW) and other types of renewable sources (5,000 MW). *(Source: Twelfth Five Year Plan (2012-2017), Planning Commission, GoI)*

The total installed power generation capacity in India was 228,721.73 MW as of September 30, 2013. (*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)* The 12th Plan also expects the share of renewables in electricity generated to rise from around 6% in 2012 to 9% in 2017 and 16% in 2030. *(Source: Twelfth Five Year Plan (2012-2017), Planning Commission, GoI)*

Demand for Electricity in India

Per Capita Electricity Consumption in India

The per capita consumption of power in India remains relatively low compared to other major economies. For financial year 2012- 13 the per capita total consumption of electricity in India was 917.18 kWh (provisional). (*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)*

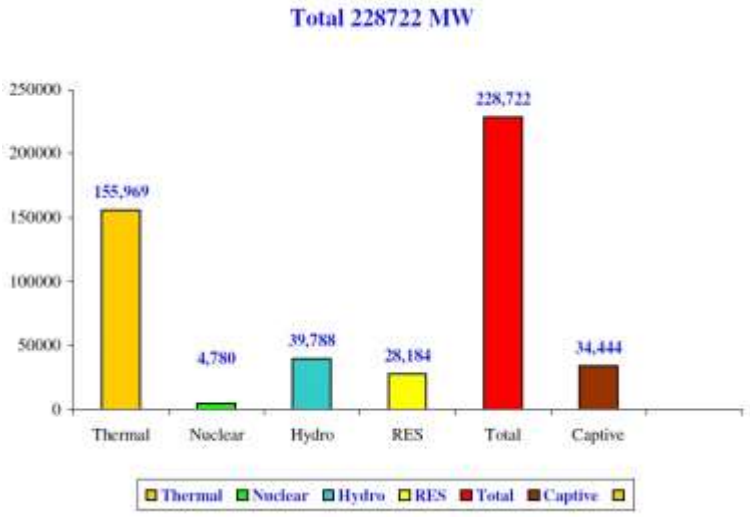
Supply of Electricity in India

Historical Capacity Additions

Each successive Five Year Plan of the Government has had increased targets for the addition of power generation capacity. From 42,584.72 MW which was the installed capacity at the end of the 6th Five Year Plan, the installed capacity as of the end of the 11th Five Year Plan was 199,877 MW. (*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)*

Current Capacity

Out of India's total installed capacity of 228,721.73 MW as on September 30, 2013, the installed capacity of thermal, hydro, renewable energy and nuclear sources accounted for approximately 68.2%, 17.4%, 12.3% and 2.1%, respectively. (*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)*



Note: Captive generation is not included in the total
(*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)*

Demand-Supply Imbalance in India

The Indian power sector has historically been beset by energy shortages which have been rising over the years. In Fiscal 2013, peak energy deficit was 9.0% and total energy deficit was 8.7%. The demand for electricity has consistently exceeded the supply.

The energy deficit of 8.7% in Fiscal 2013 can be compared to energy deficits of 8.5% in each of Fiscal 2011 and Fiscal 2012. Similarly, the peak deficit of 9.0% in Fiscal 2013 can be compared to peak deficits of 10.6% and 9.8% in Fiscal 2012 and Fiscal 2011, respectively. (Source: *Power scenario at a glance, November 2012, Central Electricity Authority, Ministry of Power, GoI*)

The deficits in electric energy and peak power requirements vary across different regions in India. The peak deficit was only 1.5% in the western region of the country, and 18.5% in the southern region of the country in Fiscal 2013. The following table outlines the peak and normative power shortages in India for the period April 2013 to September 2013 across the indicated regions of India:

April 2013 – September 2013 (Provisional)

	Energy Requirement	Deficit (%)	Peak Demand	Deficit (%)
Northern	166,568	6.1	45,752	7.1
Western	144,604	0.8	38,054	1.8
Southern	137,931	8.6	39,015	12.5
Eastern	56,585	1.4	15,885	2.2
North-Eastern	6,454	6.7	2,164	8.2

(*Source: CEA Executive Summary for September 2013, Central Electricity Authority, Ministry of Power, GoI)*

The power supply position estimated for Fiscal 2014, is outlined in the table below:

All India Power Supply Position

State/Region	Energy				Peak			
	Requirement	Availability	Surplus(+)/ Deficit(-)		Demand	Met	Surplus(+)/ Deficit(-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
Northern	319885	301418	-18467	-5.8	47500	46879	-621	-1.3
Western	286752	283396	-3356	-1.2	43456	46389	2934	6.8
Southern	309840	250583	-59257	-19.1	44670	33001	-11669	-26.1
Eastern	119632	131880	12248	10.2	18257	19700	1443	7.9
North-Eastern	12424	11024	-1400	-11.3	2251	2025	-226	-10.0
All India	1048533	978301	-70232	-6.7	144225	140964	-3261	-2.3*

** Considering transmission constraints, anticipated all India peak shortage works out to 6.2%*

(*Source: CEA Load Generation Balance Report (2013-2014), Central Electricity Authority, Ministry of Power, GoI*)

Future Capacity Additions

Twelfth Five Year Plan (2012-2017)

A capacity addition of approximately 118,536.6 MW has been envisaged for the 12th Plan. This comprises an estimated 72,340 MW of thermal power, 10,897 MW of hydro power, 5,300 MW of nuclear power and a grid interactive renewable capacity addition of about 30,000 MW. This comprises of wind, small hydro, biomass and solar energy. (*Source: Twelfth Five Year Plan (2012-2017), Planning Commission, GoI*)

The 12th Plan has estimated the total projected investment in infrastructure for electricity at ₹ 15,01,666 crore and at ₹ 318,626 crore for renewable energy. (*Source: Twelfth Five Year Plan (2012-2017), Planning Commission, GoI)*

BUSINESS

Overview

We are the largest power producer in India in terms of both installed capacity and generation, with aggregate installed capacity of 41,184 MW (including 35,820 MW through directly owned units and 5,364 MW through Subsidiaries and Joint Ventures), representing market share of 18.44% of India's total installed capacity as on March 31, 2013, and having generated 249.59 billion units of power, representing market share of 27.37% of India's total power generation in fiscal 2013. *(Source: CEA)* In calendar year 2013, our Company ranked as the number one independent power producer ("**IPP**") and energy trader in the world, on the basis of asset worth, revenues, profits and return on invested capital, according to a survey conducted by Platts.

As on the date of this Draft Prospectus, our total installed capacity has increased to 41,794 MW of which 36,320 MW is directly through our Company, which includes a total of 23 power stations, comprised of 16 coal-based stations, 6 gas-based stations and 1 liquid fuel-based station across India. In addition, our Company also has 2 renewable energy projects. While our core business is the generation and sale of electricity in India, we are a diversified and integrated player in the power sector, as we are also engaged in various other complementary businesses, seeking to support our core business and to leverage our technical and operational skills as well as our client and knowledge base in India and abroad. Our complementary activities, conducted in some cases through our Subsidiaries and Joint Ventures, include project consultancy (including services such as engineering, operation and maintenance management, project management, contracts and procurement management, quality management, training and development), power trading, electricity distribution and manufacture of equipment used in the power business. For information on our Subsidiaries and Joint Ventures, see "***History and Certain Corporate Matters***" on page 69, and "***Annexure A - Financial Information***".

Our Company is a Government company, which was conferred 'Navaratna' status by the GoI in 1997 and upgraded to 'Maharatna' status in 2010. As of May 2013, our Company ranked 384th overall on the Forbes Global 2000 list, and 314th among companies worldwide in terms of profit and 432nd among companies worldwide in terms of market value. We have also received several other prestigious awards and recognitions over the years, from various industry and other bodies, including the Greentech Corporate Social Responsibility Award 2012 awarded by the Greentech Foundation in 'gold' category in the power sector and the Golden Peacock Corporate Social Responsibility Award 2012. NTPC's directly-owned stations are certified with ISO 14001 and OHSAS 18001. Our Company's shares are listed on BSE and NSE since November 2004.

In fiscal 2013, our total revenue aggregated to ₹ 72,540.79 crore and ₹ 68,775.51 crore on consolidated and standalone basis, respectively, including income from operations (net) aggregating to ₹ 69,376.82 crore and ₹ 65,673.93 crore on consolidated and standalone basis, respectively, and our profit after tax was ₹ 12,590.78 crore and ₹ 12,619.39 crore, on consolidated and standalone basis, respectively. As on March 31, 2013, our Company's top ten customers (generally, the various state power utilities) represented 59.97% of our revenue from sale of electricity generated from our directly owned power stations, on a standalone basis. In the 6 months ended September 30, 2013, as per our unaudited limited review results for that period, our total income from operations (net) was ₹ 32,077.29 crore, including income from net sales (net of electricity duty) of ₹ 31,885.16 crore and our net profit after tax was ₹ 5,019.92 crore, while our revenue from the generation segment was ₹ 32,165.09 crore, on standalone basis. For more information, see "***Annexure A - Financial Information***".

As on March 31, 2013, our debt to equity ratio was 0.87 on a consolidated basis and 0.72 on a standalone basis, our debt service coverage ratio was 3.01 on a consolidated basis and 3.17 on a standalone basis, and our interest service coverage ratio was 8.53 on a consolidated basis and 10.39 on a standalone basis.

Strengths

Leadership position in the Indian power sector

In keeping with our corporate vision and mission, we are India's largest power producer, both in terms of installed capacity and generation, with our installed capacity being 41,184 MW (including 35,820 MW through directly owned units and 5,364 MW through our Subsidiaries and Joint Ventures), representing 18.44% of India's total installed capacity, as on March 31, 2013. In fiscal 2013, our Company generated 249.59 billion units of electricity, which represented 27.37% of India's total electricity output. *(Source: CEA)* As on the date of this Draft Prospectus, our total installed capacity has increased to 41,794 MW.

In calendar year 2013, our Company ranked as the number one IPP and energy trader in the world, on the basis of asset worth, revenues, profits and return on invested capital, according to a survey conducted by Platts. As of May 2013, our Company ranked 384th overall on the Forbes Global 2000 list, and 314th among companies worldwide in terms of profit and 432nd among companies worldwide in terms of market value. We have also received several other prestigious awards and recognitions over the years, from various industry and other bodies. Our Company's directly-owned power stations are ISO 14001 and OHSAS 18001 certified.

We believe that we enjoy considerable economies of scale and other benefits, including strong brand value, as a result of our leadership position, scale of operations and diversified presence across the Indian power sector.

Robust financial position

In fiscal 2013, our total revenue aggregated to ₹ 72,540.79 crore and ₹ 68,775.51 crore on consolidated and standalone basis, respectively, including income from operations (net) aggregating to ₹ 69,376.82 crore and ₹ 65,673.93 crore on consolidated and standalone basis, respectively, and our profit after tax was ₹ 12,590.78 crore and ₹ 12,619.39 crore, on consolidated and standalone basis, respectively. In the 6 months ended September 30, 2013, as per our unaudited limited review results for that period, our total income from operations (net) was ₹ 32,077.29 crore, including income from net sales (net of electricity duty) of ₹ 31,885.16 crore and our net profit after tax was ₹ 5,019.92 crore, while our revenue from the generation segment was ₹ 32,165.09 crore, on standalone basis. As on March 31, 2013, our gross debt to equity ratio was 0.87 on a consolidated basis and 0.72 on a standalone basis, our debt service coverage ratio was 3.01 on a consolidated basis and 3.17 on a standalone basis, and our interest service coverage ratio was 8.53 on a consolidated basis and 10.39 on a standalone basis.

We believe that our strong financial position allows us considerable flexibility as to our plans for our future growth, including in terms of our ability to make investments in business diversification, research and development, corporate social responsibility and sustainable development, as well as constituting a competitive advantage and entry barrier in the Indian power sector, *vis-à-vis* other players. In particular, we believe that our strong financial ratios and credit ratings enable us to have ready access to domestic and international credit markets. Our Maharatna status (and previously, our Navaratna status) is also based on our qualification as per certain prescribed financial criteria (i.e., including our track record of net profit as well as our net worth and turnover).

Government support

The President of India acting through the MoP is the Promoter of our Company. In addition, we are one of only seven companies that have been granted Maharatna status by the GoI. The grant of Maharatna status by the GoI in May 2010, further to Navaratna status having been granted to us in 1997, provides our Company with an appreciable degree of financial and operational flexibility.

We believe that we derive a strategic advantage from our strong relationship with the Central and various State Governments as well as State-owned utilities. In particular, we believe that government support has been critical in securing the settlement of outstanding dues owed to us by the various SEBs in the past (i.e., prior to the one-time settlement entered into in 2002 by way of tripartite agreements executed for various States, among the Government, the respective State power utilities and us). As a Government company, we also have the benefit of Government-appointed Directors on our Board, with each of our Directors possessing several years of industry and management experience, key industry relationships and professional qualifications as well as other credentials.

Long-term agreements for coal and gas supply as well as for sale of electricity, providing cash flow visibility

We believe that our long-term fuel supply contracts, including for coal, natural gas and re-gasified liquefied natural gas, help us to generate power at competitive prices by allowing greater predictability and better planning of fuel supplies.

Further, we believe that our long-term contracts for sale of energy provide us with an appreciable degree of cash flow visibility and financial stability, therefore, allow us to effectively plan for our future growth and diversification along the power value chain.

Effective project implementation and risk management, including through investment in technology

We have an integrated web-based collaborative Project Monitoring Centre , set up in 2010 for facilitation of fast-track project implementation, monitoring key project milestones and consolidation and resolution of project-related issues. We also have an integrated Enterprise Resource Planning ("**ERP**") platform to monitor and control critical project activities across functions such as engineering, contracts, finance and execution. Our ERP platform, deployed through a centralized data center at Noida with a disaster recovery center at Hyderabad, includes modules that automate business processes and provide business intelligence on a real-time basis. In addition, we rely on a 3-tier Integrated Project Management Control System ("**IPMCS**"), which integrates engineering management, contract management and construction management control centres and addresses all stages of project implementation from concept to commissioning, with the objective of ensuring effective resource utilization, reliability, monitoring of time and cost and reduction in our average implementation time (i.e., the period between the award of the boiler, turbine and generator contracts and unit commissioning). The Project Monitoring Centre, ERP and IPMCS also act as decision support systems for our management, based on a holistic approach towards project implementation. We also maintain a communication network between our sites and corporate office to enable smooth conduct of business transactions and management information systems.

We have also taken measures to institutionalize our risk management process, by implementing an enterprise risk management framework, as a part of which, we have constituted an Enterprise Risk Management Committee which is responsible for identifying and reviewing risks and formulating strategies for risk mitigation.

Skilled human resources and employee development

We believe that our employees possess a level of competence and commitment that provides us with a key competitive advantage. Our senior executives have extensive experience in our industry and many of them have been with us for a significant portion of their careers. In particular, we believe that our whole-time Directors, namely, our Chairman and Managing Director Dr. Arup Roy Choudhury, our Director (Commercial) Mr. Inder Jit Kapoor, our Director (Operations) Mr. Narendra Nath Misra, Director (Technical) Mr. Anil Kumar Jha, Director (Human Resources) Mr. Umesh Prasad Pani and our Director (Projects) Mr. Subhash Chandra Pandey, have contributed significantly to our growth and will continue to do so going forward.

Competence building, commitment building, culture building and systems building are the 4 building blocks on which our human resources systems are based, and our human resources vision is "to enable our people to be a family of committed world class professionals". We have adopted a people-first approach and believe that our continuing initiatives have strengthened our identity as a preferred employer. We have received a number of human resources -related awards and recognitions in recent years. For instance, our Company ranked overall 6th, 1st in the public sector, 1st in large organizations (over 10,000 employees) and 1st in the energy, oil and gas sectors, in the "India's best companies to work for" survey conducted in 2013 by the Great Place to Work Institute, India and The Economic Times. The attrition rate of our executives during fiscal 2013 (including executive trainees and those posted in Subsidiaries and Joint Ventures during fiscal 2013) was 1.46%.

Commitment towards corporate social responsibility

We follow the global practice of addressing corporate social responsibility issues in an integrated multi-stake-holder approach, through our Corporate Social Responsibility – Community Development Policy. Our investment in corporate social responsibility during fiscal 2013 aggregated to ₹ 69.24 crore, which was 0.75% (against our target pursuant to our memorandum of understanding with GoI of 0.5%) of our net profit after tax for the previous year fiscal 2012. We have received a number of corporate social responsibility -related awards and recognitions in recent years.

We have adopted a Sustainable Development Policy and constituted a committee of our Board to implement sustainable development activities covering areas such as energy management, promotion of renewable energy, waste management, water management, biodiversity conservation, reduction in air emission and life-cycle environmental impact assessment. We also have a dedicated environment management group at each power station. We have joined Global Compact, a United Nations initiative, and are committed to following its principles in the areas of human rights, labour standards, the environment and anti-corruption. We also participate in an MoP initiative to upgrade Industrial Training Institutes, to provide vocational education in India, and provide support for establishment of engineering colleges and polytechnics in India. We have set up the NTPC Foundation to support physically challenged and economically marginalized sections of society. We

have set up the Centre for Power Efficiency and Environmental Protection for greenhouse gas reduction, improvement in efficiency and reliability in local conditions at our power stations, and have undertaken an afforestation initiative and taken steps for environmentally friendly and sustainable extraction and utilization or disposal of fly ash at our power stations. We also facilitate distributed generation, which involves use of non-conventional energy sources to provide electricity to remote and rural areas, and work in primary education, community health, basic infrastructure development including solar lighting, the empowerment of women and the preservation of sites of historical heritage.

Strong corporate governance

We believe that corporate governance, vigilance mechanisms and transparency to stakeholders are critical to improving our efficiency and quality of decision making. In addition to complying with the corporate governance provisions of the listing agreements that our Company has entered into with BSE and NSE, we have set up a Vigilance Department headed by the Chief Vigilance Officer, who reports to the Central Vigilance Commission as well as our Board. We also have a Fraud Prevention Policy in place since 2006, have signed an integrity pact with Transparency International, India in December 2008, to bring about more transparency in our public procurement process (pursuant to which we implement the integrity pact for contracts of value exceeding ₹ 10 crore), and engage 2 independent External Monitors nominated by the Central Vigilance Commission for contracts of value exceeding ₹ 100 crore. We have received a number of corporate governance related awards and recognitions in recent years.

Customer focus

We have implemented a Customer Relationship Management ("**CRM**") program, as a part of which we provide support services to customers, such as technical and managerial training for skill enhancement, technical services for efficiency and performance improvement in our customers' areas of operation. In order to receive feedback from customers, we have also implemented a customer satisfaction index model.

We believe that our diversified presence across the power value chain also allows us to provide a wide range of services to our customers and to leverage our existing competencies and customer relationships to expand our business offerings and customer relationships in other areas, on an on-going basis.

Strategies

Focus on market leadership and opportunities for organic and inorganic growth

We seek to continue to increase our generating capacity to maintain and grow our business and remain the largest Indian power producer. For the Twelfth Plan period, our target is to add 14,038 MW capacity. We have prepared a long-term corporate plan with a target of installed capacity of 128,000 MW by 2032, with a diversified fuel mix comprising 56% coal, 16% gas, 11% nuclear, 8% hydro and 9% renewable energy sources. With non-fossil fuel based generation capacity constituting 28% of our portfolio we are moving towards carbon free energy sources, and our coal-based capacity is being increasingly based on high-efficient-low-emission technologies such as supercritical and ultra-supercritical technologies of our machinery at our power stations.

In this relation, in particular, we seek to expand our presence in hydropower and non-conventional energy projects and also to develop a portfolio of generation assets in international markets. With this objective, we are pursuing several projects that are in various stages of development and are also updating our contracting, engineering and other processes and exploring opportunities for forward and backward integration and organic as well as inorganic growth across the power value chain.

Pursue fuel security and diversify fuel mix

We believe that fuel security and a diversified fuel mix are critical to a power generation company. Accordingly, we seek to continue pursuing our fuel requirements through a multi-pronged strategy of procuring fuel through long-term contracts, short-term or spot purchases and through developing domestic coal mines, partnering for development of fuel transportation infrastructure and making minority investments in coal mines abroad, as well as pursuing oil and gas exploration. Our overall objective in this regard is to ensure better control, greater security and reliability of fuel supply as well as developing and expanding diversified sources of income that will reduce our exposure to cyclicality or downturns in specific geographical or market segments and sub-

segments as well as our dependence on any specific fuel sources or any given large-scale power generation projects.

We are progressively diversifying our fuel mix, including through development of renewable energy projects such as hydropower, wind and solar energy projects, and other non-renewable and non-conventional projects such as nuclear power projects. Going forward, we seek to gradually decrease our reliance on fossil fuel sources of generation.

Adopt advanced technologies and focus on research and development

To keep abreast of global technological advances in power generation and to sustain and enhance our operational efficiency, we have developed a long-term technology roadmap for the introduction of high-efficiency, 'clean' technologies and equipment, including supercritical and ultra-supercritical machines at our new power stations. We also seek to use advanced technologies in the renovation and modernization of our aging power stations. The overall objective is to develop and leverage our technological and engineering competencies in order to expand our product and service offerings as well as customer relationships across the power value chain.

We seek to continue applied research to improve the performance of our power stations, through investment in research and development initiatives. Towards this objective, we seek to improve our operational parameters over time, for instance, by increasing our plant load factor and turnaround capability. Among other initiatives, we have set up the NTPC Energy Technology Research Alliance to develop technologies in the power sector and to provide scientific support to our generating power stations, with a focus on areas including new and renewable energies, waste heat recovery, waste management, artificial intelligence and robotic based systems for plant performance improvement and speedier inspections of power station equipment.

Our power stations

The details of installed capacity of our directly-owned power stations as on the date of this Draft Prospectus is set out below.

	Station	Fuel Type	Installed Capacity (MW)
	Northern Region		**6,490**
1.	Singrauli	Coal	2,000
2.	Rihand	Coal	3,000
3.	Unchahar	Coal	1,050
4.	Tanda	Coal	440
	National Capital Region		**4,842**
5.	Badarpur	Coal	705
6.	Dadri	Coal	1,820
7.	Anta	Gas	413
8.	Auraiya	Gas	652
9.	Dadri	Gas	817
10.	Faridabad	Gas	430
11.	Dadri	Solar PV	5
	Western Region		**12,133**
12.	Mouda	Coal	1,000
13.	Korba	Coal	2,600
14.	Vindhyachal	Coal	4,260
15.	Sipat	Coal	2,980
16.	Kawas	Gas	645
17.	Jhanor Gandhar	Gas	648
	Eastern Region		**7,900**
18.	Farakka	Coal	2,100
19.	Kahalgaon	Coal	2,340
20.	Talcher Kaniha	Coal	3,000
21.	Talcher Thermal	Coal	460
	Southern Region		**4,955**
22.	Ramagundam	Coal	2,600
23.	Simhadri	Coal	2,000
24.	Rajiv Gandhi CCP	Liquid Fuel	350

	Station	Fuel Type	Installed Capacity (MW)
25.	Andaman and Nicobar	Solar PV	5
	Total		**36,320**

In addition to the above projects that we directly own and operate, the total installed capacity of projects owned and operated through our Subsidiaries and Joint Ventures aggregated to 5,474 MW as on the date of this Draft Prospectus, including 3,534 MW from coal-based projects and 1,940 MW from gas-based projects.

Certain key operational parameters for the preceding 3 years and 6 months ended September 30, 2013:

The following table presents certain key operating data of our Company for the preceding 3 years and the 6 months ended September 30, 3013, on a standalone basis:

Description			Fiscal 2011	Fiscal 2012	Fiscal 2013	6 months ended September 2013
Generation		BU	220.536	222.068	232.028	111.524
Availability Factor(DC)						
- Coal Stations	%		91.66	88.35	87.63	86.19
- Gas Stations	%		92.60	93.81	93.14	90.73
Plant Load Factor						
- Coal Stations	%		88.29	85.00	83.08	77.49
- Gas Stations	%		71.77	65.22	55.98	36.88

Key Financial Parameters

Certain key financial parameters for our Company for fiscal 2013, 2012 and 2011 are set forth below.

Key financial parameters

[₹ Crore]

Parameters	2012-13		2011-12*		2010-11*	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net worth	80,387.51	81,240.95	73,291.17	74,275.81	67,892.25	68,384.56
Total debt	58,146.30	70,418.78	50,279.37	59,804.09	43,188.24	50,754.83
of which - Non current maturities of long term borrowing	53,253.66	64,587.72	45,908.27	54,851.94	39,735.68	47,059.57
- Short term borrowing	-	382.16	-	150.16	-	39.40
- Current maturities of long term borrowing	4,892.64	5,448.90	4,371.10	4,801.99	3,452.56	3,655.86
Net fixed assets	100,045.52	118,386.73	87,084.22	101,529.13	74,729.15	85,953.02
Non current assets	119,949.38	133,891.91	103,434.37	114,043.84	92,241.00	100,662.84
Cash & bank balances (including cash & cash equivalents)	16,867.70	18,738.12	16,141.83	18,087.39	16,181.60	17,856.17
Current investments	1,622.46	1,622.46	1,622.46	1,622.46	1,812.00	1,812.00
Current assets	41,167.08	44,818.67	37,396.37	41,211.10	33,497.88	35,949.30
Current liabilities	22,610.03	26,702.39	17,231.58	20,795.01	14,041.04	16,060.32
Net Sales	64,316.38	67,952.89	61,144.89	64,958.32	54,874.00	57,418.46
EBITDA*	17,114.06	18,182.45	14,039.85	15,429.84	13,611.60	14,436.76
EBIT*	13,717.30	14,359.23	11,248.15	12,322.75	11,125.91	11,717.07
Finance Costs**	1,924.36	2,480.54	1,711.64	2,134.72	1,420.96	1,725.75
PAT$	12,619.39	12,590.78	9,223.73	9,812.79	9,102.59	9,353.40
Dividend amounts***	4,741.16	4,812.34	3,298.19	3,361.21	3,133.26	3,135.81
Current ratio (Total current assets / Total current liabilities)	1.82	1.68	2.17	1.98	2.39	2.24
Interest coverage ratio	10.39	8.53	9.81	8.60	11.42	9.89
Gross debt / equity ratio	0.72	0.87	0.69	0.81	0.64	0.74
Debt service coverage ratio	3.17	3.01	3.21	3.18	2.57	2.47

* Figures for the year 2011-12 and 2010-11 have been regrouped/rearranged wherever necessary.

** Includes Interest, Other Borrowing Costs and Exchange Differences regarded as an adjustment to interest costs.

*** Dividend amounts represent interim dividend (paid) and final dividend proposed for the respective periods.

* EBITDA/EBIT excludes other income and exceptional items.

$ PAT in respect of consolidated financial statements is after minority interest.

Projects under construction

The details of our projects in various stages of construction as on October 31, 2013, for which we have received investment approvals, are set out below:

S. No.	Details of the Project	Planned Capacity (MW)
I. Projects under NTPC (A+B+C)		**14,889**
A.	**Coal Based Projects**	**13,290**
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.	Unchahar-IV	500
B. Hydro Electric Power Projects		**1,491**
11.	Koldam	800
12.	Tapovan Vishnugad	520
13.	Lata Tapovan*	171
C. Renewable Energy Projects		**108**

S. No.	Details of the Project	Planned Capacity (MW)
14.	Singrauli CW Discharge (Hydro)	8
15.	Ramagundam Phase 1 (Solar PV)	10
16.	Talcher Kaniha (Solar PV)	10
17.	Unchahar (Solar PV)	10
18.	Rajgarh (Solar PV)	50
19.	Faridabad (Solar PV)	5
20.	Singrauli (Solar PV)	15
II. Projects under Joint Ventures/Subsidiaries		**5,190**
Coal-based projects		**5,190**
21.	Nabinagar (Bhartiya Rail Bijlee Company Limited ("**BRBCL**"))[#]	1,000
22.	Muzaffarpur Thermal Power Station – II (Kanti Bijlee Utpadan Nigam Limited ("**KBUNL**"))[#]	390
23.	Nabinagar, Joint Venture with Bihar State Power Generation Company Limited (erstwhile Bihar SEB)	1,980
24.	Vallur, Phase-II, Joint Venture with Tamil Nadu Generation and Distribution Corporation Limited	500
25.	Meja, Joint Venture with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	1,320
Total projects under construction (I+II) as on October 31, 2013		**20,079**

** Lata Tapovan is being implemented by our Subsidiary, NHL, which is currently being amalgamated with our Company. See "**Capital Structure**" on page 45*
 # BRBCL and KBUNL are our Subsidiaries.

Power Generation Technologies and Processes

A summary of the power generation technologies and processes followed at our coal, gas and hydroelectric power stations is set out below:

Coal-Based Power Stations

Coal-Based Power Stations. Our coal-based power stations employ Pulverized Coal Combustion ("**PCC**") technology, which utilizes heat energy released by combustion of pulverized coal in a boiler to create steam at high pressures and temperatures. The steam drives a turbine, which, in turn, rotates an alternator to produce electricity. PCC technology can be bifurcated into subcritical and supercritical PCC technology. The technologies differ principally in the pressure and temperature at which steam is produced in the boiler. The pressure and temperature of steam in a supercritical plant are significantly higher than in a subcritical plant. Supercritical technology necessitates use of advanced materials for the equipment that processes and utilizes the steam. However, supercritical plants are more efficient compared to subcritical plants, requiring less coal than subcritical plants to generate the same amount of electricity. In addition, supercritical plants are envisaged to emit less pollutants than subcritical plants. We plan to employ supercritical technology more in the future.

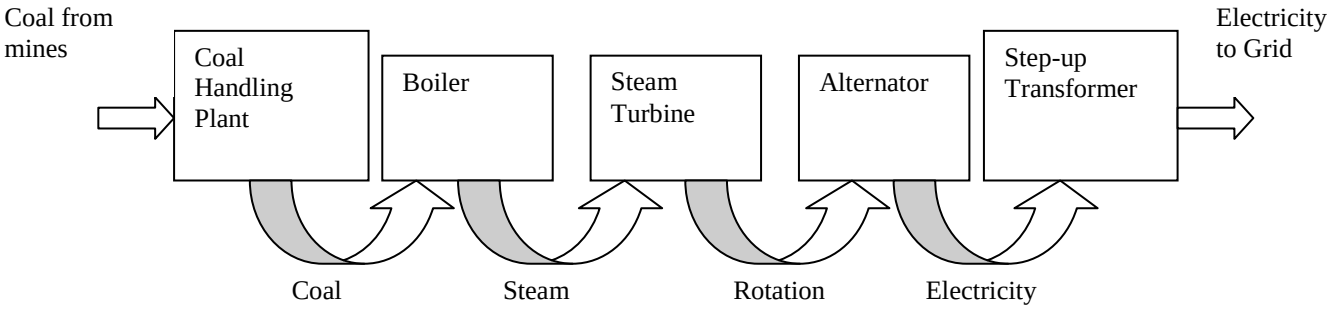
Coal Handling Plants. Most of our coal-based power stations receive coal from mines through dedicated railways owned and operated by us. The coal handling plants receive coal, crush it to the required size and feed it to the boiler coal pulverisers.

Boilers. Our boiler plants have coal pulverizers to grind coal into a finer size before it is fed to the boiler furnace. The boilers are enclosures encased in tubes filled with flowing water. As the boiler furnace heats, water flowing in the boiler tubes is converted into high pressure and high temperature steam, which is conveyed to the turbine through steam pipelines.

Steam Turbines. Steam produced in the boiler drives steam turbines, making the turbines' rotors rotate at high speeds.

Alternators. Alternators are coupled to the steam turbines and rotate with the turbines' rotors. The alternators convert the energy generated by the rotation of the turbines' rotors into electricity.

Step-up Transformers. Step-up transformers step up the voltage of generated electricity before it is fed to the grids. Transmission of electricity is done at very high voltage to minimize energy losses in the transmission lines.



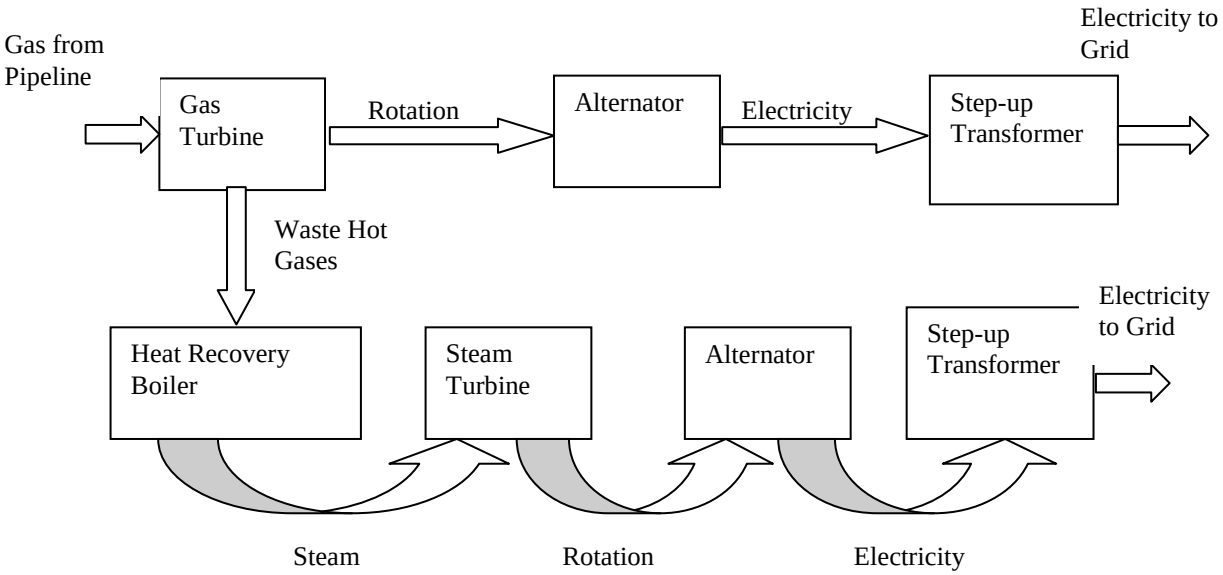
Gas-Based Power Stations

Gas-Based Power Stations. Our gas-based power stations employ Combined Cycle Gas Turbine technology, in which independent units of the gas turbine and the steam turbine are integrated. The energy for electricity generation under this technology comes from the combustion of the gas fuel. Hot gas formed by combustion of fuel drives a gas turbine, which, in turn, rotates an alternator to produce electricity. In the open cycle mode of operation, exhaust gas from the gas turbine is released to the atmosphere. In the combined cycle mode of operation, exhaust gas, which would have been wasted and has no marketable value, is fed to a heat recovery boiler, which produces steam to drive a steam turbine, which rotates another alternator to produce additional electricity.

Gas Turbines. Each gas-based power station consists principally of an air compressor, a combustor and a turbine. Air is drawn in from the atmosphere and compressed before it is fed into the combustor. Gas fuel, which we draw from gas pipelines, burns in the combustor in the presence of compressed air from the compressor. The mixture of high temperature and high pressure hot gases produced in the combustor drives the turbine. The turbine's rotational energy rotates the alternator, which produces electricity. The voltage of the electricity is stepped up through a transformer before it is fed to the grids.

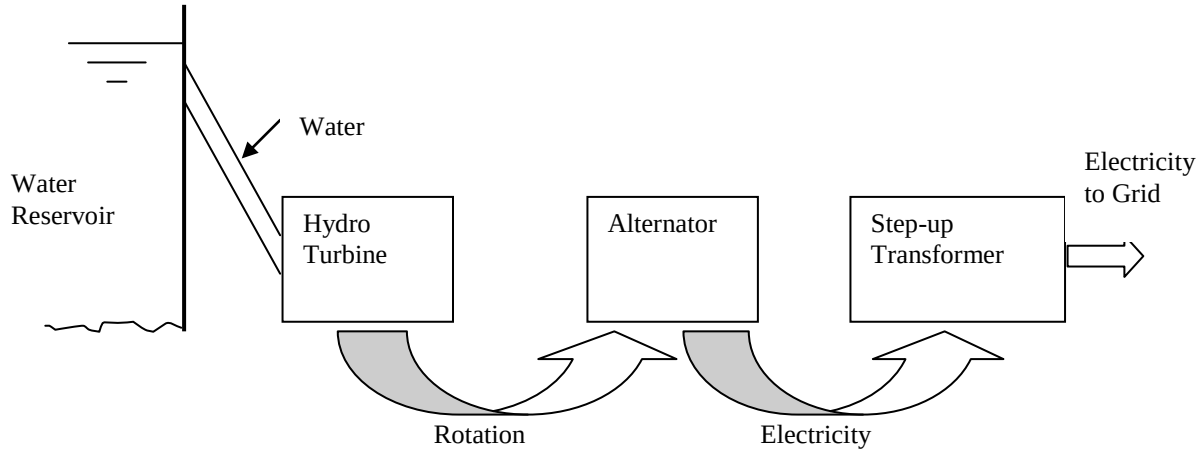
Heat Recovery Boilers. Exhaust gas of gas-based power stations loses all pressure in the gas turbine, but remains very hot. Residual heat is recovered in heat recovery boilers to generate steam.

Steam Turbines. Steam generated in the heat recovery boilers is used to generate additional electricity through steam turbines and separate alternators. The voltage of the electricity is stepped-up through transformers before it is fed to the grids.



Hydroelectric Power

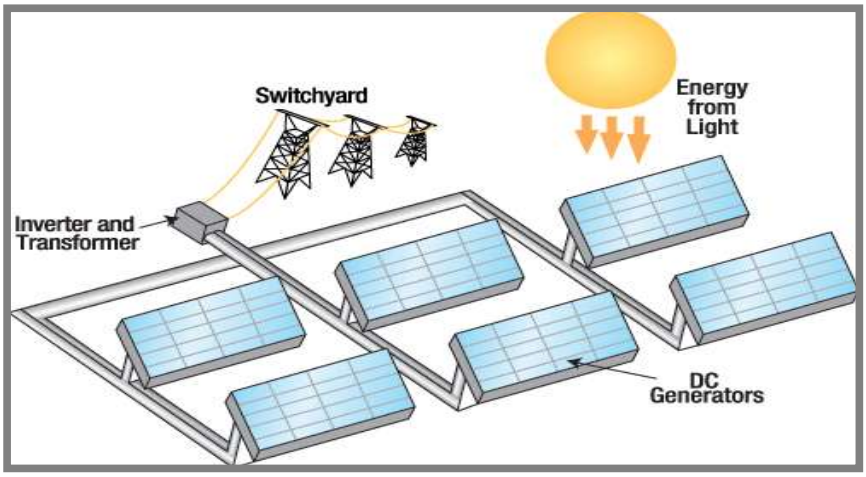
In a hydroelectric power station, energy is harnessed from water by running it from a higher to a lower height and, in the process, driving a hydro-turbine, which rotates an alternator to produce electricity. The process of electricity generation in a hydroelectric powered power station is substantially the same as that of a coal-based power station. However, the turbine in hydroelectric plants is driven by water rather than steam. Instead of a boiler, hydroelectric plants utilize a water reservoir.



Solar Photovoltaic Power

In a solar photovoltaic power station, the direct conversion of solar radiation into electricity is achieved by using semiconductor devices called 'solar cells' inline with the principles of photo-electric effect. The power generated using solar cells is direct current. For grid connected applications, the direct current so generated is converted into alternating current using inverters. The output alternating current from the inverter is stepped up using an inverter transformer and then connected to the grid.

Solar photovoltaic is a simple, reliable and environmental friendly technology but available only during the day time. We expect that generation and use of solar power from solar photovoltaic power plants will reduce our consumption of fossil fuels, thereby reducing our overall carbon dioxide emissions.



Insurance

All our Company's directly owned coal-fired and gas-fired power stations are covered by a mega-risk policy. We also maintain a package policy for construction, plant and machinery, locomotives and wagons, and marine insurance for materials in transit. For projects under construction, separate insurance cover is taken by our contractors in accordance with conditions specified in the construction contracts.

Work Force

Competence building, commitment building, culture building and systems building are the 4 building blocks on which our human resources systems are based, and our human resources vision is "to enable our people to be a family of committed world class professionals". We have received a number of prestigious human resources - related awards and recognitions in recent years.

As on March 31, 2013, we had 25,484 employees, comprising 23,865 employees of our Company (comprised of 12,588 executives and 11,277 non-executives) and 1,619 employees of our Subsidiaries and Joint Ventures. In addition, we outsource certain peripheral activities as per plant requirements from time to time, by awarding job contracts to various agencies.

The attrition rate of our executives during fiscal 2013 (including executive trainees and those posted in Subsidiaries and Joint Ventures during fiscal 2013) was 1.46%.

Most of our non-executive workforce is unionized and, while we are involved in employee and labour related litigation and claims from time to time in the ordinary course of our business, we believe that our relations with our employees have been generally good and that we have not had any recent significant industrial incidents such as strikes, lockouts or work stoppages resulting in any material adverse effect on our business, financial condition and results of operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on November 7, 1975 under the Companies Act 1956 as a private limited company under the name, 'National Thermal Power Corporation Private Limited'. The name of our Company was changed to 'National Thermal Power Corporation Limited' on September 30, 1976 consequent upon a notification issued by the GoI exempting government companies from the use of the word 'private'. On September 30, 1985, our Company was converted from a private limited company into a public limited company. The name of our Company was changed to 'NTPC Limited' and a fresh certificate of incorporation was issued on October 28, 2005.

For information on our business activities and investments, see "***Business***" on page 58.

Changes in Registered Office

The changes in the Registered Office of our Company are set forth below.

Year	Location of Registered Office	Reason for Change
1975	Shram Shakti Bhawan, New Delhi 110 001	Administrative and operational efficiency
1976	Kailash Building, Kasturba Gandhi Marg, New Delhi 110 001	
1979	NTPC Square, 62-63, Nehru Place, New Delhi 110 027	
1988	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi 110 003	

Main objects of our Company:

The main objects of our Company, as contained in the Memorandum of Association, are:

1. *To plan, promote and organize an integrated and efficient development of thermal, hydel, nuclear power and power through non-conventional/renewable energy sources in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance, renovation and modernization of power stations and projects, transmission, distribution, sale of power generated at Stations in India and abroad in accordance with the national economic policies and objectives laid down by the Central Government from time to time, the management of front and back-end of nuclear fuel cycle and ensure safe and efficient disposal of waste.*

2. *To coordinate the activities of its subsidiaries, to determine their economic and financial objective/targets and to review, control, guide and direct their performance with a view to secure optimum utilization of all resources placed at their disposal.*

3. *To act as an agent of Government/Public Sector Financial Institutions, to exercise, all the rights and powers exercisable at any meeting of any company engaged in the planning, investigation, research, design and preparations of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance, renovation and modernisation of power stations and projects, transmission, distribution and sale of power generated in respect of any share held by the Government, public financial institutions, nationalized banks, nationalized insurance companies with a view to secure the most effective utilization of the financial investments and loans in such companies and the most efficient development of the concerned industries.*

4(a) *To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and project reports, construction, generation, operation and maintenance, renovation and modernization of power stations and projects, transmission, distribution, sale of thermal, hydro, nuclear power and power generated through non-conventional renewable energy sources, power development and also to undertake the business of other allied/ancillary industries including those for utilization of steam generated at power stations, and other by-products and install operate and manage all necessary plants, establishments and works.*

4(b) *To carry on the business of prospecting, exploring, developing, drilling, refining, de-stilling, purifying, converting, blending, purchasing, receiving, importing, storing, manufacturing, producing, processing, crushing, screening, marketing, selling, exporting, distributing, trading, supplying,*

organising, exploiting, liquefaction, re-gasification, compression, beneficiation, fractionation, transporting by rail/road, surface, sea, and proving, and estimating the reserves of petroleum/hydrocarbons, gaseous and coal and other mineral resources and implementing programmes for the efficient development of and deal in all kinds of petroleum products/services, hydrocarbons by whatever name called, oil and other related liquid and gaseous substances and all other kinds/natures of fuels including but not limited to naphtha, natural gas (NG), compressed natural gas (CNG), liquefied natural gas (LNG), associated gaseous substances, syngas, orimulsion, coal-bed methane, lignite, coal, coke etc. in all its aspects and in all their respective branches for supply of fuels to NTPC stations and to other users/buyers and also to undertake the business of other allied/ancillary industries including those for utilisation of coal ash and other by-products/co-products from any of the products, which the company is authorized to deal in and to own, acquire by purchase, lease, licence, grant or otherwise, to set up, participate in setting up, install, operate and manage all necessary plants/facilities equipment, wells, platforms, derricks, rigs, warehouse, depots, ports, wharves, jetties, terminals, compressors, stations, coal and other mines, washeries, vessels, ships, railway lines, tankers, trucks, wagons, pipelines, storage and infrastructure facilities, establishments and works in India and abroad including from the sea or ocean bed in national or international waters in relation to any or all of the above areas of business and to acquire and maintain drilling and mine rights, exploration and production rights, rights of ways and other rights/interests of all descriptions.

The main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association enable our Company to undertake its existing activities and the activities for which the funds are being raised through the Issue.

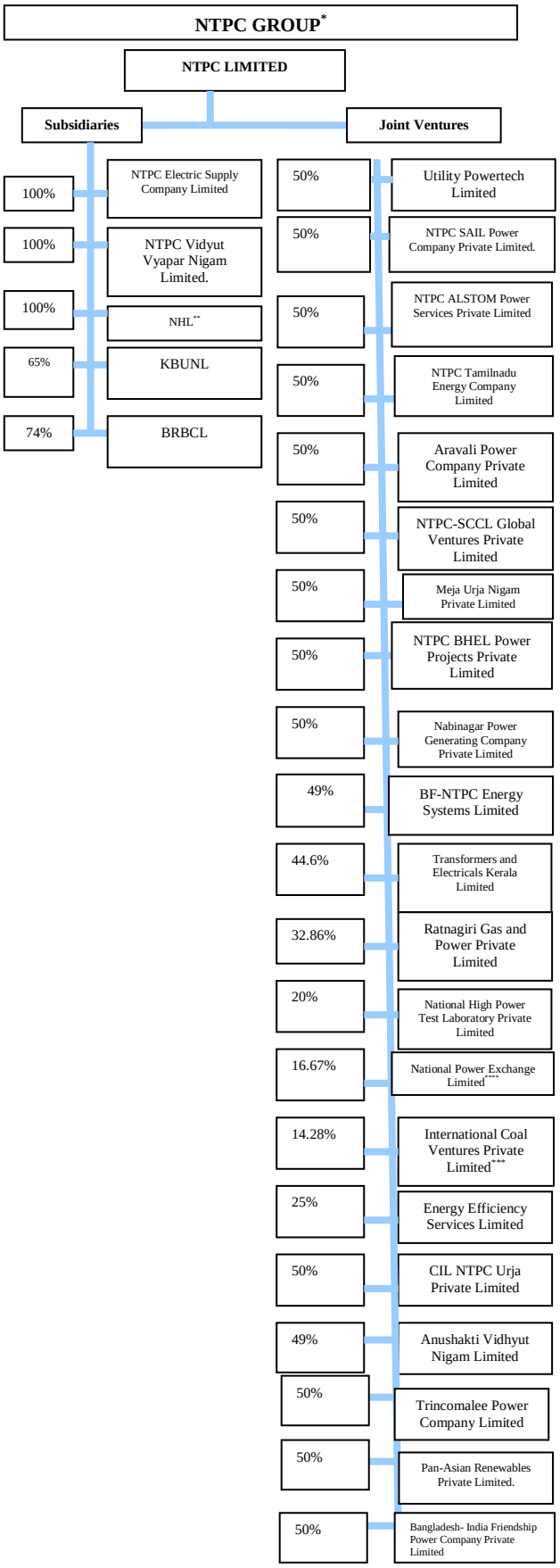
Previous Public Issues

Our Promoter undertook a further public offering in February 2010, whereby 41,22,73,220 Equity Shares were offered for sale, for cash at prices determined through the alternate book-building method under Part D of Schedule XI of the SEBI ICDR Regulations, on a fast-track basis, aggregating to ₹ 8,480.10 crore and comprising a net offer to the public of 40,80,00,000 Equity Shares and a reservation of 42,73,220 Equity Shares for subscription by eligible employees. Further, our Promoter undertook an offer for sale in February 2013 of 78,32,62,880 Equity Shares through the stock exchange mechanism pursuant to circular (No. CIR/MRD/DP/18/2012) dated July 18, 2012.

The further public offering of our Company in February 2010, through an offer for sale by the MoP, for cash at prices determined through the alternate book building method under part D of Schedule XI of the SEBI ICDR Regulations, closed on February 18, 2010. The Equity Shares commenced trading on the Stock Exchanges on February 19, 2010 and refunds were dispatched on February 19, 2010.

Subsidiaries and Joint Ventures

As on the date of this Draft Prospectus, our Company has 5 Subsidiaries, of which 3 are wholly-owned by our Company, while our Company has majority shareholding in the remaining 2. Further, as on the date of this Draft Prospectus, our Company has 21 joint venture companies (excluding PTC India Limited, where our Company holds nominal shareholding of 4.05% of the issued, subscribed and paid-up equity share capital). Set forth below is the corporate structure of our Company as on the date of this Draft Prospectus.


NTPC GROUP*
NTPC LIMITED
Subsidiaries
Joint Ventures
100%
NTPC Electric Supply Company Limited
100%
NTPC Vidyut Vyapar Nigam Limited.
100%
NHL**
65%
KBUNL
74%
BRBCL
50%
Utility Powertech Limited
50%
NTPC SAIL Power Company Private Limited.
50%
NTPC ALSTOM Power Services Private Limited
50%
NTPC Tamilnadu Energy Company Limited
50%
Aravali Power Company Private Limited
50%
NTPC-SCCL Global Ventures Private Limited
50%
Meja Urja Nigam Private Limited
50%
NTPC BHEL Power Projects Private Limited
50%
Nabinagar Power Generating Company Private Limited
49%
BF-NTPC Energy Systems Limited
44.6%
Transformers and Electricals Kerala Limited
32.86%
Ratnagiri Gas and Power Private Limited
20%
National High Power Test Laboratory Private Limited
16.67%
National Power Exchange Limited****
14.28%
International Coal Ventures Private Limited***
25%
Energy Efficiency Services Limited
50%
CIL NTPC Urja Private Limited
49%
Anushakti Vidhyut Nigam Limited
50%
Trincomalee Power Company Limited
50%
Pan-Asian Renewables Private Limited.
50%
Bangladesh- India Friendship Power Company Private Limited

** In addition to the companies mentioned above, our Company also has nominal shareholding of 4.05% of the issued, subscribed and paid-up equity share capital of PTC India Limited.*

*** For details of the proposed amalgamation of NHL with our Company, see "**Capital Structure**" on page 45.*

**** The Board passed a resolution in its meeting held on January 27, 2012 approving the exit of our Company from International Coal Ventures Private Limited through sale of equity stake of our Company. However, as of the date of this Draft Prospectus, such exit is on-going, and the shareholding of our Company in International Coal Ventures Private Limited is as detailed in the organization chart above.*

***** The Board passed a resolution in its meeting held on November 7, 2012 approving the exit of our Company from National Power Exchange Limited. However, as of the date of this Draft Prospectus, such exit is on-going, and the shareholding of our Company in National Power Exchange Limited is as detailed in the organization chart above.*

Material Agreements

As of the date of this agreement there are no material agreements entered into by our Company other than in the ordinary course of business.

Collaborations

Our Company has not entered into any collaboration with any third party.

MANAGEMENT

Board of Directors

The articles of association of our Company ("**Articles of Association**" or "**AoA**") require the Board to comprise not less than 4 and not more than 20 Directors. Presently, there are 16 Directors on the Board, of which 6 are whole-time Directors, one is a government nominee Directors and 9 are independent Directors who act as part-time non-official Directors on the Board. The details of the Board as of the date of this Draft Prospectus are set forth below.

Name, Designation, Occupation and Director Identification Number ("DIN")	Date of joining the Board	Age (Years)	Address	Other Directorships
Dr. Arup Roy Choudhury *Chairman and Managing Director* **Occupation:** Whole-time Director **DIN:** 00659908	September 1, 2010	56	A 5, Niti Bagh, New Delhi 110 049	**Indian Companies** - KBUNL - Nabinagar Power Generating Company Private Limited - NTPC BHEL Power Projects Private Limited - NTPC Electric Supply Company Limited - NHL - NTPC Tamil Nadu Energy Company Limited - NTPC Vidyut Vyapar Nigam Limited **Foreign Companies** - Bangladesh India Friendship Power Company Private Limited - WEC Services Limited, UK
Mr. Inder Jit Kapoor *Director (Commercial)* **Occupation:** Whole-time Director **DIN:** 02051043	December 26, 2008	57	F 93, Bali Nagar New Delhi 110 015	**Indian Companies** - Aravali Power Company Private Limited - Meja Urja Nigam Private Limited - NTPC BHEL Power Projects Private Limited - NTPC Vidyut Vyapar Nigam Limited - PTC India Limited **Foreign Companies** - Bangladesh India Friendship Power Company Private Limited - Trincomalee Power Company Limited
Mr. Narendra Nath Misra *Director (Operations)* **Occupation:** Whole-time Director **DIN:** 00575501	October 19, 2010	59	D 6 6002 5, Vasant Kunj, New Delhi 110 070	**Indian Companies** - BF-NTPC Energy Systems Limited - Damodar Valley Corporation - KBUNL - Northern Coalfields Limited - NTPC Electric Supply Company Limited - NTPC SAIL Power Company

Name, Designation, Occupation and Director Identification Number ("DIN")	Date of joining the Board	Age (Years)	Address	Other Directorships
				Private Limited - NTPC Vidyut Vyapar Nigam Limited - West Bengal Power Development Corporation Limited **Foreign Companies** Nil
Mr. Anil Kumar Jha *Director (Technical)* **Occupation:** Whole-time Director **DIN:** 03590871	July 1, 2012	56	D 831, Ashiyana Upwan, Ahinsa Part 2, Indirapuram, Ghaziabad	**Indian Companies** - Anushakti Vidhyut Nigam Limited - NHL - NTPC ALSTOM Power Services Private Limited - Pan Asian Renewables Private Limited - Transformers And Electricals Kerala Limited **Foreign Companies** - Bangladesh India Friendship Power Company Private Limited
Mr. Umesh Prasad Pani *Director (Human Resources)* **Occupation:** Whole-time Director **DIN:** 03199828	March 1, 2013	57	157, Madan Lal Block, Asian Games Village Complex, New Delhi 110 049	**Indian Companies** - NTPC Electric Supply Company Limited - NTPC Vidyut Vyapar Nigam Limited - Transformers And Electricals Kerala Limited **Foreign Companies** - Trincomalee Power Company Limited
Mr. Subhash Chandra Pandey *Director (Projects)* **Occupation:** Whole-time Director **DIN:** 03142319	October 1, 2013	56	D 101, Shouraya NTPC Township, Sector 33, Noida 201 307	**Indian Companies** - BF-NTPC Energy Systems Limited - BRBCL - International Coal Ventures Private Limited - NHL - Pan Asian Renewables Private Limited **Foreign Companies** Nil
Mr. Pradeep Kumar *Government nominee Director* **Occupation:** Service **DIN:** 05125269	September 10, 2013	52	C 2/52, Shahjahan Road, New Delhi 110 011	**Indian Companies** Power Grid Corporation of India Limited **Foreign Companies**

Name, Designation, Occupation and Director Identification Number ("DIN")	Date of joining the Board	Age (Years)	Address	Other Directorships
				Nil
Mr. Syamal Bhushan Ghosh Dastidar *Non-official part-time Director (Independent)* **Occupation:** Retired **DIN:** 00145886	August 26, 2011	66	W 6/30, DLF Phase III, Gurgaon 122 002	**Indian Companies** - Bharat Coking Coal Limited **Foreign Companies** Nil
Mr. Rajib Sekhar Sahoo *Non-official part-time Director (Independent)* **Occupation:** Professional **DIN:** 02708503	August 26, 2011	51	A/42, Nilakantha Nagar, Nayapalli, Bhubaneswar 751 012	**Indian Companies** - Bank of Baroda - Hindustan Zinc Limited - Orissa State Civil Supplies Corporation - THDC India Limited **Foreign Companies** Nil
Mr. Ajit Mukundrao Nimbalkar *Non-official part-time Director (Independent)* **Occupation:** Retired **DIN:** 02749940	January 20, 2012	69	Jay Villa, Pallod Farm, Baner Road, Pune 411 045	**Indian Companies** - Aradhana Skills Private Limited - RSB Transmissions (I) Limited **Foreign Companies** Nil
Mr. Shree Ramji Upadhyay **Occupation:** Retired **DIN:** 00841288 *Non-official part-time Director (Independent)*	January 20, 2012	63	Flat No. 5A, Tower 2, Merlin Regency, 25 Dr. Suresh Sarkar Road, Kolkata 700 014	**Indian Companies** - Manan H.R. Private Limited - Northern Coalfields Limited **Foreign Companies** Nil
Ms. Homai Ardeshir Daruwalla *Non-official part-time Director (Independent)* **Occupation:** Retired **DIN:** 00365880	February 28, 2012	64	781, Flat No. 11, 3rd Floor, Mancherji Joshi Road, Parsi Colony, Dadar, Mumbai 400 014	**Indian Companies** - Gammon Infrastructure Projects Limited - India Infoline Asset Management Company Limited - Jaiprakash Associates Limited - Meliora Asset Reconstruction Company Limited **Foreign Companies** Nil
Mr. Anol Nath Chatterji *Non-official part-time Director (Independent)*	February 28, 2012	63	11 BI Peak, 1925 Chak Garia, Behind Big Bazar, Garia, Kolkata 700 094	**Indian Companies** Nil

Name, Designation, Occupation and Director Identification Number ("DIN")	Date of joining the Board	Age (Years)	Address	Other Directorships
Occupation: Retired **DIN:** 05219334				**Foreign Companies** Nil
Prof. Sushil Khanna *Non-official part-time Director (Independent)* **Occupation:** Service **DIN:** 00115364	February 28, 2012	62	218 B, Lake Terrace, Kolkata 700 029	**Indian Companies** - Nicco Ventures Limited - The Information Company Limited **Foreign Companies** Nil
Dr. Alwyn Didar Singh *Non-official part-time Director (Independent)* **Occupation:** Service **DIN:** 00275577	August 23, 2012	62	C 217A, Defence Colony, New Delhi 110 003	**Indian Companies** - Jammu and Kashmir State Overseas Employment Corporation Limited - Invest India **Foreign Companies** Nil
Mr. Prashant Mehta *Non-official part-time Director (Independent)* **Occupation:** Retired **DIN:** 02284299	July 30, 2013	61	H 235, Madhav Nagar, Opposite A.G. Office, Gwalior 474 001	**Indian Companies** Nil **Foreign Companies** Nil

All our Directors are Indian nationals. None of our Directors are wilful defaulters as identified by the RBI and/or included in the Export Credit Guarantee Corporation default list.

Brief Profiles

Dr. Arup Roy Choudhury is our Chairman and Managing Director. He has experience of over 34 years, during which he has held the position of chief executive officer for more than 12 years in various private and public sector organizations. He is a graduate in civil engineering from Birla Institute of Technology, Mesra, Ranchi and post-graduate as well as doctorate from Indian Institute of Technology, Delhi. He became the youngest chief executive officer of an Indian central public sector enterprise in April 2001, at the age of 44 years, in NBCC Limited. He was responsible for the turn-around of NBCC Limited during his tenure. He has won numerous awards including the 'Eminent Engineer' award and the 'Eminent Engineering Personality' award from the Institution of Engineers (India) in 2004 and 2012, respectively, the 'Best Organizational Turnaround' award from the President of India in 2006, the 'Top Ten Central Public Sector Undertakings' award from the President of India in 2007 and again, in 2009, the 'Best Individual Leader of a Public Sector Enterprise' from the Prime Minister of India in 2010, the 'Award for Corporate Social Responsibility and Responsiveness from the President of India. He received the gold trophy for best performance of our Company from the Prime Minister of India in 2012. He was elected as the chairman of the Standing Conference of Public Enterprises in 2009 and re-elected unanimously in 2011 for a term of two years. He has also been elected as the Vice Chair (Asia-Pacific and South Asia) of the World Energy Council.

Mr. Inder Jit Kapoor is our Director (Commercial). He holds a bachelor's degree in mechanical engineering from Delhi College of Engineering and a master's degree in business administration, having specialized in marketing, from Indira Gandhi National Open University. He is also a fellow of the Indian Institution of Engineers and a senior member of the Institute of Electrical and Electronics Engineers, United States of America. He joined our Company as an executive trainee in 1978 and has over 34 years of experience in the

power industry. He has worked in various capacities in the areas of commercial, consultancy, contracts and materials management, engineering, power station operation, project services, quality assurance and inspection. Prior to his elevation to our Board, he was regional executive director (National Capital Region) of our Company. As our Director (Commercial), he is responsible for formulation and implementation of policies and strategies to ensure marketing of our entire electrical output, appropriate pricing from regulatory authority and entire payment realization from customers, thereby generating adequate internal resources for the Company to meet future challenges of capacity addition. In addition, he is the Director in-charge of consultancy and business development activities.

Mr. Narendra Nath Misra is our Director (Operations). He holds a bachelor's degree in electrical engineering (honours) from Regional Engineering College, Rourkela. He joined our Company in 1977 as an executive trainee. He has experience of 35 years with our Company, of which 29 years involved responsibility of various functions of electrical design and project engineering. He is also associated with the Bureau of Indian Standards. He also represents India in the CIGRE (International Conference on Large High Voltage Electric System) for high voltage equipment and has contributed in many study committees and working groups thereof. He has in the past, held the positions of executive director for National Capital Region, for corporate contracts and materials, for human resources and for operation services.

Mr. Anil Kumar Jha is our Director (Technical). He holds a bachelor's degree in mechanical engineering from the Bihar Institute of Technology, Sindri, Ranchi University. He further holds bachelor's degree in law from the University of Delhi. He joined our Company in 1977 as an executive trainee. He has experience of 36 years with our Company in the areas of erection, commissioning and project management of power projects. He has served as Regional Executive Director (North) of our Company, and as Executive Director (Project Planning and Monitoring) of our Company. As Director (Technical), he is responsible for the engineering division, from conception to commissioning of power projects, induction of environment-friendly technologies, renovation and modernization engineering, mine planning and design of captive coal blocks, research and development, renewable energy and distributed generation, implementation of decentralized distributed generation schemes, information technology initiatives including ERP and sustainability development function.

Mr. Umesh Prasad Pani is our Director (Human Resources). He holds a bachelor's degree in electrical engineering (honours) from the Birla Institute of Technology and Sciences, Pilani. He joined our Company in 1978 as an executive trainee. He has served as Business Unit Head of NTPC-SAIL Power Company Limited at Bhilai and Durgapur. He has also served as Regional Executive Director (Eastern Region-I). As Director (Human Resources), he is responsible for the human resources function and other corporate functions such as resettlement and rehabilitation, corporate social responsibility, medical services and corporate security and co-ordination. He is also responsible for the Power Management Institute of our Company.

Mr. Subhash Chandra Pandey is our Director (Projects). He holds a bachelor's degree in engineering (instrumentation) from the University of Poona. He joined our Company in 1978 as an executive trainee. He has nearly 34 years of comprehensive experience in management of large-size power projects in the areas of engineering, project construction and power plant operation and maintenance. Prior to joining the Board, as executive director (project planning and monitoring), he was responsible for planning and implementation of pre-award and post-award activities related to thermal, hydro-power, coal mining, renewable energy, renovation and maintenance and international joint ventures, analysing and identifying bottle-necks and critical issues and suggesting corrective actions for their timely resolution.

Mr. Pradeep Kumar is a Government nominee Director of our Company. He holds a bachelor's degree in technology (electronics), a master's degree in business administration, a master's diploma in public administration and governance and a master of philosophy's degree in social sciences. He has served for 26 years in the Indian Administrative Services, and has held various administrative positions in the areas of revenue, finance, transport, shipping, inland water transportation, water resources, irrigation, food and civil supplies, consumer affairs and environment and forests. Prior to joining as Joint Secretary and Financial Adviser, MoP, he was Principal Secretary, Environment and Forest Department, State Government of Kerala.

Mr. Syamal Bhushan Ghosh Dastidar is an independent Director on the Board. He holds a bachelor's degree in mechanical engineering from the University of Calcutta. He has previously served as a member (Traffic) of the Board of Indian Railways, Ministry of Railways, GoI and ex-officio Secretary to the GoI, in the Ministry of Railways. His experience spans over 37 years in planning, human resource development, marketing, project management, operations, industrial relationship and management and finance. He has served as chairman of the Container Corporation of India Limited, Indian Railways Catering and Tourism Corporation Limited, Pipavav

Railway Corporation Limited, and has been on the executive committee of the Centre for Railway Information System. He is also an independent director on the board of directors of Bharat Coking Coal Limited. He was awarded the 'Padma Shri' award by the GoI for his outstanding contribution to the Indian railway sector.

Mr. Rajib Sekhar Sahoo is an independent Director on the Board. He is a practicing chartered accountant. He is also one of the partners of SRB & Associates, Chartered Accountants. He is also an independent director on the board of directors of Hindustan Zinc Limited, Tehri Hydro-Development Corporation India Limited and Bank of Baroda. He has also been appointed by the State Government of Odisha as an independent trustee of the Odisha Urban Infrastructure Development Fund. He has served as a trustee for the Paradip Port Trust as well and is a member of the fee structure committee for Professional Educational Institutions of Odisha. He has also been the chairman of the Indo-American Chamber of Commerce. He was a member of the MoU task force on the Department of Public Enterprises, GoI for the years 2011-2012 and 2012-2013.

Mr. Ajit Mukundrao Nimbalkar is an independent Director on the Board. He holds a master's degree in political science and public administration. He has served for over 37 years in the Indian Administrative Services in different fields, including the sugar industry of Maharashtra, labour, generation and distribution of power and gas, and infrastructure in Mumbai. He retired as Chief Secretary, State Government of Maharashtra. He was also appointed as an advisor to the State Government and was the first chairman of the Maharashtra Water Resources Regulatory Authority following his retirement from the Indian Administrative Services.

Mr. Shree Ramji Upadhyay is an independent Director on the Board. He holds a bachelor's degree in science (mining) from the Indian School of Mines, Dhanbad and obtained a first class mines managership certificate of competency (coal). He has previously served as chairman and managing director of Mahanadi Coalfields Limited. He has substantial experience in coal mining. He has received the 'Award of Excellence and Safety' by the MoC from Vice President of India and the 'D.D. Thacker Gold Medal' from the Mining, Geological and Metallurgical Institute of India. He is a member for life of IMMA, MGMI and was also member of the board of mining examinations of the Director General of Mines Safety, GoI, while in service.

Ms. Homai Ardeshir Daruwalla is an independent Director on the Board. She is a qualified chartered accountant. Her career spans 3 decades in banking, including with the Union Bank of India, Oriental Bank of Commerce and as the chairman and managing director of Central Bank of India, wherein her main areas of concern included human resource development, technological upgradations, business process re-engineering and customizing products, services and systems and procedures to match the market requirements. She also served as the region of India director on the board of the Institute of Internal Auditors, United States of America.

Mr. Anol Nath Chatterji is an independent Director on the Board. He holds a bachelor's degree in chemistry (honours) from Presidency College, University of Calcutta and is a fellow of the Canadian Comprehensive Audit Foundation, Ottawa. He presently also 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 MCA under the Chartered Accountants Act, 1949. He retired from the Indian Audit and Accounts Service as Deputy Comptroller and Auditor General of India. He has headed training in the National Academy of Audit and Accounts, Shimla and the National Institute of Financial Management, Faridabad.

Prof. Sushil Khanna is an independent Director on the Board. He is a fellow and a faculty member of the Indian Institute of Management, Kolkata. He has been a member of the faculty of the Indian Institute of Management, Kolkata in economics and strategic management since 1984. He has also acted as a visiting professor to various universities and institutes, including as a chair professor at Copenhagen Business School, Copenhagen. He is currently also a member of the Board for Reconstruction of Public Sector Enterprises. His past positions include chairman of the Kerala Financial Corporation and chairman of the Task Force on New Industrial Policy, State Government of Kerala. He has published several articles and contributed to books on industrial policy, industrial economics, strategic management and management of services.

Dr. Alwyn Didar Singh is an independent Director on the Board. He holds a master's degree in social science from Birmingham University, United Kingdom and a master's degree in history and political thought from St. Stephens College, University of Delhi. He also holds a doctorate in policy and strategy of electronic commerce from Punjab University. He served in the Indian Administrative Services and retired as Secretary to the Ministry of Overseas Indian Affairs, GoI. He has also held the posts of additional secretary, member (finance), National Highways Authority of India Limited, Department of Road Transport and Highways, and joint secretary to the Ministry of Heavy Industries and Public Enterprises, GoI and in the Ministry of Commerce (Foreign Trade),

GoI. He has experience in the area of e-commerce and management, having been managing director of Punjab Electronics and ESPL and Meghalaya Cement. He was also managing director of Meghalaya Tourism. He has also been a nominee director on the board of directors of Bharat Heavy Electricals Limited, Hindustan Machine Tools Limited, Engineering Projects India Limited, HEC Limited and Cement Corporation of India Limited. He is currently also a member of Invest India and the Secretary General of the Federation of Indian Chambers of Commerce and Industry.

Mr. Prashant Mehta in an independent Director on the Board. He has served with the Indian Administrative Services for 36 years and retired as the Director-General, Academy of Administration, Bhopal. He holds a bachelor's degree in science and master's degree in physics from the University of Jabalpur. He has held various administrative positions in departments of the State Government of Madhya Pradesh in education, civil aviation, railways, revenue, mines and forests. He has been a government nominee Director on the board of directors of National Aluminium Company Limited, Bharat Aluminium Company Limited, Hindustan Zinc Limited and Hindustan Diamonds Limited. He is also the vice president of the Madhya Pradesh Cricket Association, executive president of the Gwalior Division Cricket Association and also the chairman of the WWF (Madhya Pradesh and Chhattisgarh).

Relationship with other Directors

None of our Directors is related to another.

Borrowing Powers of our Directors

Pursuant to a resolution passed by the shareholders of our Company on September 17, 2008 under the Companies Act 1956, the Board is authorized to borrow sums of money on such terms and conditions and for such purposes as the Board may think fit, not exceeding, at any given time, a sum of ₹ 1,00,000 crore.

The aggregate value of the Bonds offered under this Draft Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹ 1,00,000 crore.

Shareholding of Directors

The Articles of Association do not require our Directors to hold qualifying shares in our Company. For information on the Equity Shareholding of our Directors, see "***Capital Structure***" on page 45. For information on bonds held by our Directors, if any, see "***Annexure A – Financial Information***".

Remuneration of our Directors

A. Whole-Time Directors

The following table sets forth the remuneration paid to the whole-time Directors during fiscal 2013:

(in ₹)

Name	Remuneration and Other Allowances	Benefits	Performance linked incentive	Total
Dr. Arup Roy Choudhury	30,03,600.64	7,60,047.00	16,24,011.36	53,87,659.00
Mr. Ashok Kumar Singhal	28,05,034.81	15,18,750.00	11,75,716.19	54,99,501.00
Mr. Inder Jit Kapoor	20,05,611.91	13,98,048.00	10,98,961.09	45,02,621.00
Mr. Bhajan Pratap Singh*	26,27,407.43	14,68,150.00	11,49,773.57	52,45,331.00
Mr. Dinesh Kumar Jain (until June 30, 2012)	22,82,615.37	4,73,970.00	10,00,126.63	37,56,712.00
Mr. Shailendra Pal Singh (until February 28, 2013)	23,59,386.62	8,15,997.00	11,04,827.38	42,80,211.00
Mr. Narendra	20,93,312.70	12,21,822.00	11,12,821.30	44,27,956.00

Nath Misra				
Mr. Anil Kumar Jha (with effect from July 1, 2012)	12,00,720.16	9,92,881.00	3,70,930.84	25,64,532.00
Mr. Umesh Prasad Pani	1,38,200.20	82,679.00	4,853.80	2,25,733.00
Mr. Subhash Chandra Pandey[#]	-	-	-	-

** Mr. Bhajan Pratap Singh superannuated from the Board on September 30, 2013.*
 # Mr. Subhash Chandra Pandey joined the Board in fiscal 2014 and was accordingly not paid any remuneration as a Director for fiscal 2013.

B. Part-Time Non-Official Directors

The part-time non-official Directors are entitled to sitting fees of ₹ 20,000 per meeting of the Board or per meeting of a committee thereof. The following table sets forth the sitting fees paid to our Directors during fiscal 2013:

(in ₹)

Name	Sitting Fees		
	Board	Committee of Board	Total
Dr. Govinda Marapalli Rao (until February 3, 2013)	1,55,000	1,50,000	3,05,000
Mr. Syamal Bhushan Ghosh Dastidar	1,75,000	2,95,000	4,70,000
Mr. Rajib Sekhar Sahoo	1,90,000	1,35,000	3,25,000
Mr. Ajit Mukundrao Nimbalkar	1,50,000	-	1,50,000
Mr. Shree Ramji Upadhyay	2,15,000	1,15,000	3,30,000
Ms. Homai Ardeshir Daruwalla	2,30,000	2,80,000	5,10,000
Mr. Anol Nath Chatterji	1,75,000	1,45,000	3,20,000
Prof. Sushil Khanna	1,05,000	90,000	1,95,000
Dr. Alwyn Didar Singh (with effect from August 23, 2012)	1,30,000	-	1,30,000

Changes in our Board in during the last 3 years

The changes in our Board in the 3 years immediately preceding this Draft Prospectus are set forth below.

Name	DIN	Designation	Appointment/ Cessation/ Designation change	Date of Change	Date of joining Board in case of cessation	Reason
Mr. Mahendrakumar Nilkanthrai Buch	00283737	Independent Director	Cessation	August 25, 2011	August 26, 2008	Completion of tenure
Mr. Shanti Narain	00615370	Independent Director	Cessation	August 25, 2011	August 26, 2008	Completion of tenure
Mr. Prasenjit Kumar Sengupta	00096198	Independent Director	Cessation	August 25, 2011	August 26, 2008	Completion of tenure
Mr. Krishnan Dharmarajan	02322767	Independent Director	Cessation	August 25, 2011	August 26, 2008	Completion of tenure
Dr. Govinda Marapalli Rao	01982343	Independent Director	Cessation	August 25, 2011	August 26, 2008	Completion of tenure
Dr. Govinda Marapalli Rao	01982343	Independent Director	Appointment	August 26, 2011	-	Re-appointed pursuant to letter (No. 8/6/2011-TH.1 (Pt.)) dated August 26, 2011
Mr. Rajib Sekhar Sahoo	02708503	Independent Director	Appointment	August 26, 2011	-	Appointed pursuant to letter (No.

Name	DIN	Designation	Appointment/ Cessation/ Designation change	Date of Change	Date of joining Board in case of cessation	Reason
						8/6/2011-TH.1 (Pt.)) dated August 26, 2011
Mr. Syamal Bhushan Ghosh Dastidar	00145886	Independent Director	Appointment	August 26, 2011	-	Re-appointed pursuant to letter (No. 8/6/2011-TH.1 (Pt.)) dated August 26, 2011
Mr. Shree Ramji Upadhyay	00841288	Independent Director	Appointment	January 20, 2012	-	Appointed pursuant to letter (No. 8/6/2010-Th-I (Vol-I) dated January 20, 2012
Mr. Kanwal Nath	02520307	Independent Director	Cessation	January 29, 2012	January 30, 2009	Completion of tenure
Mr. Ajit Mukundrao Nimbalkar	02749940	Independent Director	Appointment	January 20, 2012	-	Appointed pursuant to letter (No. 8/6/2010-Th-I (Vol-I) dated January 20, 2012
Mr. Adesh Chandra Jain	01301382	Independent Director	Cessation	January 29, 2012	January 30, 2009	Completion of tenure
Mr. Arun Kumar Sanwalka	02125521	Independent Director	Cessation	January 29, 2012	January 30, 2009	Completion of tenure
Mr. Santosh Nautiyal	01127740	Independent Director	Cessation	January 29, 2012	January 30, 2009	Completion of tenure
Ms. Homai Ardeshir Daruwalla	00365880	Independent Director	Appointment	February 28, 2012	-	Appointed pursuant to letter (No. 8/6/2010-Th-I (Vol-I) dated January 20, 2012
Prof. Sushil Khanna	00115364	Independent Director	Appointment	February 28, 2012	-	Appointed pursuant to letter (No. 8/6/2010-Th-I (Vol-I) dated January 20, 2012 from the MoP
Mr. Anol Nath Chatterji	05219334	Independent Director	Appointment	February 28, 2012	-	Appointed pursuant to letter (No. 8/6/2010-Th-I (Vol-I) dated January 20, 2012 from the MoP
Mr. Dinesh Kumar Jain	00820290	Director (Technical)	Cessation	June 30, 2012	May 13, 2010	Superannuation
Mr. Anil Kumar Jha	03590871	Director (Technical)	Appointment	July 1, 2012	-	Appointed pursuant to letter (No.

Name	DIN	Designation	Appointment/ Cessation/ Designation change	Date of Change	Date of joining Board in case of cessation	Reason
						8/2/2011-Th-I) dated April 10, 2012
Dr. Alwyn Didar Singh	00275577	Independent Director	Appointment	August 23, 2012	-	Appointed pursuant to letter (No. 8/6/2010 Th-I (Vol-I) dated August 21, 2012 from the MoP
Dr. Govinda Marapalli Rao	01982343	Independent Director	Cessation	February 4, 2013	August 26, 2011	Resignation
Mr. Shailendra Pal Singh	02296585	Director (Human Resources)	Cessation	February 28, 2013	October 16, 2010	Superannuation
Mr. Umesh Prasad Pani	03199828	Director (Human Resources)	Appointment	March 1, 2013	-	Appointed pursuant to letter (No. 8/1/2012-Th-I(DHR)) dated January 3, 2013 from the MoP
Mr. Rakesh Jain	02682574	Government nominee Director	Cessation	July 9, 2013	June 9, 2009	Repatriation to parent cadre pursuant to letter (No. 2/2/2009-Adm.II) dated July 4, 2013 from the MoP
Mr. Prashant Mehta	02284299	Independent Director	Appointment	July 30, 2013	-	Appointed pursuant to letter (No. 8/6/2013-Th-I) dated July 12, 2013
Mr. Pradeep Kumar	05125269	Government nominee Director	Appointment	September 10, 2013	-	Appointed pursuant to letter (No. 8/7/2013-Th.I) dated September 9, 2013 from the MoP
Mr. Bhajan Pratap Singh	01507784	Director (Projects)	Cessation	September 30, 2013	August 1, 2009	Superannuation
Mr. Indra Chandra Prasad Keshari	00042289	Government nominee Director	Cessation	September 30, 2013	May 4, 2009	Nomination withdrawn pursuant to letter (No. 2/2/2008-Adm. II) dated September 20, 2013 from the MoP
Mr. Subhash Chandra Pandey	03142319	Director (Projects)	Appointment	October 1, 2013	-	Appointed pursuant to letter (No. 8/4/2012-Th-I) dated August 5,

Name	DIN	Designation	Appointment/ Cessation/ Designation change	Date of Change	Date of joining Board in case of cessation	Reason
						2013 from the MoP
Mr. Ashok Kumar Singhal	00011085	Director (Finance)	Cessation	October 9, 2013	August 1, 2005	Resignation pursuant to letter (No. 8/10/2009-Th.I) dated October 7, 2013 from the MoP conveying approval of the competent authority of the acceptance of resignation with effect from October 8, 2013

Interests of our Directors

Our Directors may be deemed to be interested to the extent of their Equity Shareholding and dividend accruing thereon, along with any fees payable to them for attending meetings of the Board, as well as to the extent of other remuneration and reimbursement of expenses payable to them. For details of Equity Shareholding of our Directors in our Company, see "***Capital Structure***" on page 45.

Our Directors may also be regarded as interested to the extent that they, their relatives or entities in which they are interested as directors, members, partners or trustees are Allotted any Bonds pursuant to the Issue.

Except as otherwise stated in "***Annexure A - Financial Information***", our Company has not entered into any contract, agreement or arrangement during the 2 years preceding the date of this Draft Prospectus, in which our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements or arrangements.

Committees of our Board

Our Board has constituted, among others, the following committees of the Board: (i) Audit Committee, (ii) Remuneration Committee, and (iii) Shareholders'/Investors' Grievance Committees. The details of such Board committees are set forth below.

A. Audit committee

The Audit Committee comprises the following members:

1. Mr. Syamal Bhushan Ghosh Dastidar, Independent Director (Chairman);
2. Mr. Rajib Sekhar Sahoo, Independent Director;
3. Mr. Anol Nath Chatterji, Independent Director;
4. Ms. Homai Ardeshir Daruwalla, Independent Director; and
5. Mr. Pradeep Kumar, Government nominee Director, in his capacity as the Joint Secretary and Financial Advisor to the MoP.

The terms of reference of the Audit Committee are as follows:

- Discussion with auditors periodically about internal control systems and the scope of audit including observations of the auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Ensure compliance of internal control systems.

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Noting appointment and removal of external auditors and recommending audit fee of external auditors and also approval for payment for any other service.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - 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;
    - Changes, if any in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications in the draft audit report.
- Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
- 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.
- Discussion with internal auditors any significant findings and follow-up thereon. Review of internal audit observations outstanding for more than 2 years.
- 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.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audits as well as have post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review of observations of the comptroller and auditor general, including status of government audit.
- To review the functioning of the whistle blower mechanism.
- Investigation into any matter in relation to the items specified above or referred to it by the Board.
- To review the follow-up action taken on the recommendations of the Committee on Public Undertakings of the Parliament of India.
- Provide an open avenue of communication between the independent auditors, internal auditors and the Board.
- 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.
- Consider and review the following with the independent auditor and the management:
    - The adequacy of internal controls including computerized information system controls and security; and
    - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- Consider and review the following with the management, internal and the independent auditor:
    - Significant findings during the year, including the status of previous audit recommendations.
    - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue and so on), the statement of funds utilised for purposes other than as 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.

B. Remuneration Committee

The Remuneration Committee comprises the following members:

1. Mr. Ajit Mukundrao Nimbalkar, Independent Director (Chairman);
2. Mr. Shree Ramji Upadhyay; and
3. Mr. Anol Nath Chatterji, Independent Director.

Additionally, Mr. Umesh Prasad Pani, Director (Human Resources), and our Director (Finance) (presently not appointed) are special invitees to the Remuneration Committee.

The terms of reference of the Remuneration Committee include determining the annual bonus/variable pay and policy for distribution across the executives and non-unionized supervisors.

C. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises the following members:

1. Mr. Pradeep Kumar, Government nominee Director, in his capacity as the Joint Secretary and Financial Advisor to the MoP (Chairman);
2. Ms. Homai Ardeshir Daruwalla;
3. Mr. Umesh Prasad Pani, in his capacity as Director (Human Resources); and
4. Director (Finance) (presently not appointed).

The terms of reference of the Shareholders'/Investors' Grievance Committee are set forth below.

- Redressal of investors' and shareholders' complaints like:
    - Delay in transfer of shares;
    - Non-receipt of balance sheet;
    - Non-receipt of declared dividend, and so on.
- Addressing complaints and grievances of bondholders.

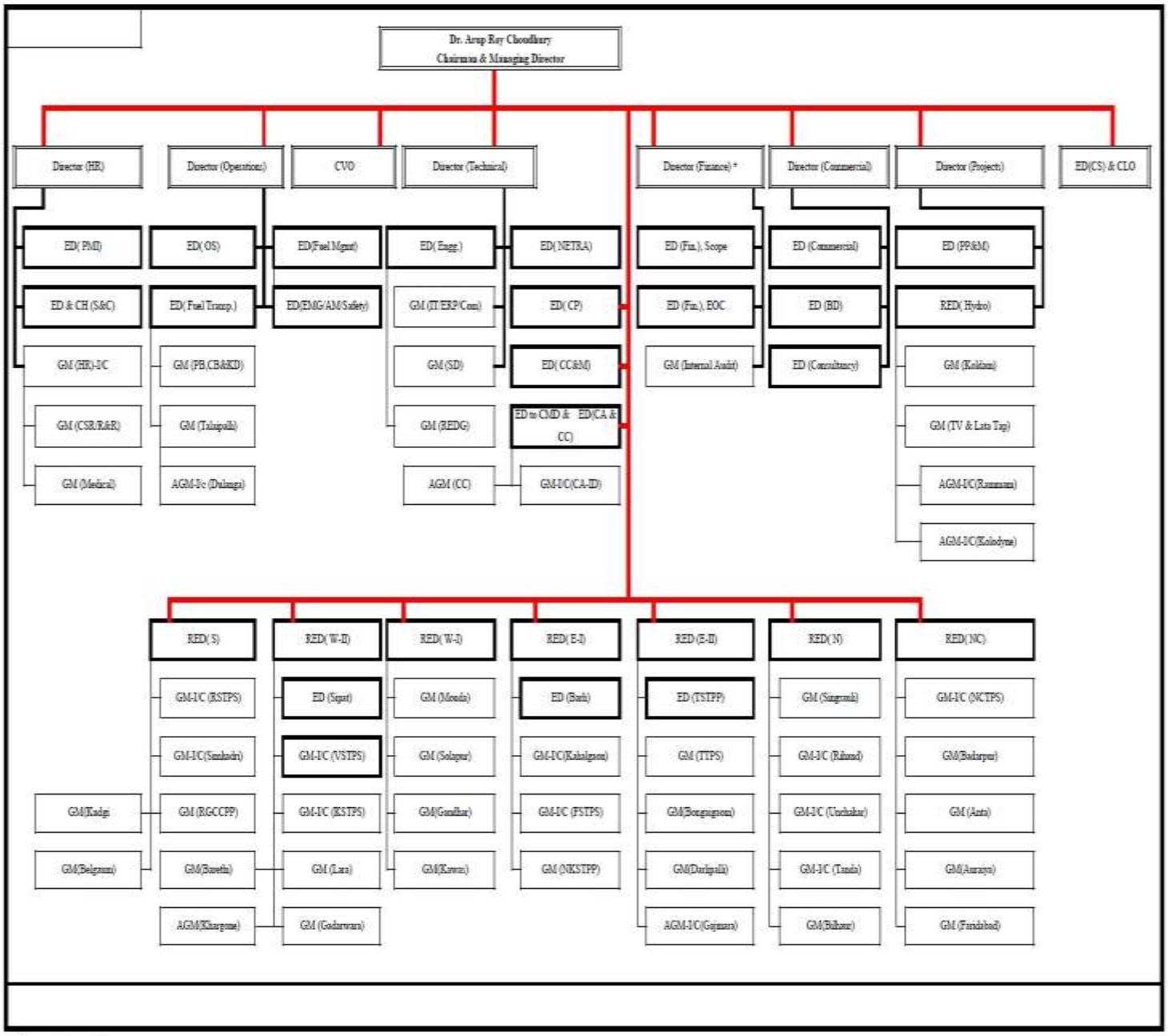
During fiscal 2013, our Company received 4,868 complaints, including those received, resolved and disposed of through SEBI Complaints Redress System, and had 2 pending complaints from fiscal 2012. Our Company resolved and disposed of 4,869 complaints and accordingly, as on March 31, 2013, one investor complaint was pending.

Payment or benefits to Officers of our Company

Our whole-time Directors are entitled to performance-linked incentives based on established incentive schemes by our Company. Further, except certain post-retirement medical benefits and statutory benefits upon termination of employment or upon superannuation, no officer of our Company is entitled to any benefit.

Organization chart

Our Company's management organization structure is set forth below:



* Not in Position. Charge held by CMD.

PROMOTER

The Promoter of our Company is the President of India acting through the MoP. The Promoter currently holds 75.00% of the paid-up Equity Share capital of our Company.

STOCK MARKET DATA FOR OUR EQUITY SHARES AND DEBENTURES

The stock market data for the Equity Shares/non-convertible debentures issued by our Company listed on the Stock Exchanges is set forth below.

Equity Shares

(i) The stock market data for the shares recorded on BSE and NSE (as applicable) during the last three years and the high and low prices on intra day high-low basis are as follows:

NSE

Year ended March 31	High (₹)	Date of high	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of low	Volume on the date of low (no. of Equity Shares)
2011	222.30	October 4, 2010	19,73,395	168.30	February 25, 2011	13,57,182
2012	193.10	April 1, 2011	8,41,816	152.05	November 23, 2011	24,72,277
2013	175.50	September 12, 2012	16,34,418	136.15	March 21, 2013	97,24,854

Source: www.nseindia.com

BSE

Year ended March 31	High (₹)	Date of high	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of low	Volume on the date of low (no. of Equity Shares)
2011	222.20	October 4, 2010	9,81,905	168.60	February 25, 2011	1,70,764
2012	193.00	April 1, 2011	1,14,220	152.00	November 23, 2011	2,89,635
2013	175.35	September 12, 2012	97,055	136.10	March 21, 2013	3,82,487

Source: www.bseindia.com

(ii) The monthly high and low prices of shares traded on BSE and NSE (as applicable) on intra day high-low basis during the last six months are as follows:

NSE

Month	High (₹)	Date of high	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of low	Volume on the date of low (no. of Equity Shares)
May 2013	162.90	May 3, 2013	10,176,072	147.95	May 23, 2013	53,96,067
June 2013	155.60	June 4, 2013	3,210,151	137.35	June 25, 2013	25,87,265
July 2013	149.00	July 17, 2013	5,197,739	127.70	July 31, 2013	97,65,574
August 2013	145.85	August 14, 2013	4,930,509	122.60	August 28, 2013	54,25,268
September 2013	151.60	September 19, 2013	5,143,489	125.00	September 4, 2013	46,10,163
October 2013	149.95	October 31, 2013	5,675,573	140.25	October 7, 2013	26,87,496

Source: www.nseindia.com

BSE

Month	High (₹)	Date of high	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of low	Volume on the date of low (no. of Equity Shares)
May 2013	162.80	May 3, 2013	547,987	148.15	May 23, 2013	140,586
June 2013	155.50	June 4, 2013	276,550	137.65	June 25, 2013	145,590
July 2013	149.00	July 17, 2013	234,594	128.10	July 31, 2013	514,862
August 2013	145.90	August 14, 2013	416,917	122.65	August 28, 2013	242,191

September 2013	151.35	September 19, 2013	471,566	125.45	September 4, 2013	250,243
October 2013	149.95	October 23, 2013	126,356	140.35	October 7, 2013	146,279

Source: www.bseindia.com

Non-convertible Bonds Listed on Stock Exchanges

There has been no trading on BSE in the non-convertible bonds issued by our Company and listed on the wholesale debt market segment of BSE from April 1, 2008 to October 31, 2013.

The trading data for the non-convertible bonds issued by our Company and listed on the wholesale debt market segment of NSE, for the period from April 1, 2008 until September 30, 2013 is appended as "***Annexure D – Stock Market Data for our Bonds on NSE***". There has been no trading on NSE in the non-convertible bonds issued by our Company and listed on the wholesale debt market segment of NSE, from October 1, 2013 to October 31, 2013.

DESCRIPTION OF FINANCIAL INDEBTEDNESS

Set forth below is a summary of our Company's outstanding secured and unsecured borrowings as at September 30, 2013. For more information, see "***Annexure A – Financial Information***".

1. Set forth below is a summary of our outstanding standalone borrowings as at September 30, 2013:

S. No.	Category of Borrowing	Outstanding Amount (in ₹ crore)
1.	Long term secured bonds	10,125.50
2.	Long term unsecured loans	29,935.84
3.	Unsecured foreign currency loans	12,329.28
4.	Unsecured foreign currency bonds	8,238.10
5.	Public deposits	0.58
6.	Secured financial lease obligation*	0.14
Total		**60,629.44**

** Secured against fixed assets obtained under the finance lease*

2. The statement of outstanding standalone long term secured non-cumulative non- convertible redeemable taxable bonds in the nature of debentures issued by our Company as at September 30, 2013 is provided below:

Debenture Series	Tenor/ Period of Maturity	Coupon (%)	Amount Outstanding (in ₹ crore)	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security*
XIIIA[(1)]	15 years from deemed date of allotment	9.55	300.00	April 18, 2002	Redeemable at par in 10 equal annual instalments commencing April 18, 2008	CRISIL AAA CARE AAA	First *pari passu* charge on specific movable and immovable assets of our Company
XIIIB[(1)]	15 years from deemed date of allotment	9.55	300.00	April 30, 2002	Redeemable at par in 10 equal instalments commencing April 30, 2008	CRISIL AAA CARE AAA	First *pari passu* charge on specific movable and immovable assets of our Company
XVI	15 years from deemed date of allotment	8.00	100.00	April 10, 2003	Redeemable at par on April 10, 2018	CARE AAA	First *pari passu* charge on specific immovable assets of our Company
XVII	20 years from deemed date of allotment	8.48	50.00	May 1, 2003	Redeemable at par on May 1, 2023	CARE AAA	First *pari passu* charge on specific immovable assets of our Company
XIX	15 years from deemed date of allotment	7.50	50.00	January 12, 2004	Redeemable at par on January 12, 2019	CARE AAA	First *pari passu* charge on specific movable and immovable assets of our Company
XX	14 years from deemed date of allotment	7.552	275.00	March 23, 2005	Redeemable at par in 20 equal half-yearly instalments commencing September 23, 2009 until March 23, 2019	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXI	14 years from deemed date of allotment	7.7125	650.00	February 2, 2006	Redeemable at par in 20 equal half-yearly instalments commencing August 2, 2010 until February 2, 2020	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific movable and immovable assets of our Company

Debenture Series	Tenor/ Period of Maturity	Coupon (%)	Amount Outstanding (in ₹ crore)	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security*
XXII	14 years from deemed date of allotment	8.1771	375.00	January 2, 2007	Redeemable at par in 20 equal half-yearly instalments commencing July 2, 2011 until January 2, 2021	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXIII	14 years from deemed date of allotment	8.3796	375.00	February 5, 2007	Redeemable at par in 20 equal half-yearly instalments commencing August 5, 2011 until February 5, 2021	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXIV	14 years from deemed date of allotment	8.6077	375.00	March 9, 2007	Redeemable at par in 20 equal half-yearly instalments commencing September 9, 2011 until March 9, 2021	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXV	10 years and 343 days from deemed date of allotment	9.37	392.75	December 28, 2007	Redeemable at par in 14 half-yearly instalments commencing from June 4, 2012 and ending on December 4, 2018.	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXVI	10 years and 309 days years from deemed date of allotment	9.06	392.75	January 31, 2008	Redeemable at par in 14 equal half-yearly instalments commencing June 4, 2012 until December 4, 2018	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXVII	15 years from deemed date of allotment	11.25	350.00	November 6, 2008	Redeemable at par in 5 equal annual instalments commencing November 6, 2019 until November 6, 2023	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXVIII[(2)]	10 years from deemed date of allotment	11.00	1,000.00	November 21, 2008	Redeemable at par on November 21, 2018	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXIX[(2)]	10 years from deemed date of allotment	8.65	550.00	February 4, 2009	Redeemable at par on February 4, 2019	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXX[(2)]	10 years from deemed date of allotment	7.89	700.00	May 5, 2009	Redeemable at par on May 5, 2019	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company

Debenture Series	Tenor/ Period of Maturity	Coupon (%)	Amount Outstanding (in ₹ crore)	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security*
XXXI[3]	10 years from deemed date of allotment	8.78	500.00	March 9, 2010	Redeemable at par on March 9, 2020	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXII[2]	20 years from deemed date of allotment	8.8493	105.00	March 25, 2010	Redeemable at par 15 equal annual instalments commencing March 25, 2016 until March 25, 2030	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXIII[3]	10 years from deemed date of allotment	8.73	195.00	March 31, 2010	Redeemable at par on March 31, 2020	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXIV[2]	20 years from deemed date of allotment	8.71	150.00	June 10, 2010	Redeemable at par in 15 equal annual instalments commencing June 10, 2016 until June 10, 2030	CRISIL AAA CARE AAA [ICRA] AAA (Stable) AAA	First *pari passu* charge on specific immovable assets of our Company
XXXV[2]	20 years from deemed date of allotment	8.785	120.00	September 15, 2010	Redeemable at par in 15 equal annual instalments commencing September 15, 2016 until September 15, 2030	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXVI[2]	20 years from deemed date of allotment	8.8086	75.00	December 15, 2010	Redeemable at par in 15 equal annual instalments commencing December 15, 2016 until December 15, 2030	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXVII[3]	10 years from deemed date of allotment	8.93	300.00	January 19, 2011	Redeemable at par on January 19, 2021	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXVIII[2]	20 years from deemed date of allotment	9.17	75.00	March 22, 2011	Redeemable at par in 15 equal annual instalments commencing March 22, 2017 until March 22, 2031	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XXXIX[2]	20 years from deemed date of allotment	9.3896	105.00	June 9, 2011	Redeemable at par in 15 equal annual instalments commencing June 9, 2017 until June	CRISIL AAA CARE AAA [ICRA]	First *pari passu* charge on specific immovable assets of our Company

Debenture Series	Tenor/ Period of Maturity	Coupon (%)	Amount Outstanding (in ₹ crore)	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security*
					9, 2031	AAA (Stable)	
XL[(2)]	20 years from deemed date of allotment	9.558	75.00	July 29, 2011	Redeemable at par in 15 equal annual instalments commencing July 29, 2017 until July 29, 2031	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLI[(2)]	20 years from deemed date of allotment	9.6713	75.00	December 23, 2011	Redeemable at par in 15 equal annual instalments commencing December 23, 2017 until December 23, 2031	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLII[(2)]	15 years from deemed date of allotment	9.00	500.00	January 25, 2012	Redeemable at par in 5 equal annual instalments commencing January 25, 2023 until January 25, 2027	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLIII[(2)]	20 years from deemed date of allotment	9.2573	75.00	March 2, 2012	Redeemable at par in 15 equal annual instalments commencing March 2, 2018 until March 2, 2032	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLIV[(2)]	15 years from deemed date of allotment	9.25	500.00	May 4, 2012	Redeemable at par in 5 equal annual instalments commencing May 4, 2023 until May 4, 2027	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLV[(2)]	20 years from deemed date of allotment	9.4376	75.00	May 16, 2012	Redeemable at par in 15 equal annual instalments commencing May 16, 2018 until May 16, 2032	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLVI[(2)]	20 years from deemed date of allotment	9.3473	75.00	July 20, 2012	Redeemable at par in 15 equal annual instalments commencing July 20, 2018 until July 20, 2032	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLVII[(2)]	10 years from deemed date of allotment	8.84	390.00	October 4, 2012	Redeemable at par on October 4, 2022	CRISIL AAA CARE AAA [ICRA] AAA (Stable)	First *pari passu* charge on specific immovable assets of our Company
XLVIII[(2)]	10 years from deemed date of allotment	8.73	300.00	March 7, 2013	Redeemable at par on March 7, 2023	CRISIL AAA CARE AAA [ICRA]	First *pari passu* charge on specific immovable assets of our Company

Debenture Series	Tenor/ Period of Maturity	Coupon (%)	Amount Outstanding (in ₹ crore)	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security*
						AAA (Stable)	
XLIX[(2)]	10 years from deemed date of allotment	8.80	200.00	April 4, 2013	Redeemable at par on April 4, 2023	CRISIL AAA CARE AAA	First *pari passu* charge on specific immovable assets of our Company
	Total		**10,125.50**				

** Each series of bonds is secured under various trust deeds. The bonds are secured by a first pari passu charge on our Company's premises situated in Mumbai, equitable mortgage (mortgage by deposit of title deeds) of immovable property and/or hypothecation of all present and future movable assets (excluding receivables) of our Company's various power stations/projects.*
(1)These bonds are listed on the wholesale debt market of NSE and BSE.
(2)These bonds are listed on the wholesale debt market of NSE.
(3) These bonds are listed on the wholesale debt market of BSE.

3. The statement of outstanding standalone long term unsecured Rupee loans of our Company as at September 30, 2013 is provided below:

Lender's Name	Type of Facility	Amount Sanctioned as per agreement (₹ in crore)	Principal Amount Outstanding (₹ in crore)	Repayment Date/ Schedule
Allahabad Bank	Term loan	400.00	114.29	14 equal half-yearly instalments commencing March 23, 2009
Allahabad Bank	Term loan	500.00	300.00	14 equal half-yearly instalments commencing March 28, 2014
Andhra Bank	Term loan	150.00	117.86	14 equal half-yearly instalments commencing August 13, 2012
Axis Bank	Term loan	250.00	232.14	14 equal half-yearly instalments commencing September 30, 2013
Bank of India	Term loan	2,000.00	50.00	10 equal annual instalments commencing June 28, 2019
Bank of Maharashtra	Term loan	300.00	257.14	14 equal half-yearly instalments commencing March 22, 2013
Bank of Maharashtra	Term loan	100.00	100.00	20 equal half-yearly instalments commencing September 23, 2014
Bank of Maharashtra	Term loan	400.00	285.00	16 equal half-yearly instalments commencing September 29, 2016
Canara Bank	Term loan	2,750.00	94.29	14 equal half-yearly instalments commencing December 31, 2012
Central Bank of India	Term loan	275.00	98.21	14 equal half-yearly instalments commencing

				March 30, 2010
Central Bank of India	Term loan	550.00	392.86	14 equal half-yearly instalments commencing December 23, 2011
Central Bank of India	Term loan	500.00	8.57	14 equal half-yearly instalments commencing December 31, 2012
Central Bank of India	Term loan	490.00	50.00	10 equal annual instalments commencing June 28, 2019
Citi Bank N.A.	Term loan	100.00	17.86	14 equal half-yearly instalments commencing June 27, 2009
Corporation Bank	Term loan	200.00	57.14	14 equal half-yearly instalments commencing January 5, 2009
Dena Bank	Term loan	200.00	142.86	14 equal half-yearly instalments commencing February 16, 2012
HDFC Limited	Term loan	250.00	3.57	14 equal half-yearly instalments commencing July 5, 2007
HDFC Bank	Term loan	1,000.00	550.00	14 equal half-yearly instalments commencing April 26, 2014
Housing and Urban Development Corporation Limited	Term loan	2,000.00	350.00	22 equal half-yearly instalments commencing May 31, 2014
IDBI Bank	Term loan	500.00	71.43	14 equal half-yearly instalments commencing January 1, 2008
IDBI Bank	Term loan	1,000.00	9.29	14 equal half-yearly instalments commencing September 30, 2013
Infrastructure Development Finance Company Limited	Term loan	200.00	155.00	40 equal quarterly instalments commencing August 26, 2011
Infrastructure Development Finance Company Limited	Term loan	300.00	262.50	40 equal quarterly instalments commencing September 29, 2012
Indian Bank	Term loan	300.00	141.43	14 equal half-yearly instalments commencing December 31, 2012
Indian Overseas Bank	Term loan	100.00	35.71	14 equal half-yearly instalments commencing September 29, 2009
Indian Overseas Bank	Term loan	2,000.00	460.00	16 equal half-yearly instalments

				commencing March 19, 2016
Jammu and Kashmir Bank	Term loan	600.00	150.00	10 equal annual instalments commencing December 18, 2018
Karnataka Bank	Term loan	100.00	2.14	14 equal half-yearly instalments commencing March 29, 2010
Life Insurance Corporation of India	Term loan	4,000.00	1,733.30	20 equal half-yearly instalments commencing December 31, 2007
Life Insurance Corporation of India	Term loan	1,000.00	785.71	14 equal half-yearly instalments commencing August 4, 2012
Life Insurance Corporation of India	Term loan	1,000.00	785.50	14 equal half-yearly instalments commencing September 17, 2012
Oriental Bank of Commerce	Term loan	500.00	321.43	14 equal half-yearly instalments commencing June 15, 2011
Oriental Bank of Commerce	Term loan	500.00	9.29	14 equal half-yearly instalments commencing September 30, 2013
Power Finance Corporation	Term loan	66.00	4.35	40 equal quarterly instalments commencing July 15, 2004
Power Finance Corporation	Term loan	153.00	5.07	40 equal quarterly instalments commencing July 15, 2004
Power Finance Corporation	Term loan	10,000.00	9,791.67	48 equal quarterly instalments commencing July 15, 2013
Punjab and Sind Bank	Term loan	500.00	428.57	14 equal half-yearly instalments commencing March 22, 2013
Punjab National Bank	Term loan	1,000.00	107.14	14 equal half-yearly instalments commencing March 27, 2010
South Indian Bank	Term loan	100.00	0.86	14 equal half-yearly instalments commencing January 31, 2013
State Bank of Hyderabad	Term loan	500.00	9.29	14 equal half-yearly instalments commencing September 30, 2013
State Bank of India	Term loan	1,500.00	535.74	14 equal half-yearly instalments commencing August 28, 2009
State Bank of India	Term loan	1,500.00	964.29	14 equal half-

				yearly instalments commencing September 30, 2011
State Bank of India	Term loan	8,500.00	1,237.50	14 equal half-yearly instalments commencing September 30, 2012
State Bank of India	Term loan	10,000.00	4,650.00	16 equal half-yearly instalments commencing September 30, 2015
State Bank of Patiala	Syndicated Loan	500.00	71.43	14 equal half-yearly instalments commencing March 20, 2008
State Bank of Travancore	Term loan	50.00	3.57	14 equal half-yearly instalments commencing September 28, 2007
Syndicate Bank	Term loan	300.00	64.29	14 equal half-yearly instalments commencing May 29, 2008
Syndicate Bank	Term loan	500.00	153.21	14 equal half-yearly instalments commencing September 30, 2013
Tamilnad Mercantile Bank	Term loan	100.00	57.14	14 equal half-yearly instalments commencing March 27, 2011
The Karur Vysya Bank	Term loan	90.00	26.79	14 equal half-yearly instalments commencing September 29, 2009
The Karur Vysya Bank	Term loan	100.00	92.86	14 equal half-yearly instalments commencing September 30, 2013
UCO Bank	Term loan	500.00	285.00	16 equal half-yearly instalments commencing September 29, 2016
United Bank of India	Term loan	400.00	257.14	14 equal half-yearly instalments commencing September 28, 2011
United Bank of India	Term loan	225.00	176.79	14 equal half-yearly instalments commencing September 23, 2012
United Bank of India	Term loan	250.00	235.00	16 equal half-yearly instalments commencing September 29, 2016

Vijaya Bank	Term loan	300.00	150.00	14 equal half-yearly instalments commencing August 26, 2010
Vijaya Bank	Term loan	225.00	144.64	14 equal half-yearly instalments commencing September 28, 2011
Vijaya Bank	Term loan	379.00	379.00	14 equal half-yearly instalments commencing March 15, 2014
Vijaya Bank	Term loan	350.00	335.00	14 equal half-yearly instalments commencing September 29, 2015
Indian Bank	Term loan	500.00	260.00	16 equal half-yearly instalments commencing December 1, 2016
Syndicate Bank	Term loan	1,000.00	310.00	16 equal half-yearly instalments commencing December 1, 2016
Dena Bank	Term loan	500.00	260.00	20 equal half-yearly instalments commencing December 1, 2017
Union Bank	Term loan	2,000.00	260.00	20 equal half-yearly instalments commencing February 1, 2017
Corporation Bank	Term loan	500.00	135.00	20 equal half-yearly instalments commencing March 28, 2018
Andhra Bank	Term loan	300.00	50.00	10 equal annual instalments commencing March 28, 2019
Canara Bank	Term loan	1,000.00	300.00	20 equal half-yearly instalments commencing September 28, 2018
Punjab and Sind Bank	Term loan	570.00	50.00	10 equal annual instalments commencing March 28, 2019
Total		**68,973.00**	**29,935.84**	

4. The statement of outstanding standalone unsecured foreign currency borrowings of our Company as at September 30, 2013 is as following:

Lender Name	Type of Facility	Amount Sanctioned (in million)	Loan outstanding as on September 30, 2013 (₹ in crore)	Repayment Date/ Schedule
Asian Development Bank	Loan	JPY 10,476.00	51.97	40 half-yearly instalments commencing June 15, 1994
Japanese Bank for International Co-operation	Loan	JPY 19,370.00	827.82	41 half-yearly instalments commencing February 20, 2007

("**JBIC**")*				
JBIC	Loan	JPY 12,190.00	675.77	41 half-yearly instalments commencing March 20, 2011
JBIC	Loan	JPY 27,290 .00	1,426.43	37 half-yearly instalments commencing February 20, 2012
JBIC	Loan	JPY 1,250.00	51.53	28 half-yearly instalments commencing March 20, 2013
Korea Exim Bank, BNP Paribas and HSBC Bank	Loan	US$ 354.25	1,268.41	24 half-yearly instalments commencing August 14, 2008
Asian Development Bank	Loan	US$ 75.00	422.47	9 half-yearly instalments commencing August 14, 2013
KfW	Loan	US$ 100.00	316.85	14 half-yearly instalments commencing September 15, 2010
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Mizuho Corporate Bank, Azora Bank	Loan	US$ 380.00	2,150.04	28 half-yearly instalments commencing May 20, 2012
Nordic Investment Bank	Loan	€ 68.56	425.21	18 half-yearly instalments commencing July 20, 2011
The Bank of Tokyo-Mitsubishi UFJ	Loan	US$ 300.00	1,901.10	4 half-yearly instalments commencing June 15, 2016
Mizuho Corporate Bank	Loan	US$ 100.00	633.70	4 half-yearly instalments commencing September 15, 2017
KfW	Loan	€ 72.50	593.73	24 half-yearly instalments commencing September 30, 2014
State Bank of India, New York and Mizuho Corporate Bank	Loan	US$ 250.00	1,584.25	2 half-yearly instalments commencing July 29, 2019
Total	**-**	**-**	**12,329.28**	

** Now known as Japanese International Co-operation Agency*

5. The statement of outstanding standalone unsecured foreign currency bonds under the medium term note programme issued by our Company as of September 30, 2013 is provided below:

Debenture Series	Tenor/ Period of Maturity	Coupon (%)	Amount Outstanding (₹ in crore)	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating
EUROBONDS 2016*	10 years from deemed date of allotment	5.875	1,901.10	March 2, 2006	Bullet repayment on March 2, 2016	S&P BBB- (Negative Outlook) Fitch BBB- (Stable Outlook)
EURO BOND 2021*	10 years from deemed date of	5.625	3,168.50	July 14, 2011	Bullet repayment on July 14, 2021	S&P BBB- (Negative

	allotment					Outlook) Fitch BBB- (Stable Outlook)
EURO BOND 2022*	10 years from deemed date of allotment	4.75	3,168.50	October 3, 2012	Bullet repayment on October 3, 2022	S&P BBB- (Negative Outlook) Fitch BBB- (Stable Outlook)
	Total		**8,238.10**			

**The noteholders may demand early redemption if the GoI at any time ceases to own, directly or indirectly, more than 50.00% of the voting securities of our Company.*

6. Our Company issued public deposits, under a public deposit scheme, with maturity periods between one and 3 years. As on March 31, 2013 these public deposits were held by 98 depositors and the aggregate value of public deposits outstanding amounted to ₹ 0.63 crore and as at September 30, 2013 these deposits were held by 88 depositors and the aggregate value of public deposits outstanding amounted to ₹ 0.58 crore. Pursuant to a resolution of the Board in meeting dated April 25, 2013, the public deposit scheme of our Company was closed with effect from May 11, 2013.

7. **Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities**

As at the date of the Draft Prospectus, there has been no default in payment of principal or interest on any existing secured or unsecured term loan or debt security including any corporate guarantees issued by our Company in the past 5 years.

Our Company does not have any outstanding corporate guarantees or commercial paper as on September 30, 2013.

Apart from the indebtedness mentioned above and in "***Annexure A - Financial Information***", our Company does not have any other borrowings.

SECTION V – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION

*In the ordinary course of our business, we as well as certain of our officers and employees are involved in legal, regulatory, arbitral and administrative proceedings and claims at various levels of adjudication, including criminal cases (including motor accidents claims, fatal accidents claims, dishonor of cheques, etc.), PIL, appeals against tariff orders of the CERC, civil suits, arbitral claims, taxes (including income and sales tax) and other statutory levies (including royalty and stamp duty claims), employment-related disputes, land-acquisition related disputes and environmental disputes. The total claim against our Company in all such proceedings is not ascertainable, as the monetary claim against us has not been quantified or is subject to assessment or reassessment in many instances. The following is a summary of certain material legal proceedings involving our Company as on the date of the Draft Prospectus. For the purpose of this section, pending legal proceedings where there is monetary claim of ₹ 100 crore or above against our Company have been considered material, as well as certain other material criminal, tax-related, regulatory and environmental proceedings and PILs. This is not an exhaustive presentation of all legal, regulatory, arbitral and administrative proceedings that our Company is involved in. Also see "**Risk Factors**" on page 13.*

Criminal Cases

In the ordinary course of our business, we as well as certain of our officers and employees are involved, from time to time, in various claims and proceedings of a criminal nature (including motor accident claims, fatal accident claims, dishonor of cheques, claims regarding theft of goods including wire, tires, computers, sewing machines, etc., criminal miscellaneous petitions for revision, enforcement or quashing of orders previously passed in relation to employment claims by former employees, relatives of deceased employees, displaced persons, an altercation at one of our project sites (Pakri-Barwadih) resulting in deaths of, or injuries to, local citizenry, due to police firing, etc.) pending at different levels of investigation or adjudication, including over 107 cases, where the aggregate financial implication for our Company, if any, is unascertainable. None of our Directors is involved in any criminal proceedings, other than as provided below. Set out below are details of material criminal proceedings that our Company is involved in:

1. Deoki Nandan Loharuka filed criminal WP 300 of 2011 in the High Court of Orissa at Cuttack against our Chairman and Managing Director and others, seeking writs of mandamus and certiorari to call for records for MJC 125 of 2002 from the District Court, Dhenkanal, and to set aside the arbitral award issued pursuant to alleged fraud and illegal suppression of various provisions of a contract and to direct our Company to issue 5,59,873 equity shares in favour of Mr. Loharuka as compensation.

2. Our Company filed WP 763 of 2010 in the High Court of Chhattisgarh at Bilaspur, challenging the order dated December 10, 2009 of the Industrial Court, dismissing revision petition 01/CGIR filed by our Company for quashing proceedings before the Labour Court-cum-Judicial Magistrate First Class ("**JMFC**"), Korba, initiated by the Assistant Director, Factories, Health and Safety pursuant to criminal complaint 552/FA/05 dated November 21, 2005, against a former employee at our Korba plant for non-submission of the on-site emergency plan, and notice dated September 24, 2005. The High Court quashed the orders dated November 25, 2011 and December 10, 2009 and remitted the matter to the Industrial Court for decision on merits.

3. Om Prakash Gupta filed criminal petition 642/1/1996 dated November 5, 1996, against certain employees at our Badarpur plant, before the Metropolitan Magistrate, Patiala House, alleging mis-appropriation of amounts required to be deposited with the provident fund for 60 canteen workers. The canteen workers applied for withdrawal of summons orders issued against the accused persons. The Metropolitan Magistrate, by order dated September 27, 1999, discharged an employee at our Badarpur plant. Our Company filed miscellaneous criminal petition 3308/1999 dated November 30, 2009, in the High Court of Delhi, for quashing the order of the Metropolitan Magistrate. The High Court, by order dated October 1, 1999, stayed the proceedings before the Metropolitan Magistrate and passed an order in favour of the former employee. Mr. Gupta filed CM(M) 102 of 2000 before High Court of Delhi. On September 30, 2013, the High Court disposed of the matter without going into the merits of the case. The complaint before the Metropolitan Magistrate against employees is pending.

4. Our Company filed WP 763 of 2010 in the High Court of Chhattisgarh at Bilaspur challenging the order of the Industrial Court, Korba, dated December 10, 2009, dismissing revision petition 01/CGIR filed by our Company for quashing proceedings before the Labour Court – cum – JMFC, Korba, initiated by the

Assistant Director, Factories, Health and Safety pursuant to criminal complaint 552/FA/05 dated November 21, 2005, before the Labour Court- cum- JMFC, Korba, against a former employee at Korba for non-submission of the on-site emergency plan, and notice dated September 24, 2005. The High Court quashed the orders dated November 25, 2011 and December 10, 2009 and remitted the matter back to the Industrial Court for deciding the case on merits.

5. The Chhattisgarh Environment Protection Board, Korba, filed criminal complaint 690 of 2006 dated May 10, 2006, amended May 12, 2006, before the JMFC, Katghora, against an employee of our Company, alleging air and water pollution due to a blast in the ash dyke in the plant. The JMFC, by order dated May 18, 2006, took cognizance of the complaint and issued summons. Our employee filed criminal revision petition 24 of 2007 before the Additional Sessions Judge, Katghora, who, by order dated August 17, 2011, dismissed the revision. Our employee filed criminal miscellaneous petition 638 of 2011 dated September 25, 2011 in the High Court of Chhattisgarh at Bilaspur.

6. Pursuant to first information report 190 of 2006 an inspection report was issued by the police inspector, Kahalgaon, and a notice was issued by the Sub-divisional Magistrate Kahalgaon against certain employees of our Company for discharging waste water including ash in the river Ganga near Koa Nalla. Our Company filed an objection petition.

PILs and Environmental Matters

Set out below are details of PILs and material environmental proceedings that our Company is involved in:

1. M.C. Mehta filed WP 3727 of 1985 against the Union of India and others in the Supreme Court of India ("**Supreme Court**"), for pollution in the Singrauli region of Uttar Pradesh. The Supreme Court, by order dated January 12, 1988, directed local authorities in the state of Uttar Pradesh, which have jurisdiction over the Ganga basin, to file affidavits explaining steps taken for prevention of pollution of the river Ganga and, by order dated August 4, 1992, directed the pollution control boards of three states to survey the Ganga basin to identify polluting industries and send notices to each such industry to show that treatment plants for controlling pollution have been installed. M.C. Mehta filed an interlocutory application (I.A. 343 of 1999), impleading our Company as a respondent, alleging that that our Company, under the 1993 World Bank Project scheme, had undertaken a study on the health and environmental impact of proposed capacity expansion of the Vindhyachal and Rihand thermal power plants in Singrauli, which has been maintained as confidential. M.C. Mehta sought directions to our Company to furnish to the Supreme Court studies undertaken by our Company including through the Indian Toxicology Research Centre, Lucknow and Electricite de France and monitoring reports on the deteriorating quality of environment in Singrauli, and to direct relevant authorities to stop further expansion of existing mining, industrial and power generation activities in Singrauli until adequate measures were undertaken to mitigate adverse environmental impact. The Supreme Court, by order dated March 31, 2006, directed our Company and others to place on record updated status of preventive measures installed in units in Singrauli. Our Company filed its replies.

2. The GoI had issued a notification dated September 14, 1999 directing manufacture of bricks using fly-ash in building material and construction activity within 50 kilometres of coal-based or thermal power plants and a notification dated August 27, 2003 extending the radius to 100 kilometres. B.L. Vadehra filed WP 2145 of 99 against our Company and others alleging non-compliance with the notification dated September 14, 1999 and seeking directions for compliance.

3. Upendra Pandey filed WP 298 of 2005 dated January 11, 2005 in the High Court of Madhya Pradesh at Jabalpur, against our Company and others, seeking a writ or direction to our Company to provide civic amenities and rehabilitation facilities to persons affected by land acquisition by our Company, to eradicate air and water pollution allegedly caused by the Vindhyachal Super Thermal Power Project, including maintenance of the Rihand reservoir and ash dykes, and a writ restraining our Company and other respondents from continuing construction of stage III of the power project and of ash dykes until disposal of the petition. Our Company filed its reply on November 17, 2008.

4. Upendra Pandey filed WP 8948 of 2008 against the state of Madhya Pradesh and others alleging inadequate rehabilitation and resettlement facilities provided by Northern Coalfields Limited to persons affected due to land acquisition by local authority in Singrauli for one of our projects. Mr. Pandey filed an application dated March 27, 2012 to amend the writ petition to implead our Company.

5. V.K Verma Patel filed WP 6222 of 2004 in the High Court of Allahabad at Lucknow against an employee of our Company and others, to quash the notification dated January 14, 2000 by the Governor of Uttar Pradesh regarding land acquisition policy, prior to the transfer of the Tanda plant to our Company, and to direct the state and our Company to redress associated public grievances such as crop compensation and employment of erstwhile Uttar Pradesh SEB employees. Our employee filed a counter affidavit and application for dismissal of the writ petition on October 13, 2006.

6. Annam Sivaiah and another filed WP 18822 of 2011, and affidavits 22727 of 2011 and 22728 of 2011 in the High Court of Andhra Pradesh at Hyderabad against the government of Andhra Pradesh and others seeking writ of mandamus declaring the permission granted by the government of Andhra Pradesh and its agencies allowing one of the respondents to illegally carry out sand mining activities beyond the area notified to them using methods other than permitted. The High Court, by order dated March 21, 2012, restrained the government of Andhra Pradesh from issuing/renewing sand mining/quarrying leases without the permission of the High Court with effect from April 1, 2012, and by orders dated April 12, 2012 and April 20, 2012 exempted Singareni Collieries Company Limited and the modernization projects in the east and west Godavari districts from the application of order dated March 21, 2012. Our Company filed impleadment application no.1674 of 2012 seeking vacation of the order dated March 21, 2012. The High Court, by order dated April 26, 2012 confirmed its order dated March 21, 2012, concurring with order of the Supreme Court dated February 27, 2012 that made it conditional to obtain environmental clearance for obtaining a mining lease for minor minerals. One of the affected parties filed a special leave petition ("**SLP**") dated May 3, 2012 in the Supreme Court against the order dated April 26, 2012 where our Company is a pro forma respondent. The Supreme Court, by order dated June 4, 2012, directed the MoEF to consider any application for environmental clearance within three weeks.

7. Rakemul and others filed WP 2069(W) of 2010 in the High Court of Calcutta against our Company and others, seeking writs of mandamus and certiorari directing construction of sufficient water outlets for draining stagnant rainwater, repair of flood affected roads around the Farakka Barrage Project Feeder Canal Bundh Road, forbearing from construction of new ash ponds and restraining collection of toll taxes near the project.

8. Mahamanab Nirved Satya Dhama filed OJC 3805 of 1996 against our Company in the High Court of Orissa at Cuttack alleging pollution of the Brahmani river by the Talcher Thermal Power Station and Talcher Super Thermal Power Project and seeking directions to be issued to our Company to undertake steps to prevent such pollution. Our Company filed its reply.

9. Prakriti Kunda Pratapgarh filed WP 1435 of 2002 (M/B) in the High Court of Allahabad, against Feroze Gandhi Unchahar Thermal Power Project and others, alleging health concerns among local residents due to air and water pollution due to the ash discharge into the river Ganga. The Prakriti Kunda Pratapgarh sought imposition of certain checks and measures on air and water pollution caused by our Company. Our Company filed a counter affidavit.

10. Sanjeev Dutta and others filed WP 105 of 2001 in the High Court at Bilaspur against our Company and others, seeking quashing of the order transferring forest land to our Company and stay on further establishment of the Sipat power plant. Our Company filed a reply dated March 5, 2001. The High Court, by order dated February 27, 2001, restrained further felling of trees by our Company, and, by order dated October 31, 2001, vacated the previous order. Our Company deposited ₹ 0.65 crore as compensation for loss due to felling of trees.

11. Rama Shakar Gurudwan filed WP 778 of 2001 against our Company in the High Court of Chhattisgarh at Bilaspur, seeking directions to our Company to comply with the requirements of the environmental clearance and to restore land situated outside the acquired area that was covered by ash and water released from ash dams.

12. Bhumesh Sharma filed WP 3687 of 2013 dated April 8, 2013 in the High Court of Delhi against our Company and others, seeking a writ of mandamus directing our Company to comply with the Ministry of Environment and Forests, GoI notification dated September 14, 1999 regarding disposal of fly ash, and restraining our Company from free disposal of fly ash to any person during pendency of the petition.

13. Chandrasekhar Bawankule filed PIL 108 of 2012 dated August 6, 2012 in the High Court of Bombay at Nagpur, against our Company and others, alleging that the road leading to the Mouda plant and in the vicinity of the plant were damaged by entry and exit of trucks, and seeking a writ directing the state of Maharashtra to recover necessary amount for repair of the roads from our Company and others.

14. M.P. Patil filed appeal 12 of 2012 before the National Green Tribunal against our Company and others, challenging the MoEF's grant of environmental clearance for our Kudgi super thermal power project. Our Company filed its reply, verified on July 4, 2012.

15. Ramesh Agarwal filed appeal 37 of 2013 before the National Green Tribunal against our Company and others, challenging the MoEF's grant of environmental clearance for our Lara super thermal power project.

16. Debesh Das filed writ petition 4437 of 2003 dated April 29, 2003, in the High Court of Orissa at Cuttack, against our Company and others challenging our Company's decision to supply 292 MW of power to Grid Corporation of Orissa Limited out of its allocation of 630 MW for three months due to non-payment of dues, on the ground that it was arbitrary and in violation of the Constitution of India and the statutory rights of an electricity consumer in Orissa.

17. Vikalpa, a NGO, filed writ petition 4162 of 2003 in the High Court of Orissa at Cuttack against the state of Orissa and others challenging the state of Orissa's entry into an agreement with the GoI and RBI assuming liability to discharge payment obligations of the Grid Corporation of Orissa Limited in case of default in its payment obligations under PPAs with our Company, on the ground that it is detrimental to the interests of the residents of Orissa who are not power consumers. Our Company filed application dated July 4, 2003 impleading itself as a party.

18. Satna Motor Transport Association filed writ petition 1372 of 2009 in the High Court of Madhya Pradesh at Jabalpur against the state of Madhya Pradesh and others seeking directions from appropriate authorities to prevent overloading of vehicles transporting cement from cement manufacturers. Our Company is impleaded as a proforma party.

Civil Suits

Set out below are details of material civil suits that our Company is involved in:

1. Our Company filed original suit 95 of 2006 dated December 20, 2005 in the High Court of Bombay against RIL, seeking a declaration that a valid and binding contract exists between the parties for supply of natural gas of 132 trillion BTU *per annum* for a period of 17 years, a decree of specific relief directing RIL to accordingly rectify documents sent by them, and an injunction restraining RIL from supplying, or entering into any contract or arrangement or commitment for supply of, any part of this gas from the KG-DWN-98-3 gas block to any other party.

2. Siemens Aktiengesellschaft (Germany) initiated arbitration (Case No.11728/ACS) against our Company in the International Court of Arbitration, International Chamber of Commerce, arising out of contracts awarded by our Company for execution of main plant package for the Dadri project. The total amount claimed by Siemens Aktiengesellschaft (Germany) is approximately Deutsche Mark 44.11 million excluding interest. Our Company raised a counter claim of approximately Deutsche Mark 63.40 million, USD 0.20 million, ₹ 2,672.04 million and EURO 210,307 as compensation for losses due to delay in completion. The arbitral tribunal by its award dated July 31, 2002 admitted Siemens Aktiengesellschaft (Germany)'s claim and rejected our Company's counter claim. Our Company filed OMP 462 of 2003 in the High Court of Delhi, which, by order dated May 24, 2005, upheld the partial award. Our Company filed SLP 17700 of 2005 in the Supreme Court, which dismissed the petition in favour of Siemens Aktiengesellschaft (Germany) by order dated November 28, 2007. The arbitration tribunal passed its final award on 6 January, 2009, including the partial awards and claims of Deutsche Mark 25.75 million plus USD 0.88 million were awarded in favour of Siemens Aktiengesellschaft (Germany). Our Company filed 2 WPs 229 and 230 of 2009 in the High Court of Delhi challenging the award, which were dismissed by order dated April 26, 2012 and the High Court imposed costs of ₹ 0.10 crore on our Company. Our Company filed appeals FAO 371 and 372 of 2012 in the Supreme Court, which, by orders dated November 7, 2012 and December 5, 2012, stayed initiation of execution proceedings and payment of decretal amount by our Company.

3. SPML Infra Limited filed SLP 36313 of 2010 in the Supreme Court, against order dated November 10, 2011 of the High Court of Delhi disposing of petition 303 of 2010, directing our Chairman and Managing Director to appoint an arbitrator in a dispute regarding a contract for civil works between our Company and SPML Infra Limited, seeking stay on this order and arbitration proceedings that may be initiated before the arbitrator appointed by our Company, a direction as to whether its claims of ₹ 217.99 crore may be referred to the arbitral tribunal, and issuance of directions for invocation of certain bank guarantees by our Company.

Arbitration

Set out below are details of material arbitral proceedings that our Company is involved in:

1. Italian-Thai Development Public Company Limited initiated arbitration proceedings, claiming ₹ 381.71 crore from our Company, alleging incorrect determination of costs and delays in providing infrastructure, resulting in escalation of costs for a contract for construction of the dam, spillway and power intake package for a hydro project. Our Company filed additional submissions and a statement of defense and Italian-Thai Development Public Company Limited filed a rejoinder. Italian-Thai Development Public Company Limited initiated arbitration proceedings before another tribunal, alleging failure in payment of due rates and reimbursement of royalty charges, claiming ₹ 164.43 crore against our Company. Our Company filed a statement of defense dated September 9, 2012 and Italian-Thai Development Public Company Limited filed a rejoinder on January 25, 2013

2. Larsen and Toubro Alpine Bau GmBH (JV) initiated arbitration proceedings on April 27, 2011 for disputes arising out of a contract for construction in relation to a hydro project, seeking damages and additional payments of ₹ 251.19 crore from our Company, for alleged inadequacy of infrastructural facilities provided for construction purposes, delay in handing over project area and lack of timely instructions. Our Company filed a reply on June 5, 2011 and Larsen and Toubro Alpine Bau GmBH (JV) filed a rejoinder on July 7, 2011.

3. NBCC initiated arbitration proceedings (case PMA/Dr.GR/52/2012) against our Company for recovery of royalty of ₹ 361.26 crore.

Taxes and Statutory Dues

Set out below are details of proceedings in relation to taxes and statutory dues (not including assessments and reassessments being undertaken in the ordinary course), which our Company is involved in:

Income Tax

1. The Assistant Commissioner of Income Tax ("**Assistant CIT**"), by assessment order dated March 31, 2003, disallowed deduction of ₹ 2.39 crore and re-classified interest earned on funds borrowed for construction of new plants as income from other sources for assessment year 1994-95. Our Company filed appeal 20/2003-04 dated April 30, 2003 before Commissioner of Income Tax (Appeals) ("**CIT (A)**"), who, by order dated March 27, 2006, rejected the claim by the assessing officer. The assessing officer filed second appeal 2047/D/06 dated June 2, 2006 before the Income Tax Appellate Tribunal ("**ITAT**").

2. The Additional Commissioner of Income Tax ("**Additional CIT**"), by assessment order dated March 4, 2003, demanded ₹ 0.04 crore on our Company for assessment year 1997-98, re-classifying interest earned on funds borrowed for construction of new plants as income from other sources. Our Company filed appeal 151/2002-03 dated March 27, 2006, before the CIT (A), who, by order dated March 26, 2006, quashed the order of the assessing officer. The assessing officer filed second appeal 2048/D/06 dated June 2, 2006, before ITAT. The Committee on Disputes, GoI, pursuant to a meeting dated December 26, 2007, required matters relating to assessment years 1994-95 and 1997-98 to be clubbed as a condition for filing appeal before ITAT.

3. The Additional CIT, by assessment order dated February 27, 2006, assessing taxable income of ₹ 4,959.13 crore as against returned income of ₹ 36.64 crore. Our Company filed appeal 115/2005-06 dated March 26, 2008, before the CIT (A). The CIT (A), by order dated October 3, 2008, accepted our

Company's complaint and directed the assessing officer to re-compute taxable income. The Additional CIT filed a second appeal before ITAT.

4. The Deputy Commissioner of Income Tax ("**Deputy CIT**"), by assessment order dated November 27, 2006, assessed the income to be ₹ 3,736.19 crore as against ₹ 1,130.18 crore, demanded ₹ 775.63 crore, disallowing deductions for the combined cycle gas power, income tax recoverable from state electricity boards, notional expenditure attributable to interest earned on tax-free bonds, expenses incurred on assets not owned by our Company and pre-commissioning sales. Our Company filed appeal dated December 19, 2006 before the CIT (A), who, by notice dated October 19, 2007, directed the Deputy CIT to revise the assessment order for assessment year 2005-06 for additional depreciation on new plant and machinery and provisional sales. Our Company filed appeal 1438/Del/09 dated April 13, 2009, before ITAT, challenging the power of the CIT (A) to direct re-assessment of income alleging that there was no change in the facts and circumstance of the case considered previously. ITAT partly allowed the appeal, upholding the decision of the CIT (A) to direct the Deputy CIT Tax to re-assess the income for provisional sales. Our Company filed appeal ITA 507 of 2012 in the High Court of Delhi. However, the Deputy CIT demanded ₹ 622.18 crore by notice dated March 24, 2009. Our Company filed appeal 162/09-10 before the CIT (A).

5. The Additional CIT by assessment order dated November 27, 2007, demanded ₹ 1,206 crore for assessment year 2006-2007, disallowing deductions for gas units, income tax recoverable from state electricity boards, pre commissioning sales, notional expenditure attributable to interest earned on tax-free bonds, capital expenses on assets not owned by our Company, provisional sales, additional depreciation on new plant and machinery and premium on purchase of securities. Our Company filed appeal 78/07/08 dated December 26, 2007 before CIT (A).

6. The Additional CIT by assessment order dated February 27, 2009 for assessment year 2007-2008, demanding ₹ 1,983.85 crore. The total amount in dispute involved for the year was ₹ 1,919.03 crore, disallowing deductions for gas units, brought forward losses income tax recoverable from state electricity boards, pre commissioning sales, notional expenditure attributable to interest earned on tax-free bonds, capital expenses on assets not owned by our Company, profit of BTPS unit not received from the government provisional sales, additional depreciation on new plant and machinery and premium on purchase of securities. Our Company filed appeal dated April 2, 2009 before the CIT (A).

7. The Additional CIT by assessment order dated December 31, 2010 for assessment year 2008-09 demanded ₹ 2,053.21 crore, disallowing reversal of sales, provisional billing of sales, additional depreciation, disallowance related to gas units/brought forward losses, income tax recoverable from state electricity boards, notional expenditure attributable to interest earned on tax-free bonds. The Assistant CIT passed a rectification order dated January 31, 2011, reducing demand to ₹ 1,837.24 crore. Our Company filed appeal before the CIT (A).

8. The Additional CIT by assessment order dated December 29, 2011 for assessment year 2009-10 demanded ₹ 1,288.45 crore, disallowing reversal of sales, provisional billing of sales, additional depreciation, disallowance related to gas units/brought forward losses, income tax recoverable from state electricity boards, notional expenditure attributable to interest earned on tax-free bonds. The Assistant CIT, by rectification order dated January 16, 2012, reduced demand to ₹ 1,230.61 crore. Our Company filed appeal 396/11-12 before the CIT (A).

9. The Additional CIT, by assessment order dated February 22, 2013, for assessment year 2010-11 demanded ₹ 928.16 crore, disallowing deductions related to gas units/brought forward losses and notional expenditure attributable to interest earned on tax-free bonds. The Assistant CIT, by rectification order dated March 18, 2013, reduced demand to ₹ 880.65 crore. Our Company filed appeal dated March 26, 2013 before the CIT (A). The Deputy CIT granted a stay on payment of ₹ 210 crore until disposal of the first appeal or June 30, 2013, whichever is earlier. There has been no further correspondence with tax authorities.

10. The Income Tax Officer, W-1, Dhenkanal, by notice dated September 9, 2007 directing our Company to pay ₹ 0.62 crore. Our Company filed appeal 0098/2007-08 dated September 6, 2007 before ITAT, which by, order dated June 23, 2008, upheld the order of the Income Tax Officer. Our Company filed appeal dated August 22, 2008 before ITAT, Cuttack, Orissa.

11. The Commissioner of Income Tax, by notice to our Company, demanded ₹ 0.29 crore for tax deducted at source. The First Appellate Authority rejected our response and the appeal has been filed before ITAT, Cuttack.

12. The Assistant CIT, Thiruvananthapuram, by notice dated February 20, 2012, demanded ₹ 79,140 for short payment of tax deducted at source for assessment year 2010-11. Our Company replied to the notice by letters dated June 5, 2012.

13. The Assessing Officer, Thiruvananthapuram, by orders dated June 25, 2012, demanded ₹ 39,800 and ₹ 10,136 for short payment of tax deducted at source for the first and second quarters of assessment year 2012-13. Our Company filed reply dated October 11, 2012.

14. The Assistant CIT (TDS), by order dated February 7, 2013, demanded ₹ 0.07 crore for short payment of tax deducted at source ("**TDS**") for the fourth quarter of assessment year 2008-09. Our Company filed reply dated April 15, 2013.

15. The Assistant CIT (TDS), Thiruvananthapuram, by order dated September 18, 2009, demanded ₹ 49,936 for assessment year 2012-13 and ₹ 0.07 crore for assessment year 2008-09. Our Company filed reply dated September 27, 2013.

16. The Additional CIT, TDS Range, Surat, by notice dated October 18, 2013, levied penalty of ₹ 0.01 crore for non-deduction of income tax from payment of professional literature reimbursement.

17. The NTPC Employees Union, Uttar Pradesh filed writ petition no. 2348 of 2008 in the High Court of Allahabad at Lucknow, seeking a writ against our Company and others to not include accommodation perks for the purpose of calculating income tax for the employees.

Indirect tax and other proceedings

18. The Joint Commissioner (SIB), Commercial Tax, Etawah, by letter dated November 13, 2009, held RIL liable to pay value added tax ("**VAT**") on sale of natural gas to fertilizer companies in Uttar Pradesh, which was denied by RIL. The assessing authority issued provisional assessment order dated January 25, 2010 for the period April 2009 to November 2009 against RIL for ₹ 94.86 crore. RIL filed appeal before the Additional Commissioner, Grade II (Appeals), which was dismissed on May 7, 2010. RIL filed a second appeal before the Uttar Pradesh Commercial Taxes Tribunal, Lucknow, which, by order dated May 13, 2010, remanded the case for fresh assessment. The assessing authority, by order dated June 11, 2010, passed separate assessment orders for the months of April 2009 to March 2010 on the value of natural gas sold by RIL to customers in Uttar Pradesh, against which RIL filed WP 6281 (MB) of 2010 in the High Court of Allahabad at Lucknow, which stayed operation of the assessment orders dated June 11, 2010, while directing *status quo*, against which the State of Uttar Pradesh filed SLP (Civil) 24472 of 2011 in the Supreme Court, which, by order dated January 23, 2012, remitting the matter to the High Court. The Division Bench of the High Court, by judgment dated September 7, 2012, quashed the order dated June 11, 2010. The State of Uttar Pradesh filed an SLP (Civil) in 2013 in the Supreme Court.

19. Our Company filed SLP to appeal 6483 of 2012, challenging the dismissal, by order dated August 24, 2011 of the High Court of Madhya Pradesh at Jabalpur, of WP 11702 of 2011 filed by our Company in the High Court of Madhya Pradesh at Jabalpur, against the State of Madhya Pradesh and others, challenging Northern Coalfields Limited's demand, by letters dated June 22, 2011, June 30, 2011 and July 5, 2011, of ₹ 663.65 crore as tax on coal supplies for the period August 1, 2007 to March 31, 2011 in addition to revised royalty as per notification dated August 1, 2007, which directed that states other than West Bengal that levy cess or other taxes specific to coal bearing land to adjust royalty for local cesses or taxes.

20. Our Company filed WP 7894 of 2012 in the High Court of Delhi against the South Delhi Municipal Corporation by notice D-326/608 requiring payment of house tax arrears of ₹ 50.25 crore for the period June 1, 2006 to March 31, 2013 on vacant land. The High Court, by order dated December 18, 2012, directed the South Delhi Municipal Corporation not to take coercive steps against our Company in light of a meeting of between the parties at the office of the Secretary, MoP on January 3, 2013. The MoP, by order dated February 21, 2013, stated that our Company was not liable to pay property tax on the vacant

land. A counter affidavit was filed by our Company on May 21, 2013 and a rejoinder was filed by the South Delhi Municipal Corporation on September 16, 2013.

21. The Commissioner, Commercial Tax, Uttar Pradesh, Lucknow filed commercial tax revision petition 2194 of 2008 in the High Court of Allahabad, challenging notice dated April 12, 2008 requiring deposit of ₹ 0.22 lakhs and order dated June 19, 2008 of the Commercial Tax Tribunal, Allahabad (in appeal against appellate order dated May 21/22, 2008 partially allowing our Company's first appeal against seizure of goods by the Railway Sahaita Kendra, Commercial Tax Allahabad) directing the Railway Sahaita Kendra, Commercial Tax, Allahabad, to release goods confiscated without furnishing security.

22. Our Company filed trade tax revision petition 1699 of 2007 in the High Court of Allahabad, challenging the order dated September 13, 2007 of the Trade Tax Tribunal levying entry tax on coal purchased by us at wholesale prices. The Trade Tax Tribunal allowed our appeal 215 of 2007 challenging dismissal of our first appeal 150 of 2007 by the Joint Commissioner (Appeals), Trade Tax, Varanasi, by order dated January 25, 2007, against demand of ₹ 69,767 of the Deputy Commissioner (Assessment), Trade Tax, Sonebhadra for assessment year 2004-05.

23. The Deputy Commissioner, Trade Tax, Sonebhadra, by order dated March 7, 2009, demanded ₹ 0.12 crore for assessment year 2005-06 for short payment of entry tax on purchase of coal, cement, diesel and other fuel. Our Company filed appeal 15/10 before the Additional Commissioner (Appeals), Trade Tax, Sonebhadra who, by order dated March 30, 2010, rejected our appeal. Our Company filed appeal 83/2010 in the Trade Tax Tribunal, Varanasi, which, by order dated June 19, 2010, allowed the appeal and remanded it to the First Appellate Authority.

24. The Deputy Commissioner, Trade Tax, Sonebhadra, by order dated September 15, 2010, demanded ₹ 0.62 crore for assessment year 2006-07 for short payment of entry tax on purchase of coal, cement, diesel and other fuel. Our Company filed appeal 441/10 before the Additional Commissioner, Trade Tax, Varanasi Zone. Sonebhadra, and the Additional Commissioner by order dated May 11, 2011 allowed the appeal and reduced demand to ₹ 0.45 crore. Our Company filed appeal 188/2010 before the Trade Tax Tribunal, Varanasi.

25. The Joint Commissioner (Corporate Cell), Trade Tax, Varanasi Zone II, Sonebhadra, by order dated February 18, 2012, demanded ₹ 32.89 crore, including penalty, for short payment of entry tax on purchase of diesel, furnace oil, coal and other fuel for assessment year 2008-09. Our Company filed appeal 802/12/Section-9(4)/2008-2009 before the Additional Commissioner (Appeals), Trade Tax, Mirzapur, which, by order dated November 30, 2012, rejected the appeal and confirmed the order dated February 18, 2012. Our Company filed appeal 37/13 2008-09 before the Trade Tax Tribunal, Varanasi, challenging the order dated November 30, 2012. The Trade Tax Tribunal by order dated March 18, 2013 stayed realization of demand.

26. The Joint Commissioner (Corporate Cell), Trade Tax, Varanasi Zone II, Sonebhadra, by order dated April 26, 2013 demanded ₹ 32.88 crore for assessment year 2009-10 for short payment of entry tax on purchase of cement, coal and other material. Our Company filed appeal before the Additional Commissioner (Appeals), Varanasi.

27. Our Company filed appeal AA-Angul-11/10-11 before the Additional Commissioner of Commercial Tax (Appeals), Central Zone, Cuttack, seeking a stay on realization of VAT and penalty of ₹ 0.40 crore, by order dated July 26, 2010 of the High Court of Orissa at Cuttack. The appeal was filed against demand order dated February 10, 2010 of the Joint Commissioner of Commercial Taxes, Angul Range, Angul. The Additional Commissioner, by order dated November 19, 2011, directed our Company to deposit ₹ 0.02 crore and stayed the remaining demand until disposal of the first appeal.

28. Our Company filed appeal AA-Angul-13/10-11 before the Additional Commissioner of Commercial Tax (Appeals), Central Zone, Cuttack, seeking a stay on realization of the tax and penalty of ₹ 69.06 crore demanded by order dated July 26, 2010 of the High Court of Orissa at Cuttack. The appeal was filed against demand order dated February 10, 2010 of the Joint Commissioner of Commercial Taxes, Angul Range, Angul. The Additional Commissioner, by order dated November 29, 2011, stayed the remaining demand until disposal of the first appeal.

29. The Assessing Officer, Trade Tax, Sonebhadra, by notice dated September 28, 2007, demanded ₹ 81.97 crore as entry tax on coal imported by our Company from Madhya Pradesh. Our Company filed appeals 135 to 141 of 2007 before the Appellant Tax Tribunal, Varanasi and revision petition TTR 1700 of 2007 dated September 24, 2007 in the High Court of Allahabad, which, by order dated December 12, 2007, stayed demand.

30. Our Company filed a WP 129 (Tax) of 2008 in the High Court of Allahabad, claiming a writ of certiorari to restrain the forest department from demanding transit fee on the transportation of fly ash generated at Rihand Super Thermal Power unit. The High Court through its order dated January 24, 2008 granted stay and connected the matter with WP 1754 of 2007. The State of Uttar Pradesh filed an application in the High Court for vacation of the stay.

31. Our Company filed a commercial tax revision petition 291 of 2009, in the High Court of Allahabad against the Commissioner, Commercial Taxes, Uttar Pradesh, Lucknow challenging the order dated March 18, 2009 of the Commercial Tax Tribunal, Varanasi affirming penalty and dismissing the appeal against the order dated March 31, 2008 in the first appeal. The said first appeal was filed before the Joint Commissioner (Appeals), Trade Tax challenging penalty of ₹ 0.90 crore imposed by the Deputy Commissioner (Assessment) Trade Tax, Sonebhadra by order dated September 20, 2007 on the purchase of diesel at concessional rates for transportation of coal. the High Court by order dated May 8, 2009 stayed operation of the order dated March 18, 2009 upon deposit of security by our Company.

32. The Department of Forests, Government of Madhya Pradesh, issued notification F 5/9/10-3/2001 dated May 28, 2001 directing the Northern Coalfields Limited, to deposit ₹ 7 per metric tonne together with 4% interest on the coal supplied to Singrauli Super Thermal Power Plant, Rihand Super Thermal Project and Vindhyachal Super Thermal Power Station, on the coal excavated and transported with immediate effect and they in turn imposed the same amount on our Company by notification dated May 28, 2001 for the period June 2001 to April 2007. Our Company filed a WP 612 of 2003 in the High Court of Madhya Pradesh at Jabalpur, challenging constitutionality of this notification. By order dated May 14, 2007, the High Court held the notification to be unconstitutional. The state of M.P. filed special leave to appeal 8713 of 2008 dated April 7, 2008. The Court, by order dated April 2, 2008, stayed operation of the order of the High Court.

33. Ashtech (India) Private Limited and others filed 4 special leave to appeal petitions (Nos. 37683 of 2012, 13522 of 2013, 13523 of 2013 and 13524 of 2013, respectively) in the Supreme Court against our Company and others, challenging common order dated November 11, 2011, corrected by order dated November 21, 2011 in WP 327 of 2008, of the High Court of Allahabad, upholding increase in transit fee to ₹ 38 per tonne of soil excavated from Rihand reservoir by the Department of Forests, Government of Uttar Pradesh. The Supreme Court, by orders dated April 22, 2013, stayed demand and recovery of transit fee and clubbed SLA 37682 of 2012 with another matter relating to transit fee, while allowing the other three appeals.

34. Our Company filed WP 1754 of 2007 in the High Court of Allahabad challenging notice No.179/Anpara/37 dated November 21, 2007 by the Forest Range Officer, Pipri, Renukoot, Uttar Pradesh, requiring our Company to pay transit fee of ₹ 38 per tonne on transport of fly ash from the state of Uttar Pradesh. The Court, by order dated December 17, 2007, stayed levy of transit fee.

35. Our Company filed a trade tax revision petition 1700 of 2007 in the High Court of Allahabad challenging order dated June 7, 2007 of the Appellate Tax Tribunal, Varanasi disposing of appeals 35 to 141 of 2007 against demand order dated September 28, 2007 of the Assessing Officer, Trade Tax, Sonebhadra, levying entry tax of ₹ 17.50 crore, including demand of ₹ 50,870 on coal imported by our Company from Madhya Pradesh. The High Court, by order dated December 12, 2007, affirmed by order dated August 3, 2008, stayed levy of entry tax.

36. Our Company filed a commercial tax revision petition 290 of 2009 in the High Court of Allahabad challenging order dated March 18, 2009 of the Member, Commercial Tax Tribunal Bench-4, Varanasi dismissing the appeal against the order dated March 31, 2008 of the Joint Commissioner (Appeals) dismissing the first appeal, which was filed against order dated September 20, 2007 of the Deputy Commissioner (Assessment), Trade Tax directing our Company to pay a penalty of ₹ 0.63 crore for concession in the rate of diesel for transport of coal. The High Court by order dated May 8, 2009, granted a stay on the order dated March 18, 2009 upon deposit of security by our Company.

37. Our Company filed WP 9073 of 2004 and a stay application 11685 in the High Court of Andhra Pradesh at Hyderabad against the government of Andhra Pradesh and others challenging notice dated April 17, 2004 issued by the Department of Mines and Geology, Karimnagar, Government of Andhra Pradesh for non-payment of seigniorage fee on the minerals consumed at our Ramagundam plant, and demanded ₹ 1.81 crore, including penalty. The High Court by order dated May 11, 2004 stayed demand.

38. The Assistant Commissioner of Sales Tax ("**Assistant CST**"), Cuttack-II, Range Cuttack, Orissa by assessment order dated March 10, 2005, demanded ₹ 0.04 crore for assessment year 2002-2003 for short payment of tax on sale of machinery parts such to registered dealers. By revised assessment order dated March 11, 2005, demand was revised to ₹ 0.03 crore. Our Company filed appeal CU-II-AA-DL-04/05-06 dated April 11, 2005 before the Additional CST, Central Zone, Cuttack. The Additional CST stayed realization of demand.

39. The Assistant CST (Assessment), Cuttack-II, Range Cuttack, Orissa, passed an order dated January 27, 2004, demanded ₹ 0.03 crore for assessment year 2000-01 for short payment of tax on sale of scrap to registered dealers. Our Company filed appeal CU-II-AA-DL-26/03-04 dated February 19, 2004, before the Additional Commissioner of Sales Tax, Central Zone Orissa, Cuttack, who, by order dated March 17, 2004 granted stay on demand.

40. The Sales Tax Officer, Angul by assessment order dated January 12, 2009 demanded ₹ 0.02 crore for short payment of tax on sale of scrap by our Company. Our Company filed appeal AA/08/DLC/AL/2009-10 and the Joint Commissioner of Commercial Tax, Angul Range, Angul by order dated November 21, 2012 confirmed the order of the Sales Tax Officer and dismissed the appeal. Our Company filed appeal dated February 4, 2013 before the Sales Tax Tribunal, Odisha, Cuttack and a stay application dated February 5, 2013 before the Additional Commissioner of Commercial Tax for stay on demand.

41. The Deputy Commissioner of Commercial Taxes, Angul by assessment order dated February 10, 2010 demanded ₹ 0.61 crore disallowing concessionary rates of tax on coal, for the period April 1, 2005 to December 31, 2008. Our Company filed appeal AA-Angul-21/10-11 dated April 3, 2010 before the Additional CST (Appeals), Central Zone, Cuttack against the order dated February 10, 2010 and for granting stay on realization of demand. Further, our Company filed appeal dated April 5, 2010 against imposition of penalty of ₹ 0.41 crore for the same period. The Additional CST by order dated November 19, 2011 stayed realization of demand until disposal of the first appeal.

42. The Joint Commissioner of Sales Tax, Angul by notice dated November 29, 2012 demanded ₹ 4,676, including interest and penalty under the Orissa Entry Tax Act, 1999 for the period April 1, 2005 to December 31, 2008. Our Company filed revision application dated February 5, 2013 of order dated November 29, 2012.

43. The Sales Tax Officer, Dhenkanal Circle, Angul, Orissa, by notice dated February 12, 1998, imposed penalty of ₹ 5.02 crore for the period March 3, 1989 to March 18, 1997 for mis-utilization of forms for purchase of goods not included in the registration certificate for the generation of electricity for the period 1993 to 1995. Our Company filed appeal before the Commissioner of Sales Tax ("**Commissioner ST**"), Cuttack, who, by order dated May 16, 1998, reduced penalty to ₹ 4.65 crore, and required our Company to deposit ₹ 1.5 crore. Our Company filed WP 7561 of 1998 in the High Court of Orissa at Cuttack, which, by order dated February 7, 2002, remanded the case to the Sales Tax Officer, who, by order dated January 31, 2005, directed our Company to deposit the balance penalty. Our Company filed a revision petition CU-II-78/04-05.

44. The Sales Tax Officer, Dhenkanal Circle, Angul, Orissa, by assessment order dated February 15, 2006, demanded ₹ 0.01 crore for non-disclosure of forms on sale of scrap dealers registered outside Orissa for assessment period 2004-2005. Our Company filed first appeal AA/24/DLC/2006-07/CT dated August 26, 2006, before the Assistant CST, Cuttack-II Range, Orissa. The Assistant CST, by order dated November 10, 2006, stayed demand. Our Company filed a revision petition CUII-291/2006-2007 dated December 5, 2006, before the Additional CST, Central Zone, Cuttack for the full stay on realization of the tax demanded. The Additional CST, Cuttack, Orissa by order dated October 17, 2007 stayed realization of the tax until disposal of the first appeal. Our Company filed appeal 22093/CT STO/ANG/715/12-13

against the order dated March 31, 2008 of the Assistant CST on November 8, 2012 before the Additional CST.

45. The Sales Tax Officer, Dhenkanal Circle, Angul, Orissa by order dated December 30, 2004 demanded ₹ 3.23 crore for wrong calculation of applicable tax rate on purchase of coal, for assessment year 2003-2004 disallowing coal as raw material. Our Company filed appeal AA 487/ET/DL/2004-05 before the Assistant CST, Cuttack II Range, Cuttack and, by order dated September 28, 2005, the Assistant CST directed our Company to deposit ₹ 2.35 crore by order dated February 20, 2005, reduced demand to ₹ 2.74 crore, allowing for entry tax already paid. Our Company filed appeal ET254/05-06 dated January 25, 2006 before the Sales Tax Appellate Tribunal, Cuttack, Orissa. Our Company filed a stay petition CU-II-AST 128/05-06 before the Commissioner ST for on the balance ₹ 0.38 crore. The Commissioner ST by order dated February 9, 2006 directed our Company to deposit the balance amount. Our Company filed WP 2703 of 2006 in the High Court of Orissa at Cuttack for quashing the order dated February 9, 2006 and for stay on realization of the tax demand. The High Court by order dated March 6, 2006 granted the stay.

46. The Sales Tax Officer, Dhenkanal Circle, Angul, Orissa, by notice dated July 21, 1999 and order dated December 30, 1999, imposed penalty of ₹ 1.02 crore for mis-utilization of forms for purchase of certain goods not included in the registration certificate for generation of electricity, for the period April 25, 1996 to March 12, 1999. Our Company filed appeal AA 120/DL/99-2000 before the Assistant CST, Cuttack-II, Orissa, challenging the order dated December 30, 1999. The Assistant CST quashed the claim of the sales tax officer by order dated August 14, 2000. The Commissioner ST, Orissa filed S.A. 76 (C) 2000-01 dated November 11, 2000, before the Sales Tax Tribunal, Cuttack, Orissa. Our Company filed a cross objection dated May 15, 2006.

47. The Sales Tax Officer, Dhenkanal Circle, Angul, Orissa, by assessment order dated February 18, 2006, demanded ₹ 3.92 for wrong calculation of applicable tax rate on purchase of coal, for the period April 1, 2005 to December 31, 2005 disallowing coal as raw material. Our Company filed appeal AA/353/ET/DL/2005-06 dated March 20, 2006, before the Assistant CST, Cuttack, which, by order dated January 31, 2007, upheld the decision of the Sales Tax Officer. Our Company filed appeal dated May 16, 2007 before the Sales Tax Appellate Tribunal, Cuttack, Orissa.

48. The Assessing Authority, Angul Circle, Angul demanded ₹ 1.35 crore by order dated March 23, 2007 for the period November 1, 2006 to January 31, 2007 for wrong calculation of tax and disallowing concession for purchase of coal as raw material. Our Company filed appeal AA/42(ET)/DL/2006-07 before the Assistant Commissioner of Commercial Taxes, Cuttack Range II, Cuttack, who, by order dated March 29, 2007, stayed demand. Our Company filed appeal before the Sales Tax Tribunal, Cuttack.

49. The Assistant Commissioner of Sales Taxes, Cuttack-II Range, Orissa, by scrutiny order dated December 26, 2007 directing our Company to pay ₹ 3.99 crore for erroneously availing concessional rate of tax on purchase of coal for the period February 1, 2007 to October 31, 2007. Our Company filed appeal dated January 7, 2009, before the Assistant CST (LTU) Cuttack-II, Orissa, for stay on realization of the tax. Our Company filed a second appeal before the Commissioner ST.

50. The Assistant Commissioner of Sales Tax, Cuttack-II Range, Orissa, by assessment order dated February 17, 2004, directed our Company to pay ₹ 0.35 crore for alleged wrong availment of concessional rate of tax on purchase of diesel, lubricants and paints in assessment year 2002-2003. Our Company filed revision petition CU-IIAA-DL-43/03-04 dated March 29, 2004 before the Additional CST, Central Zone, Cuttack, Orissa, who, by order dated March 29, 2004, restrained the sales tax authorities from coercive action against our Company.

51. The Sales Tax Officer, Angul Circle, Orissa, by assessment order December 29, 2007 demanded ₹ 2.09 crore for wrongly availing concessional rate of tax on purchase of diesel, lubricants, cement and paints in assessment year 2003-04. Our Company filed appeal AA/344/DL/07-08 before the Assistant CST, Cuttack-II Range, Orissa for quashing the order date December 29, 2007 and stay on realization of demand. The Assistant CST granted the stay. Our Company filed revision case CU-II 183/2007-08 before the Additional CST, Cuttack, dated March 17, 2008, and the Commissioner, Commercial Tax stayed demand. The Joint Commissioner of Commercial Taxes, Angul Range, Angul by order dated June 28, 2011 confirmed the order of the Sales Tax Officer dated December 29, 2007. Our Company filed a

petition Angul-II AST 208/2011-12 before the Commissioner of Commercial Taxes, Cuttack for staying the order dated June 28, 2011. The Commissioner by order dated December 3, 2011 granted the stay. Our Company filed a writ petition and stay application against the order dated December 3, 2012.

52. The Commissioner, Central Excise, Customs and Service Tax, Bhubaneswar-I by order (CCE/BBSR-1/02/2006) dated May 9, 2006, imposed a penalty on our Company of ₹ 0.30 crore alleging intentional suppression of facts and acquiring non-excise duty paid goods liable for confiscation, by notice dated August 29, 2005 issued to our Company and our contractor. Our Company filed appeal no.450 of 2006, along with stay application in the Central Excise and Sales tax Appellate Tribunal ("**CESTAT**"), Eastern Bench, Kolkata. CESTAT, by order dated January 24, 2008, waived penalty during pendency of the appeal. Our Company filed WP 3020 of 2008 in the High Court of Orissa at Cuttack, challenging the order dated January 24, 2008. The High Court, by order dated March 10, 2008, directed CESTAT to hear the matter. CESTAT, by order dated June 20, 2008, reduced penalty to ₹ 0.05 crore. Our Company filed appeal OATPL 15 of 2009 in the High Court of Orissa at Cuttack.

53. The Deputy Commissioner of Commercial Taxes (LTU), Angul Range, Angul by assessment order dated February 10, 2010 demanded ₹ 0.41 crore, disallowing coal as raw material and for late payment of VAT, on our Company for the period April 1, 2005 to March 31, 2008. Our Company filed WP 6425 of 2010 in the High Court of Orissa at Cuttack for issuance of writ of certiorari for calling documents for demand and for quashing the assessment order, and sought a stay of the assessment order. By order dated July 26, 2010 the High Court directed our Company to file appeal before the appellate authority, seeking exemption of deposit of statutory amount, and directed the appellate authority to deem the amount (₹ 0.56 crore) already deposited by our Company as such deposit. Our Company filed appeal AA-Angul-21/10-11 before the Additional Commissioner of Commercial Taxes, Cuttack, Orissa, who, by order dated November 18, 2011, stayed demand.

54. The Joint Commissioner Of Commercial Taxes, Angul Range, Angul, by order dated February 10, 2010, raised demand, inclusive of interest and penalty, of ₹ 0.69 crore for non-payment of freight charges at the time of importing coal into the state of Orissa for the period Aril 1, 2005 to December 31, 2008, and disallowing coal as raw material for availing concessional rates of tax. Our Company filed WP 6423 of 2010 on April 2, 2010 in the High Court of Orissa at Cuttack seeking a writ of certiorari calling documents in relation to the order of the Joint Commissioner and for issuance of writ or direction for quashing the order, and stay of realization of demand. By order dated July 26, 2010 the High Court disposed of the writ directing our Company to file appeal before the appellate authority, seeking exemption of deposit of statutory amount, and directed the appellate authority to deem the amount (0.56 crore) already deposited by our Company as such deposit. Our Company filed appeal AA-Angul-13/10-11 before the Additional Commissioner of Commercial Tax (Appeals), Central Zone, Cuttack, who, by order dated November 29, 2011, stayed realisation of tax and penalty.

55. The Commercial Tax Officer (Audit), Vishakapatnam issued assessment orders dated September 12, 2011, September 13, 2011 and August 27, 2012 demanding ₹ 0.42 crore as VAT for the period July 2007 to March 2011 and imposing penalty of ₹ 0.10 crore. By order dated October 17, 2011 the Commercial Tax Officer revised demand to ₹ 0.41 crore. Our Company filed appeal dated October 19, 2011 before the Appellate Deputy Commissioner (CT), Vishakhapatnam and sought stay of realization of demand. The Deputy Commissioner dismissed the appeal on February 22, 2012. Our Company filed appeal dated April 21, 2012 in the Sales Tax Appellate Tribunal, Vishakhapatnam. By order dated January 30, 2013 the Additional Commissioner (CT) stayed realization of demand, which was challenged by appeal VSP/VAT/076/12-13 dated September 25, 2012 before the Appellate Deputy Commissioner (CT), Vishakhapatnam. The Deputy Commissioner by order dated June 29, 2013 dismissed the appeal. Our Company filed a revision petition against the order before the Joint Commissioner (CT) (Legal), Hyderabad.

56. The Assistant Commissioner, Commercial Taxes, Barh, by notice 441 dated March 19, 2013, demanded ₹ 11.40 crore as VAT for assessment year 2009-10.

57. The Assistant Commissioner, Commercial Taxes, Barh, by orders dated March 20 and 21, 2013 demanded ₹ 3.20 crore as entry tax and ₹ 14.39 crore as VAT for assessment year 2006-07. The Assistant Commissioner revised the entry tax payable to ₹ 25 crore by orders dated March 28, 2013. Our Company filed appeals dated March 29, 2013 before the Commissioner of Commercial Taxes, Patna.

58. The Assistant Commissioner, Commercial Taxes, Barh issued assessment order dated March 26, 2012 demanding ₹ 32.93 crore on our Company for short payment of VAT in assessment year 2010-11. Our Company filed WP 11021 of 2012 in the High Court of Patna for quashing the assessment order dated March 26, 2012.

59. The Assistant Commissioner, Commercial Taxes, Barh, by assessment order dated March 21, 2012 and notice dated March 23, 2012, demanded ₹ 21.30 crore from our Company for alleged short payment of VAT for the period April 1, 2011 to December 31, 2012. Our Company filed WP 9737 of 2012 in the High Court of Patna.

60. The Assistant Commissioner, Commercial Taxes, Barh, by notice 433 dated March 14, 2013, demanded ₹ 4.89 crore from our Company for alleged short payment of VAT for the fourth quarter of 2011-12.

61. The Assistant Commissioner, Commercial Taxes, Barh, by notice 434 dated March 14, 2013, demanded ₹ 6.82 crore from our Company for alleged short payment of VAT for the first three quarters of 2012-13.

62. The Deputy Commissioner Trade Tax, Ambedkar Nagar, by notice dated March 31, 2005, demanded ₹ 0.08 crore as entry tax on purchase of machinery for plant and other items, for assessment year 2002-03. Our Company filed appeal 1298 of 2007 dated September 30, 2005, before the Joint Commissioner (Appeals), Trade Tax, Gorakhpur, who, by order dated November 19, 2007, directing payment of 40% of demand. The Additional Commissioner (Appeals), Faizabad, by order dated March 31, 2011, rejected the appeal. Our Company filed second appeal dated September 17, 2013 before the Trade Tax Tribunal, Faizabad.

63. The Deputy Commissioner Trade Tax, Ambedkar Nagar, by notice dated July 30, 2007, demanded ₹ 0.08 crore for short payment of entry tax on purchase of machinery. Our Company filed appeal before the Commissioner, Trade Tax, Ambedkar Nagar, who, by order dated September 27, 2007, stayed 50% of demand. Our Company filed appeal dated September 15, 2013.

64. The Deputy Commissioner Trade Tax, Ambedkar Nagar, by notice N/133/2002-2003/order dated March 31, 2005, directed our Company to pay ₹0.04 crore as sales tax on sale of scrap and timber and tax deducted at source from contractors for assessment year 2002-2003. Our Company filed appeal 1299 of 2007 dated September 30, 2005 before the Joint Commissioner, Faizabad, which, by order dated November 19, 2007, directed payment of 40% of demand. Our Company filed appeal 221 of 2007 before the Trade Tax Tribunal, Faizabad, which, by order dated January 18, 2008, stayed realization. The Additional Commissioner, Trade Tax, Faizabad, by order dated January 31, 2011, rejected appeal 1299 of 2007 and confirmed demand. Our Company filed second appeal dated April 15, 2013 before the Sales Tax Tribunal, Faizabad.

65. The Deputy Commissioner, Trade Tax, by notice N/2003-04/NG dated March 30, 2007, directed our Company to pay ₹ 0.01 crore as sales tax on purchase of equipment, for assessment year 2003-04. Our Company filed appeal 1031 of 2007 before the Joint Commissioner, Faizabad, who, by order dated September 27, 2007, directed our Company to deposit 50% of demand. Our Company filed appeals 223 and 224 of 2007 dated January 11, 2008 before Trade Tax Tribunal, Faridabad, which, by order dated January 18, 2008, stayed realization of the total amount.

66. The Deputy Commissioner, Trade Tax, Ambedkar Nagar, by notice N-133/2004-05/PR dated March 30, 2007, directed our Company to pay ₹ 0.02 crore as sales tax on sale of scrap. The Deputy Commissioner, by notice dated March 31, 2007, demanded ₹ 85,880 as tax deducted at source from contractors of our Company. Our Company filed appeals 223, 225 and 227 of 2007 before the Trade Tax Tribunal, Faizabad. Our Company filed appeal 1153 of 2007 before the Additional Commissioner of Trade Tax, Faizabad, which was rejected by order dated January 31, 2011. Our Company filed appeal dated April 16, 2013 before the Trade Tax Tribunal.

67. The Deputy Commissioner Trade Tax, Ambedkar Nagar, by notice 349 dated November 5, 2008, directed our Company to pay ₹ 0.02 crore as penalty for mis-utilization of certain forms in relation to sale of certain material for assessment year 2004-2005. Our Company filed appeal 422 of 2009 before the Joint Commissioner, Faizabad, who, by order dated August 18, 2009, directed payment of 30% of penalty.

68. The Deputy Commissioner, Trade Tax, Ambedkar Nagar, by notice N-133/2005-06 dated March 31, 2009, directed our Company to pay ₹ 27,897 for assessment year 2005-06 for using old and discarded forms for filing returns. Our Company filed appeal dated April 25, 2009 before the Joint Commissioner (Appeals), Trade Tax, Faizabad.

69. The Deputy Commissioner, Trade Tax, Ambedkar Nagar, by notice N-133/2006-07 dated March 31, 2009, directed our Company to pay ₹ 0.02 crore for assessment year 2006-07 for using old and discarded forms. Our Company filed appeal dated May 1, 2009 before the Joint Commissioner (Appeals), Trade Tax, Faizabad.

70. The Joint Commissioner (Corporate Circle), Trade Tax, NOIDA, by order dated September 15, 2009, demanded ₹ 31.46 crore as entry tax on freight charges for assessment year 2005-06 on materials including coal, diesel and natural gas. Our Company filed appeal 945/10 before the Additional Commissioner (Appeals), Gautam Budh Nagar, who, by order dated December 22, 2010, reduced the tax demand by ₹ 0.36 crore. Our Company filed second appeal 319/2011(2005-06) before the Trade Tax Tribunal, NOIDA. The Commissioner, Trade Tax filed cross appeal 903/2012 (2005-06). The Trade Tax Tribunal, by order dated November 22, 2012, rejected both appeals. Our Company filed commercial tax revision petition 80 of 2013 in the High Court of Allahabad, which, by order dated March 7, 2013, stayed realization of demand.

71. The Deputy Commissioner (Corporate Circle), Trade Tax, Greater NOIDA demanded ₹ 0.41 crore as entry tax on purchase of materials such as coal and cement for assessment year 2006-07. Our Company filed appeal 961/10 before the Additional Commissioner, Trade Tax, Gautam Budh Nagar, who, by order dated December 22, 2010, reduced demand by ₹ 0.31 crore. Our Company filed second appeal 320/2011 (2006-07) before the Commercial Tax Tribunal, NOIDA. The Commissioner, Trade Tax filed cross appeal 904/2012 (2006-07). By order dated November 22, 2012, the Trade Tax Tribunal rejected both appeals. Our Company filed commercial tax revision petition 81 of 2013 in the High Court of Allahabad, which, by order dated March 7, 2013, stayed realization of demand.

72. The Joint Commissioner (Corporate Circle), Trade Tax, NOIDA, by order dated March 28, 2010, demanded ₹ 0.52 crore as entry tax on purchase of coal, cement and other fuel for the period April 1, 2007 to December 31, 2007. Our Company filed appeal 925/10 before the Additional Commissioner (Appeals), Trade Tax, Gautam Budh Nagar, who, by order dated December 22, 2010, reduced demand by ₹ 0.28 crore. Our Company filed second appeal 321/2011 (2007-08) before the Commercial Tax Tribunal, NOIDA. The Commissioner, Trade Tax filed cross appeal 905/2012 (2007-08). By order dated November 22, 2012, the Trade Tax Tribunal rejected both appeals. Our Company filed commercial tax revision 82 of 2013 in the High Court of Allahabad, which, by order dated March 7, 2013, stayed realization of demand.

73. The Joint Commissioner (Corporate Circle), Commercial Taxes, Gautam Budh Nagar, by order dated April 25, 2012, demanded ₹ 96,511. Our Company filed appeal 230/2012 2008-09 (Entry Tax) Section 9(4) and application for stay on realization of demand before the Additional Commissioner (Appeal), Commercial Tax, NOIDA Circle, NOIDA, who, by order dated July 25, 2012 stayed 60% of demand until disposal of appeal.

74. The Joint Commissioner (Corporate Circle), Commercial Taxes, Gautam Budh Nagar, by order dated April 18, 2013, demanded ₹ 0.02 crore for 2009-10 for short payment of entry tax on purchase of materials such as fuel and cement. Our Company filed appeal 365/2013 and application for stay on realization of demand, before the Additional Commissioner (Appeal), Commercial Tax, NOIDA Circle, NOIDA, who, by order dated October 29, 2013, stayed 50% of demand until disposal of appeal.

75. The Deputy Commissioner, Central Excise Division IV, Ghaziabad issued order-in-original 159/2009-10/D-IV dated November 16, 2009, confirming demand of ₹ 0.02 crore, excluding interest and educational cess, on our Company, by notice 71/Divn-IV/07-08 dated March 13, 2008, and corrigendum dated April 8, 2008 issued by the Assistant Commissioner, Central Excise, Ghaziabad, alleging failure to apply for registration for the period March 1, 2006 to January 4, 2007, wrong classification of products for calculation of excise duty, and failure to file monthly returns for the period March 2006 to March 2007, and imposing penalty of ₹ 15,000. Our Company filed appeal 70-CE/GZB/2010 before the Commissioner (Appeals), Customs, Central Excise and Service Tax ("**Commissioner CEST (A)**") –

Meerut I, who, by order dated May 12, 2010, rejected the appeal. Our Company filed E/appeal 2752/2010 dated August 23, 2010 before CESTAT, Principal Bench.

76. The Deputy Commissioner, Central Excise Division IV, Ghaziabad, issued order-in-original 158/2009-10/D-IV dated November 16, 2009, confirming demand of ₹ 0.03 crore for the period April 2007 to March 2008, on our Company, by notice 06/Divn-IV/08-09 dated May 1, 2008, issued by the Assistant Commissioner, Central Excise, Ghaziabad, imposing penalty of ₹ 5,000. Our Company filed appeal 69-CE/GZB/2010 before the Commissioner CEST (A) – Meerut I, who, by order dated May 12, 2010, rejected the appeal. Our Company filed E/appeal 2751/2010 dated August 23, 2010 before CESTAT, Principal Bench, which, by order no, A/9-10/2012-EX(BR) dated December 15, 2011, remanded appeals 159/2009-10/D-IV and 158/2009-10/D-IV to the Commissioner (Appeals) for decision on merits. CESTAT stayed realization of demand by order 23-24/2012-EX(BR). Our Company filed appeals 93 and 94-CE/GZB/2012 before the Commissioner CEST (A), who, by order dated April 30, 2012, partly allowed the appeal by waiving penalty of ₹ 5,000 in each case and confirmed demand, interest and penalty of ₹ 10,000. Our Company filed appeals dated August 23, 2012 before CESTAT.

77. The Additional Commissioner, Customs and Central Excise, Raipur, by notice V(ST)15-388/ADC/BIL/2009/Adj/3674 dated May 11, 2010, confirmed order-in-original 05/ST/ADC/BIL/2011 dated January 13, 2011, requiring our Company to show why interest of ₹ 0.06 crore should not be levied on reversal of CENVAT credit of service tax for the period October 2005 to March 2006. Our Company filed appeal 13-ST/RPR/APPEAL-I/2011 dated July 14, 2011 before the Commissioner CEST (A). The Commissioner of Service Tax, Raipur, filed appeal ST/COD/376/2011 in ST/1515/2011 dated March 10, 2011 before CESTAT.

78. The Commissioner, Customs and Central Excise, by notice dated August 11, 2009, alleged non-payment of service tax on business auxiliary services provided by our Company for coal handling charges for the period September 2004 to June 2005 and required our Company to show why ₹ 0.42 crore should not be recovered as service tax and penalty for failure to pay service tax and suppression of value of taxable services should not be imposed. The Commissioner, by order dated March 12, 2010, demanded ₹ 0.42 crore and penalty of ₹ 0.42 crore, with additional penalty of ₹ 100 per day of default. Our Company filed appeal 52(ST)/RPR-I/2010 before the Commissioner Central Excise, Raipur, who confirmed demand, including interest and penalty. Our Company filed a second appeal before CESTAT, Principal Bench, which, by order dated July 11, 2011, stayed recovery of demand and penalty.

79. Our Company filed writ petition 7624 of 2007 in the High Court of Chhattisgarh at Bilaspur, against the state of Chhattisgarh and others for de-notification of land belonging to the Korba plant as a protected forest, with retrospective with effect from March 13, 1978 by the Department of Forests, Government of Madhya Pradesh. By order dated April 1, 2013 the High Court directed the State Government to consider the application.

80. Our Company filed writ petition no. 6252 of 2001 challenging demand of ₹ 0.08 crore raised by the Deputy Inspector General of Stamps, Warangal by demand notice dated January 22, 2000, pursuant to an audit report dated October 17, 1995, for alleged deficit stamp duty paid on mortgage of title deeds executed in favor of our Company. Our Company sought a writ of mandamus declaring the demand illegal and arbitrary. The High Court, by order dated August 3, 2012, dismissed the writ petition. Our Company filed writ petition 33226 of 2012 in the High Court seeking the setting aside of its order dated August 3, 2012 and restoration of writ petition 6252 of 2001.

81. The Special Land Acquisition Officer issued letter no. 416/NTPC/L.A dated September 12, 2002 pursuant to letter dated August 1, 2002 of the Revenue Department, Government of Orissa, directing our Company to deposit ₹ 1.05 crore towards stamp duty and registration fees to execute the conveyance deed for land acquired for our Kaniha project. Our Company filed writ petition no. 4570 of 2003 in the High Court of Orissa at Cuttack, for quashing the demand dated September 12, 2002 and by order dated May 16, 2003, the High Court quashed the demand and directed the Board of Revenue, government of Orissa to re-examine the issue. The Collector, Angul, initiated stamp duty case 1 of 2003 before the Chief Controlling Authority Revenue Authority-cum-Member, Board of Revenue to re-examine the issue. Our Company filed writ petition 2944 of 2005 dated March 2, 2005, along with miscellaneous application 2818 of 2005 seeking a declaration that the stamp reference 1 of 03 was not instituted pursuant to the directions of the High Court mentioned in the order dated May 16, 2003 and for quashing the order of the Board of Revenue claiming that relevant documents were sent to our Company.

82. The Assistant CST, Satna, by notice dated February 22, 1992, demanded ₹ 0.43 crore for 1985-86 for short payment of entry tax on plant and machinery, and building material purchased before commencement of production at our power plant at Vindhyachal. Our Company filed appeal 39-I/90 dated April 29, 1997 before the Board of Revenue, Gwalior, which, by order dated March 31, 1999 quashed the order and remanded the case to the Assistant CST for fresh assessment.

83. Our Company filed an appeal before the Board of Revenue, Gwalior challenging order dated December 22, 1992 of the Appellate Deputy Commissioner, Satna, confirming demand of ₹ 0.29 crore for 1985-86 for short payment of sales tax on material transferred by our plant at Vindhyachal to other plants.

84. The Assistant CST, Satna by notice dated February 18, 1990 demanded ₹ 2.21 crore for 1986-87 for short payment of entry tax on plant and machinery and building material purchased before commencement of production at our power plant at Vindhyachal. Our Company filed appeal 196/94 before the Board of Revenue, Gwalior, which, by order dated March 31, 1999 quashed the order and remanded the case to the Assistant CST for fresh assessment.

85. Our Company filed writ petition dated November 15, 2003 in the High Court of Madhya Pradesh at Jabalpur against the order of the Additional Commissioner rejecting the revision petition against a demand of ₹ 1.08 crore for short payment of entry tax on plant and machinery, steel and cement purchased and issued to contractors under a works contract, and for purchase of coal from within the state where the proof of local purchase was not submitted.

86. The Assistant Commissioner, Commercial Tax, Satna, by order dated November 28, 2007 demanded ₹ 4.61 crore for 1997-98 for short payment of entry tax on plant and machinery purchased for the construction of stage II of our power plant at Vindhyachal. Our Company filed writ petition 2024 of 2008 dated February 13, 2008 in the High Court of Madhya Pradesh at Jabalpur challenging the order of the Assistant Commissioner, seeking quashing of the order and directions for refund of tax deposited with interest. The High Court stayed the recovery of entry tax.

87. Our Company filed writ petition dated July 23, 2003 against the order of the Additional Commissioner, Jabalpur, who by order dated September 30, 2002 rejected a revision petition against levy of sales tax of ₹ 40,104 on sale of iron and steel scrap for 1997-98.

88. Our Company filed writ petition 18018 of 2006 in the High Court of Madhya Pradesh at Jabalpur challenging orders dated July 5, 2006 of the Commercial Tax Officer, Waidhan demanding ₹ 1.30 crore for 2003-04 and ₹ 5.23 crore for 2004-05 and against a demand of ₹ 1.55 crore for 2005-06 for short payment of entry tax on plant and machinery, steel and cement procured for construction of stage III of the power plant at Vindhyachal.

89. Our Company filed a writ petition in the High Court of Madhya Pradesh at Jabalpur challenging order dated March 26, 2009 of the Commercial Tax Officer, Waidhan demanding ₹ 6 crore for 2005-06 for short payment of entry tax on plant and machinery for our power plant at Vindhyachal.

90. Our Company filed an appeal before the Deputy Commissioner, Satna against the order of the Assistant Commissioner, Satna demanding ₹ 0.97 crore for short payment of entry tax for 2005-06.

91. Our Company filed appeals before the Deputy Commissioner, Satna against an order of the Assistant Commissioner, Satna demanding ₹ 26.37 crore for 2007-08, an order of the Commercial Tax Officer, Waidhan demanding ₹ 0.08 crore for 2007-08, and an order demanding ₹ 0.07 crore for 2008-09 with respect to the construction of stages III and IV of our power plant at Vindhyachal. The three appeals were consolidated.

92. Our Company filed writ petition 1756 of 1996 in the High Court of Madhya Pradesh at Jabalpur against the order of the Commercial Tax Officer, Waidhan demanding ₹ 1.44 crore as differential in tax on the purchase of cement during the construction of stage I of our power plant at Vindhyachal.

93. Our Company filed a rectification/revision petition before the Assistant Commissioner, Satna for wrong assessment of sales tax of ₹ 2.50 crore due to error in entries recorded for 2003-04.

94. The Deputy Commissioner, Satna, by order dated November 19, 2012 demanded ₹ 0.01 crore as sales tax for non-submission of relevant forms and ₹ 0.01 crore for late submission of return of entry tax for 2010-11. Further, the Deputy Commissioner disallowed input tax refund of ₹ 30.70 crore on construction material for 2010-11 for stage IV of our power plant at Vindhyachal and demanded ₹ 13,799 for short payment of VAT. Our Company filed an appeal before the Appellate Deputy Commissioner, Satna, who by order dated April 29, 2013 rejected the appeal. Our Company filed second appeal dated July 2, 2013 before the Commercial Tax Appeal Board, Bhopal challenging sales tax and VAT demanded by order dated November 19, 2012. The Commercial Tax Appeal Board, by order dated August 14, 2013 stayed the recovery of tax.

Land-related proceedings

Our Company is involved in over 3,514 land acquisition related cases with an aggregate claim of over ₹ 170 crore against our Company, as well as claims regarding alleged defect in title or trespass.

MATERIAL DEVELOPMENTS

Except as set forth below, or disclosed elsewhere in the Draft Prospectus, no circumstances have occurred which materially and adversely affect or are likely to affect our performance, profitability or prospects within the next 12 months, since the date of the last financial information disclosed in the Draft Prospectus,.

- At a meeting of the Board held on October 29, 2013, the rate of contribution towards our Company's Defined Contribution Pension Scheme was finalized and approved by the Board, pursuant to which our Company will be required to make a provision of approximately ₹ 460 crore in its financial statements in fiscal 2014.

OTHER REGULATORY AND STATUTORY DISCLOSURES

This is a public issue by our Company of tax-free secured redeemable non-convertible Bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750 crore* during fiscal 2014.

** In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*

The Issue has been authorized by resolution of the Board passed during meeting held on September 27, 2013 and October 29, 2013.

Eligibility to make the Issue

Our Company and persons in control of our Company have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Consents

Consents in writing of our Directors, the Chief Financial Officer, our Executive Director & Company Secretary and Compliance Officer, the Joint Statutory Auditors, the Escrow Collection Bank(s), the Refund Bank(s), the Bankers to our Company, the Lead Managers, the Consortium Members, the Registrar to the Issue, the Credit Rating Agencies, the Bond Trustee and the Legal Advisors to the Issue, in their respective capacities, shall/have been obtained and will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Except for the Joint Statutory Auditors' Reports dated November 1, 2013 on the standalone and consolidated reformatted financial information for fiscal 2013, fiscal 2012, fiscal 2011, fiscal 2010 and fiscal 2009, the limited review report dated October 29, 2013 on the standalone financial information for the 6 months ended September 30, 2013 and the Statement of Tax Benefits dated November 1, 2013 issued by O.P. Bagla and Co., K.K. Soni and Co., P.K.F. Sridhar and Santhanam, V. Sankar Aiyar and Co., Ramesh C. Agrawal and Co. and A.R. and Co., the Joint Statutory Auditors of our Company, our Company has not obtained any expert opinions.

Minimum Subscription

See "***Issue Structure – Minimum Subscription***" on page 126.

No Reservation or Discount

Pursuant to the CBDT Notification, at least 70.00% of the bonds issued for raising funds through tax free bonds during fiscal 2014 shall be raised through public issue, of which 40.00% shall be earmarked for Retail Individual Investors. There is no discount being offered in the Issue, to any category of Applicants.

Common Form of Transfer

There shall be a common form of transfer for Bonds held in physical form and relevant provisions of the Companies Act, as the case may be and other applicable laws will be duly complied with in respect of all transfers of the Bonds and registration thereof. The transfer of Bonds in demat form will be done as per the procedure/rules prescribed by the relevant Depositories and DPs of the transferor or transferee and other applicable laws and ruled notified in respect thereof.

Dividend

Our Company has paid dividend for fiscal 2013, 2012, 2011, 2010 and 2009, as under:

Fiscal	Nature	Dividend per share (₹)	Total amount of dividend paid (₹ in crore)	Date of Annual General Meeting in which dividend was declared/confirmed	Date of payment of dividend
2013	Interim	3.75	3,092.07	September 17, 2013	March 12, 2013
	Final	0.75	618.41	September 17, 2013	September 27, 2013
	Special	1.25	1,030.68	September 17, 2013	September 27, 2013
2012	Interim	3.50	2,885.92	September 18, 2012	February 9, 2012
	Final	0.50	412.27	September 18, 2012	September 25, 2012
2011	Interim	3.00	2,473.63	September 20, 2011	February 14, 2011
	Final	0.80	659.63	September 20, 2011	September 26, 2011
2010	Interim	3.00	2,473.64	September 23, 2010	March 23, 2010
	Final	0.80	659.63	September 23, 2010	October 1, 2010
2009	Interim	2.80	2,308.73	September 17, 2009	February 13, 2009
	Final	0.80	659.64	September 17, 2009	September 29, 2009

Previous Public or Rights Issues by our Company during last 5 years

Our Promoter undertook a further public offering in February 2010, whereby 41,22,73,220 Equity Shares were offered for sale, for cash at prices determined through the alternate book-building method under Part D of Schedule XI of the SEBI ICDR Regulations, on a fast-track basis, aggregating to ₹ 8,480.10 crore and comprising a net offer to the public of 40,80,00,000 Equity Shares and a reservation of 42,73,220 Equity Shares for subscription by eligible employees. Further, our Promoter undertook an offer for sale in February 2013 of 78,32,62,880 Equity Shares through the stock exchange mechanism pursuant to circular (No. CIR/MRD/DP/18/2012) dated July 18, 2012.

Commission or Brokerage on Previous Issues

The lead management fees (including underwriting commission and brokerage) paid in relation to the initial public offering of our Company in 2004 was ₹ 9.18 crore.

In relation to the further public offering of our Company in 2010, no underwriting commission or brokerage was paid by our Company.

Change in Joint Statutory Auditors of our Company during the last 3 years

The Joint Statutory Auditors of our Company are appointed by the Comptroller and Auditor General of India ("**CAG**") on a year-to-year basis.

Name of the Joint Statutory Auditor	Address	Joint Statutory Auditor For Fiscal	Date Of Change	Date of Appointment in Case of Change	Remarks
Dass Gupta & Associates, Chartered Accountants	B 4, Gulmohar Park, New Delhi 110 049	2011	Changed due to completion of tenure. New Joint Statutory Auditors appointed by CAG vide letter dated August 16, 2011.	Appointed by CAG vide letter dated July 12, 2010.	-
Varma & Varma, Chartered Accountants	No. 104, Metro Palm Grove Apartments, Rajbhavan Road, Somajiguda, Hyderabad 500 082	2011	Changed due to completion of tenure. New Joint Statutory Auditors appointed by CAG vide letter dated August 16, 2011.	Appointed by CAG vide letter dated July 12, 2010.	-

Name of the Joint Statutory Auditor	Address	Joint Statutory Auditor For Fiscal	Date Of Change	Date of Appointment in Case of Change	Remarks
Parakh & Co., Chartered Accountants	323, Ganpati Plaza, M.I. Road, Jaipur 302 001	2011	Changed due to completion of tenure. New Joint Statutory Auditors appointed by CAG vide letter dated August 16, 2011.	Appointed by CAG vide letter dated July 12, 2010. -	
B.C. Jain & Co., Chartered Accountants	16/77A, Civil Lines, Kanpur 208 001	2011	Changed due to completion of tenure. New Joint Statutory Auditors appointed by CAG vide letter dated August 16, 2011.	Appointed by CAG vide letter dated July 12, 2010. -	
S.K. Mehta & Co., Chartered Accountants	2682/2, Beadonpura, Ajmal Khan Road Market, Karol Bagh, New Delhi 110 005	2011	Changed due to completion of tenure. New Joint Statutory Auditors appointed by CAG vide letter dated August 16, 2011.	Appointed by CAG vide letter dated July 12, 2010. -	
O.P. Bagla & Co, Chartered Accountants	8/12, Kalkaji Extension, New Delhi 110 019	2012 2013 2014	Appointed by CAG vide letters dated August 16, 2011, July 25, 2012 and July 30, 2013.	-	-
K.K. Soni & Co., Chartered Accountants	130, Sarojini Market, New Delhi 110 023	2011 2012 2013 2014	Appointed by CAG vide letters dated July 12, 2010, August 16, 2011, July 25, 2012 and July 30, 2013.	-	-
PKF Sridhar & Santhanam, Chartered Accountants	2nd Floor, Kiran Arcade, D. No. 1-2-272-273/6, S.D. Road, M.C.H. No. 100, Secunderabad 500 003	2012 2013 2014	Appointed by CAG vide letters dated August 16, 2011, July 25, 2012 and July 30, 2013.	-	-
V. SankarAiyar & Co., Chartered Accountants	2 C, Court Chambers, 35, New Marine Lines, Mumbai 400 020	2012 2013 2014	Appointed by CAG vide letters dated August 16, 2011, July 25, 2012 and July 30, 2013.	-	-
Ramesh C. Agrawal & Co., Chartered Accountants	S 203, Prayag Kunj, 3 Strachey Road, Civil Lines, Allahabad 211 001	2012 2013 2014	Appointed by CAG vide letters dated August 16, 2011, July 25, 2012 and July 30, 2013.	-	-
A.R. & Co., Chartered Accountants	C-I, 2nd Floor, R.D.C., Raj Nagar Ghaziabad 201 001, Delhi NCR, National Capital Region of Delhi	2012 2013 2014	Appointed by CAG vide letters dated August 16, 2011, July 25, 2012 and July 30, 2013.	-	-

For more information on the Joint Statutory Auditors, see "***General Information***" on page 37.

Revaluation of assets

Our Company has not revalued its assets in the last 5 years.

Utilisation of Issue Proceeds

See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 139.

Track record of past public issues handled by the Lead Managers

Details of the track record of the Lead Managers, as required by SEBI circular (No. CIR/MIRSD/1/2012) dated January 10, 2012, are disclosed on the respective websites of the Lead Managers. The track record of past issues handled by AK Capital, Axis, ICICI Securities, Kotak and SBICAP are available at www.akcapindia.com, www.axiscapital.co.in, www.icicisecuritiescom, www.kotak.com and www.sbicaps.com, respectively.

Listing

See "***Terms of the Issue – Listing***" on page 139.

Disclaimer clause of BSE

[●]

Disclaimer clause of NSE

[●]

Statement by the Board:

(i) All monies received pursuant to the Issue shall be transferred to a bank account other than the bank account referred to in Section 40 of the Companies Act 2013;

(ii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our Company's financial results, indicating the purpose for which such monies were utilized; and

(iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our Company's financial results, indicating the form in which such unutilized monies have been invested.

Mechanism for redressal of investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's Depository Participant ID ("**DP ID**"), Client ID and PAN, number of Bonds applied for, date of the Application Form, name and address of the Member of the Syndicate or Trading Members of the Stock Exchanges or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank, or, with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked. Applicants may contact our Executive Director & Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amounts or refund or credit of Bonds in the respective beneficiary accounts, as the case may be. Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

SECTION VI – ISSUE INFORMATION
ISSUE STRUCTURE

Pursuant to the CBDT Notification, our Company is authorized to undertake the Issue. Our Company proposes to raise up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750 crore* during fiscal 2014.

** In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*

The Issue has been authorized by resolution of the Board passed during meetings held on September 27, 2013 and October 29, 2013.

Particulars of the Bonds

The following are the details of the principal terms and conditions of the Issue. This section should be read in conjunction with, and is qualified in its entirety by, detailed information in "***Terms of the Issue***" on page 128.

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS				
Lead Managers	AK Capital, Axis, ICICI Securities, Kotak and SBICAP			
Issuer	NTPC Limited			
Type of instrument/Issue of Bonds/Issue Size	Public issue by our Company of tax-free secured redeemable non-convertible Bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750 crore* during fiscal 2014. ** In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*			
Face Value (₹) per Bond	₹ 1,000			
Issue Price (₹) per Bond	₹ 1,000			
Minimum Application	5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds)			
In the multiple of	One Bond (₹ 1,000)			
Nature of Bonds	Tax-free secured redeemable and non-convertible			
Nature of Indebtedness and Ranking/Seniority	The claims of the Bondholders shall be superior to the claims of any unsecured creditors of our Company and subject to applicable statutory and/or regulatory requirements, rank *pari passu inter se* to the claims of other secured creditors of our Company having the same security.			
Mode of Issue	Public issue			
Minimum Subscription	See "***Terms of the Issue***" on page 128.			
Eligible Investors	**Category I/QIBs#**	**Category II/Corporates#**	**Category III/HNIs**	**Category IV/Retail Individual Investors**
	• PFIs as defined in Section 2(72) of the Companies Act 2013; • Alternative Investment Funds;	• Companies falling within the meaning of Section 2(20) of the Companies Act 2013; and	Investors falling under the following categories applying for an amount aggregating to more than ₹ 10 lakh across	Investors falling under the following categories applying for an amount aggregating up to and including ₹ 10 lakh

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS				
	• Scheduled commercial banks; • MFs registered with SEBI; • State industrial development corporations; • Insurance companies registered with the IRDA; • Provident funds with a minimum corpus of ₹ 25 crore; • Pension funds with a minimum corpus of ₹ 25 crore; • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; and • Insurance funds set up and managed by the Department of Posts, India, subject to such being authorized to invest in the Bonds.	• Limited liability partnerships, statutory corporations, trusts, partnership firms in the name of their respective partners, associations of persons, co-operative banks, regional rural banks and other legal entities constituted and/or registered under applicable laws in India, that are authorized to invest in Bonds by their respective constitutional and/or charter documents, subject to compliance with respective applicable laws.	all Series of Bonds in the Issue: • Resident Individual Investors; • NRIs applying on a non-repatriation basis only; and • HUF applying in the name of their respective kartas.	across all Series of Bonds in the Issue: • Resident Individual Investors; • NRIs applying on a non-repatriation basis only; and • HUF applying in the name of their respective kartas.
	# See general circular (No. 6/2013) dated March 14, 2013 issued by the MCA that clarifies that in cases where the effective yield on tax-free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act 1956.			
Pay-in Date	Application Date. Full amount with the Application Form, except ASBA Applications. See "***Issue Procedure – Payment Instructions***" on page 159.			
Listing	The Bonds are proposed to be listed on BSE and NSE, with BSE being the Designated Stock Exchange. For more information, see "***Terms of the Issue – Listing***" on page 139			
Credit Ratings	[ICRA] AAA (Stable) by ICRA and CRISIL AAA by CRISIL. See "***Annexure B – Credit Rating***".			
Objects of the Issue and Utilisation of Proceeds	See "***Objects of the Issue***" on page 49			
Asset Cover	See "***Terms of the Issue - Security***" on page 128.			
Nature of Indebtedness and Ranking/Seniority	See "***Terms of the Issue – Ranking of the Bonds***" on page 140.			
Put/Call Option	None			
Mode of Issuance	In dematerialized form and physical form, at the option of the Applicant**			
Bond Trustee	IL&FS Trust Company Limited			
Mode of Trading	In dematerialized form only**			
Registrar to the Issue	Karvy Computershare Private Limited			
Modes of Payment/Settlement Mode	See "***Terms of the Issue – Manner and Modes of Payment***" on page 135.			
Market Lot/Trading Lot	One Bond			

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS	
Deemed Date of Allotment	The date on which the Board approves the Allotment of Bonds for the Issue or such date as may be determined by the Board and notified to the Designated Stock Exchange. All benefits accruing in relation to the Bonds including interest on Bonds shall be available from Deemed Date of Allotment. Actual Allotment of Bonds may occur on a date other than Deemed Date of Allotment
Record Date	See "***Terms of the Issue – Record Date***" on page 136.
Working Day Convention/Day Count	See "***Terms of the Issue – Payment of Interest on the Bonds***" on page 132.
Transaction Documents	Documents/undertakings/agreements entered, or to be entered, into by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following. Bond Trust Deed: Trust Deed to be entered into between the Bond Trustee and our Company within 3 months from the Issue Closing Date Escrow Agreement: Agreement dated [●], 2013 entered into by our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) Issue Agreement: The agreement dated November 13, 2013 entered into between our Company and the Lead Managers Consortium Agreement: Consortium Agreement dated [●], 2013 entered into between our Company and the Consortium Registrar Agreement: Agreement dated November 14, 2013 entered into between our Company and the Registrar to the Issue Tripartite Agreements: Tripartite agreement dated September 3, 2004 between our Company, CDSL and the Registrar to the Issue and the tripartite agreement dated July 16, 2004 between our Company, NSDL and the Registrar to the Issue
Issue Opening Date	[●]
Issue Closing Date	[●].The Issue shall remain open for subscription from 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period with an option for early closure or extension, as may be decided by the Board
Interest on Application Amount	See "***Terms of the Issue-Interest on Application and Refund Money***" on page 133
Default Interest Rate	To be specified in the Prospectus
Redemption Premium/Discount	Nil
Conditions precedent/subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 139
Event of Default	See "***Terms of the Issue***" on page 128
Cross Default	Not applicable
Roles and Responsibilities of Bond Trustee	See "***Terms of the Issue- Bond Trustee***" on page 138
Discount at which Bond is issued and the effective yield as a result of such discount	None
Governing Law	Laws of the Republic of India
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.
Coupon Type	Fixed rate
Coupon/Interest Payment Dates	See "***Terms of the Issue – Payment of Interest on the Bonds***" on page 132.
Coupon/Interest Reset Process	None
Frequency of Coupon/Interest Payment	Annual
Step-up/Step-down Coupon Rate	Nil
Depositories	NSDL and CDSL
Redemption Amount	Amount repayable on the Bonds, comprising the face value of the Bonds, together with coupon/interest accrued at the applicable coupon/interest rate for each Series of Bonds on the respective Redemption Dates or Maturity Dates

***In terms of Regulation 4(2) (d) of the SEBI Debt Regulations, our Company will make the public issue of the Bonds in the dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

Participation by any of the above category of Applicants in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue.

SPECIFIC TERMS AND CONDITIONS FOR EACH SERIES OF BONDS

Options	**Option 1**	**Option 2**	**Option 3**
Tenure of Bonds	10 years	15 years	20 years
Maturity/Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment	20 years from Deemed Date of Allotment
Coupon Rates for Category I, II and III#			
Series of Bonds*	**Series 1A**	**Series 2A**	**Series 3A**
Coupon Rate (%) *per annum*	[●]	[●]	[●]
Annualized Yield (%) *per annum*	[●]	[●]	[●]
Coupon Rates for Category IV#			
Series of Bonds*	**Series 1B**	**Series 2B**	**Series 3B**
Coupon Rate (%) *per annum*	[●]	[●]	[●]
Annualized Yield (%) *per annum*	[●]	[●]	[●]

** Our Company shall Allot Series 2A/Series 2B (depending upon the category of Applicants) for all valid Applications, where the Applicants have not indicated their choice of the relevant Series of Bonds.*

 # Pursuant to the CBDT Notification and for avoidance of doubt, it is clarified as under:

a. The coupon rates indicated under Series 1B, Series 2B and Series 3B shall be payable only on the Retail Individual Investor Portion in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under the Retail Individual Investor Category/Category IV;

b. If the Bonds allotted against Series 1B, Series 2B and Series 3B are transferred by Retail Individual Investors to Non- Retail Individual Investors, being Category I, Category II and Category III investors, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Series 1A, Series 2A and Series 3A respectively;

c. If the Bonds allotted against Series 1B, Series 2B and Series 3B are sold/transferred by the Retail Individual Investors to investor(s) who fall under the Retail Individual Investor category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;

d. If on any Record Date, the original Retail Individual Investor Allotee(s)/transferee(s) hold the Bonds under Series 1A, Series 1B, Series 2A, Series 2B, Series 3A and Series 3B for an aggregate face value amount of over ₹10 lakh, then the coupon rate applicable to such Retail Individual Investor Allottee(s)/transferee(s) on Bonds under Series 1B, Series 2B, Series 3B shall stand at par with coupon rate applicable on Series 1A, Series 2A, and Series 3A, respectively;

e. Bonds Allotted under Series 1A, Series 2A and Series 3A shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of category of holder(s) of such Bonds; and

f. For the purpose of classification and verification of status of the eligibility of a Bondholder under the Retail Individual Investor category, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds Allotted under the Issue shall aggregated on the basis of PAN.

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. Our Company has decided not to stipulate minimum subscription for this Issue.

Market Lot and Trading Lot

As per the SEBI Debt Regulations, since trading in the Bonds will be in dematerialized form only, the tradable lot is one Bond. Our Company has made depository arrangements with CDSL and NSDL ("**Depositories**") for

trading of the Bonds in dematerialized form, pursuant to the tripartite agreement dated September 3, 2004 between our Company, CDSL and the Registrar to the Issue and the tripartite agreement dated July 16, 2004 between our Company, NSDL and the Registrar to the Issue.

Listing

See "***Terms of the Issue – Listing***" on page 139.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

The CBDT has, pursuant to the CBDT Notification, authorized our Company to undertake the Issue. Our Company proposes to raise an amount aggregating up to ₹ 1,000 crore with an option to retain oversubscription up to ₹ 750 crore for issuance of additional Bonds aggregating to a total of up to ₹ 1,750 crore* during fiscal 2014.

** In terms of the CBDT Notification, our Company is authorized to raise a minimum of 70.00% of the Issue Size, by way of public issue and during the process of the public issue(s), our Company may also, at its discretion, raise Bonds through private placement route for an amount not exceeding 30.00% of the Issue Size, wherein suitable amount shall be earmarked for sovereign wealth funds, pension and gratuity funds. In case our Company issues bonds through private placement route, the amount of oversubscription that may be retained through public issue shall stand reduced accordingly. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2014 shall, in aggregate, not exceed ₹1,750 crore.*

The Issue has been authorized by resolution of the Board passed during meetings held on September 27, 2013 and October 29, 2013.

Terms and Conditions of the Issue

The terms and conditions of the Issue of Bonds are subject to the Companies Act, SEBI Debt Regulations, Income Tax Act, the debt listing agreement entered into by our Company with the Stock Exchanges ("**Debt Listing Agreement**"), CBDT Notification, this Draft Prospectus, the Prospectus, the Application Form, the Abridged Prospectus and any terms and conditions as may be incorporated in the Bond Trust Deed to be entered into between our Company and the Bond Trustee, as well as rules, regulations, guidelines, notifications and any statutory modifications or re-enactments including those issued by the GoI, SEBI, the RBI, the Stock Exchanges and/or other authorities and other documents that may be executed in respect of the Bonds.

For more information, see "***Issue Structure***" on page 123.

Face Value

The face value of each Bond is ₹ 1,000.

Security

The Bonds will have asset cover of one time of the total outstanding amount of Bonds. Our Company reserves the right to create further charge on such asset cover for its present and future financial requirements or otherwise, without any prior consent of the Trustee, or as provided for under the Bond Trust Deed, provided that minimum asset cover of one time is maintained.

Our Company has obtained no-objection certificates wherever required from the existing debenture trustees/lenders prior to creation of asset cover of one time of the Bonds.

The Bondholders are entitled to the benefit of the Bond Trust Deed and are bound by and are deemed to have notice of all provisions of the Bond Trust Deed.

Credit Rating

ICRA has, by its letter (No. D/RAT/2013-14/N3/2) dated July 16, 2013, assigned a rating of [ICRA] AAA (Stable) to the Bonds, and revalidated such rating by letter (No. D/RAT/2013-14/N3/3) dated November 8, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely financing of obligations and carry lowest credit risk. Further, CRISIL has, by its letter (No. VK/CGS/NTPCLTD/JUN13/90014) dated June 3, 2013, assigned a rating of CRISIL AAA to the Bonds, and revalidated such rating by letter (No. VK/NTPCL/SN26294) dated November 8, 2013. Instruments with this

rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For details, see "***Annexure B - Credit Rating***".

Issue Period

Issue Opens On	**[●]**
Issue Closes On	**[●]**

The Issue shall remain open for subscription during the period indicated above with an option for early closure or extension, as may be decided by the Board. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in at least one leading national daily newspaper with wide circulation.

Applications Forms for the Issue will be accepted only between 10.00 A.M. and 5.00 P.M. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges during the Issue Period mentioned above, between Monday and Friday, both inclusive, barring public holidays: (i) by the members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the centres mentioned in the Application Form through the non-ASBA mode, or (ii) in case of ASBA Applications, (a) directly by Designated Branches of SCSBs or (b) by the centres of the members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, only at the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) ("**Specified Cities**"), except that on the Issue Closing Date, Application Forms will be accepted only between 10.00 A.M. and 3.00 P.M. (Indian Standard Time) and uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges (after taking into account the total number of Applications received up to the closure of timings for acceptance of Application Forms as stated herein). Applicants may also make their Applications through Direct Online Application Mechanism (see "***Issue Procedure***" on page 143 for further information) using the online payment facility offered through the Stock Exchange(s) during the Issue Period, subject to such online payment facility being made available by the Stock Exchange(s) prior to the date of filing of the Prospectus by our Company with RoC.

Due to limitation of time available for uploading Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 P.M. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue.

The Bonds are being issued at par and the full amount of the face value per Bond is payable on Application, except ASBA Application.

Neither our Company nor the members of the Syndicate or Trading Members of the Stock Exchanges shall be liable for any failure in uploading Applications due to failure in any software/hardware system or otherwise.

MINIMUM SUBSCRIPTION

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. Our Company has decided not to stipulate minimum subscription for this Issue.

ESCROW MECHANISM

See "***Issue Procedure – Payment Instructions***" on page 159.

ALLOTMENT OF BONDS

Deemed Date of Allotment

The Deemed Date of Allotment will be the date on which, the Board approves the Allotment of Bonds for the Issue or such date as may be determined by the Board and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Draft Prospectus) shall accrue to the Bondholders from Deemed Date of Allotment. Actual Allotment of the Bonds may occur on a date other than Deemed Date of Allotment.

Group of Applications and Allocation Ratio

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the basis of allocation. Grouping of the Application received will be then done in the following manner:

For the purposes of the basis of allotment:

a) *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together ("**QIB Portion**");

b) *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together("**Corporate Portion**");

c) *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together; ("**High Net Worth Individual Portion**"); and

d) *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together. ("**Retail Individual Investor Portion**").

Pursuant to the CBDT Notification, at least 40.00% of the Issue Size shall be reserved for Retail Individual Investors.

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to ₹ 1,750 crore .

Allocation Ratio

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
[●]% of the Issue Size	[●]% of the Issue Size	[●]% of the Issue Size	40.00% of the Issue Size

Basis of Allotment

(a) *Allotments in the first instance:*

(i) Applicants under Category I/QIBs, in the first instance, will be Allotted the Bonds up to [●]% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges;

(ii) Applicants under Category II/Corporates, in the first instance, will be Allotted the Bonds up to [●]% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges;

(iii) Applicants belonging to the Category III/High Net Worth Individuals, in the first instance, will be Allotted Bonds up to [●]% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application in to the electronic system of the Stock Exchanges;

(iv) Applicants belonging to the Category IV/Retail Individual Investors, in the first instance, will be Allotted Bonds up to 40.00% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application in to the electronic

system of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come-first-serve basis determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges, in each Portion, as described above.

(b) *Undersubscription in any Portion:*

If there is any undersubscription in any Portion (while other Portions are oversubscribed), priority in Allotments will be given in the following order (in decreasing order of priority):

(i) Retail Individual Investor Portion;
(ii) High Net worth Individual Portion;
(iii) Corporate Portion; followed by
(iv) QIB Portion.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

(c) *Allotments in case of over-subscription in any Portion:*

In case of over-subscription, Allotments to the maximum extent possible, will be made on a first-come-first-serve basis and thereafter on a proportionate basis in each Portion, determined based on the date of upload of each Application onto the electronic system of the Stock Exchanges, meaning full Allotment of Bonds to the Applicants on a first-come-first-serve basis up to the date falling one day prior to the date of over-subscription and proportionate Allotment of Bonds to the Applicants on the date of over-subscription.

(d) *Proportionate Allotments:*

For each Portion, on the date of over-subscription:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

(ii) If the process of rounding off to the nearest integer results in the actual Allotment of Bonds being higher than the Issue Size, not all Applicants will be allotted the number of Bonds arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

(iii) In the event, there is more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of Allotment is finalized by draw of lots in a fair and equitable manner.

All decisions pertaining to the basis of Allotment of Bonds pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft Prospectus. Any other queries or issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers. For each Portion, all Applications uploaded into the electronic system of the Stock Exchanges on the same day would be treated at par with each other. Allotment in respect of Applications made on the same day would be on proportionate basis, where Bonds applied for exceeds Bonds to be allotted for each Portion respectively. Minimum allotment of one Bond and in multiple of one Bond will be made in case of each valid Application.

Additional/Multiple Applications

See "***Issue Procedure – Additional/Multiple Applications***" on page 154.

Form of Allotment and Denomination

The Allotment of Bonds shall be in dematerialized form as well as physical form. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations, our Company shall make the public issue of Bonds in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. In terms of SEBI Circular No. CIR. /IMD/DF-1/20/2012 dated July 27, 2012, our Company shall provide facility for making Applications in physical form. However, trading in Bonds shall be compulsorily in dematerialized form.

Our Company shall take necessary steps to credit the DP account of the Applicant with the number of Bonds Allotted in dematerialized form. The Bondholders holding the Bonds in dematerialized form shall deal with the Bonds in accordance with the provisions of the Depositories Act and the Companies Act, as the case may be, and rules and regulations notified thereunder, from time to time.

In case of Bonds held in physical form, whether on Allotment or on rematerialization of the Bonds Allotted in dematerialized form, a Consolidated Certificate will be issued.

In respect of Consolidated Certificates, our Company shall, on receipt of request from the Bondholder, split the Consolidated Certificate held by such Bondholder into smaller denominations subject to the minimum of the Market Lot. No fees shall be charged for splitting of such Consolidated Certificates, but stamp duty payable, if any, would be borne by the Bondholder. The request for splitting should be accompanied by the original Consolidated Certificate which will, on issuance of the split Bond Certificates, be treated as cancelled by us.

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch Refund Orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of Bonds. The Registrar to the Issue will obtain from the Depositories the Applicants' bank account details, including the Magnetic Ink Character Recognition ("**MICR**") code, on the basis of the DP ID and Client ID provided by the Applicants in their Application Forms, for making Refunds. For Applicants who receive refunds through ECS, direct credit, Real Time Gross Settlement ("**RTGS**") or National Electronic Fund Transfer (**"NEFT"**), the Refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving Refunds through these modes, giving details of the bank where Refunds will be credited with the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per the demographic details of an Applicant, such as his/her address, bank account details, occupation and PAN ("**Demographic Details**") received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Applicants that have applied for the Bonds in electronic form are advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so may result in delay in credit of Refund to the Applicants at their sole risk and neither the Lead Managers nor our Company shall have any responsibility or undertake any liability for such delay on part of the Applicants.

Mode of refunds for Applicants other than ASBA Applicants

Payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the modes specified in "***- Manner and Modes of Payment***" on page 135.

Mode of Refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue will instruct the SCSBs to unblock funds in the respective ASBA Accounts for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

PAYMENT OF INTEREST ON THE BONDS

For Bonds Allotted to Applicants falling under Category I, Category II and Category III, the Bonds under Series 1A, Series 2A and Series 3A shall carry interest at the fixed coupon rate of [●]% *per annum*, [●]% *per annum*

and [●]% *per annum*, respectively, irrespective of the category of Applicants, payable from and including, Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable annually on the Coupon/Interest Payment Date, to the Bondholders as of the relevant Record Date. Depending on the option selected by the Applicant, the effective yield to Category I, II and III Bondholders would be [●]% *per annum*, [●]% *per annum* and [●]% *per annum* for Bonds under Series 1A, Series 2A and Series 3A, respectively.

For Bondholders falling under Category IV, the Bonds under Series 1B, Series 2B and Series 3B shall carry interest at the coupon rate of [●]% *per annum*, [●]% *per annum* and [●]% *per annum*, respectively, payable from and including, Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the Coupon/Interest Payment Date, to the Bondholders as of the relevant Record Date. Depending on the option selected by the Applicant, the effective yield to Category IV Bondholders would be [●]% *per annum*, [●]% *per annum* and [●]% *per annum* for Bond Series 1B, Series 2B and Series 3B, respectively.

Pursuant to the CBDT Notification and for avoidance of doubt, it is clarified as under:

a. *The coupon rates indicated under Series 1B, Series 2B and Series 3B shall be payable only on the Retail Individual Investor Portion in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under the Retail Individual Investor Category/Category IV;*

b. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are transferred by Retail Individual Investors to Non- Retail Individual Investors, being Category I, Category II and Category III investors, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Series 1A, Series 2A and Series 3A respectively;*

c. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are sold/transferred by the Retail Individual Investors to investor(s) who fall under the Retail Individual Investor category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*

d. *If on any Record Date, the original Retail Individual Investor Allotee(s)/transferee(s) hold the Bonds under Series 1A, Series 1B, Series 2A, Series 2B, Series 3A and Series 3B for an aggregate face value amount of over ₹10 lakh, then the coupon rate applicable to such Retail Individual Investor Allottee(s)/transferee(s) on Bonds under Series 1B, Series 2B, Series 3B shall stand at par with coupon rate applicable on Series 1A, Series 2A, and Series 3A, respectively;*

e. *Bonds Allotted under Series 1A, Series 2A and Series 3A shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of category of holder(s) of such Bonds; and*

f. *For the purpose of classification and verification of status of the eligibility of a Bondholder under the Retail Individual Investor category, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds Allotted under the Issue shall aggregated on the basis of PAN.*

The first Coupon/Interest Payment Date shall be the date falling one year from Deemed Date of Allotment and, for subsequent fiscals, shall be the same date of such respective fiscal. The last coupon/interest payment in each case will be made on the respective Redemption Dates/Maturity Dates for each Series of Bonds.

Interest on Application and Refund Money

Interest on Application Amounts received, which are used towards Allotment of Bonds

Interest on Application Amounts against which Bonds are Allotted to Applicants will be paid at the rate of [●]% *per annum*, subject to deduction of income tax under the Income Tax Act, from the date of realization of Application Amount through cheque(s)/demand draft(s) up to one Working Day prior to the Deemed Date of Allotment. In the event that the date of realization of the cheque(s)/demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges up to one Working Day prior to the Deemed Date of Allotment, at the aforementioned rate. We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Allotment Advice at the sole risk of the Applicant, to the sole/first Applicant. A tax deduction certificate will be issued for the amount of income tax deducted on such payments.

However, our Company shall not be liable to pay any interest on Application Amounts in case of (a) ASBA Applications and (b) monies paid in excess of the amount of Bonds applied for in the Application Form.

Interest on Application Amounts received, which are liable to be Refunded

Interest on Application Amounts which are liable to be refunded to Applicants will be paid at the rate of [●]% *per annum*, subject to deduction of income tax under the Income Tax Act, from the date of realization of Application Amount through cheque(s)/demand draft(s) up to one Working Day prior to the Deemed Date of Allotment. In the event that the date of realization of the cheque(s)/demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges up to one Working Day prior to the Deemed Date of Allotment, at the aforementioned rate. Such interest, shall be paid along with the monies liable to be Refunded. Interest warrants will be dispatched/credited (in case of electronic payment) along with the Refund Orders at the sole risk of the Applicant, to the sole/first Applicant. A tax deduction certificate will be issued for the amount of income tax deducted on such payments.

However, our Company shall not be liable to pay any interest on Application Amounts liable to be refunded in case of (a) ASBA Applications; (b) invalid Applications or Applications liable to be rejected; (c) Applications that are withdrawn by the Applicants; and (d) monies paid in excess of the amount of Bonds applied for in the Application Form.

See "***Issue Procedure - Rejection of Application***" on page 161.

REDEMPTION

Our Company will redeem the Bonds on the Maturity Date.

Bonds held in electronic form:

No action is required on the part of Bondholders at the time of maturity of the Bonds.

Bonds held in physical form:

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption. However, our Company may require the Bond Certificate(s)/Consolidated Certificates, duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Bond Certificate(s)/Consolidated Bond Certificate(s)) to be surrendered for redemption on the Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or our Company or to such persons at such addresses as may be notified by our Company from time to time. Bondholders may be requested to surrender the Bond Certificate(s)/Consolidated Certificate(s) in the manner stated above, not more than 3 months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

CALCULATION OF INTEREST ON THE BONDS

Day Count Convention

Interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.

Effect of holidays on payments

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/Interest Payment Date. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the Bonds falls on a day that is not a Working Day, the redemption proceeds shall be paid on the

immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. **INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE ISSUE.**

Name of Issuer	XYZ Limited
Face value of the Bonds	₹10,00,000
Series of Bonds	1X
Deemed Date of Allotment	November 13, 2013
Redemption Date/Maturity Date	November 13, 2018
Coupon/Interest Rate	8.95%
Frequency of Coupon/Interest Payment with specified dates	First Coupon/Interest Payment Date on November 13, 2014, and subsequently on November 13 of every year until the Maturity Date/Redemption Date of the Series of Bonds
Day Count Convention	Actual/Actual

Cash Flows	Coupon/Interest Payment Date	No. of days in Coupon Period	Amount per Bond payable (in ₹)
1st Coupon/Interest Payment Date	Thursday, November 13, 2014	365	89,500
2nd Coupon/Interest Payment Date	Friday, November 13, 2015	365	89,500
3rd Coupon/Interest Payment Date	Monday, November 14, 2016*	367	89,745
4th Coupon/Interest Payment Date	Monday, November 13, 2017*	364	89,255
5th Coupon/Interest Payment Date	Tuesday, November 13, 2018	365	89,500
Principal	Tuesday, November 13, 2018	365	10,00,000

** Fiscal 2016, being a leap year, has 366 days as provided in "**- Day Count Convention**" on page 134. Further, the 3rd Coupon/Interest Payment Date falls on a Sunday. Accordingly, the coupon/interest is paid on the following Working Day and has been calculated for 367 days. Please note that the succeeding Coupon/Interest Payment Date, being the 4th Coupon/Interest Payment Date, is to be paid on November 13 of that year, and accordingly, the interest has been calculated for 364 days.*

COUPON/INTEREST PAYMENT SHALL BE ROUNDED TO THE NEAREST RUPEE AS PER THE FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION HANDBOOK ON MARKET PRACTICES.

Manner and Modes of Payment

For Bonds held in electronic form:

No action is required on the part of Bondholders on the Maturity Date. Payment on the Bonds will be made to those Bondholders whose name appears first in the register of beneficial owners maintained by the Depository, on the Record Date. **Our Company's liability to Bondholders for payment or otherwise will stand extinguished from the Maturity Date or on dispatch of the amounts payable by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.**

The Bondholders' respective bank account details will be obtained from the Depository for payments. **Applicants are therefore advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so could result in delays in credit of payments to applicants at their sole risk, and neither our Company, the members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.**

For Bonds held in physical form

The bank details will be obtained from the Registrar to the Issue for effecting payments.

Moreover, our Company, the Lead Managers and Registrar to the Issue will not be responsible for any delay in receipt of credit of interest, refund or Maturity Amount so long as the payment process has been initiated in time.

All payments to be made by our Company to the Bondholders will be made through any of the following modes, in the following order of preference:

Direct credit – Applicants having bank accounts with the Refund Bank(s), as per the Demographic Details received from the Depositories, will be eligible to receive Refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

National Electronic Clearing System ("NECS") – Payment of Refund shall be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of Refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.00 lakhs, have the option to receive Refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the MICR code of the Applicants' respective banks which can be mapped with data from the RBI to obtain the Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Applicants' banks receiving the credit would be borne by the respective Applicants.

NEFT – Payment of Refund will be undertaken through NEFT wherever an Applicant's bank has been assigned the IFSC which can be linked to a MICR code, if any, available to that particular bank branch. The IFSC will be obtained from the website of the RBI as on a date immediately prior to the date of payment of Refund, duly mapped with the MICR code. Wherever the Applicants have registered their MICR code and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of Refund will be made to the Applicant through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence the use of NEFT is subject to operational feasibility, cost and process efficiency. If NEFT is not operationally feasible, the payment of Refunds would be made through any one of the other modes as discussed in the sections.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the Refund Orders will be dispatched through speed/registered post only to Applicants that have provided details of a registered address in India. Such Refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of payment orders/warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/warrants. Applications without these details are liable to be rejected. In relation to Bonds applied for and held in dematerialized form, these particulars would be taken directly from the Depositories. In case of Bonds held in physical form on account of rematerialization, Applicants are advised to submit their bank account details with our Company or the Registrar to the Issue at least 7 calendar days prior to the Record Date, failing which the orders/warrants will be dispatched to the postal address (in India) of the Bondholder as available in the register of beneficial owners maintained by the Depository, at the sole risk of the Bondholder. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

Record Date

The record date for payment of interest on the Bonds or the Maturity Amount shall be the date falling 15 days prior to the relevant Coupon/Interest Payment Date on which interest amount or the Redemption Dates/Maturity Dates for each Series of Bonds on which the Maturity Amount is due and payable under the terms of the Prospectus. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date.

TRANSFER OF THE BONDS

The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Companies Act, as the case may be and the Articles of Association will apply, *mutatis mutandis* (to the extent applicable to debentures) to the Bonds.

Transfer of Bonds held in dematerialized form

In respect of Bonds held in the dematerialized form, transfers of the Bonds may be effected, only through the Depositories where such Bonds are held, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. The Bondholder shall give delivery instructions containing details of the prospective purchaser's DP's account to his DP. If a prospective purchaser does not have a demat account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified below.

Transfer of Bonds in physical form

The Bonds may be transferred by way of a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by our Company for the registration of transfer of Bonds. Purchasers of Bonds are advised to send the Consolidated Certificate to our Company or to such persons as may be notified by our Company from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialized form, the Bonds may be dematerialized by the purchaser through his or her DP in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the Bonds will be paid to the person whose name appears in the Register of Bondholders maintained by the Depositories. In such cases, any claims will be settled *inter se* between the parties and no claim or action will be brought against our Company or the Registrar to the Issue.

TAXATION

See "***Statement of Tax Benefits***" on page 51.

Bondholder Not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to equity and/or preference shareholders of our Company.

Rights of Bondholders

The rights of the Bondholders will be as per the Bond Trust Deed.

Joint-holders

Where 2 or more persons are holders of any Bond(s), they will be deemed to hold the same as joint holders with benefits of survivorship subject to our Company's Articles of Association and applicable law.

Nomination

In accordance with Section 109A of the Companies Act 1956, the sole/first Bondholder, with other joint Bondholders (being individuals), may nominate any one person (being an individual) who, in the event of death of the sole Bondholder or all the joint Bondholders, as the case may be, will become entitled to the Bonds. A nominee entitled to the Bonds by reason of the death of the original Bondholder(s) will become entitled to the same benefits to which he would be entitled if he were the original Bondholder. Where the nominee is a minor, the Bondholder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Bonds in the event of the Bondholder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of Bonds by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the

Registered Office of our Company or with the Registrar to the Issue or at such other addresses as may be notified by our Company.

Bondholders are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 109B of the Companies Act 1956, any person who becomes a nominee by virtue of Section 109A of the Companies Act 1956, will on the production of such evidence as may be required by the Board, elect either to register himself or herself as holder of Bonds; or to make such transfer of the Bonds, as the deceased holder could have made.

Further, the Board may at any time issue notice requiring any nominee to choose either to be registered himself or to transfer the Bonds, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

In case of Application for allotment of Bonds in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective DP of the Applicant will prevail. If Applicants want to change their nomination, they are advised to inform their respective DP.

Events of Default

A complete list of events of default and their respective consequences shall be specified in the Bond Trust Deed. The amount(s) so payable by our Company on the occurrence of one or more events of default shall be as detailed in the Bond Trust Deed. If an event of default occurs, which is continuing, the Bond Trustee may, with the consent of the Bondholders, obtained in accordance with the Bond Trust Deed, and with prior written notice to our Company, take action in terms of the Bond Trust Deed.

Bond Trustee

Our Company has appointed IL&FS Trust Company Limited to act as Bond Trustee for the Bondholders. IL&FS Trust Company Limited has, by its letter dated November 14, 2013, given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in this Draft Prospectus and in all subsequent periodical communications sent to the Bondholders, pursuant to this Issue pursuant to Regulation 4(4) of the SEBI Debt Regulations.

Our Company shall enter into Bond Trust Deed with the Bond Trustee within 3 months from the Issue Closing Date, the terms of which will govern the appointment and functioning of the Bond Trustee and specify the powers, authorities and obligations of the Bond Trustee. Under the terms of the Bond Trust Deed, our Company shall covenant with the Bond Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds at the rate/on the date(s) specified under the Bond Trust Deed.

The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Bond Trustee or any of its authorized representatives or agents to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Bond Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by our Company to the Bond Trustee on behalf of the Bondholders will discharge our Company *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders will vest in and will be exercised by the Bond Trustee without reference to the Bondholders. No Bondholder will be entitled to proceed directly against our Company unless the Bond Trustee, having become so bound to proceed, failed to do so. The Bond Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and they will take necessary action at our Company's cost.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, on or before the Issue Opening Date, publish a statutory pre-Issue advertisement in the form prescribed under the SEBI Debt Regulations, in at least one national daily newspaper with wide circulation. Material updates, if any, between the date of filing of the

Prospectus with the RoC and the date of release of such advertisement will be included in the statutory pre-Issue advertisement.

Impersonation

Attention of the Applicants is specifically drawn to sub-section (1) of Section 38 of the Companies Act 2013, reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Listing

The Bonds will be listed on the Stock Exchanges. The BSE will be the Designated Stock Exchange. Our Company has obtained in-principle approval for the Issue from the Stock Exchanges pursuant to letter (No. [●]) dated [●] from the BSE and letter (No. [●]) dated [●] from the NSE.

If permissions to deal in and for an official quotation of the Bonds are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all such moneys received from the Applicants pursuant to the Prospectus(es). If such money is not repaid within the period prescribed under the Companies Act, our Company and every officer in default shall be liable to pay interest to such extent and in such manner as prescribed. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchanges are taken within 12 Working Days of the Issue Closing Date.

Utilisation of Issue Proceeds

The funds raised through this issue will be utilized for, *inter alia,* funding of capital expenditure and refinancing for meeting the debt requirement in on-going projects, including recoupment of expenditure already incurred.

The main objects of our MoA enable us to undertake the activities for which the funds are being raised in the Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects specified in our Memorandum of Association.

In accordance with SEBI Debt Regulations, our Company is not permitted to utilize the proceeds of the Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management as our Company. Our Company is a public sector enterprise and, as such, we do not have any identifiable 'group' companies or 'companies under the same management'. Further, the Issue proceeds shall be utilized in course of our normal business activities and shall not be utilized towards any purposes restricted under the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including investment in the stock market or in real estate business or for carrying on agricultural/plantation activities, purchase of shares/debentures/Bonds issued by companies in India or for re-lending.

Further, in accordance with the SEBI Debt Regulations and the Debt Listing Agreement as well as the Bond Trust Deed, the Issue proceeds will be kept in separate Escrow Account(s) and our Company will have access to such funds only after creation of Security for the Bonds and/or as per applicable law.

For more information, see "***Objects of the Issue***" on page 49.

Monitoring and Reporting of Utilisation of Issue Proceeds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. The Board shall monitor the utilisation of the proceeds of the Issue.

The end-use of the proceeds of the Issue, duly certified by the Joint Statutory Auditors, will be reported in accordance with our Company's reporting obligations under the Debt Listing Agreement.

Further, our Company confirms that funds raised by our Company from previous public issues and private placements of bonds have been utilized for our Company's business as stated in the respective offer documents, and as reported to the Stock Exchanges under applicable law.

For more information, see "***Objects of the Issue***" on page 49.

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the Credit Rating Agency(ies) will be extended in providing true and adequate information until the obligations in respect of the Bonds are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the Bonds listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;

(d) Funds required for dispatch of refund orders/Allotment Advice/Consolidated Certificates/Bond Certificates will be made available by our Company to the Registrar to the Issue;

(e) Our Company will provide a compliance certificate to the Bond Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue of Bonds as contained in the Prospectus.

(f) Our Company will disclose the complete name and address of the Bond Trustee in its annual report.

Ranking of the Bonds

The Bonds will have an asset cover of one time the total outstanding amount of Bonds, pursuant to the terms of the Bond Trust Deed. Accordingly, the Bonds would constitute direct and secured obligations of our Company and will rank *pari passu inter se* to the claims of other secured creditors of our Company holding the same security and superior to the claims of any unsecured creditors of our Company, now existing or in the future, subject to any obligations preferred under applicable law.

DRR

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 117C of the Companies Act 1956, any company that intends to issue debentures is required to create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. Further, the MCA has, through circular dated February 11, 2013, specified that companies (other than PFIs, All India Financial Institutions and Non-Banking Financial Company as defined under Section 45-IC and 45-IF of RBI Act, 1934) including manufacturing and infrastructure companies shall create a DRR to the extent of 25.00% of the value of the debentures issued through public issue. Accordingly, we are presently required to create DRR of at least 25.00% of the value of the Bonds and to credit adequate amounts to the DRR from our profits every year until the Bonds are redeemed. The amounts credited to the DRR shall not be utilized by us for any purpose other than redemption of the Bonds. Maintenance of the DRR is subject to, and shall be liable to modification pursuant to applicable law from time to time.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Replacement of Bond Certificates

In case of Bonds in physical form, if a Bond certificate is mutilated or defaced then on production thereof to our Company, our Company shall cancel such certificate and issue a new or duplicate certificate in lieu thereof, however, they will be replaced only if the certificate numbers and the distinctive numbers are legible. If any Bond certificate is lost, stolen or destroyed, then, on proof thereof to the satisfaction of our Company and on furnishing such indemnity as our Company may deem adequate and on payment of any expenses incurred by our Company in connection with proof of such destruction or theft or in connection with such indemnity our Company shall issue a new or duplicate Bond certificate. A fee may be charged by our Company not exceeding such sum as may be prescribed by applicable law for each new or duplicate Bond certificate issued hereunder except certificates in replacement of those which are old, decrepit or worn out or defaced or where the pages for recording transfers have been fully utilized.

Put/Call Option

There is no put or call option for the Bonds.

Future Borrowings

Our Company will be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or debentures or any other securities in any form, manner, ranking and denomination whatsoever, subject to applicable consents, approvals or permissions that may be required under any statutory, regulatory, contractual requirement and to any eligible persons whatsoever, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and to change its capital structure including through the issue of shares of any class, on such terms and conditions as our Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Bond Trustee in this connection.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder, to the extent of all outstanding dues, if any by the Bondholder to our Company.

Lien on Pledge of Bonds

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank or institution for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

Procedure for Rematerialisation of Bonds

Bondholders who wish to hold the Bonds in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

Sharing of Information

Our Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with our Company, its Subsidiary(ies) and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required. **Neither our Company nor its Subsidiaries and affiliates nor its or their respective agents will be liable for use of the aforesaid information.**

Notices

All notices to the Bondholders required to be given by our Company or the Bond Trustee will be published in at

least one national daily newspaper with wide circulation and/or will be sent by post/courier to the Bondholders from time to time, only to Applicants that have provided a registered address in India.

Jurisdiction

The Bonds, the Bond Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.

ISSUE PROCEDURE

*This section applies to all Applicants. Applicants are requested to note that in terms of circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 ("**2012 Circular**"), SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the 2012 Circular, directed recognized stock exchanges in India to establish necessary systems and infrastructure for the implementation of the Direct Online Application Mechanism. In the event that either of the Stock Exchanges establishes such necessary systems, infrastructure and processes so as to enable the adoption of the Direct Online Application Mechanism prior to the Issue Opening Date, we shall offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.*

If such systems, infrastructures or processes are established by either of the Stock Exchanges after the filing of this Draft Prospectus but prior to the Issue Opening Date, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in at least one national daily newspaper with wide circulation.

ASBA Applicants and Applicants making Direct Online Applications using the online payment facility of the Stock Exchanges should note that the ASBA and Direct Online Application processes involve application procedures which may be different from the procedures applicable to Applicants who apply for Bonds through any other permitted channel, and accordingly should carefully read the provisions applicable to ASBA and Direct Online Applications, respectively.

All Applicants are required to make payment of the full Application Amount at the time of submission of the Application Form. ASBA Applicants are required to ensure that their respective ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSBs.

*ASBA Applicants may submit their ASBA Applications to the members of the Syndicate or Trading Members of the Stock Exchanges only in the Specified Cities, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the members of the Syndicate or Trading Members of the Stock Exchanges at any of the centres mentioned in the Application Form. For further information, see "-**Application For Allotment Of Bonds In Physical And Dematerialized Form**" on page 149.*

This section has been prepared based on the 2012 Circular issued by SEBI, and is subject to the Stock Exchanges establishing necessary systems and infrastructure for the implementation of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the electronic platform and online payment facility to be offered by the Stock Exchanges, and accordingly is subject to any further clarification, notification, modification, direction, instruction and/or correspondence that may be issued by the Stock Exchanges and/or SEBI in this regard.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

Applicants are accordingly advised to carefully read the Prospectus, the Application Form and the Abridged Prospectus in relation to any proposed investment in the Bonds. Our Company, the Registrar to the Issue and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date thereof.

Trading Members of the Stock Exchanges who wish to collect and upload Applications on the electronic application platform provided by the Stock Exchanges will need to approach the respective Stock Exchanges and follow the requisite procedures prescribed by the relevant Stock Exchange. ***The members of the Syndicate, our Company and the Registrar to the Issue shall not be responsible or liable for any errors or omissions on the part of the Trading Members of the Stock Exchanges in connection with the responsibility of such***

Trading Members of the Stock Exchanges in relation to collection and upload of Applications in the Issue on the electronic platform and online payment facility to be provided by the Stock Exchanges. *Further, the respective Stock Exchanges shall be responsible for addressing investor grievances arising from Applications through Trading Members registered with such Stock Exchanges.*

For purposes of the Issue, the term "Working Day" shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

PROCEDURE FOR APPLICATION

Availability of Prospectus, Abridged Prospectus and Application Forms

Physical copies of the Abridged Prospectus containing salient features of the Issue, together with the Application Forms may be obtained from:

(a) Registered Office;
(b) Offices of the members of the Syndicate;
(c) Trading Members of the Stock Exchanges; and
(d) Designated Branches of SCSBs.

Electronic copies of the Draft Prospectus and Prospectus will be available on the websites of our Company, the members of the Consortium, the Stock Exchanges and SEBI.

There is a common Application Form for ASBA Applicants as well as non-ASBA Applicants. However, there is a separate Application Form for NRIs applying on a non-repatriation basis. The prescribed colour of the Application Forms for various categories is as follows:

Category	**Colour of Application Form**
Resident Applicants under Category I, Category II, Category III and Category IV	[●]
NRIs applying on a non-repatriation basis	[●]

Electronic Application Forms will be available on the websites of the Stock Exchanges and the members of the Consortium. A unique application number will be generated for every Application Form downloaded from the websites of the Stock Exchanges as well as members of the Consortium. In addition, online beneficiary account portals may provide a facility of submitting Application Forms online to their account holders. Trading Members of the Stock Exchanges may also download electronic Application Forms from the websites of the Stock Exchanges.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Application Form and Prospectus may be obtained from the Registered Office and the offices of the members of the Consortium. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Who Can Apply

Category I/QIBs*	**Category II/Corporates***	**Category III/HNIs**	**Category IV/Retail Individual Investors**
• PFIs as defined in Section 2(72) of the Companies Act 2013; • Alternative Investment Funds; • Scheduled commercial banks; • MFs registered with SEBI; • State industrial development corporations; • Insurance companies	• Companies falling within the meaning of Section 2(20) of the Companies Act 2013; and • Limited liability partnerships, statutory corporations, trusts, partnership firms in the name of their respective partners, associations of persons, co-operative	Investors falling under the following categories applying for an amount aggregating to more than ₹ 10 lakh across all Series of Bonds in the Issue: • Resident Individual Investors; • NRIs applying on a non-repatriation basis only;	Investors falling under the following categories applying for an amount aggregating up to and including ₹ 10 lakh across all Series of Bonds in the Issue: • Resident Individual Investors; • NRIs applying on a non-

Category I/QIBs*	Category II/Corporates*	Category III/HNIs	Category IV/Retail Individual Investors
registered with the IRDA; • Provident funds with a minimum corpus of ₹ 25 crore; • Pension funds with a minimum corpus of ₹ 25 crore; • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; and • Insurance funds set up and managed by the Department of Posts, India, subject to such being authorized to invest in the Bonds.	banks, regional rural banks and other legal entities constituted and/or registered under applicable laws in India, that are authorized to invest in Bonds by their respective constitutional and/or charter documents, subject to compliance with respective applicable laws.	and • HUFs applying in the name of their respective kartas.	repatriation basis only; and • HUFs applying in the name of their respective kartas.

** See general circular (No. 6/2013) dated March 14, 2013 issued by the MCA that clarifies that in cases where the effective yield on tax-free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act 1956.*

Participation of any of the aforementioned persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities of the nature of the Bonds by such persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits that they are subject to under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for or subscribing to the Bonds pursuant to the Issue.

Applications by NRIs Applying on a Non-repatriation Basis

We propose to issue Bonds to NRIs on a non-repatriation basis. Applicants that are NRIs should note that only such Applications as are accompanied by payment in Rupees shall be considered for Allotment. An NRI can Apply for Bonds, subject to the conditions and restrictions stipulated under the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements including the CBDT Notification. Allotment of Bonds to NRIs applying on a non-repatriation basis shall be subject to the following terms and conditions:

(i) Application Amounts shall be paid either through remittance from outside India through normal banking channels, or by transfer of funds held in the investor's Non-resident External ("**NRE**")/Non-resident Ordinary ("**NRO**")/Foreign Currency Non-resident ("**FCNR**") account maintained with an authorized dealer in India; and

(ii) No payments on the Bonds shall be repatriable outside India; and the maturity proceeds and interest on the Bonds shall be credited only to such specified bank account.

The Issuer does not make any representations and does not guarantee eligibility of any NRIs for investment in the Issue. All NRI Applicants are required to verify their eligibility and ensure compliance with all relevant and applicable law, including notifications by the RBI and SEBI pertaining to their eligibility to invest in the Bonds at the stage of investment in this Issue, at the time of remittance of their Application Amounts as well as at the time of disposal of the Bonds. The Issuer will not check or confirm eligibility of such investments in the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Persons not eligible to apply

The following persons and entities will not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- Minors not applying through their guardians. It is clarified that a guardian may apply on behalf of a minor, provided that such Applications indicate the names of both the minor, as well as the guardian. It is further clarified that it is the responsibility of the Applicant to ensure that the guardians are competent to contract under applicable statutory/regulatory requirements;
- Persons Resident Outside India and foreign nationals (including FIIs, Qualified Foreign Investors and NRIs applying on repatriation basis, but excluding NRIs applying on a non-repatriation basis only);
- Venture Capital Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and Foreign Venture Capital Investors;
- Overseas Corporate Bodies;
- Persons ineligible to contract under applicable statutory/regulatory requirements; and
- Any other category of Applicants not provided for under "***- Who can apply?***" on page 144.

Based on information provided by the Depositories, our Company will have the right to accept Applications for Bonds in dematerialized form belonging to an account for the benefit of a minor under guardianship. In case of Applications for Allotment of Bonds in dematerialized form, the Registrar to the Issue shall verify the foregoing on the basis of records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded to the electronic platform of the Stock Exchanges.

Pursuant to the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003, OCBs are not permitted to invest in the Issue.

Nothing in this Draft Prospectus shall constitute a solicitation, offer or invitation for the sale of any securities in any jurisdiction where it is unlawful to do so, or to any persons ineligible to participate in the Issue. The Bonds have not been and will not be registered, listed or otherwise qualified for any offering to the public, or to any restricted persons, in any jurisdiction outside India. In particular, the Bonds have not been and will not be registered under the United States Securities Act, 1933 ("Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Applications in the Issue by persons resident outside India, including persons based, incorporated, domiciled or resident in the U.S.A., are liable to be rejected. Prospective investors are advised to seek independent legal, tax and investment advice, as necessary, in order to ascertain their eligibility to invest in the Issue and possible consequences of such investment, and to ensure that they have obtained and are able to furnish copies of all necessary legal or regulatory approvals and proof of compliance with all prescribed procedures and legal and regulatory requirements for investing in the Issue, failing which their applications are liable to be rejected. All communications and correspondence in relation to the Issue, including in relation to dispatch and delivery of Allotment Advice, Refund Orders, etc. will be made only to the investors'/Applicants' registered addresses in India.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

(a) ASBA Applications through the members of the Consortium or Trading Members of the Stock Exchanges only in the Specified Cities ("**Syndicate ASBA**"). See "- ***Application For Allotment Of Bonds In Physical And Dematerialized Form***" on page 149;

(b) ASBA Applications through the Designated Branches of SCSBs. See "**- *Application For Allotment Of Bonds In Physical And Dematerialized Form***" on page 149; and

(c) Non-ASBA Applications through Members of the Syndicate or Trading Members of the Stock Exchanges at centres mentioned in the Application Form. See "**- *Application For Allotment Of Bonds In Physical And Dematerialized Form***" on page 149.

(d) Non-ASBA Applications for Allotment in physical form through the Members of the Syndicate or Trading Members of the Stock Exchanges at centres mentioned in the Application Form. See **- *Application For Allotment Of Bonds In Physical And Dematerialized Form***" on page 149.

Applications by certain categories of Applicants

Applications by MFs

No scheme of an MF may invest more than 15.00% of the net asset value of such scheme in debt instruments issued by a single company, which are rated not below investment grade by a credit rating agency authorized to carry out such activity. Such investment limit may be extended to 20.00% of the net asset value of such scheme with the prior approval of the board of trustees and the board of the asset management company.

A separate Application can be made in respect of each scheme of an MF, and such Applications will not be treated as multiple Applications. Applications made by the asset management companies or custodians of an MF must clearly indicate the name of the scheme for which such Application is being made. In case of Applications made by MFs, the Application Form must be accompanied by certified true copies of their (i) certificate of registration with SEBI; (ii) trusts deed (iii) resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.

Applications by Trusts

Applications made by a Trusts settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such Trusts, (ii) power of attorney, if any, in favour of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason.

Further, any trust applying for Bonds must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Application by Alternative Investments Funds

Application made by Alternative Investments Funds eligible to invest in accordance with the Alternative Investment Funds Regulations, 2012, for Allotment of the Bonds must be accompanied by certified true copies of: (i) their certificate of registration with SEBI; (ii) a resolution authorising investment and containing operating instructions, memorandum and articles of associations; and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled commercial banks, co-operative banks and regional rural banks can apply in the Issue based on their respective investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) specimen signatures of authorized signatories; and (v) PAN Card. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.

Pursuant to SEBI Circular (No. CIR/CFD/DIL/1/2013) dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

The Application Form must be accompanied by certified copies of their (i) certificate of registration issued by IRDA; (ii) memorandum and articles of association; (iii) resolution authorising investment and containing operating instructions; (iv) power of attorney; and (v) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.**

Applications by PFIs

In case of Applications by PFIs authorized to invest in the Bonds, the Application Form must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason.

Applications by Provident Funds and Pension Funds

In case of Applications by Indian provident funds and pension funds authorized to invest in the Bonds, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) power of attorney, if any, in favour of one or more trustees thereof; (iii) board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) tax exemption certificate issued by income tax authorities, if exempt from income tax. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.

Applications by National Investment Fund

In case of Applications by National Investment Fund, the Application Form must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.**

Applications by Companies, Limited Liability Partnerships and Bodies Corporate

In case of Applications by companies, limited liability partnerships and bodies corporate, the Application Form must be accompanied by certified true copies of: (i) board resolution/resolution authorising investments; and (ii) specimen signature of authorized person, together with copies of any Act/Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants in Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants in Category III and Category IV, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms, subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

Applications by Partnership Firms

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorize the broker, the broker makes an Application on behalf of the Applicant.

APPLICATION FOR ALLOTMENT OF BONDS IN PHYSICAL AND DEMATERIALIZED FORM

Application for allotment in physical form

Submission of Applications for Allotment of the Bonds in physical form

Applicants can apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the members of the Syndicate or the Trading Members of the Stock Exchanges, with the accompanying account payee cheques or demand drafts representing the full Application Amount and know-your-customer ("**KYC**") documents as specified under "***– Applications by certain Categories of Applicants***" and "***- Additional instructions for Applicants seeking Allotment of Bonds in physical form***" at pages 147 and 157, respectively. The members of the Syndicate and Trading Members of the Stock Exchanges shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the electronic platforms of Stock Exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant.

On uploading of the Application details, the members of the Syndicate and Trading Members of the Stock Exchanges will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s), which will realize the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the electronic platforms of Stock Exchanges with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the 2 databases, the details received from the electronic platforms of Stock Exchanges will prevail, except in relation to discrepancies between Application Amounts. The members of the Syndicate/Trading Members of the Stock Exchanges are requested to note that all Applicants are required to be banked with only the Designated Branches of SCSBs (for ASBA Applicants) or designated branches of Escrow Collection Bank(s) (for non-ASBA Applicants), a list of which is available on the Application Form. On Allotment, the Registrar to the Issue will dispatch Bond Certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form. **If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant's sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Bank(s), nor the members of the Syndicate will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond Certificates are withheld by the Registrar to the Issue. Further, our Company will not be liable for any delays in payment of interest on the Bonds Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.**

For instructions pertaining to completing Application Form please see "***- General Instructions***" and "***- Additional Instructions for Applicants seeking allotment of Bonds in physical form***" on pages 151 and 157, respectively.

Application for allotment in dematerialized form

Submission of ASBA Applications

Applicants may also apply for Bonds using the ASBA facility. ASBA Applications can be submitted only by Applicants opting for Allotment in dematerialized form. ASBA Applications can be submitted through either of the following modes:

a) Physically or electronically to the Designated Branches of SCSB with whom the respective ASBA Account of the Applicant is maintained. In case of ASBA Application in physical mode, the ASBA Applicant will submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch will verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application onto the electronic platform of the Stock Exchanges. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch will reject such ASBA Application and will not upload such ASBA Application in the electronic platform of the Stock Exchanges.** If sufficient funds are available in the ASBA Account, the Designated Branch will block an amount equivalent to the Application Amount and upload details of the ASBA Application on the electronic platform of the Stock Exchanges, and thereafter will stamp the Application Form. In case of Application in the electronic mode, the ASBA Applicant will submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

b) Physically through the members of the Syndicate or Trading Members of the Stock Exchanges only at the Specified Cities, through the Syndicate ASBA mechanism. ASBA Applications submitted to the members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications. A list of such branches is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries.

On receipt of the Application Form by the members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, an acknowledgement will be issued by giving the counter-foil of the Application Form with the dated stamp to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application will be uploaded in the electronic platform of the Stock Exchanges and the Application Form will be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be. A list of such branches is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries. On receipt of the ASBA Application, the relevant branch of the SCSB will perform verification procedures and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB will block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted Bonds to the Public Issue Account(s), or until withdrawal/failure of the Issue or withdrawal/rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of SCSBs and with the members of the Syndicate at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Application Forms will also be provided to Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Abridged Prospectus is made available on their websites as well.

(b) The Designated Branches of SCSBs will accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB will not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, after the closing time of

acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 129.

(c) In case of Applications through Syndicate ASBA, the physical Application Form will bear the stamp of the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be; if not, the same will be rejected. **Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.**

ASBA Applicants can invest in dematerialized form only.

For instructions pertaining to completing Application Form please see "***- General Instructions***" on page 151.

Submission of Non-ASBA Applications for the Bonds in dematerialized form

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant member of the Syndicate or Trading Member of the Stock Exchanges at centres mentioned in the Application Form, as the case may be, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. The Stock Exchanges may also provide Application Forms for being downloaded and filled. Accordingly, Applicants may download Application Forms and submit the completed Application Forms together with cheques/demand drafts to the members of the Syndicate or Trading Member of the Stock Exchanges at centres mentioned in the Application Form. On submission of the completed Application Form, the relevant members of the Syndicate or Trading Member of the Stock Exchanges, as the case maybe, will upload the Application Form on the electronic platform provided by the Stock Exchanges, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft will be forwarded to the Escrow Collection Bank(s) for realisation and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with: (a) any cancellation/withdrawal of their Application; (b) queries in connection with Allotment and/or refund(s) of Bonds; and/or (c) all investor grievances/complaints in connection with the Issue.

For instructions pertaining to completing Application Form please see "***- General Instructions***" on page 151.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

General Instructions

(a) Applications must be made only in the prescribed Application Form.

(b) Applications must be completed in block letters in English as per the instructions contained in this Draft Prospectus, the Prospectus, the Abridged Prospectus and the Application Form.

(c) Application should be in single or joint names (not exceeding 3 names). In case of Applications in joint names for Allotment of Bonds in dematerialized form, the names should be in the same order as appearing in the records of the DP.

(d) If the Application is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the Depository account held in joint names. If the Depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the Depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

(e) Applications must be for minimum of 5 Bonds and in multiples of one Bond thereafter.

(f) Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any of the other languages specified in the 8th Schedule to the Constitution of India must be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his official seal.

(g) Applicants should hold a valid PAN allotted under the Income Tax Act and mention it in the Application Form.

(h) Applicants must tick the relevant box for the 'Category of Investor' provided in the Application Form.

(i) Applicants must tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.

(j) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account.

(k) Applications should be made by the karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.

(l) **No separate receipts will be issued for the Application Amount payable on submission of the Application Form.** However, the members of the Consortium, Trading Members of the Stock Exchanges at centres mentioned in the Application Form or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as the duplicate of the Application Form for the records of the Applicant.

Our Company, the members of the Syndicate, Trading Members of the Stock Exchanges at centres mentioned in the Application Form, Designated Branches of SCSBs, and the Registrar to the Issue will not be liable for errors in data entry due to submission of incomplete or illegible Application Forms.

Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in joint names, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. **In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.**

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, MICR code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. **Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.**

The Demographic Details would be used for correspondence with the Applicants including mailing of Allotment Advice and printing of bank particulars on refund orders or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders would be mailed at the address (in India) of the

Applicant as per Demographic Details received from the Depositories. Delivery of refund orders/Allotment Advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such event, the address and other details provided by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. In case of refunds through electronic modes detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the DP are incorrect. **Any such delay will be at such Applicants' sole risk and neither our Company, the Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchanges will be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay, or to pay any interest for such delay.**

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of refund orders/Allotment Advice, the Demographic Details obtained from the Depository of the Applicant will be used. By signing the Application Form, the Applicant would be deemed to have authorized the Depositories to provide to the Registrar to the Issue, on request, the required Demographic Details available on their records. The Demographic Details provided by the Applicant in the Application Form would not be used for any purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Bonds pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the 3 parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

PAN

Any Application Form without the PAN (or submitting the GIR number instead of the PAN) is liable to be rejected, irrespective of the amount of transaction. In accordance with circular (No. MRD/DoP/Cir-05/2007) dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the Indian securities market, irrespective of the amount of transaction. Further, with effect from August 16, 2010, beneficiary accounts of Applicants for whom PAN details have not been verified have been suspended for credit and no credit of Bonds pursuant to the Issue will be made into the accounts of such Applicants. Therefore, the Applicant (in the case of Applications made in joint names, the first Applicant) should mention the PAN allotted under the Income Tax Act in the Application Form. For minor Applicants applying through the guardian, it is mandatory to mention the PAN of minor Applicant. However, Applications on behalf of the officials of the GoI or any State Government and officials appointed by the courts in terms of circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by SEBI and Applicants residing in the state of Sikkim may be exempt from the requirement to specify their PAN for transacting in the Indian securities market in terms of circular (No. MRD/DoP/Dep/Cir-09/06) dated July 20, 2006 issued by SEBI. However, the exemption for the officials of the GoI or any State Government and officials appointed by the courts and for Applicants residing in the State of Sikkim is subject to the DPs verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field, i.e., either Sikkim category or exempt category.

Joint Applications

Applications by Applicants applying for Allotment in dematerialized form can be in single or joint names (not exceeding 3). If the Application Form is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the Depository account held in joint names. In case of Applications in joint names for Allotment of Bonds, the names of the Applicants should be the same and appearing in the same order as on the records of the DP. In case of Applications in joint names, any payments will be made out in favour of the first Applicant and any communications will be addressed to the first Applicant whose name should also appear as the first holder of the Depository account held in joint names. If the Depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the Depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

Additional/Multiple Applications

For purposes of Allotment of Bonds in the Issue, Applications will be grouped based on the PAN, i.e., Applications under the same PAN will be grouped together and treated as one Application. 2 or more Applications will be deemed to be multiple Applications if the sole or first applicant is one and the same. For the sake of clarity, 2 or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first applicant is one and the same.

An Applicant is allowed to make one or more Applications for the Bonds, subject to a minimum Application size of 5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) and in multiples of 1 Bond (₹ 1,000) thereafter, for each Application. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid application and shall be rejected.** Please note that multiple Applications by an Applicant being an individual or the karta of an HUF aggregating to a value exceeding ₹ 10 lakh shall deem such Applicant to be a Category III Applicant and all such Applications shall be grouped in the Category III Portion, for the purpose of determining the basis of Allotment to such Applicant. Applications made by any person in individual capacity and in capacity as a karta of an HUF and/or as second or third Applicant, as the case may be, in case of Applications made in joint names will not be treated as multiple Applications. Moreover, a separate Application can be made in respect of each scheme of an MF and such Applications will not be treated as multiple Applications.

Dos:

1. Check if you are eligible to apply as per the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form and applicable law.

2. Read all the instructions carefully and complete the Application Form in the prescribed form

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of Bonds pursuant to the Issue.

4. If the Application Form is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the Depository account held in joint names.

5. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

6. In case of an HUF applying through its karta, the Applicant is required to specify the name of an Applicant in the Application Form as "*XYZ* HUF applying through *PQR*", where *PQR* is the name of the karta.

7. Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the Stock Exchange, as the case may be.

8. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form are correct and match the details available in the Depository's database, and that the beneficiary account is activated for Allotment/trading of Bonds in dematerialized form.

9. Ensure that you have been given a transaction registration slip ("**TRS**") and an acknowledgment as proof of having accepted the Application Form.

10. Ensure that the name(s) provided in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the DP. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form.

11. Except in the case of ASBA Applications, Applicants are requested to write their names and

Application serial number on the reverse of the instruments by which the payments are made.

12. Tick the relevant box for the 'Category of Investor' provided in the Application Form.

13. Tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.

14. Ensure that the Application Forms are submitted to a Member of the Syndicate or Trading Member of a Stock Exchange, as the case may be, for Applications other than ASBA Applications, before the closure of Application hours on the Issue Closing Date. See "***Terms of the Issue – Issue Period***" on page 129.

15. In case of revision of an Application during the Issue Period, ensure that you have first withdrawn your original Application and then submit a fresh Application.

16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.

17. It shall be mandatory for Applicants to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

Don'ts:

1. Do not apply if you are not competent to contract under the Indian Contract Act, 1872, or if you are otherwise ineligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise.

2. Do not apply such that the number of Bonds applied for exceeds the Issue Size, and/or investment limit applicable to you under applicable laws or regulations.

3. Do not make an Application for lower than the minimum Application size.

4. Do not send Application Forms by post; instead submit the same to a member of the Syndicate, Trading Member of a Stock Exchange or Designated Branch of an SCSB, as the case may be. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Bank(s).

5. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue. Do not submit the GIR number instead of the PAN.

6. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest.

7. Do not submit the Application Forms without the full Application Amount for the number of Bonds applied for.

8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

9. Do not submit an Application in case you are not eligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise.

10. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

11. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

12. Do not submit an Application to the Escrow Collection Bank(s), unless such Escrow Collection Bank is a Designated Branch of a SCSB where the ASBA Account is maintained, in case of ASBA Application.

13. Do not apply if you are a person ineligible to apply for Bond under the Issue including Applications by Persons Resident Outside India, (including FIIs, Qualified Foreign Investors and NRIs applying on a repatriation basis but excluding NRIs applying on a non-repatriation basis only);

14. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/Bankers to the Issue, and the same will be rejected in such cases; and

15. Do not make an Application for the Bonds on multiple copies taken of a single form.

16. Do not make an Application for the Bonds if you are not a resident of India, unless you are an NRI applying on a non-repatriation basis.

17. Do not make an Application for the Bonds if you are an NRI applying on a repatriation basis.

Additional Instructions Specific to ASBA Applicants

Dos:

1. Check if you are eligible to apply under ASBA;

2. Ensure that you tick the ASBA option in the Application Form and provide correct details of your ASBA Account including bank account number/bank name and branch;

3. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, and not directly to the Escrow Collection Bank(s) (assuming that such bank is not an SCSB) or to our Company or the Registrar to the Issue;

4. Before submitting physical Application Form with the Member of the Syndicate at the Specified Cities ensure that the SCSB, whose name has been filled in the Application Form, has a branch in that centre.

5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to a Member of the Syndicate, at the Specified Cities or Trading Member of the Stock Exchanges, ensure that the SCSB where the ASBA Account, as specified in the Application Form, is maintained has named at least one branch in that specified city for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit Application Forms (A list of such branches is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries);

6. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

7. Ensure that the ASBA Account holder has funds equal to the Application Amount in the ASBA Account before submitting the Application Form;

8. Ensure that you have correctly ticked, provided or checked the authorization box in the Application Form, or otherwise have provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

9. In terms of SEBI Circular (No. CIR/CFD/DIL/1/2013) dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications; and

10. Ensure that you have received an acknowledgement from the Designated Branch or the Member of the Syndicate or Trading Member of the Stock Exchange, as the case may be for submission of the Application Form.

Don'ts:

1. Do not submit the Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts;

2. Do not submit the Application Form to the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, at a location other than the Specified Cities;

3. Do not send your physical Application Form by post; instead submit the same to a Designated Branch of an SCSB or Member of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities; and

4. Do not submit more than 5 Application Forms per ASBA Account.

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that specified city for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit such Application Forms. A list of such branches is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries. See "- *Rejection of Applications*" on page 161 for information on rejection of Applications.

For further instructions, Applicants are advised to read the Prospectus, Abridged Prospectus and Application Form.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF BONDS IN PHYSICAL FORM

Any Applicant who subscribes to the Bonds in physical form shall undertake the following steps:

- **Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form.** The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the Bonds in dematerialized form.
- Provide the following documents with the Application Form:

  (a) Self-attested copy of the PAN card or proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim.

  (b) Self-attested copy of proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:

  - ration card issued by the GoI; or
  - valid driving license issued by any transport authority of the Republic of India; or
  - electricity bill (not older than 3 months); or
  - landline telephone bill (not older than 3 months); or
  - valid passport issued by the GoI; or
  - voter's identity card issued by the GoI; or
  - passbook or latest bank statement issued by a bank operating in India; or
  - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
  - AADHAR letter, issued by Unique Identification Authority of India, GoI.

  (c) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. **In the absence of such cancelled cheque, our Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case our Company, the Lead Managers and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.**

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of

the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the above stated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the Bonds in physical form, note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialized or physical mode. **No partial Application for the Bonds shall be permitted; any such partial Application is liable to be rejected.**

2. **Any Applicant who provides DP details in the Application Form shall be Allotted the Bonds in dematerialized form only, irrespective of whether such applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted Bonds in physical form.**

3. In case of Bonds issued in physical form, a Consolidated Certificate will be issued.

4. Our Company shall dispatch the Bond Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under the Companies Act, read with our Company's Articles of Association.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or Bond certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants and the Lead Managers, our Company and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of Bonds in physical form, which are not accompanied with the aforestated documents, Allotment of Bonds in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

Consolidated list of documents required for various categories

For the sake of simplicity we hereby provide the details of documents mandatorily required to be submitted by various categories of Applicants (who have applied for Allotment of the Bonds in dematerialized form) while submitting the Application Form:

Type of Investors	Mandatory documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
PFIs, commercial banks authorized to invest in the Bonds, companies and bodies corporate registered under the applicable laws in India and authorized to invest in the Bonds; State Industrial Development Corporations; Companies and societies registered under the applicable laws in India and authorized to invest in the Bonds	The Application must be accompanied by certified true copies of: • The act/rules under which they are incorporated or constituted; • Board resolution authorizing investments; and • Specimen signature of authorized person.
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of • The act/rules under which they are incorporated; • Registration documents (i.e. IRDA registration); • Resolution authorizing investment and containing operating instructions; and • Specimen signature of authorized person.
Provident funds, pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: • The act/rules under which they are incorporated or constituted;

Type of Investors	Mandatory documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
	• Board resolution authorizing investments; and • Specimen signature of authorized person.
MFs	The Application must be also accompanied by certified true copies of: • SEBI registration certificate and trust deed; • Resolution authorizing investment and containing operating instructions; and • Specimen signature of authorized person.
Applicants through a power of attorney under Category I and II	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney or the relevant resolution or authority, as the case may be; • A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable; and • Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution.
Resident Indian individuals under Categories III and IV	N.A.
Resident HUF under Category III and Category IV	The Application must be also accompanied by certified true copies of: • Self-attested copy of PAN card of HUF; • Bank details of HUF, including copy of pass-book/bank statement/cancelled cheque indicating HUF status of the applicant; and • Self-attested copy of proof of address of karta, identity proof of karta.
Applications through a power of attorney under Category III and Category IV	The Application must be also accompanied by certified true copies of a certified copy of the power of attorney.
Partnership firms in the name of the partners and limited Liability partnerships	The Application must be also accompanied by certified true copies of: • Partnership deed; • Any documents evidencing registration thereof under applicable statutory/regulatory requirements; • Resolution authorizing investment and containing operating instructions; and • Specimen signature of authorized person.
Applications by NRIs	The Application must be also accompanied by certified true copies of: • A certificate from the issuing bank confirming that the demand draft has been drawn on an NRE/NRO/FCNR account. • A PIO Card (if the NRI is a Person of Indian Origin).

PAYMENT INSTRUCTIONS

The entire Application Amount is payable at the time of submitting the Application Form. In case of ASBA Applicants, an amount equivalent to the entire Application Amount will be blocked in the relevant ASBA Account. In case of Allotment of a lesser number of Bonds than applied for, our Company will refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for ASBA Applicants

ASBA Applicants are required to specify the ASBA Account number in the Application Form. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will be uploaded onto the electronic platform of the Stock Exchanges and deposited with the

relevant branch of the SCSB at the specified city named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be (A list of such branches is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries). The relevant branch of the SCSB will perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB will block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic platform. SCSBs may provide the electronic mode of Application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. For ASBA Applications, the SCSBs, will block Application Amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA Applications and no lien shall be marked against credit limits/overdraft facility of account holders for ASBA Application, in accordance with SEBI circular CIR/CFD/DIL/12/2012 dated September 13, 2012.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities or to the Designated Branches of SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount to the Public Issue Account(s), or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue will send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to Bonds allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/failure of the Issue/refund, the blocked amount will be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

(i) a) Payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- In case of Resident Applicants: "[●] - R"
- In case of NRIs applying on a non-repatriation basis: "[●] - NR".

b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.

d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s). The Escrow Collection Banks shall also, upon receipt of instructions from the Lead Managers and the Registrar to the Issue, transfer all amounts payable to Applicants, who have not been allotted Bonds to the

Refund Account(s).

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and the Prospectus.

All cheques/bank drafts accompanying the Application should be crossed "A/c. Payee only".

Application Amounts paid through the online payment facility of the Stock Exchanges will also be deposited in the Escrow Account(s).

The Escrow Collection Bank(s) will maintain the monies in the Escrow Account(s) until documents for creation of security for the Bonds are executed. The Escrow Collection Bank(s) will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) will transfer the funds represented by Allotment of Bonds (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account(s), provided that our Company will have access to such funds only after receipt of final listing and trading approvals from the Stock Exchanges and execution of the Bond Trust Deed. The balance amount after transfer to the Public Issue Account(s) will be transferred to the Refund Account. Payments of refund to the relevant Applicants will be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

Payment by cash/stockinvest/money order

Payment through cash/stockinvest/money order will not be accepted in the Issue.

Online Applications

Our Company may decide to offer an online Application facility for the Bonds, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

REJECTION OF APPLICATION

Our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof. Applications would be liable to be rejected on one or more technical grounds, including but not restricted to the following:

- Applications where a registered address in India is not provided for the Applicant.
- Applications by persons who are not eligible to acquire Bonds of our Company in terms of applicable laws, rules, regulations, guidelines and approvals, including Applications by persons not competent to contract under the Contract Act (including a minor not applying through a guardian) and Applications by OCBs.
- In case of partnership firms, Bonds may be registered in the names of the individual partners and no firm as such will be entitled to apply. However, a limited liability partnership firm can apply in its own name.
- In case of Applications under power of attorney or by corporates, trusts, societies and so on, if relevant documents are not submitted.
- Applications accompanied by stockinvest/money order/postal order/cash.
- Applications for an amount below the minimum Application size. However, our Company may allot Bonds up to the value of Application Amount paid, if such Application Amount exceeds the minimum application size as prescribed hereunder.
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law or than the Issue Size. However, our Company may Allot Bonds up to the maximum permissible limit under applicable law.
- Applications without payment of the entire Application Amount. However, our Company may Allot Bonds up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Application Amount paid being higher than the value of Bonds Applied for. However, our Company may Allot Bonds up to the number of Bonds Applied for, if the value of such Bonds Applied for exceeds the minimum Application size prescribed hereunder.
- Applications for a number of Bonds which is not in a multiple of one. However, our Company may Allot Bonds upto lower integer if such Application Amount exceeds the minimum application size.
- Submission of more than 5 ASBA Applications per ASBA Account.

- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim, provided such claims have been verified by the DPs.
- GIR number furnished instead of PAN.
- DP ID, Client ID and bank account not mentioned in the Application Form, in case of Allotment in dematerialized form.
- ASBA Applications not having details of the ASBA Account to be blocked.
- Authorisation to the SCSB for blocking funds in the ASBA Account not provided.
- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository).
- ASBA Application Forms not signed by the ASBA Account holder, if the ASBA Account holder is different from the Applicant.
- Application Forms submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges does not bear the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be. ASBA Applications submitted directly to the Designated Branches of SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or Member of the Syndicate or Trading Members of the Stock Exchanges, as the case may be.
- In case of Allotment in dematerialized form, if the corresponding records available with the Depositories do not match the 3 parameters of DP ID, Client ID and PAN for the Applicant, or if PAN is not available in the Depository database.
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Applications not uploaded on the terminals of the Stock Exchanges.
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable.
- Applications by Applicants whose beneficiary accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
- ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collection Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form and the Prospectus.
- Application Form accompanied with more than one payment instructions/cheque.
- Date of Birth for first/sole Applicant for persons applying for Allotment of Bonds in physical form not mentioned in the Application Form.
- SCSB making an ASBA application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilized for the purpose of applying in public issue.
- With respect to non-ASBA Applicants, Applications where clear funds are not available in Applicants Accounts as per final certificates from Escrow Collection Bank(s).
- Applications by persons/entities that have been debarred from accessing the capital markets by SEBI.
- Where PAN details in the Application Form and as entered into the electronic platform of the stock exchange(s), are not as per the records of the Depositories.
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form.
- ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications (A list of such branches is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries).
- In case of NRIs applying on a non-repatriation basis, if (i) in case of Application for Allotment in physical form, the account number mentioned in the Application Form where the proceeds/interest on Bonds is to be credited is a repatriable account; or (ii) in case of application for Allotment in dematerialized form, the

status of the demat account is mentioned as repatriable.

For information on certain procedures to be carried out by the Registrar to the Issue for finalisation of the Basis of Allotment, see "***- Information for Applicants***" on page 165. For information on payment of refunds, see "***Terms of the Issue - Payment of Refunds***" on page 132.

ELECTRONIC REGISTRATION OF APPLICATIONS

(a) The Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs, as the case may be, will register Applications using the online facilities of the Stock Exchanges. There will be at least one online connection in each city where Applications are being accepted. **Our Company, the Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to: (i) Applications accepted by the SCSBs, (ii) Applications uploaded by the SCSBs, (iii) Applications accepted but not uploaded within the time permitted by the Stock Exchanges by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) Applications accepted by the Trading Members of the Stock Exchanges.**

(b) In case of apparent data entry error by the Lead Managers, Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) or Designated Branches of SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(c) The Stock Exchanges will offer an electronic facility for registering Applications, which will be available during the Issue Period on the terminals of the members of the Syndicate, Trading Members of the Stock Exchanges and the SCSBs. The members of the Syndicate and Trading Members of the Stock Exchanges can also set up facilities for offline electronic registration of Applications subject to the condition that they will subsequently upload the offline data file into the online facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs will upload Applications until such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs on a regular basis. **A high inflow of Applications on the Issue Closing Date may lead to some Applications received on such day not being uploaded; such Applications will not be considered for allocation. Applicants are therefore advised to submit their Applications well in advance of the closing time of acceptance of Applications on the Issue Closing Date.** For further information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 129.

(d) At the time of registering each Application, other than ASBA Applications, the members of the Syndicate or Trading Members of the Stock Exchanges will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Application amount
- Cheque number

(e) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category

- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to ASBA Applications submitted to the members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants will be entered in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Bank account number
- Application amount

(g) A system generated acknowledgement slip will be issued to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement slip stamped with date and time from the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be. Registration of the Application by the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs, as the case may be, does not guarantee that Bonds will be allocated/Allotted by our Company. The acknowledgement slip will be non-negotiable and by itself will not create any obligation of any kind.**

(h) Applications can be rejected on the technical grounds listed on page 161 or if all required information is not provided or the Application Form is incomplete in any respect.

(i) The permission granted by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the Stock Exchanges.

(j) Only Applications that are uploaded on the online system of the Stock Exchanges will be considered for allocation/Allotment. The members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs will capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured does not match with the Depository details, the members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs will have up to one Working Day after the Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the Depositories.

BASIS OF ALLOTMENT

See "***Terms of the Issue – Basis of Allotment***" on page 130.

PAYMENT OF REFUNDS

See "***Terms of the Issue – Payment of Refunds***" on page 132.

ALLOTMENT OF BONDS AND ISSUANCE OF ALLOTMENT ADVICE

Our Company reserves, in its absolute and unqualified discretion and without assigning any reason, the right to reject any Application in whole or in part. The unutilized portion of the Application Amount(s) will be refunded to the Applicant by an account payee cheque/demand draft. In case the cheque payable at par facility is not available, our Company reserves the right to adopt any other suitable mode of payment.

Our Company will use best efforts to ensure that all steps for completion of the necessary formalities for Allotment, listing and commencement of trading at the Stock Exchanges where the Bonds are proposed to be listed are taken within 12 Working Days of the Issue Closing Date. Our Company will ensure dispatch of Allotment Advice/refund orders within 12 Working Days of the Issue Closing Date and/or issue instructions for credit of Bonds to the respective beneficiary accounts with DPs for successful Applicants who have been Allotted Bonds in dematerialized form within 12 Working Days of the Issue Closing Date. Allotment Advice for successful Applicants who have been Allotted Bonds in dematerialized form will be mailed to their addresses (in India) as per the Demographic Details received from the Depositories.

Our Company will credit the Allotted Bonds to the respective beneficiary accounts/dispatch the Allotment Advice/refund orders, as the case may be, by speed/registered post at the Applicant's sole risk within 12 Working Days of the Issue Closing Date. Our Company and every officer in default will be liable to pay interest at applicable rate for delay beyond the stipulated time, our Company becomes liable to repay any amount on account of refund, as may be prescribed under of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of the Syndicate and Trading Members of the Stock Exchanges at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher

number of Bonds than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants may withdraw their ASBA Applications during the Issue Period by submitting a request to a member of the Syndicate, Trading Member of the Stock Exchanges or a Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, on receipt of the request for withdrawal from the ASBA Applicant, the relevant member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Designated Branch will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges and unblocking funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, through whom the Application had been made. On receipt of the request for withdrawal from the Applicant, the relevant member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of Allotment. The Registrar to the Issue will delete the withdrawn Application from the electronic file provided by the Stock Exchanges and issue instruction to the SCSB for unblocking the ASBA Account (in case of ASBA Applications).

Revision of Applications

Applicants may revise/modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to a member of the Syndicate/Trading Member of the Stock Exchanges/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date.**

Depository Arrangements for Applicants Applying for Allotment in Dematerialized Form

i. Our Company has made Depository arrangements with the Depositories for issue and holding of the Bonds in dematerialized form. Tripartite Agreements have been executed between our Company, the Registrar to the Issue and both the Depositories. As per the Depositories Act, Bonds issued by us can be held in a dematerialized form. In this context:

ii. Our Company has entered into Tripartite Agreements dated July 16, 2004 with the Registrar to the Issue and NSDL and dated September 3, 2004 with the Registrar to the Issue and CDSL, respectively for offering depository option to the Applicants.

iii. An Applicant must have at least one beneficiary account with any of the DPs of NSDL or CDSL prior to making the Application.

iv. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

v. Bonds Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

vi. Applications can be in single or joint names (not exceeding 3 names). If the Application Form is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names.

vii. Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrar to the Issue.

viii. It may be noted that Bonds in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE have connectivity with the Depositories.

ix. Interest or other benefits with respect to Bonds held in dematerialized form will be paid to those Bondholders whose names appear on the list of beneficial owners provided by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/book closure date, our Company would keep in abeyance the payment of interest or other benefits, until such time that the beneficial owner is identified by the Depository and conveyed to our Company, whereon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

x. Trading of the Bonds on the floor of the Stock Exchanges will be in dematerialized form only.

See "***- Instructions for completing the Application Form***" on page 151.

The Bonds will cease to trade from the Record Date prior to the Maturity Date.

Trading of Bonds on the floor of the Stock Exchanges will be in dematerialized form only in multiples of one Bond.

Allottees will have the option to re-materialize the Bonds Allotted in the Issue as per the Companies Act and the Depositories Act.

Interest in case of Delay

Our Company shall pay interest in connection with any delay in Allotment, dematerialized credit and refunds, beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under applicable statutory and/or regulatory requirements.

Impersonation

See "***Terms of the Issue – Impersonation***" on page 139.

Pre-closure/Extension

Our Company, in consultation with the Lead Managers, reserves the right to close the Issue at any time prior to the Issue Closing Date. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper with wide circulation. Our Company will Allot Bonds with respect to the Applications received at/until the time of such pre-closure in accordance with the Basis of Allotment as described in "***Terms of the Issue - Basis of Allotment***" on page 130.

Filing of the Prospectus with the RoC

A copy of the Prospectus will be filed with the RoC, in accordance with Companies Act.

Communications

Communications in connection with Applications made in the Issue should be addressed to the Registrar to the

Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's DP ID, Client ID and PAN, number of Bonds applied for, date of the Application Form, name and address of the relevant member of the Syndicate, Trading Member of the Stock Exchanges or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked.

Applicants may contact our Executive Director & Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amount or credit of Bonds in the respective beneficiary accounts, as the case may be.

Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

SECTION VII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Debt Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares or debentures and/or their consolidation/splitting are as detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

5. Capital

The Share Capital of the company is Rs.10000,00,00,000/- (Rupees ten thousand crore only) divided into 1000,00,00,000 (one thousand crore) Equity shares of Rs.10/- each.

7. Right of Members or Debenture holders to Certificate

Subject to the requirements of Listing Agreement and the bye laws of the Stock Exchanges, every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issue and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several right holders shall be sufficient delivery to all such holders.

Provided that in case of securities held by the Members/Bond/Debenture holder in dematerialized form, no Share/Bond/Debenture Certificate(s) shall be issued.

8. Issue of new certificates in place of one defaced, lost or destroyed

If any security certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

11. Company Lien on all Shares or debentures

(a) The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares /debentures and in case of partly paid shares/debentures the company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends, bonuses and interest from time to time declared/ accrued in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

(b) The company may sell, in such manner as the Board thinks fit, any shares or debentures on which the Company has a lien provided that no sale shall be made:

(i)Unless a sum in respect of which the lien exists is presently payable, or

(ii)Until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or debenture or the person entitled thereto by reason of his death or insolvency.

(c)(i)To give effect to any such sale the Board may authorise some persons to transfer the shares or debenture sold the purchaser thereof.

(ii)The purchaser shall be registered as the holder of shares or debentures comprised in any such transfer.

(d)(i)The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall subject to a lien for sums not presently payable as existed upon the shares or debentures before the sale be paid to the person entitled to the shares or debentures at the date of the sale.

12. Forfeiture of Shares/Debentures

(i) If a member or debenture-holder fails to pay any call or the allotment money which was deferred or kept as term deposit as a condition of subscription or installment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or allotment money or installment remains unpaid serve a notice on him requiring payment of so much call or installment as is unpaid, together with any interest which may have accrued.

(ii) The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares or debentures in respect of which the call was made will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not complied with any share or debenture in respect of which the notice has been given, may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

(iii) A forfeited share or debenture may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(iv) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

13. Effect of Forfeiture

(i) A person whose shares or debentures have been forfeited shall cease to be member or holder in respect of the forfeited shares or debentures, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the share or debenture.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares or debentures.

15. Surrender of Debentures

The Board may accept from any shareholder/debenture-holder on such terms and conditions as shall be agreed a surrender of all or any of his shares/debentures.

15A. Register and Index of Members

The Company shall cause to be kept at its Registered Office or at such other place as may be decided by the Board of Directors, the Register and Index of Members/Debenture Holders in accordance with section 150 and 151 and other applicable provisions of the Companies Act 1956 and the Depositories Act, 1996 with the details of Shares/Debentures held in physical and dematerialised form in any medium as may be permitted by law including in any form of electronic medium.

The Register and Index of Beneficial Owner maintained a Depository under section 11 of the Depository Act, 1996 shall also deemed to be the Register and Index of Members/ Debenture holders for the purpose of the Companies Act 1956 and any amendment or re-enactment thereof. The Company shall have power to keep in any State or Country outside India a Register of Members/Debenture holders for the resident, in that State or Country.

16. Transfer and Transmission of Shares/ Debentures

(a) Subject to the provisions of the Listing Agreements between the Company and the Stock Exchanges, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except:

when the transferee is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein;

when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;

when the transferor object to the transfer provided he serves on the company within a reasonable time a prohibitory order of a court of competent jurisdiction.

(b) Subject to the provisions of Section 111 and 111A of the Act, the provisions of the Listing Agreements with the Stock Exchanges and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

(c) The instrument of transfer in case of shares/debentures held in physical form shall be in writing and all provisions of Section 108 of the Companies Act 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(d) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

(e) A common form of transfer of shares or debentures as the case may be shall be used by the Company.

17. Register of Transfer

The Company shall keep Register of Transfer for shares and Transfer of Debentures and there-in enter the particulars of several transfer or transmission of any share or debentures.

18. Execution of transfers

The instrument of transfer of any share/or debenture in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share or debenture until the name of the transferee is entered in the register of members or debenture holders in respect thereof.

19. Transmission of Shares etc.

Nothing contained in Article 9 shall prejudice any power of company to register as shareholder or debenture holder any person to whom the right to any share or debentures in the company has been transmitted by operation of law.

19A. Nomination

(i) Every Share/Bond/Debenture holder and a Depositor under the Company's Public Deposit Scheme (Depositor) of the Company may at any time, nominate in the prescribed manner, a person to whom his Shares/Bonds/Debentures or deposits in the company shall vest in the event of his death.

(ii) Where the Shares or Bonds or Debentures or Deposits in the Company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner, a person to whom all the rights in the shares or bonds or debentures or deposits in the company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such Shares/ Bonds/Debentures or Deposits in the Company, where a nomination made in the prescribed manner purport to confer on any person the right to vest the Shares/Bonds/Debentures or Deposits in the Company, the nominee shall on the death of the Share/Bond /Debenture holder or a Depositor, as the case may be, on the death of the joint holders become entitled to all the rights in such Shares/Bonds/Debentures or deposits, as the case may be, all the joint holders in relation to such Shares/Bonds/Debentures, or Deposits , to the exclusion of all persons, unless the nomination is varied, cancelled in the prescribed manner.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares/Bonds/Debentures or deposits, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares/Bonds/Debentures or deposits in the Company, in the event of his death, during the minority.

19B TRANSMISSION OF SECURITIES BY NOMINEE

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

(i) to be registered himself as holder of the Share/Bond/Debenture or Deposits, as the case may be; or

(ii) to make such transfer of the Share/Bond/Debenture or deposits , as the case may be, as deceased Share/Bond/Debenture holder or Depositor could have made;

(iii) if the nominee elects to be registered as holder of the Share/Bond/Debenture or Deposits, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/Bond/Debenture holder or Depositor, as the case may be;

(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the Share/Bond/Debenture or Deposits except that he shall not, before being registered as a member in respect of his Share/Bond/Debenture or Deposits be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share/Bond/Debenture or Deposits, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the Share/Bond/Debenture or deposits, until the requirements of the notice have been complied with.

20. Increase of capital

Subject to provisions of the Act the Company in General Meeting, may increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

20A Terms of issue of Debentures

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

23A. Buy Back of Shares

Notwithstanding anything contained in these Articles and in pursuance of Section 77A, 77AA and 77B of the Act, the Company, may buy-back its own shares or other specified securities as the Board of Directors may consider appropriate subject to such approvals and sanctions as may be necessary and subject to such limits, restrictions, terms and conditions, etc. as may be required under the provisions of the Act/ Regulations/ Rules applicable from time to time including the amendment(s), if any, thereto.

24. Reduction of capital

Subject to the provision of Section 100-104 of the Act the Company may from time to time, by Special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may deem expedient, and capital may be paid off upon the footing that it may be called upon, again or otherwise, and the Board may, subject to the provisions of the act, accept surrenders of shares.

25. Sub-division and consolidation of shares

Subject to the provisions of the Act the Company in a General Meeting, may from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Sub-Section (i) (a) to (e) of Section 94 of the Act and shall file with the Registrar such notice in exercise of any such powers as may be required by the Act.

25A. Dematerialisation of Securities

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both present and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

Option for Investors

(b)Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of securities can at any time opt out of a Depository, if permitted by law, in respect of any security and the Company shall, in the manner and within the time prescribed provided by the Depositories Act, 1996 issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, then notwithstanding anything to the contrary contained in the Act or in these Articles, the Company shall intimate such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the Allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

(c) All securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Section 153 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.

Rights of Depositories and beneficial owners

(d)(i) Notwithstanding anything to the contrary contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/debentureholder, as the case may be, of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Service of documents

(e) Notwithstanding anything to the contrary contained in the Act or in these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer/Transmission of securities held in Demat form

(f) Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the company has not issued any certificates and where such Shares or Debentures or Securities are being held in an electronic and fungible form in a Depository. In such cases the provisions of the Depositories Act, 1996 shall apply.

Allotment of Securities dealt with in a Depository

(g) Notwithstanding anything to the contrary contained in the Act or these Articles, after any issue where the securities are dealt with by a Depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a Depository

(h) Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a Depository.

Trading of Securities in Demat Mode

(ii) Notwithstanding anything contained in these Articles the Company shall have the right to issue Securities in a public offer in dematerialized form as required by applicable laws and subject to the provisions of applicable law, trading in the Securities of the Company post-listing shall be in the demat segment of the relevant stock exchanges, in accordance with the directions of SEBI, the Stock Exchanges and the listing agreements to be entered into with the relevant Stock Exchanges.

28. Power to Borrow

Subject to the provisions of Section 58A, 292 and 293 of the Act and Government Guidelines issued from time to time, the Board may by means of resolution passed at meetings of the Board from time to time, accept deposits or borrow and/or secure the payment of any sum or sums of money for the purpose of the Company.

29. Issue at discount etc. or with special privileges

Subject to section 79 and 117 of the Act, any bonds may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings and allotments of shares.

30. Notice of General Meeting

At-least Twenty one clear days notice in writing, specifying the place day and hour of General Meetings, with a statement of the business to be transacted at the meeting shall be served on every member in the manner

provided by the Act but with the consent, in writing, of all the members entitled to receive notice of same, any General Meeting may be convened by such shorter notice and in such manner as those members may think fit.

31. Omission to give notice not to invalidate a resolution passed

The accidental omission to give notice to or the non-receipt thereof by any member shall not invalidate any resolution passed at any such meeting.

32. Quorum

Five Members present in person or by duly authorised representative shall be quorum for a General Meeting of the Company.

33. Chairman of General Meeting

The Chairman of the Board of Directors or in his absence the Vice-Chairman shall be entitled to take the chair at every General Meeting but if neither the Chairman or the Vice-Chairman is present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman the members present shall choose another Director as Chairman and, if no Director shall be present or if all the Directors present decline to take the chair then the members present shall choose one of the members to be chairman.

34. Chairman's decision conclusive

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

35. Votes

Every member entitled to vote and present in person or by proxy shall have one vote on a show of hands and upon a poll one vote for each share held by him.

35A Postal Ballot

Notwithstanding anything contained in the Articles of the Company, the Company do adopt the mode of passing resolutions by the members of the Company by means of Postal Ballot (which includes voting by electronic mode) and/or other ways as may be prescribed in the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 in respect of the matters specified in said Rules as modified from time to time instead of transacting such business in a general meeting of the company subject to compliances with the procedure for such postal ballot and/or other requirements prescribed in the rules in this regard.

39. Board of Directors

The business of the company shall be managed by the Board of Directors subject to the compliance of conditions stipulated in Department of Public Enterprises Office memorandum No. DPE/11 (2)/97-Fin dated 22nd July, 1997 as modified from time to time.

40. Number of Directors

The President shall from time to time determine the number of Directors of the company which shall not less than 4 and not more than twenty (20). These Directors may be either whole time functional Directors or part time Directors.

41. Appointment of Board of Directors

(i) (a) The Chairman shall be appointed by the President. All other members of the Board of Directors including Vice Chairman shall be appointed by the President in consultation with the Chairman of the Company. No such consultation will be necessary in case of appointment of Directors representing the Government.

(b) The Directors shall be paid such salary and/or allowances as the President may, from time to time, determine. Subject to the provisions of Section 314 of the Act, such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.

(ii) The Chairman will be appointed subject to such terms and conditions as may be determined by the President.

(iii)Two-thirds (any fraction to be rounded off to the next number) Directors of the Company shall be persons whose period of office shall be liable to determination by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

At every Annual General Meeting of the Company held next after the date of General Meeting in which first Directors are appointed, in accordance with section 255 of the Act, one-third of such Directors for the time being liable to retire by rotation or if their number is not three or a multiple of three, than the number nearest to one-third, shall retire from office.

Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairman cum Managing Director of the Company and such other non-retiring Directors, if any) who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, be determined by lot.

A retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto.

If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, at the same time and place, and if at the adjourned meeting also, the place of retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:

(I) at that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;

(II) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(III) he is not qualified or is disqualified for appointment;

(IV) a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act.

(V) the proviso to sub section (2) of section 263 is applicable to the case.

(iv) A Director representing Government Department shall retire on his ceasing to be an official of that Department.

(v) The President may from time to time or any time remove any part-time Director, from office at his absolute discretion, Chairman and whole- time Directors may be removed from office in accordance with the terms of appointment or if no such terms are specified, on the expiry of 3 months notice issued in writing by the President or with immediate effect on payment of the pay in lieu of the notice period.

(vi) President shall have the right to fill any vacancy of the office of the Directors including Chairman and Managing Director appointed by him, caused by removal, resignation, death or otherwise and to substitute any Director, including Chairman, in place of existing Director.

44. Matter reserved for President

Without prejudice to the generality of the other provisions contained in these Articles the Board shall reserve for the decision of the President any matter relating to:

(i) The Company's revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government.

(ii) Winding up of the Company.

(iii) Sale, lease, disposal or otherwise of the whole or substantially the whole of the undertaking of the company.

(iv) The Annual and Five year Plans for Development.

(v) Any other matter which in the opinion of the Chairman and Managing Director be of such importance as to be reserved for the approval of the President.

45. Powers of President to issue directives

Notwithstanding anything contained in all these Articles the President may from time to time issue such directives or instructions as may be considered necessary in regard to conduct of business and affairs of the company and in like manner may vary and annul any such directive or instruction. The Directors shall give immediate effect to the directives or instructions so issued. In particular, the President will have the powers:

(i) To give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest.

(ii) To call for such returns, accounts and other information with respect to the property and activities of the company as may be required from time to time.

(iii) To determine in consultation with the Board annual, short and long term financial and economic objectives of the company.

Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall except where the President considers that the interest of national security requires otherwise incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the company.

50. Who is to preside at meeting of the Board

All meetings of the Directors shall be presided over by the Chairman if present or in his absence by the Vice-Chairman if present. If at any meeting both the Chairman and Vice-Chairman are not present at the time appointed for holding the same, the Directors shall choose one of the Directors then present to preside at the meeting.

51. Board may set up Committees

The Board may, subject to the provisions of Section 292 of the Act, delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting or in a subsequent meeting of the Board held within a period of three months.

52. Meetings of Committees how to be governed

The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of the Act for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

56. The Seal and its Custody

(a) The Board of Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Board of Directors shall provide for the safe custody of the seal.

Issue of the Seal

(b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf and except in the presence of at least two Directors and of Secretary or such other persons as the Board may appoint for the purpose and those two Directors or such other persons as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. [A Director(s) may, however, sign a share/debenture certificate by affixing his signature(s) thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director(s) shall be responsible for the safe custody of such machine equipment or other metal used for the purpose].

57. Division of Profits and Dividend

(i) The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of the Act and these presents as to the reserve fund and amortisation of capital shall be divisible among the members in proportion to the amount of capital paid-up by them respectively. Provided always that (subject as aforesaid) any capital paid-up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

(ii) No dividend shall be declared or paid by the company for any financial year except out of profits of the company for that year arrived after providing for the depreciation in accordance with the provisions of sub-section (2) of section 205 of the Act or out of profits of the company for any previous financial year or years arrived after providing for the depreciation in accordance with applicable laws and remaining undistributed or out of both or out of moneys provided by the government for the payment of dividend in pursuance of a guarantee given by the government. No dividend shall carry interest against the company.

(iii) For the purpose of the last preceding article, the declaration of the directors as to the amount of the profits of the company shall be conclusive.

(iv) Subject to the provisions of section 205 of the Act as amended, no dividend shall be payable except in cash.

(v) A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

(vi) Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on accounts of dividends in respect of such shares.

(vii) Unless otherwise directed any dividend may be paid by cheque or demand draft or warrant or such other permissible means to the registered address of the member or person entitled or in the case of joint holding, to the registered address of that one whose name stands first in the register in respect of joint holding and every cheque, demand draft or warrant so sent shall be made payable to the member or to such person and to such address as the shareholder or the joint shareholders in writing may direct.

59A Unpaid or Unclaimed Dividend

There shall not be any forfeiture of unclaimed dividends and the company shall comply with the applicable provisions of the Act relating to transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund or to any such other fund as may be required under applicable laws."

66. Notice on persons acquiring shares on death or insolvency of members

A notice may be given by the Company to the persons entitled to a share in consequence of death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so

supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

67. Winding Up: Distribution of assets

If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up at the commencement of the winding up, on the shares held by them respectively and if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital, such assets shall be distributed amongst the members in proportion to the original paid up capital as the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

69. The Director's and other's right to indemnity

(i) Subject to the provision of Section 201 (i) of the Companies Act, every Director, Manager, Auditor, Secretary or other officer or employee of the Company shall be indemnified by the Company against and it shall be duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Manager, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him or them as such Director, Manager, Officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other claims.
(ii) Subject as aforesaid every Director, Manager or Officer of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgement is given in his or their favour or in which he is or they are acquitted or in connection with any application under Section 633 of the act in which relief is given to him or them by the Court.

70. Not responsible for acts of others

Subject to the provision of Section 201 of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for the sake of conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error of judgement or oversight on his or their part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his or their office or in relation thereto unless the same happens through his own dishonesty.

SECTION VIII – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents, not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 years before the date of the Draft Prospectus, which are or may be deemed material, have been entered or are to be entered into by our Company and may be inspected at the Registered Office of our Company from 10.00 A.M. to 4.00 P.M. (Indian Standard Time) on all Working Days from the date of the Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

1. Agreement dated November 13, 2013, between our Company and the Lead Managers.
2. Agreement dated November 14, 2013, between our Company and the Registrar to the Issue.
3. Trustee Agreement dated November 14, 2013, between our Company and the Bond Trustee.
4. Consortium Agreement dated [●], among our Company and the Consortium.
5. Escrow Agreement dated [●], among our Company, the Lead Managers, the Registrar to the Issue and the Escrow Collection Bank(s).
6. Tripartite Agreement dated September 3, 2004, among CDSL, our Company and the Registrar to the Issue.
7. Tripartite Agreement dated July 16, 2004, among NSDL, our Company and the Registrar to the Issue.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company.
2. Board resolution dated September 27, 2013 and October 29, 2013, approving the Issue and related matters including authorized signatories.
3. Shareholders' resolution dated September 17, 2008, under Section 293 (1) (d) of the Companies Act 1956 on the borrowing limit.
4. Notification (No. 61/2013.F.No.178/37/2013-(ITA.1)) dated August 8, 2013 issued by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
5. Letter dated June 3, 2013 by CRISIL Limited assigning rating of CRISIL AAA to the Bonds and revalidation letter dated November 8, 2013.
6. Letter dated July 16, 2013 by ICRA Limited assigning rating of [ICRA]AAA(stable) to the Bonds and revalidation letter dated November 8, 2013.
7. The statement of tax benefits dated November 1, 2013 prepared by the Joint Statutory Auditors, the Joint Statutory Auditors' limited review report dated October 29, 2013 on the standalone financial information for the 6 months ended September 30, 2013, and the Joint Statutory Auditors' Reports dated November 1, 2013 on the standalone and consolidated reformatted financial information for the 5 preceding fiscals, included in this Draft Prospectus.
8. Consents of each of the Directors, Chief Financial Officer, Executive Director & Company Secretary and Compliance Officer, Lead Managers, Registrar to the Issue, Credit Rating Agencies, Joint Statutory Auditors, Bond Trustee, Consortium Members, Escrow Collection Bank(s), Refund Bank(s), Bankers to our Company and Legal Advisors to the Issue, as applicable, in their respective capacities.
9. Annual Reports of our Company for the last 5 fiscals.
10. Due Diligence Certificate dated [●], 2013 from the Lead Managers.
11. Due Diligence Certificate dated [●], 2013 from the Bond Trustee.
12. In-principle listing approval from BSE, through letter no. [●] dated [●], 2013.
13. In-principle listing approval from NSE, through letter no. [●] dated [●], 2013.

Any of the contracts or documents mentioned above may be amended or modified at any time, without notice to the Bondholders, in compliance with applicable law.

DECLARATION

We, the Directors of the Company, certify that all applicable legal requirements in connection with the Issue, including under the Companies Act 1956, the Companies Act 2013, the SEBI Debt Regulations, and guidelines issued by the GoI, SEBI and other competent authorities in this respect, have been duly complied with and that no statement made in the Draft Prospectus contravenes any such requirements. We further certify that the Draft Prospectus does not omit disclosure of any material information that may make the statements made herein, in the light of the circumstances in which they were made, misleading and that all statements in the Draft Prospectus are true and correct in all material respects.

Signed by the Board of Directors

Dr. Arup Roy Choudhury *Chairman and Managing Director*	Mr. Inder Jit Kapoor *Director (Commercial)*
Mr. Narendra Nath Misra *Director (Operations)*	Mr. Anil Kumar Jha *Director (Technical)*
Mr. Umesh Prasad Pani* *Director (Human Resources)*	Mr. Subhash Chandra Pandey *Director (Projects)*
Mr. Pradeep Kumar *Government Nominee Director*	Mr. Syamal Bhushan Ghosh Dastidar* *Non-Official Part-Time Director*
Mr. Rajib Sekhar Sahoo *Non-Official Part-Time Director*	Mr. Ajit Mukundrao Nimbalkar* *Non-Official Part-Time Director*
Mr. Shree Ramji Upadhyay* *Non-Official Part-Time Director*	Ms. Homai Ardeshir Daruwalla* *Non-Official Part-Time Director*
Mr. Anol Nath Chatterji* *Non-Official Part-Time Director*	Prof. Sushil Khanna* *Non-Official Part-Time Director*
Dr. Alwyn Didar Singh* *Non-Official Part-Time Director*	Mr. Prashant Mehta *Non-Official Part-Time Director*
Mr. Gautam Kumar Sadhu *Chief Financial Officer*	

** Through their constituted attorney, Mr. A.K. Rastogi*

Place: New Delhi
Date: 15.11.2013

ANNEXURE A – FINANCIAL INFORMATION

REVIEW REPORT

To
The Board of Directors,
NTPC Limited,
New Delhi.

We have reviewed the accompanying statement of standalone unaudited financial results of NTPC Limited for the quarter and half-year ended 30th September 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our review report, attention is invited to Note 3 to the statement of standalone unaudited financial results referred to above regarding accounting of fuel on GCV based pricing system.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results read with notes thereon, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies thereon has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

(Ajay Gupta)
Partner
M. No. 090104

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

(Monika Agrawal)
Partner
M. No. 093769

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Pawan K Goel)
Partner
M. No. 072209

Place : New Delhi
Dated : 29th October 2013

NTPC LIMITED

PART I : Statement of Standalone Unaudited Financial Results for the Quarter and Half-Year ended 30th September 2013

(₹ in Lakhs)

Sl. No.	Particulars	Quarter ended 30.09.2013 (Unaudited)	Quarter ended 30.06.2013 (Unaudited)	Quarter ended 30.09.2012 (Unaudited)	Half-Year ended 30.09.2013 (Unaudited)	Half-Year ended 30.09.2012 (Unaudited)	Year ended 31.03.2013 (Audited)
1	2	3	4	5	6	7	8
1	**Income from operations**						
	(a) Net sales (net of electricity duty)	1627227	1561289	1611967	3188516	3207963	6431638
	(b) Other operating income	14317	4896	23166	19213	43765	135755
	Total income from operations (net)	**1641544**	**1566185**	**1635133**	**3207729**	**3251728**	**6567393**
2	**Expenses**						
	(a) Fuel cost	1013925	942583	993266	1956508	2053038	4101825
	(b) Employee benefits expense	83795	94250	89950	178045	169322	336012
	(c) Depreciation and amortisation expense	96794	94233	78652	191027	154674	339676
	(d) Other expenses	118630	97928	106629	216558	200729	418150
	Total expenses	**1313144**	**1228994**	**1268497**	**2542138**	**2577763**	**5195663**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**328400**	**337191**	**366636**	**665591**	**673965**	**1371730**
4	Other income	64397	69693	81960	134090	150159	310158
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**392797**	**406884**	**448596**	**799681**	**824124**	**1681888**
6	Finance costs	62046	61741	30346	123787	80281	192436
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**330751**	**345143**	**418250**	**675894**	**743843**	**1489452**
8	Exceptional items	-	-	-	-	-	168411
9	**Profit from ordinary activities before tax (7+8)**	**330751**	**345143**	**418250**	**675894**	**743843**	**1657863**
10	Tax expense:						
	(a) Current tax	73575	87115	101127	160690	169359	368084
	(b) Deferred tax	7886	5326	2888	13212	10382	27840
	Total tax expense (a+b)	81461	92441	104015	173902	179741	395924
11	**Net profit from ordinary activities after tax (9-10)**	**249290**	**252702**	**314235**	**501992**	**564102**	**1261939**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net profit for the period (11-12)**	**249290**	**252702**	**314235**	**501992**	**564102**	**1261939**
14	Paid-up equity share capital (Face value of share ₹ 10/- each)	824546	824546	824546	824546	824546	824546
15	Paid-up debt capital				6062944	5387444	5814630
16	Reserves excluding revaluation reserve as per balance sheet						7214205
17	Debenture redemption reserve				229958	215329	253533
18(i)	**Earnings per share (before extraordinary items) - (of ₹ 10/- each)(not annualised) (in ₹):**						
	(a) Basic	3.03	3.06	3.81	6.09	6.84	15.30
	(b) Diluted	3.03	3.06	3.81	6.09	6.84	15.30
18(ii)	**Earnings per share (after extraordinary items) - (of ₹ 10/- each) (not annualised) (in ₹):**						
	(a) Basic	3.03	3.06	3.81	6.09	6.84	15.30
	(b) Diluted	3.03	3.06	3.81	6.09	6.84	15.30
19	Debt equity ratio				0.71	0.68	0.72
20	Debt service coverage ratio (DSCR)				2.55	3.13	3.17
21	Interest service coverage ratio (ISCR)				8.12	12.05	10.39

See accompanying notes to the financial results.

NTPC LIMITED

PART II : Select Information for the Quarter and Half-Year ended 30th September 2013

Sl. No.	Particulars	Quarter ended 30.09.2013 (Unaudited)	Quarter ended 30.06.2013 (Unaudited)	Quarter ended 30.09.2012 (Unaudited)	Half-Year ended 30.09.2013 (Unaudited)	Half-Year ended 30.09.2012 (Unaudited)	Year ended 31.03.2013 (Audited)
1	2	3	4	5	6	7	8
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding						
	- Number of shares	2061366100	2061366100	1278103220	2061366100	1278103220	2061366100
	- Percentage of shareholding	25.00	25.00	15.50	25.00	15.50	25.00
2	Promoters and promoter group shareholding						
	a) Pledged/encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	6184098300	6184098300	6967361180	6184098300	6967361180	6184098300
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	75.00	75.00	84.50	75.00	84.50	75.00

	Particulars	Quarter ended 30.09.2013
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	-
	Received during the quarter	1739
	Disposed of during the quarter	1736
	Remaining unresolved at the end of the quarter	3

Standalone Statement of Assets and Liabilities

(₹ in Lakhs)

Sl. No.	Particulars	As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	824546	824546
	(b) Reserves and surplus	7716196	7214205
	Sub-total - Shareholders' funds	**8540742**	**8038751**
2	**Deferred revenue**	213391	124405
3	**Non-current liabilities**		
	(a) Long-term borrowings	5577001	5325366
	(b) Deferred tax liabilities (net)	104742	91530
	(c) Other long-term liabilities	185117	196599
	(d) Long-term provisions	80912	73992
	Sub-total - Non-current liabilities	**5947772**	**5687487**
4	**Current liabilities**		
	(a) Trade payables	519659	515877
	(b) Other current liabilities	1125598	1044672
	(c) Short-term provisions	525235	700454
	Sub-total - Current liabilities	**2170492**	**2261003**
	TOTAL - EQUITY AND LIABILITIES	**16872397**	**16111646**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets (including capital work-in-progress)	10669329	10004552
	(b) Non-current investments	948145	913764
	(c) Long-term loans and advances	943975	963345
	(d) Other non-current assets	192502	113277
	Sub-total - Non-current assets	**12753951**	**11994938**
2	**Current assets**		
	(a) Current investments	257450	162246
	(b) Inventories	453818	405719
	(c) Trade receivables	623463	536549
	(d) Cash and bank balances	1654213	1686770
	(e) Short-term loans and advances	264355	174553
	(f) Other current assets	865147	1150871
	Sub-total - Current assets	**4118446**	**4116708**
	TOTAL - ASSETS	**16872397**	**16111646**

NTPC LIMITED

Segment-wise Revenue, Results and Capital Employed for the Quarter and Half-Year ended 30th September 2013

(₹ in Lakhs)

Sl. No.	Particulars	Quarter ended 30.09.2013 (Unaudited)	Quarter ended 30.06.2013 (Unaudited)	Quarter ended 30.09.2012 (Unaudited)	Half-Year ended 30.09.2013 (Unaudited)	Half-Year ended 30.09.2012 (Unaudited)	Year ended 31.03.2013 (Audited)
1	2	3	4	5	6	7	8
1	**Segment revenue**						
	- Generation	1645370	1571139	1637217	3216509	3256315	6753745
	- Others	2224	2916	3370	5140	6320	12846
	Total	**1647594**	**1574055**	**1640587**	**3221649**	**3262635**	**6766591**
2	**Segment results (Profit before tax and interest)**						
	- Generation	357020	369566	407993	726586	743189	1664505
	- Others	(278)	73	957	(205)	614	1614
	Total	**356742**	**369639**	**408950**	**726381**	**743803**	**1666119**
	Less :						
	(i) Unallocated finance costs	62046	61741	30346	123787	80281	192436
	(ii) Other unallocable expenditure net of unallocable income	(36055)	(37245)	(39646)	(73300)	(80321)	(184180)
	Profit before tax	**330751**	**345143**	**418250**	**675894**	**743843**	**1657863**
3	**Capital employed (Segment assets - Segment liabilities)**						
	- Generation	7093531	7164159	5890377	7093531	5890377	7100418
	- Others	6888	4244	4310	6888	4310	4496
	- Un-allocated	1440323	1123050	1998530	1440323	1998530	933837
	Total	**8540742**	**8291453**	**7893217**	**8540742**	**7893217**	**8038751**

The operations of the company are mainly carried out within the country and therefore, geographical segments are not applicable.

Notes:

1 The above results have been reviewed by the Audit Committee of the Board of Directors in the meeting held on 28th October 2013 and approved by the Board of Directors in the meeting held on 29th October 2013.

2 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 Talcher Thermal Power Station (TTPS). Beneficiaries are billed in accordance with the said provisional/final tariff orders except for TTPS where it is done on provisional basis. The amount billed for the quarter and half-year ended 30th September 2013 on this basis is ₹ 15,85,188 lakh and ₹ 31,35,657 lakh respectively (corresponding previous quarter and half-year ₹ 14,91,244 lakh and ₹ 30,74,193 lakh).

b) In respect of stations for which the CERC has issued final tariff orders under the Regulations, 2009, and Renewable Energy Regulations, 2009, sales for the quarter and half-year ended 30th September 2013 have been recognised at ₹ 14,92,454 lakh and ₹ 29,41,183 lakh respectively (corresponding previous quarter and half-year ₹ 14,27,133 lakh and ₹ 29,70,267 lakh) 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 for the quarter and half-year ended 30th September 2013 have been provisionally recognized at ₹ 1,18,499 lakh and ₹ 1,98,141 lakh respectively (corresponding previous quarter and half-year ₹ 48,717 lakh and ₹ 92,372 lakh) on the basis of principles enunciated in the said Regulations, 2009 after truing up capital expenditure to arrive at the capacity charges.

c) i) Sales include ₹ 11,754 lakh and ₹ 31,826 lakh respectively for the quarter and half-year ended 30th September 2013 (corresponding previous quarter and half-year ₹ 1,02,372 lakh and ₹ 1,13,360 lakh) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

ii) Sales include ₹ Nil and ₹ 8,110 lakh respectively for the quarter and half-year ended 30th September 2013 (corresponding previous quarter and half-year ₹ 29,213 lakh and ₹ 23,332 lakh) on account of income tax recoverable from the beneficaries as per Regulations, 2004. Sales also include ₹ 1,892 lakh and ₹ 3,784 lakh repectively for the quarter and half-year ended 30th September 2013 (corresponding previous quarter and half-year ₹ 1,190 lakh and ₹ 2,379 lakh) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2009.

3 Vide gazette notification F no.22021/1/2008-CRC/II dated 30.12.2011 issued by Ministry of Coal, 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 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 Ministry of Power and Ministry of Coal, GOI for resolution. Pending resolution of the issue, difference between the amount billed by the coal companies and the amount admitted by the company amounting to ₹ 4,06,512 lakh upto 30th September 2013 (₹ 2,53,110 lakh upto 31st March 2013) has been considered as contingent liability with corresponding possible reimbursements from the beneficiaries.

4 Other current assets as at 30th September 2013 include ₹ 42,896 lakh (₹ 89,472 lakh as at 31st March 2013) recoverable from Government of India (GOI) towards the cost incurred 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. During the quarter, a payment of ₹ 53,630 lakh has been recieved from GOI on this account in the first phase. Management expects that the total cost incurred, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs as well as claims of various contractors/vendors for this project, will be compensated in full by the GOI. Hence no provision is considered necessary.

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

6 During the quarter, the Company has paid final dividend of ₹ 2.00 per share including a special dividend of ₹ 1.25 per share (face value of ₹ 10/- each) for the financial year 2012-13.

7 The above financial results have been reviewed by the Statutory Auditors as required under Clause 41 of the Listing Agreements.

8 Figures for the previous periods/year have been regrouped/rearranged wherever necessary.

For and on behalf of Board of Directors

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place : New Delhi
Date : 29th October 2013

INDEPENDENT AUDITORS' REPORT ON STANDALONE REFORMATTED FINANCIAL INFORMATION

The Board of Directors,
NTPC Limited,
Core -7, SCOPE Complex,
Lodi Road,
New Delhi – 110 003

Dear Sirs,

1. We have examined the attached standalone reformatted financial information of NTPC Limited (the "Company") as approved by the official authorised by a Committee of the Board of Directors, prepared in accordance with Paragraph B (1), Part II of Schedule II of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("SEBI Regulations") issued by the Securities and Exchange Board of India, in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 as amended and related clarifications, and in accordance with our engagement letter dated October 29, 2013 and scope agreed upon with you in connection with the Draft Prospectus/Prospectus being issued by the Company for Proposed issue of Tax Free Secured Redeemable Non-convertible Bonds (the "Bonds") having benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended.

2. The preparation and presentation of these standalone reformatted financial information is the responsibility of Company's management. This standalone reformatted financial information has been regrouped and reclassified in accordance to Revised Schedule VI to the Companies Act, 1956 effective from 1.4.2011 (but not restated retrospectively for change in any accounting policy) and is to be included in the Draft Prospectus/Prospectus of the Company's proposed issue of the Bonds.

A. Standalone Financial Information as Reformatted on the basis of the Standalone Audited Financial Statements

We have examined the attached Standalone Reformatted Statement of Assets and Liabilities of the Company as at March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure I) and the attached Standalone Reformatted Statements of Profit and Loss of the Company for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure II) and the attached Standalone Reformatted Statement of Cash Flows of the Company for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure III), which together with the related Notes to Accounts (Annexure IV) and Significant Accounting Policies and Other Notes to Accounts (Annexure V) are herein referred to as 'Standalone Reformatted Financial Information.'

This Standalone Reformatted Financial Information has been extracted by the management from the audited financial statements of the Company after making such adjustments and regroupings as considered appropriate. For our examination, we have placed reliance on the standalone financial statements of the Company audited by the following auditors:

Name of the Auditors	Report Dated	Financial Year
M/s Varma and Varma, M/s B.C. Jain & Co., M/s Parakh & Co., M/s Dass Gupta & Associates, M/s S. K. Mehta & Co. and M/s K.K. Soni & Co.	May 10, 2011	2010-11
M/s Varma and Varma, M/s B.C. Jain & Co., M/s Parakh & Co., M/s S.K. Mittal & Co., M/s Dass Gupta & Associates and M/s S. K. Mehta & Co.	May 17, 2010 May 22, 2009	2009-10 2008-09

The Standalone Reformatted Financial Information included for these years, i.e. March 31, 2011, 2010 & 2009 is based solely on the reports submitted by them. These financial statements have been approved/adopted by the Board of Directors/Members of the Company in the respective years.

We have performed such tests and procedures, which in our opinion, were necessary for the purpose of our examination. These procedures, mainly involved comparison of the attached Standalone Reformatted Financial Information with the Company's audited financial statements for the financial years ended March 31, 2013, 2012, 2011, 2010 and 2009 and reclassification as per SEBI Regulations and Revised Schedule VI of the Companies Act, 1956.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to have been correctly extracted & reclassified and the same have been accordingly used in the Standalone Reformatted Financial Information appropriately.

We further report that;

1. The Standalone Reformatted Financial Information has been prepared in accordance with the requirements of Paragraph B (1), Part II of Schedule II and Revised Schedule VI of the Companies Act 1956 and the SEBI Regulations.
2. These profits have been arrived at after charging all expenses including depreciation and after making such regroupings as in our opinion are appropriate and are to be read with the Notes on Accounts and Significant Accounting Policies and Other Notes attached thereto and forming part of the Standalone Reformatted Financial information.
3. There is no qualification in the auditors' report on the financial statements for the years ended March 31, 2013, 2012, 2011, 2010 and 2009. However, there are emphasis of matter in the auditors' reports as included in Annexure - A to this report which is to be read with Significant Accounting Policies and Notes to Accounts.
4. There are no extraordinary items that need to be disclosed separately in the Standalone Reformatted Financial Information.

B. Other Reformatted Standalone Financial Information

We have examined the following standalone reformatted financial information relating to the Company proposed to be included in the Draft Prospectus/Prospectus and annexed to this report.

i. Statement of Accounting Ratios as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure VI).

ii. Statement of Dividend as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure VII).

iii. Capitalisation Statement as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure VIII).

iv. Statement of Tax Shelter as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure IX).

In our opinion, the Standalone Reformatted Financial Information of the Company and Other Reformatted Standalone Financial Information, as attached to this report, as mentioned in paragraphs A and B above, read with Annexure A to our report, respective significant accounting policies and notes to accounts, after making necessary adjustments and regrouping as considered appropriate have been prepared in accordance with Paragraph B (1), Part II of Schedule II, Revised Schedule VI of the Companies Act, 1956 and SEBI Regulations.

This report is intended solely for the use of the Management and the Lead Managers and for inclusion in Draft Prospectus/Prospectus in connection with the proposed issue and not to be used, referred to or distributed for any other purpose without our prior written consent.

This report should neither in any way be construed as a re-issuance or redrafting of any of the previous audit reports issued by us/other firms of chartered accountants nor construed as a new opinion on any financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of this report.

For O.P. Bagla & Co.
Chartered Accountants
FRN 000018N

(Atul Aggarwal)
Partner
M. No.092656

For K.K. Soni & Co.
Chartered Accountants
FRN 000947N

(S. S. Soni)
Partner
M. No.094227

For PKF Sridhar & Santhanam
Chartered Accountants
FRN 003990S

(V. Kothandaraman)
Partner
M. No.025973

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208W

(M. S. Balachandran)
Partner
M. No.024282

For Ramesh C Agrawal & Co.
Chartered Accountants
FRN 001770C

(Monika Agrawal)
Partner
M. No.093769

For A.R. & Co.
Chartered Accountants
FRN 002744C

(Anil Gaur)
Partner
M. No.017546

Place: New Delhi
Date : November 1, 2013

ANNEXURE - A

Emphasis of Matter/Attention Drawn in the Auditors' Report

Sl. No.	For the Year/ Period ended	Emphasis of Matter/Attention Drawn
1	31st March 2013	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.
2	31st March 2012	Without qualifying our report, we draw attention to note no. 22 a) and 22 b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
3	31st March 2011	Without qualifying our report, we draw attention to note no. 2 a) and b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
4	31st March 2010	We draw attention to note no. 2 a) and b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
		We draw attention to note no. 2 e) in respect of accounting of sales of ₹ 1,044.29 crore in earlier years (reduced to ₹ 1,025.60 crore in the current year) based on the order of Appelate Tribunal for Electricity in favour of the Company pending disposal of the appeal before the Hon'ble Supreme Court of India.

ANNEXURE - I

STANDALONE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

₹ Crore

Particulars	Note	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	1	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves and surplus	2	72,142.05	65,045.71	59,646.79	54,191.96	49,124.60
		80,387.51	73,291.17	67,892.25	62,437.42	57,370.06
Deferred revenue	3	1,244.05	1,430.06	854.48	1,590.76	2,543.72
Non-current liabilities						
Long-term borrowings	4	53,253.66	45,908.27	39,735.68	33,804.81	31,817.27
Deferred tax liabilities (net)	5	915.30	636.90	602.95	209.25	0.13
Other long-term liabilities	6	1,965.99	1,729.06	2,050.58	1,672.96	1,237.44
Long-term provisions	7	739.92	603.70	561.90	425.34	358.48
		56,874.87	48,877.93	42,951.11	36,112.36	33,413.32
Current liabilities						
Trade payables	8	5,158.77	4,460.65	4,070.65	2,720.50	2,357.95
Other current liabilities	9	10,446.72	9,537.24	7,762.50	7,338.41	6,671.61
Short-term provisions	10	7,004.54	3,233.69	2,207.89	2,656.64	2,908.06
		22,610.03	17,231.58	14,041.04	12,715.55	11,937.62
TOTAL		161,116.46	140,830.74	125,738.88	112,856.09	105,264.72
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	11	62,687.42	45,044.47	39,026.93	34,722.79	32,897.53
Intangible assets	11	248.68	211.89	206.89	35.85	38.25
Capital work-in-progress	12	37,109.42	41,827.82	35,495.30	28,699.86	22,957.63
Intangible assets under development	12	-	0.04	0.03	0.55	0.14
Non-current investments	13	9,137.64	9,583.92	10,532.84	11,212.14	12,121.27
Long-term loans and advances	14	9,633.45	5,394.35	6,519.86	6,539.41	8,239.28
Other non-current assets	15	1,132.77	1,371.88	459.15	365.17	973.44
		119,949.38	103,434.37	92,241.00	81,575.77	77,227.54
Current assets						
Current investments	16	1,622.46	1,622.46	1,812.00	3,594.95	1,862.21
Inventories	17	4,057.19	3,702.85	3,639.12	3,347.71	3,243.42
Trade receivables	18	5,365.49	5,832.51	1,434.96	946.24	1,021.24
Cash and bank balances	19	16,867.70	16,141.83	16,181.60	14,459.48	16,271.63
Short-term loans and advances	20	1,745.53	1,543.32	1,219.85	1,894.71	1,721.07
Other current assets	21	11,508.71	8,553.40	9,210.35	7,037.23	3,917.61
		41,167.08	37,396.37	33,497.88	31,280.32	28,037.18
TOTAL		161,116.46	140,830.74	125,738.88	112,856.09	105,264.72

ANNEXURE - II

STANDALONE REFORMATTED STATEMENT OF PROFIT AND LOSS

₹ Crore

Particulars	Note	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Revenue from operations (gross)	22	66,200.24	62,480.88	55,340.66	46,696.29	42,310.51
Less: Electricity duty		526.31	428.65	278.01	245.89	221.67
Revenue from operations (net)		65,673.93	62,052.23	55,062.65	46,450.40	42,088.84
Other income	23	3,101.58	2,789.65	2,344.65	2,796.25	3,157.24
Total revenue		68,775.51	64,841.88	57,407.30	49,246.65	45,246.08
Expenses						
Fuel		41,018.25	41,635.46	35,373.78	29,462.74	27,110.69
Employee benefits expense	24	3,360.12	3,101.71	2,789.71	2,412.36	2,463.13
Finance costs	25	1,924.36	1,711.64	1,420.96	1,105.15	1,304.39
Depreciation and amortization expense		3,396.76	2,791.70	2,485.69	2,650.06	2,364.48
Generation, administration & other expenses	26	4,211.22	3,588.79	4,926.28	2,808.71	2,535.60
Prior period items (net)	27	(29.72)	(313.58)	(1,638.72)	(77.83)	108.32
Total expenses		53,880.99	52,515.72	45,357.70	38,361.19	35,886.61
Profit before tax and exceptional items		14,894.52	12,326.16	12,049.60	10,885.46	9,359.47
Exceptional items		1,684.11	-	-	-	-
Profit before tax		16,578.63	12,326.16	12,049.60	10,885.46	9,359.47
Tax expense						
Current tax		3,680.84	3,068.48	2,553.32	1,948.13	1,158.17
Deferred tax		278.40	33.95	393.69	209.13	(448.80)
Less:						
Deferred tax recoverable		-	-	-	-	(448.80)
Total tax expense		3,959.24	3,102.43	2,947.01	2,157.26	1,158.17
Profit for the year		12,619.39	9,223.73	9,102.59	8,728.20	8,201.30
Expenditure during construction period (net)	28					
Earnings per equity share (Par value ₹ 10/- each)						
Basic & Diluted (₹)		15.30	11.19	11.04	10.59	9.95

ANNEXURE - III

STANDALONE REFORMATTED STATEMENT OF CASH FLOWS

₹ Crore

For the year ended		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit before tax	16,578.63	12,326.16	12,049.60	10,885.46	9,359.47
	Adjustment for:					
	Depreciation / Amortisation	3,396.76	2,791.70	2,485.69	2,650.06	2,364.48
	Prior period depreciation / amortisation	(0.25)	(1.35)	(1,113.05)	16.55	(239.07)
	Provisions	206.25	65.18	1,552.15	10.90	24.61
	Deferred revenue on account of advance against depreciation	(9.87)	(73.58)	(818.79)	(325.17)	562.61
	Deferred foreign currency fluctuation asset/liability	240.28	(874.84)	(58.48)	614.80	(1,174.29)
	Deferred income from foreign currency fluctuation	79.56	792.00	90.46	(640.06)	647.01
	Interest charges	1,902.13	1,681.75	1,383.10	1,069.58	1,267.84
	Guarantee fee & other finance charges	22.23	29.89	37.86	35.57	36.55
	Interest/income on term deposits/bonds/investments	(2,397.11)	(2,307.65)	(2,049.09)	(2,353.01)	(2,747.04)
	Dividend income	(241.32)	(169.30)	(88.30)	(77.70)	(49.83)
	Provisions written back	(844.70)	(315.86)	(7.81)	(12.77)	(17.03)
	Profit on disposal of fixed assets	(4.62)	(13.28)	(8.16)	(6.99)	(12.74)
	Loss on disposal of fixed assets	59.91	58.40	60.87	27.64	40.34
	Operating Profit before Working Capital Changes	18,987.88	13,989.22	13,516.05	11,894.86	10,062.91
	Adjustment for:					
	Trade receivables	1,307.69	(2,862.83)	(2,804.13)	(3,067.21)	(601.40)
	Inventories	(157.16)	93.94	(169.75)	11.91	(483.30)
	Trade payables, provisions and other liabilities	1,550.38	375.87	1,474.86	(564.47)	1,657.70
	Loans & Advances and Other current assets	(3,298.04)	185.94	(722.49)	2,126.78	(1,436.90)
	Cash generated from operations	18,390.75	11,782.14	11,294.54	10,401.87	9,199.01
	Direct taxes paid	(2,895.58)	(1,072.29)	(2,368.13)	(2,288.50)	(1,942.85)
	Net Cash from Operating Activities - A	15,495.17	10,709.85	8,926.41	8,113.37	7,256.16
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of fixed assets	(16,296.65)	(10,794.44)	(9,372.27)	(9,310.59)	(8,540.58)
	Disposal of fixed assets	5.44	78.76	29.42	3.95	24.80
	Purchase of investments	(17,955.00)	(23,630.00)	(15,848.17)	(10,520.79)	-
	Sale of investments	19,577.46	25,433.87	19,268.07	10,439.52	1,692.00
	Investment in subsidiaries/joint ventures	(1,177.22)	(681.68)	(957.65)	(742.51)	(409.30)
	Loans & advances to subsidiaries	(73.06)	(2.98)	6.19	2.17	(12.43)
	Interest/income on term deposits/bonds/investments received	2,417.32	2,235.00	1,871.65	2,487.58	2,684.76
	Income tax paid on interest income	(756.50)	(688.37)	(586.27)	(454.01)	(557.45)
	Dividend received	241.32	169.30	88.30	77.70	49.83
	Net cash used in Investing Activities - B	(14,016.89)	(7,880.54)	(5,500.73)	(8,016.98)	(5,068.37)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	11,696.96	8,736.39	9,045.79	6,982.25	7,360.00
	Repayment of long term borrowings	(4,434.52)	(3,522.93)	(3,998.50)	(2,654.76)	(2,266.60)
	Grants received	-	1.33	0.27	-	-
	Interest paid	(3,831.50)	(3,885.12)	(3,036.94)	(2,507.21)	(2,429.80)
	Guarantee fee & other finance charges paid	(114.57)	(84.18)	(62.86)	(65.19)	(41.10)
	Dividend paid	(3,504.34)	(3,545.55)	(3,133.26)	(3,133.27)	(2,968.36)
	Tax on dividend	(564.44)	(569.02)	(518.06)	(530.36)	(503.49)
	Net cash used in Financing Activities - C	(752.41)	(2,869.08)	(1,703.56)	(1,908.54)	(849.35)
	Net increase/decrease in cash and cash equivalents (A+B+C)	725.87	(39.77)	1,722.12	(1,812.15)	1,338.44
	Cash and cash equivalents at the beginning of the year	16,141.83	16,181.60	14,459.48	16,271.63	14,933.19
	Cash and cash equivalents at the end of the period	16,867.70	16,141.83	16,181.60	14,459.48	16,271.63

Note: 1. Cash and cash equivalents consists of cash in hand and balances with banks.

2. Previous year figures have been regrouped/rearranged wherever considered necessary.

ANNEXURE - IV

NOTES TO ACCOUNTS

1. Share capital

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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	10,000.00	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	8,245.46	8,245.46	8,245.46

2. Reserves and surplus

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Capital reserve					
As per last financial statements	153.62	151.88	144.74	139.72	131.15
Add : Transfer from surplus	0.97	0.44	6.87	4.97	8.57
Add : Grants received during the year	-	1.33	0.27	-	-
Less: Adjustments during the year	0.02	0.03	-	(0.05)	-
	154.57	153.62	151.88	144.74	139.72
Securities premium account	2,228.11	2,228.11	2,228.11	2,228.11	2,228.11
Bonds redemption reserve					
As per last financial statements	2,389.04	2,231.66	1,986.72	1,688.94	1,360.21
Add : Transfer from surplus	492.79	482.38	494.94	497.78	453.73
Less: Transfer to surplus	346.50	325.00	250.00	200.00	125.00
	2,535.33	2,389.04	2,231.66	1,986.72	1,688.94
Foreign project reserve					
As per last financial statements	-	-	-	-	0.01
Less: Write back during the period	-	-	-	-	0.01
	-	-	-	-	-
General reserve					
As per last financial statements	60,202.80	55,002.80	49,802.80	45,052.80	40,652.57
Add : Transfer from surplus	6,500.00	5,200.00	5,200.00	4,750.00	4,400.00
Less: Adjustment during the year	-	-	-	-	(0.23)
	66,702.80	60,202.80	55,002.80	49,802.80	45,052.80
Surplus					
As per last financial statements	72.14	32.34	29.59	15.03	21.09
Add: Profit for the year as per Statement of Profit & Loss	12,619.39	9,223.73	9,102.59	8,728.20	8,201.30
Write back from bond redemption reserve	346.50	325.00	250.00	200.00	125.00
Write back from foreign project reserve	-	-	-	-	0.01
Less: Transfer to bond redemption reserve	492.79	482.38	494.94	497.78	453.73
Transfer to capital reserve	0.97	0.44	6.87	4.97	8.57
Transfer to general reserve	6,500.00	5,200.00	5,200.00	4,750.00	4,400.00
Dividend paid	3,092.07	2,885.92	2,473.63	2,473.64	2,308.73
Tax on dividend paid	501.61	465.09	410.84	420.40	391.39
Proposed dividend	1,649.09	412.27	659.63	659.63	659.63
Tax on proposed dividend	280.26	62.83	103.93	107.22	110.32
Net surplus	521.24	72.14	32.34	29.59	15.03
Total	72,142.05	65,045.71	59,646.79	54,191.96	49,124.60

3. Deferred revenue

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
On account of advance against depreciation	708.60	718.47	792.05	1,610.84	1,936.01
On account of income from foreign currency fluctuation	535.45	711.59	62.43	(20.08)	607.71
Total	1,244.05	1,430.06	854.48	1,590.76	2,543.72

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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)	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)	50.00	50.00	50.00	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)	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)	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)	300.00	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)	195.00	195.00	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)	500.00	500.00	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)	350.00	350.00	350.00	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)	700.00	700.00	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)	550.00	550.00	550.00	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)	50.00	50.00	50.00	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)	1,000.00	1,000.00	1,000.00	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)	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)	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)	100.00	100.00	100.00	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)	75.00	75.00	-	-	-

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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)	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)	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)	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)	75.00	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)	75.00	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)	120.00	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)	150.00	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)	105.00	105.00	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)	357.00	428.50	500.00	500.00	500.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty sixth issue - private placement)	357.00	428.50	500.00	500.00	500.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - private placement)	350.00	400.00	450.00	500.00	500.00
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)	350.00	400.00	450.00	500.00	500.00

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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)	350.00	400.00	450.00	500.00	500.00
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)	600.00	700.00	800.00	900.00	1,000.00
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)	250.00	300.00	350.00	400.00	450.00
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)	-	100.00	200.00	300.00	400.00
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)	300.00	375.00	450.00	525.00	600.00
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)	300.00	375.00	450.00	525.00	600.00
10.00% Secured Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6th year and in annual instalments thereafter upto the end of 10th year respectively from 5th September 2001 (Twelfth Issue - Private Placement)	-	-	-	100.00	200.00
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	8,920.00	8,850.00	7,850.00
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	1,356.90	1,370.10	1,546.50
5.50 % Eurobonds due for repayment on 10th March 2011	-	-	-	-	1,031.00
Term loans					
From Banks					
Unsecured					
Foreign currency loans	4,766.70	3,927.15	3,179.19	1,557.39	1,332.93
Rupee loans	13,884.90	9,463.52	9,439.38	7,510.51	7,341.61
From Others					
Secured					
Foreign currency loan (guaranteed by GOI)	-	99.09	256.56	391.12	578.14
Unsecured					
Foreign currency loans (guaranteed by GOI)	2,604.09	2,999.49	2,763.23	2,577.32	2,834.41
Other foreign currency loans	1,864.55	1,872.51	2,208.62	2,757.59	3,381.36
Rupee loans	13,090.55	14,358.43	11,598.76	8,777.30	5,919.41
Deposits					
Unsecured					
Fixed deposits	0.52	0.47	12.39	12.81	0.72
Others					
Unsecured					
Bonds application money pending allottment	200.00	-	-	-	-
Long term maturities of finance lease obligations (Secured)	0.05	0.21	0.65	0.67	1.19
Total	53,253.66	45,908.27	39,735.68	33,804.81	31,817.27

5. Deferred tax liabilities (net)

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Deferred tax liability					
Difference of book depreciation and tax depreciation	6,323.06	6,002.02	6,082.92	4,104.66	7,004.48
Less: Deferred tax assets					
Provisions & other disallowances for tax purposes	775.92	1,098.16	1,205.52	847.83	1,530.98
Disallowances u/s 43B of the Income Tax Act, 1961	333.49	329.40	323.00	207.42	338.55
	5,213.65	4,574.46	4,554.40	3,049.41	5,134.95
Less: Recoverable from beneficiaries	4,298.35	3,937.56	3,951.45	2,840.16	5,134.82
Total	915.30	636.90	602.95	209.25	0.13

6. Other long-term liabilities

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Trade payables	6.47	5.07	9.15	9.71	7.82
Deferred foreign currency fluctuation liability	135.60	134.43	96.54	61.05	54.52
Other liabilities					
Payable for capital expenditure	1,823.64	1,589.28	1,941.94	1,601.18	1,173.32
Others	0.28	0.28	2.95	1.02	1.78
Total	1,965.99	1,729.06	2,050.58	1,672.96	1,237.44

7. Long-term provisions

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Provision for employee benefits					
Opening balance	603.70	561.90	425.34	358.48	298.20
Additions/(adjustments) during the year	136.22	41.80	136.56	66.86	60.28
Total	739.92	603.70	561.90	425.34	358.48

8. Trade payables

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
For goods and services	5,158.77	4,460.65	4,070.65	2,720.50	2,357.95

9. Other current liabilities

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Current maturities of long term borrowings					
Bonds - Secured	693.00	693.00	650.00	500.00	400.00
Foreign currency notes - Unsecured	-	-	-	913.40	-
From Banks					
Unsecured					
Foreign currency loans	233.59	219.64	67.44	67.18	65.45
Rupee term loans	1,753.63	1,689.85	1,446.14	1,348.60	1,473.72
From Others					
Secured					
Foreign currency loan (guaranteed by GOI)	96.44	186.38	157.91	137.53	139.83
Unsecured					
Foreign currency loans (guaranteed by GOI)	171.73	183.64	121.16	60.97	49.82
Other foreign currency loans	576.19	646.04	579.95	521.24	164.11
Rupee term loans	1,367.73	740.33	428.53	442.11	456.39
Loan from Government of India	-	-	-	-	0.06
Fixed deposits	0.11	11.79	0.87	0.58	0.70
	4,892.42	4,370.67	3,452.00	3,991.61	2,750.08
Current maturities of finance lease obligitions -Secured	0.22	0.43	0.56	0.60	0.40
Interest accrued but not due on borrowings	626.52	499.81	415.26	351.41	339.28
Unpaid dividends	15.65	11.48	10.25	22.57	5.80
Unpaid matured deposits and interest accrued thereon	0.20	0.26	0.18	0.51	0.58
Unpaid matured bonds and interest accrued thereon	0.59	0.59	0.60	0.62	0.65
Book overdraft	17.23	2.96	4.12	15.31	11.49
Advances from customers and others	323.43	289.16	482.76	295.97	491.93
Payable for capital expenditure	3,512.68	3,503.75	2,711.99	2,155.19	2,079.74
Other payables					
Tax deducted at source and other statutory dues	162.69	154.31	127.50	77.30	120.15
Deposits from contractors and others	102.19	92.92	80.26	66.71	57.25
Gratuity obligations	93.12	60.16	102.32	31.40	469.09
Payable to employees	452.54	318.02	229.58	228.52	149.67
Others	247.24	232.72	145.12	100.69	195.50
Total	10,446.72	9,537.24	7,762.50	7,338.41	6,671.61

10. Short-term provisions

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Provision for employee benefits					
Opening balance	1,143.84	1,170.07	1,609.23	1,834.16	1,231.06
Additions/(adjustments) during the year	279.80	(26.23)	(439.16)	(224.93)	603.10
Closing balance	1,423.64	1,143.84	1,170.07	1,609.23	1,834.16
Provision for proposed dividend					
Opening balance	412.27	659.63	659.63	659.64	659.64
Additions during the year	1,649.09	412.27	659.63	659.63	659.64
Amounts paid during the year	412.27	659.63	659.63	659.64	659.64
Closing balance	1,649.09	412.27	659.63	659.63	659.64
Provision for tax on proposed dividend					
Opening balance	62.83	103.93	107.23	110.32	112.11
Additions during the year	280.26	62.83	103.93	107.23	110.32
Amounts paid during the year	62.83	103.93	107.23	110.32	112.11
Closing balance	280.26	62.83	103.93	107.23	110.32
Provision for obligations incidental to land acquisition					
Opening balance	340.08	255.40	266.76	284.22	-
Additions during the year	1,850.25	124.40	13.79	22.23	284.22
Amounts paid during the year	129.07	25.20	19.78	36.11	-
Amounts reversed during the year	7.32	14.52	5.37	3.58	-
Closing balance	2,053.94	340.08	255.40	266.76	284.22
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					
Opening balance	1.31	1.00	0.85	1.17	0.49
Additions during the year	0.27	0.74	0.64	0.19	0.52
Amounts adjusted during the year	0.10	0.07	0.03	0.03	(0.26)
Amounts reversed during the year	0.39	0.36	0.46	0.48	0.10
Closing balance	1.09	1.31	1.00	0.85	1.17
Others					
Opening balance	59.66	17.86	12.94	18.55	97.11
Additions during the year	220.83	41.90	0.10	-	-
Amounts adjusted during the year	0.51	-	(5.96)	5.61	78.56
Amounts reversed during the year	0.40	0.10	1.14	-	-
Closing balance	279.58	59.66	17.86	12.94	18.55
Total	7,004.54	3,233.69	2,207.89	2,656.64	2,908.06

11. Tangible Assets

₹ Crore

As at	Net Block				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Land					
(including development expenses)					
Freehold	4,060.95	2,147.32	1,861.67	1,749.74	1,622.40
Leasehold	1,286.75	518.41	392.78	418.12	416.42
Roads, bridges, culverts & helipads	380.04	339.47	360.38	357.75	337.93
Building					
Freehold					
Main plant	3,221.13	2,181.37	1,757.64	1,615.15	1,427.70
Others	1,523.01	1,403.58	1,333.40	1,436.23	1,382.21
Leasehold	22.48	25.53	28.55	31.09	32.53
Temporary erection	2.34	0.36	-	-	-
Water supply, drainage & sewerage system	330.39	309.71	316.20	323.72	345.65
MGR track and signalling system	696.03	649.30	523.71	350.39	341.93
Railway siding	268.05	223.16	152.50	170.75	184.79
Earth dam reservoir	178.58	183.25	97.66	115.55	119.81
Plant and equipment	49,911.38	36,364.92	31,521.06	27,525.18	26,209.85
Furniture and fixtures	168.59	150.33	140.94	125.39	110.78
Vehicles including speedboats					
Owned	5.29	5.93	5.40	3.00	2.31
Leased	0.25	0.60	1.14	1.19	1.51
Office equipment	81.20	67.99	58.67	49.21	40.51
EDP, WP machines and satcom equipment	121.72	110.71	118.04	110.48	93.02
Construction equipments	73.14	66.45	67.61	54.38	41.94
Electrical installations	227.88	170.87	164.52	147.77	97.02
Communication equipments	42.57	43.84	43.63	42.10	39.38
Hospital Equipments	16.13	13.90	12.48	9.81	8.93
Laboratory and workshop equipments	34.26	25.15	18.49	12.27	5.33
Assets under 5 KM scheme of the GOI	0.52	-	-	-	-
Capital expenditure on assets not owned by the Company	34.74	42.32	50.46	73.52	35.58
Assets of government	2.81	2.84	2.84	2.84	2.84
Less:Grants from government	2.81	2.84	2.84	2.84	2.84
Total	62,687.42	45,044.47	39,026.93	34,722.79	32,897.53

11. Intangible assets

₹ Crore

As at	Net Block				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Software	4.33	4.73	8.86	22.02	36.97
Right of use - Land	42.95	4.01	5.17	5.51	1.28
- Others	201.40	203.15	192.86	8.32	-
Total	248.68	211.89	206.89	35.85	38.25

12. Capital work-in-progress

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Development of land	439.73	439.58	408.24	352.14	292.87
Roads, bridges, culverts & helipads	75.86	62.56	18.33	48.01	58.32
Piling and foundation	575.25	540.95	505.24	631.50	794.84
Buildings				-	-
Main plant	1,440.00	2,528.06	2,404.82	1,792.67	1,003.49
Others	612.39	498.34	384.22	364.27	261.05
Temporary erection	6.15	9.40	7.49	1.60	4.24
Water supply, drainage and sewerage system	51.75	64.55	53.04	43.03	36.96
Hydraulic works, barrages, dams, tunnels and power channel	4,065.48	3,432.12	2,513.28	2,303.92	1,868.92
MGR track and signalling system	245.41	186.27	241.22	341.58	272.86
Railway siding	360.95	218.18	154.33	105.91	63.69
Earth dam reservoir	49.54	43.21	119.45	106.63	89.03
Plant and equipment	24,793.93	30,255.47	25,830.16	19,841.24	15,526.22
Furniture and fixtures	11.93	5.80	6.48	3.42	6.01
Vehicles	0.64	0.17	0.18	0.17	-
Office equipment	3.32	4.95	2.36	2.00	0.74
EDP/WP machines & satcom equipment	3.52	0.21	2.22	1.01	3.25
Construction equipments	0.01	0.07	0.18	0.01	-
Electrical installations	74.17	172.34	114.06	47.16	70.18
Communication equipment	2.71	1.74	0.27	2.00	2.18
Hospital equipments	0.15	0.38	0.19	0.01	-
Laboratory and workshop equipments	0.16	1.46	2.24	0.16	-
Assets under 5 KM scheme of the GOI	58.23	2.24	-	-	-
Capital expenditure on assets not owned by the company	20.67	12.04	12.74	165.31	73.82
Exploratory wells-in-progress	7.66	7.66	7.65	7.64	3.15
Development of coal mines	376.16	279.74	195.05	135.81	96.71
	33,275.77	38,767.49	32,983.44	26,297.20	20,528.53
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	99.76	95.35	82.33	83.28	69.15
Difference in exchange on foreign currency loans	851.36	628.68	(280.32)	(246.30)	206.32
Expenditure towards diversion of forest land	233.70	164.01	153.56	168.03	167.71
Pre-commisioning expenses (net)	27.03	190.93	54.16	0.24	23.28
Expenditure during construction period (net)	3,153.10	3,461.92	2,723.74	2,278.66	1,745.97
Less: Allocated to related works	2,656.65	3,262.65	2,371.69	1,804.84	1,505.27
	34,984.07	40,045.73	33,345.22	26,776.27	21,235.69
Less: Provision for unserviceable works	71.43	22.44	18.91	14.43	14.71
Construction stores (net of provision)	2,196.78	1,804.53	2,168.99	1,938.02	1,736.65
Total	37,109.42	41,827.82	35,495.30	28,699.86	22,957.63

12. Intangible assets under development

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Software	-	0.04	0.03	0.55	0.14

13. Non-current investments

₹ Crore

As at	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Long term - Trade						
Equity instruments (fully paid up - unless otherwise stated)						
Quoted						
Joint venture companies						
PTC India Ltd.	10 (10)	12.00	12.00	12.00	12.00	12.00
		12.00	12.00	12.00	12.00	12.00
Unquoted						
Subsidiary companies						
Pipavav Power Development Company Ltd.	10 (10)	-	-	-	0.38	0.38
NTPC Electric Supply Company Ltd.	10 (10)	0.08	0.08	0.08	0.08	0.08
NTPC Vidyut Vyapar Nigam Ltd.	10 (10)	20.00	20.00	20.00	20.00	20.00
NTPC Hydro Ltd.	10 (10)	121.36	121.36	113.96	100.80	92.43
Less: Provision for permanent diminution		8.14	8.14	-	-	-
		113.22	113.22	113.96	100.80	92.43
Kanti Bijlee Utpadan Nigam Ltd.	10 (10)	357.15	342.74	57.15	57.15	0.05
Bhartiya Rail Bijlee Company Ltd.	10 (10)	509.46	509.46	355.20	296.00	185.00
		999.91	985.50	546.39	474.41	297.94
Share application money pending allotment in						
NTPC Hydro Ltd.		0.20	0.20	0.50	1.75	0.30
Kanti Bijlee Utpadan Nigam Ltd.		25.65	14.41	164.73	2.24	59.34
Bhartiya Rail Bijlee Company Ltd. (* ₹ 39,000/-)		*	*	154.26	71.15	57.12
		25.85	14.61	319.49	75.14	116.76
Joint venture companies						
Utility Powertech Ltd.	10 (10)	1.00	1.00	1.00	1.00	1.00
NTPC-Alstom Power Services Private Ltd.	10 (10)	3.00	3.00	3.00	3.00	3.00
NTPC-SAIL Power Company Private Ltd.	10 (10)	490.25	475.25	475.25	475.25	475.25
NTPC-Tamil Nadu Energy Company Ltd.	10 (10)	1,143.61	844.00	581.00	425.00	190.00

₹ Crore

As at	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Ratnagiri Gas & Power Private Ltd.	10 (10)	974.30	776.90	692.90	592.90	500.00
Aravali Power Company Private Ltd.	10 (10)	1,159.51	1,089.51	658.52	658.52	458.52
NTPC-SCCL Global Ventures Private Ltd.	10 (10)	0.05	0.05	0.05	0.05	0.05
NTPC BHEL Power Projects Private Ltd.	10 (10)	25.00	25.00	25.00	25.00	0.05
Meja Urja Nigam Private Limited	10 (10)	378.79	107.43	73.43	30.18	0.10
BF-NTPC Energy Systems Ltd.	10 (10)	5.88	5.88	5.88	1.03	0.05
National Power Exchange Ltd.	10 (10)	2.19	2.19	2.19	0.83	0.83
Less: Provision for permanent diminution		1.04	-	-	-	-
		1.15	2.19	2.19	0.83	0.83
Nabinagar Power Generating Company Private Ltd.	10 (10)	153.00	153.00	153.00	0.05	0.05
Transformers and Electricals Kerala Ltd.	10 (10)	31.34	31.34	31.34	31.34	-
National High Power Test Labortory Private Ltd.	10 (10)	11.06	2.62	2.62	0.88	-
International Coal Ventures Private Ltd.	10 (10)	1.40	1.40	1.40	0.10	-
Energy Efficiency Services Ltd.	10 (10)	22.50	0.63	0.63	-	-
CIL NTPC Urja Private Ltd.	10 (10)	0.03	0.03	-	-	-
Anushakti Vidhyut Nigam Ltd.	10 (10)	0.05	0.05	-	-	-
Pan-Asian Renewables Private Ltd.	10 (10)	0.50	0.50	-	-	-
Trincomalee Power Company Ltd. (* Srilankan rupees)	100* (100*)	6.72	6.72	-	-	-
		4,409.14	3,526.50	2,707.21	2,245.13	1,628.90
Share application money pending allotment in						
NTPC-Tamilnadu Energy Company Ltd.		-	55.00	60.00	15.50	16.00
Ratnagiri Gas & Power Private Ltd.		-	-	-	100.00	192.90
NTPC BHEL Power Project		-	-	-	-	4.95
BF-NTPC Energy Ltd.		-	-	-	4.85	-
Aravali Power Company Private Ltd. (* ₹ 60,000/-)		49.01	*	318.96	-	-
Meja Urja Nigam Private Ltd.		33.64	5.00	11.00	19.25	30.08
Nabinagar Power Generating Company Pvt. Ltd.		317.12	50.00	-	94.95	-
CIL NTPC Urja Private Ltd.		0.05	0.05	0.08	-	-
Energy Efficiency Services Ltd.		2.50	24.38	24.38	0.63	-

₹ Crore

As at	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
		402.32	134.43	414.42	235.18	243.93
Cooperative societies		#	#	#	#	#
Bonds (fully paid up)						
Unquoted						
8.50 % Tax-Free State Government Special Bonds of the Government of						
Andhra Pradesh	1000 (1000)	252.13	378.20	504.26	630.32	756.39
Assam	1000 (1000)	10.29	15.44	20.58	25.73	30.87
Bihar	1000 (1000)	378.88	568.32	757.76	947.20	1,136.64
Chattisgarh	1000 (1000)	96.64	144.97	193.29	241.61	289.93
Gujarat	1000 (1000)	167.45	251.17	334.90	418.61	502.34
Haryana	1000 (1000)	215.00	322.50	430.00	537.50	645.00
Himachal Pradesh	1000 (1000)	6.68	10.02	13.35	16.69	20.03
Jammu and Kashmir	1000 (1000)	73.47	110.21	146.94	183.68	220.41
Jharkhand	1000 (1000)	192.03	288.04	384.05	480.06	576.08
Kerala	1000 (1000)	200.48	300.72	400.96	501.20	601.44
Madhya Pradesh	1000 (1000)	166.17	249.25	332.34	415.42	498.51
Maharashtra	1000 (1000)	76.28	114.42	152.56	190.70	228.84
Orissa	1000 (1000)	220.57	330.86	441.15	551.43	661.72
Punjab	1000 (1000)	69.25	103.87	138.49	173.12	207.74
Rajasthan	1000 (1000)	43.50	43.50	43.50	58.00	87.00
Sikkim	1000 (1000)	6.84	10.26	13.68	17.10	20.51
Uttar Pradesh	1000 (1000)	797.98	1,196.97	1,595.96	1,994.95	2,393.94
Uttaranchal	1000 (1000)	79.93	119.89	159.86	199.83	239.80
West Bengal	1000 (1000)	234.85	352.27	469.70	587.13	704.55
		3,288.42	4,910.88	6,533.33	8,170.28	9,821.74
Total		9,137.64	9,583.92	10,532.84	11,212.14	12,121.27

₹ Crore

As at		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
	Face value per share/bond/ security Current year/ (previous year) (₹)					

[#] Equity shares of **₹ 30,200/-** held in various Company's employees co-operative societies.

14. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Capital advances					
Secured	58.88	17.24	17.36	0.41	127.33
Unsecured					
Covered by bank guarantee	3,775.96	1,059.69	1,673.50	2,626.42	2,875.70
Others	3,092.51	1,776.16	1,084.44	777.07	444.10
Considered doubtful	2.54	2.16	2.21	2.23	6.70
Less: Allowance for bad & doubtful advances	2.54	2.16	2.21	2.23	6.70
	6,927.35	2,853.09	2,775.30	3,403.90	3,447.13
Security deposits (unsecured)	82.84	84.35	126.08	68.05	48.76
Loans					
Related parties					
Unsecured	0.03	0.05	0.07	0.04	0.06
Employees (including accrued interest)					
Secured	395.88	377.60	303.17	346.27	341.26
Unsecured	142.74	136.89	171.16	69.54	71.75
Loan to state government in settlement of dues from customers (Unsecured)	239.31	335.04	478.63	526.49	622.22
Others					
Secured	14.29	21.42	28.57	57.43	210.81
Unsecured	8.86	13.43	18.00	0.03	0.05
	801.11	884.43	999.60	999.80	1,246.15
Advances					
Contractors & suppliers, including material issued on loan					
Unsecured	65.58	49.86	0.98	3.32	1.01
Advance tax & tax deducted at source	11,460.19	10,116.58	9,789.49	9,110.09	6,969.72
Less: Provision for current tax	9,703.62	8,593.96	7,171.59	7,045.75	3,473.49
	1,756.57	1,522.62	2,617.90	2,064.34	3,496.23
Total	9,633.45	5,394.35	6,519.86	6,539.41	8,239.28

15. Other non-current assets

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Deferred foreign currency fluctuation asset	1,132.77	1,371.88	459.15	365.17	973.44

16. Current investments

₹ Crore

As at	Face value per bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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	1000 (1000)	126.07	126.07	126.07	126.07	126.07
Assam	1000 (1000)	5.15	5.15	5.15	5.15	5.15
Bihar	1000 (1000)	189.44	189.44	189.44	189.44	189.44
Chattisgarh	1000 (1000)	48.32	48.32	48.32	48.32	48.32
Gujarat	1000 (1000)	83.73	83.73	83.73	83.73	83.73
Haryana	1000 (1000)	107.50	107.50	107.50	107.50	107.50
Himachal Pradesh	1000 (1000)	3.34	3.34	3.34	3.34	3.34
Jammu and Kashmir	1000 (1000)	36.74	36.74	36.74	36.74	36.74
Jharkhand	1000 (1000)	96.01	96.01	96.01	96.01	96.01
Kerala	1000 (1000)	100.24	100.24	100.24	100.24	100.24
Madhya Pradesh	1000 (1000)	83.08	83.08	83.08	83.08	83.08
Maharashtra	1000 (1000)	38.14	38.14	38.14	38.14	38.14
Orissa	1000 (1000)	110.29	110.29	110.29	110.29	110.29
Punjab	1000 (1000)	34.62	34.62	34.62	34.62	34.62
Rajasthan	1000 (1000)	-	-	14.50	29.00	29.00
Sikkim	1000 (1000)	3.42	3.42	3.42	3.42	3.42
Uttar Pradesh	1000 (1000)	398.99	398.99	398.99	398.99	398.99
Uttaranchal	1000 (1000)	39.96	39.96	39.96	39.96	39.96
West Bengal	1000 (1000)	117.42	117.42	117.42	117.42	117.42

₹ Crore

As at	Face value per bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
		1,622.46	1,622.46	1,636.96	1,651.46	1,651.46
Other Bonds						
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series - 1/2003, 06/2002, 06/2009		-	-	-	-	4.68
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series - 1/2003, 09/2002, 09/2009		-	-	-	-	4.72
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series - 1/2003, 10/2002, 10/2009		-	-	-	-	14.93
		-	-	-	-	24.33
Government of India Dated Securities (Non-Trade)		-	-	-	-	187.46
Less: Amortisation of Premium		-	-	-	-	1.04
		-	-	-	-	186.42
Investment in mutual funds (unquoted)						
Canara Robeco Liquid Fund - Super IP - DDR		-	-	175.04	-	-
Canara Robeco Treasury Advantage Super - IP - DDR		-	-	-	750.08	-
SBI-SHF Ultra Short Short Term Fund-IP-DDR		-	-	-	425.05	-
UTI Treasury Advantage Fund - IP - DDR		-	-	-	768.36	-
		-	-	175.04	1,943.49	-
Total		1,622.46	1,622.46	1,812.00	3,594.95	1,862.21

17. Inventories

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Coal	885.62	1,096.14	1,255.50	1,117.54	1,113.26
Fuel oil	364.99	234.65	191.22	171.62	179.76
Naphtha	146.77	119.04	117.37	100.07	85.99
Stores and spares	2,210.19	1,899.57	1,741.25	1,649.94	1,566.23
Chemicals & consumables	73.51	44.47	45.81	29.83	28.12
Loose tools	5.70	5.65	5.48	5.03	4.57
Steel scrap	20.96	16.54	16.50	12.01	11.56
Others	413.40	347.35	319.03	312.08	302.91
	4,121.14	3,763.41	3,692.16	3,398.12	3,292.40
Less: Provision for shortages	1.87	1.86	2.34	3.05	5.11
Provision for obsolete/unserviceable items/ dimunition in value of surplus inventory	62.08	58.70	50.70	47.36	43.87
Total	4,057.19	3,702.85	3,639.12	3,347.71	3,243.42

18. Trade receivables

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good	59.41	18.61	4.35	-	-
Considered doubtful	0.03	840.70	840.84	836.04	836.11
Less: Allowance for bad & doubtful receivables	0.03	840.70	840.84	836.04	836.11
	59.41	18.61	4.35	-	-
Others - unsecured, considered good	5,306.08	5,813.90	1,430.61	946.24	1,021.24
Total	5,365.49	5,832.51	1,434.96	946.24	1,021.24

19. Cash and bank balances

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Cash & cash equivalents					
Balances with banks					
Current accounts	315.24	461.36	315.60	600.64	239.49
Deposits with original maturity upto three months	-	300.00	-	-	600.00
Cheques & drafts on hand	64.97	0.43	0.31	2.46	1.44
Others (stamps in hand)	0.09	0.10	0.05	0.06	0.08
Other bank balances					
Deposits with original maturity of more than three months but not more than twelve months	16,469.97	15,357.98	15,847.23	13,813.92	15,389.55
Others	17.43	21.96	18.41	42.40	41.07
Total	16,867.70	16,141.83	16,181.60	14,459.48	16,271.63

20. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Loans					
Related parties					
Unsecured	0.04	0.03	0.04	0.02	0.02
Employees (including accrued interest)					
Secured	76.27	69.92	52.05	53.91	51.48
Unsecured	90.86	83.12	82.79	47.15	32.59
Considered doubtful	-	-	0.25	0.23	0.23
Loan to state government in settlement of dues from customers					
Unsecured	95.73	95.73	95.73	95.73	95.73
Others					
Secured	35.71	28.58	25.14	160.53	39.94
Unsecured	35.99	3.71	0.02	0.03	0.03
Less: Allowance for bad & doubtful loans	-	-	0.25	0.23	0.23
	334.60	281.09	255.77	357.37	219.79
Advances					
Related parties					
Unsecured	3.40	1.64	2.27	2.75	2.63
Employees					
Unsecured	8.59	9.09	11.60	153.89	328.21
Considered doubtful	0.11	0.08	0.08	0.07	0.07
Contractors & suppliers, including material issued on loan					
Secured	6.71	5.60	2.24	2.41	3.66
Unsecured	533.85	821.51	719.03	1,186.96	989.75
Considered doubtful	1.51	1.57	0.38	0.28	0.19
Others					
Unsecured	202.60	105.52	169.05	104.10	91.17
Considered doubtful	0.02	0.02	-	1.01	0.18
Less: Allowance for bad & doubtful advances	1.64	1.67	0.46	1.36	0.44
	755.15	943.36	904.19	1,450.11	1,415.42
Security deposits (unsecured)	655.78	318.87	59.89	87.23	85.86
Total	1,745.53	1,543.32	1,219.85	1,894.71	1,721.07

21. Other current assets

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interest accrued on					
Bonds	243.19	312.14	382.33	452.52	523.64
Term deposits	824.34	775.60	608.35	360.72	424.17
Others	23.95	18.56	43.52	13.84	18.53
	1,091.48	1,106.30	1,034.20	827.08	966.34
Claims recoverable					
Unsecured, considered good	4,779.87	1,822.51	1,640.38	482.86	332.48
Considered doubtful	13.05	13.31	12.99	17.11	18.37
Less: Allowance for doubtful claims	13.05	13.31	12.99	17.11	18.37
	4,779.87	1,822.51	1,640.38	482.86	332.48
Unbilled revenue	5,624.27	5,616.10	6,528.55	5,709.80	2,604.17
Assets held for disposal	2.96	2.00	2.14	2.65	1.95
Others	10.13	6.49	5.08	14.84	12.67
Total	11,508.71	8,553.40	9,210.35	7,037.23	3,917.61

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Energy sales (including electricity duty)	64,715.88	61,430.85	54982.56	46,414.56	42,012.86
Consultancy, project management and supervision fee (including turnkey construction projects)	126.81	142.69	169.45	153.92	132.54
	64,842.69	61,573.54	55,152.01	46,568.48	42,145.40
Energy internally consumed	76.73	80.75	64.68	55.10	51.38
Other operating revenues					
Interest from customers	432.60	510.57	116.16	59.94	96.70
Recognized from deferred foreign currency fluctuation liability	3.52	0.16	-	-	-
Provisions written back					
Tariff adjustments	-	312.75	-	-	-
Doubtful debts	840.67	0.14	-	0.07	0.09
Doubtful loans, advances and claims	0.33	0.14	0.04	0.42	14.47
Doubtful construction advances	-	0.03	0.01	4.48	-
Shortage in construction stores	0.58	0.34	0.11	0.73	0.42
Shortage in stores	0.57	1.08	1.89	1.95	1.09
Obsolescence in stores	1.26	1.02	5.15	4.09	0.86
Unserviceable capital works	0.90	-	0.15	0.55	-
Shortages in fixed assets	0.39	0.36	0.46	0.48	0.10
	844.70	315.86	7.81	12.77	17.03
Total	66,200.24	62,480.88	55,340.66	46,696.29	42,310.51

23. Other income

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interest from					
Long-term investments					
Government securities (8.5% tax free bonds)	520.86	659.38	799.76	940.13	1,080.50
Other Bonds	-	-	-	0.65	4.27
Government of India Securities	-	-	-	1.81	12.08
Others					
Loan to state government in settlement of dues from customers	34.58	42.72	50.85	58.99	67.13
Loan to subsidiary companies	2.37	3.03	3.16	3.47	4.19
Loan to employees	28.84	25.31	20.45	16.51	17.48
Contractors	36.25	32.88	19.86	32.86	24.88
Deposits with banks	1,839.30	1,602.52	1,195.32	1,342.92	1,578.87
Income tax refunds	39.41	99.89	-	452.63	330.65
Less : Refundable to customers	0.02	34.47	-	452.63	110.69
	39.39	65.42	-	-	219.96
Others	8.22	12.02	16.56	34.04	28.09
Profit on redemption of Long term Investment	-	-	-	5.04	-
Dividend from					
Long-term investments in					
Subsidiaries	25.00	19.00	14.00	10.50	7.75
Joint ventures	103.66	60.16	21.13	6.84	6.00
Current investments in					
Mutual funds	112.66	90.14	53.17	60.36	36.08
Other non-operating income					
Surcharge received from customers	87.75	1.16	10.81	62.33	6.65
Hire charges for equipment	4.28	3.23	2.59	2.77	1.31
Net gain in foreign currency transactions & translations	27.90	61.25	31.34	29.14	2.47
Sale of scrap	89.06	80.08	57.98	54.73	38.34
Liquidated damages recovered	11.82	7.13	7.15	6.62	6.59
Miscellaneous income	200.06	115.30	88.67	164.05	70.04
Profit on disposal of fixed assets	4.62	13.28	8.16	6.99	12.74
	3,176.62	2,894.01	2,400.96	2,840.75	3,225.42
Less: Transferred to expenditure during construction period (net) - Note 28	38.84	40.16	24.91	37.87	41.28
Transferred to development of coal mines	8.30	2.95	0.06	0.02	0.05
Transferred to deferred foreign currency fluctuation asset/liability	27.90	61.25	31.34	6.61	26.85
Total	3,101.58	2,789.65	2,344.65	2,796.25	3,157.24

24. Employee benefits expense

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Salaries and wages	3,402.23	3,171.52	2764.00	2,335.09	1,967.70
Contribution to provident and other funds	372.41	298.81	337.83	331.46	613.00
Staff welfare expenses	355.00	297.58	293.44	280.26	316.91
	4,129.64	3,767.91	3,395.27	2,946.81	2,897.61
Less: Allocated to fuel cost	193.58	166.32	171.79	152.19	122.77
Transferred to development of coal mines	34.31	32.00	28.98	21.94	15.79
Transferred to expenditure during construction period (net)- Note 28	541.63	467.88	404.79	360.32	295.92
Total	3,360.12	3,101.71	2,789.71	2,412.36	2,463.13

25. Finance costs

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interest on					
Bonds	900.87	831.50	805.35	766.37	605.25
Foreign currency term loans	235.33	205.71	177.52	188.35	230.11
Rupee term loans	2,753.01	2,335.70	1,703.92	1,353.04	1,136.15
Public deposits	0.16	1.24	1.24	1.09	0.26
Foreign currency bonds/notes	345.91	184.32	162.75	170.43	173.76
Others	73.14	60.99	75.85	38.64	70.59
	4,308.42	3,619.46	2,926.63	2,517.92	2,216.12
Other borrowing costs					
Bonds servicing & public deposit expenses	2.38	2.18	1.85	1.92	1.78
Guarantee fee	39.84	37.67	35.57	39.71	33.92
Management fee	36.24	10.97	25.92	0.28	0.05
Foreign currency bonds/notes expenses	6.05	17.10	-	0.06	0.11
Up-front fee	-	15.31	0.87	20.63	0.51
Insurance premium on foreign currency loans	27.39	-	-	-	-
Others	2.67	0.95	(1.35)	4.09	7.55
	114.57	84.18	62.86	66.69	43.92
Exchange differences regarded as an adjustment to interest costs	(350.21)	350.21	174.16	0.04	268.82
	4,072.78	4,053.85	3,163.65	2,584.65	2,528.86
Less: Transferred to expenditure during construction period (net) - Note 28	2,101.90	2,308.47	1,735.09	1,479.50	1,224.47
Transferred to development of coal mines	46.52	33.74	7.60	-	-
Total	1,924.36	1,711.64	1,420.96	1,105.15	1,304.39

26. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Power charges	172.89	224.33	144.04	110.88	101.06
Less: Recovered from contractors & employees	18.47	17.73	15.93	14.19	12.62
	154.42	206.60	128.11	96.69	88.44
Water charges	488.67	329.59	294.48	129.57	93.22
Stores consumed	46.35	45.24	31.33	31.11	31.05
Rent	28.38	26.33	22.21	21.66	15.76
Less: Recoveries	7.83	8.13	6.81	6.21	5.57
	20.55	18.20	15.40	15.45	10.19
Load dispatch centre charges	41.66	42.93	98.35	-	-
Repairs & maintenance					
Buildings	170.91	146.00	125.29	105.44	94.05
Plant & machinery					
Power stations	1,781.36	1,528.51	1272.43	1,095.97	937.91
Construction equipments	1.09	0.73	0.71	0.64	0.96
	1,782.45	1,529.24	1,273.14	1,096.61	938.87
Others	105.91	93.67	97.05	88.22	80.40
Insurance	104.62	97.29	91.87	79.49	46.10
Interest payable to customers	5.72	(67.57)	3.61	1.38	7.20
Rates and taxes	33.54	23.84	24.10	22.81	19.76
Water cess & environment protection cess	35.44	25.50	38.46	26.22	25.47
Training & recruitment expenses	63.07	72.70	70.85	72.54	41.73
Less: fee for application and training	1.56	1.31	4.77	4.01	3.61
	61.51	71.39	66.08	68.53	38.12
Communication expenses	43.88	37.75	35.08	33.05	27.48
Travelling expenses	182.66	171.35	149.82	134.00	127.40
Tender expenses	21.46	21.71	24.48	23.46	21.71
Less: Receipt from sale of tenders	2.96	2.22	2.75	1.87	1.98
	18.50	19.49	21.73	21.59	19.73
Payment to auditors	3.01	2.74	2.87	2.44	2.50
Advertisement and publicity	13.31	12.23	13.78	15.59	10.86
Security expenses	327.23	290.96	244.68	224.53	166.29
Entertainment expenses	13.88	13.16	12.83	11.42	13.66
Expenses for guest house	18.94	16.40	13.80	11.15	9.42
Less: Recoveries	2.67	2.18	1.34	1.32	1.17
	16.27	14.22	12.46	9.83	8.25
Education expenses	9.31	10.02	25.41	21.55	18.35
Brokerage & commission	2.79	2.60	1.86	1.68	1.45
Community development and welfare expenses	84.79	58.32	79.48	20.47	13.74
Less: Grants-in-aid	0.39	0.24	0.43	0.03	0.86
	84.40	58.08	79.05	20.44	12.88
Donation	0.14	(0.10)	-	0.52	0.12
Ash utilisation & marketing expenses	5.20	4.22	1.64	2.26	4.67
Less: Sale of ash products	0.04	0.06	0.23	0.14	-
	5.16	4.16	1.41	2.12	4.67
Directors sitting fee	0.30	0.25	0.28	0.29	0.16

26. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Books and periodicals	2.65	1.94	1.59	1.92	1.73
Professional charges and consultancy fee	28.40	30.19	39.39	39.53	29.15
Legal expenses	27.12	15.27	12.29	11.09	4.62
EDP hire and other charges	14.53	14.41	15.69	16.18	12.19
Printing and stationery	12.36	11.56	12.22	10.92	10.19
Oil & gas exploration expenses	8.78	14.34	3.64	3.39	8.69
Hiring of vehicles	55.23	47.08	43.10	36.90	31.59
Rebate to customers	521.71	632.87	711.28	693.73	670.02
Reimbursement of L.C.charges on sales realisation	0.60	4.10	4.96	7.19	13.26
Bank charges	2.93	2.95	3.00	2.73	2.11
Net loss in foreign currency transactions & translations	5.07	35.31	6.50	-	-
Miscellaneous expenses	106.25	95.67	71.42	59.86	102.84
Stores written off	0.14	0.15	0.05	0.19	0.17
Survey & investigation expenses written off	2.37	7.05	4.50	4.27	3.55
Loss on disposal/write-off of fixed assets	59.91	58.40	60.87	27.64	40.34
	4,620.64	4,170.12	3,879.03	3,176.11	2,817.12
Less: Allocated to fuel cost	281.84	236.11	210.46	182.94	145.00
Transferred to development of coal mines	13.62	12.92	14.11	17.41	8.48
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	280.33	177.95	152.65
	4,004.97	3,523.61	3,374.13	2,797.81	2,510.99
Provisions for					
Tariff adjustments	103.24	-	1526.45	-	-
Diminution in value of long term investments in subsidiary company	-	8.14	-	-	-
Diminution in value of long term investments in joint venture companies	1.04	-	-	-	-
Doubtful Debt			4.83	-	0.01
Doubtful loans, advances and claims	0.09	0.05	0.25	0.11	0.44
Shortage in stores	1.34	0.88	1.45	1.80	4.06
Obsolescence in stores	4.66	10.39	8.80	7.59	17.23
Shortage in construction stores	0.13	0.26	0.33	0.91	0.77
Unserviceable capital work-in-progress	49.89	3.54	9.29	0.30	1.58
Unfinished minimum work programme for oil and gas exploration	5.08	41.19	-	-	-
Shortages in fixed assets	0.27	0.73	0.65	0.19	0.52
Others	40.51	-	0.10	-	-
	206.25	65.18	1,552.15	10.90	24.61
Total	4,211.22	3,588.79	4,926.28	2,808.71	2,535.60

27. Prior period items (net)

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Revenue					
Sales	(0.03)	9.00	520.62	(32.52)	463.97
Others	1.88	0.81	0.02	2.47	2.62
	1.85	9.81	520.64	(30.05)	466.59
Expenditure					
Employee benefits expense	(5.13)	(322.05)	(2.49)	(99.43)	(0.54)
Finance costs					
Interest	(12.00)	(0.61)	0.13	10.18	753.89
Other borrowing costs	(7.91)	-	-	-	-
Depreciation and amortisation	(0.25)	(1.35)	(1,113.05)	16.55	(239.07)
Generation, administration and other expenses					
Repairs and maintenance	0.39	(0.21)	1.35	(0.26)	0.32
Professional consultancy charges	0.14	-	(0.04)	0.03	0.20
Communication expenses	0.04	0.04	-	-	-
Advertisement and publicity	0.12	-	-	0.24	0.14
Rates & taxes	(0.07)	0.09	0.70	0.52	(1.40)
Rent	(0.33)	0.90	-	0.32	0.07
Net loss in foreign currency transactions & translations	-	-	-	3.63	(46.94)
Others	(12.96)	(1.43)	(0.63)	(5.52)	75.43
	(37.96)	(324.62)	(1,114.03)	(73.74)	542.10
Net expenditure/(revenue)	(39.81)	(334.43)	(1,634.67)	(43.69)	75.51
Less: Transferred to expenditure during construction period (net)-Note 28	(10.09)	(19.01)	4.05	34.65	(7.76)
Transferred to development of coal mines	-	(1.84)	-	(0.51)	-
Transferred to deferred foreign currency fluctuation	-	-	-	-	(25.05)
Total	(29.72)	(313.58)	(1,638.72)	(77.83)	108.32

28. Expenditure during construction period (net)

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
A. Employee benefits expense					
Salaries and wages	470.39	410.83	340.64	311.93	194.86
Contribution to provident and other funds	38.81	32.11	32.32	33.70	67.82
Staff welfare expenses	32.43	24.94	31.83	14.69	33.24
Total (A)	541.63	467.88	404.79	360.32	295.92
B. Finance costs					
Interest on					
Bonds	390.47	467.08	504.95	474.76	322.50
Foreign currency term loans	94.88	99.93	86.26	88.17	117.88
Rupee term loans	1,486.58	1,397.01	1,066.78	838.18	630.52
Foreign currency bonds/notes	222.88	104.91	37.47	47.26	65.09
Other borrowing costs					
Foreign currency bonds/notes expenses	5.54	10.47	-	0.01	0.23
Management/arrangers/upfront fee	36.24	20.77	21.55	20.60	0.01
Others	50.56	23.05	3.45	10.51	7.13
Exchange differences regarded as an adjustment to interest costs	(185.25)	185.25	14.63	0.01	81.11
Total (B)	2,101.90	2,308.47	1,735.09	1,479.50	1,224.47
C. Depreciation and amortisation	36.11	32.21	24.77	19.20	14.05
D. Generation, administration & other expenses					
Power charges	100.59	155.21	80.73	56.49	50.19
Less: Recovered from contractors & employees	1.60	1.76	1.01	0.74	0.79
	98.99	153.45	79.72	55.75	49.40
Water charges	10.76	47.77	58.60	8.65	0.02
Rent	5.27	4.21	2.96	2.61	1.76
Repairs & maintenance					
Buildings	6.81	7.18	5.91	4.07	4.40
Construction equipments	0.74	0.37	0.24	0.23	0.41
Others	22.73	14.58	11.39	7.61	9.18
	30.28	22.13	17.54	11.91	13.99
Insurance	1.48	1.23	0.38	0.16	1.07
Rates and taxes	0.84	2.40	1.03	0.37	2.35
Communication expenses	5.56	5.04	4.77	3.81	3.58
Travelling expenses	35.33	32.32	28.76	23.96	24.06
Tender expenses	5.78	4.46	6.91	6.48	6.22
Less: Income from sale of tenders	0.06	0.08	0.12	0.10	0.05
	5.72	4.38	6.79	6.38	6.17
Advertisement and publicity	1.49	0.85	0.48	0.69	1.34
Security expenses	43.82	39.38	37.91	23.13	17.28
Entertainment expenses	2.30	2.46	2.02	1.87	2.15
Guest house expenses	4.13	3.18	2.60	2.22	0.83
Education expenses	0.01	0.02	0.16	0.12	0.12
Books and periodicals	0.91	0.35	0.71	0.67	0.59
Community development expenses	7.46	2.59	1.61	1.23	0.74
Professional charges and consultancy fee	6.35	7.97	5.45	8.18	4.67
Legal expenses	5.15	1.94	1.30	0.54	0.29
EDP hire and other charges	1.22	1.20	1.35	0.80	0.67
Printing and stationery	1.17	1.28	0.96	1.03	0.85
Miscellaneous expenses	50.46	47.68	25.23	23.87	20.72
Total (D)	318.70	381.83	280.33	177.95	152.65
E. Less: Other income					
Hire charges	3.70	2.76	1.61	1.88	1.19
Sale of scrap	-	0.11	0.05	0.13	0.45
Interest from contractors	22.34	29.09	17.77	27.40	23.88
Interest others	0.87	0.60	4.97	0.19	1.54
Miscellaneous income	11.93	7.60	0.51	8.27	14.22
Total (E)	38.84	40.16	24.91	37.87	41.28
F. Prior period items (net)	(10.09)	(19.01)	4.05	34.65	(7.76)
G. Income/Fringe Benefit Tax	-	-	-	-	1.05
Grand total (A+B+C+D-E+F+G)*	2,949.41	3,131.22	2,424.12	2,033.75	1,639.10

*** Carried to Capital work-in-progress - (Note 12)**

ANNEXURE - V

Significant Accounting Policies and Other Notes to Accounts - Standalone

Significant Accounting Policies for the Year ended 31.03.2013

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'.

Significant Accounting Policies for the Year ended 31.03.2012

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. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as capital work-in-progress.
2. 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.
3. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
4. 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 (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.
4. Exchange differences arising from settlement/translation of foreign currency loans (other than regarded as borrowing cost), 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.
5. 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 or interest and finance charges for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in depreciation or sales, as the case may be.
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

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 following the rates and methodology notified by CERC Tariff Regulations, 2009.
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 at the rates and methodology notified by CERC Tariff Regulations, 2009/ revised useful life determined based on rates specified in Schedule XIV of the Companies Act, 1956.
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 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.
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. Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Transit and handling losses of coal as per 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'.

Significant Accounting Policies for the Year ended 31.03.2011

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. 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. Fixed assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. 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 fixed 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. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as capital work-in-progress.
2. 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.
3. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
4. 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 are 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.

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 (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.
4. Exchange differences arising from settlement/translation of foreign currency loans (other than regarded as borrowing cost), 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.
5. 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 or interest and finance charges for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in sales.
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 in 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

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.
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 following the rates and methodology notified by CERC Tariff Regulations, 2009.
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 at the rates and methodology notified by CERC Tariff Regulations, 2009/ revised useful life determined based on rates specified in Schedule XIV of the Companies Act, 1956.
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 at the rates and methodlogy notified by CERC Regulations, 2009, for such items of plant and machinery.
10. 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.
11. 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.
12. Land acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of lease period or balance useful life of the respective project whichever is less.
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. Acturial gains/losses in respect of 'Employee Benefit Plans' are recognised in the Statement of Profit and Loss Account.
16. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
17. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
18. Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Transit and handling losses of coal as per norms are included in cost of coal.

N. 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.

O. 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.

P. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

Significant Accounting Policies for the Year ended 31.03.2010

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. 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. Fixed assets are carried at historical cost less accumulated depreciation.
2. Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. 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 fixed 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. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as capital work-in-progress.
2. 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.
3. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
4. 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 are 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.

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 (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.

4. Exchange differences arising from settlement/translation of foreign currency loans (other than regarded as borrowing cost), 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.
5. 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/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 or interest and finance charges for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in sales.
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 in 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

1. Depreciation is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a) Kutcha Roads	47.50%
b) Enabling works	
- residential buildings including their internal electrification.	6.33%
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	19.00%
c) Personal computers & laptops including peripherals	19.00%
d) Photocopiers and fax machines	19.00%
e) Airconditioners, water coolers and refrigerators	8.00%

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 ₹ 5000/- are fully depreciated in the year of acquisition.
4. 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 earlier. Intangible assets - Others are amortized on straight line method over the period of legal right to use.
5. 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 prospectively over the residual life.
6. 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 prospectively over the revised useful life determined by technical assessment.
7. 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.
8. Capital expenditure on assets not owned by the company is amortised over a period of 4 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of stations under operation is charged off to revenue.
9. Leasehold land otherthan acquired on perpetual leases are amortised over lease period. Leasehold buildings are amortised over the lease period or 30 years, whichever is lower. Leasehold land and buildings whose lease periods are yet to be finalised, are amortised over a period of 30 years.
10. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.
11. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
12. Acturial gains/losses in respect of 'Employee Benefit Plans' are recognised in the Statement of Profit and Loss Account.
13. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
14. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
15. Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Transit and handling losses of coal as per norms are included in cost of coal.

N. Finance leases

1. Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.
2. Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. M.1. 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 shorter.
3. Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

O. 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.

P. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

Significant Accounting Policies for the Year ended 31.03.2009

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. 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. Fixed assets are carried at historical cost less accumulated depreciation.
2. Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. 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 fixed 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. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as capital work-in-progress.
2. 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.
3. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
4. Claims on the Company for price variation/exchange rate variation in case of contracts are accounted for on acceptance.

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 are expensed off in the year in which these are incurred.
3. All acquisition costs are initially capitalized as 'Exploratory wells-in-progress' under Capital work-in-progress.

G. Development of coal mines

Expenditure on exploration 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 (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.
4. Exchange differences arising from settlement/translation of foreign currency loans (other than regarded as borrowing cost), 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.
5. 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/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). In case of power stations where the tariff rates are yet to be approved/ agreed, provisional rates are adopted.
2. The incentives/disincentives are accounted for based on the norms notified/approved by the CERC. In cases of power stations where the same have not been notified/ approved, incentives/ disincentives are accounted for on provisional basis.
3. Advance against depreciation, forming part of tariff to facilitate repayment of loans, is reduced from sales and considered as deferred revenue to be included in sales in subsequent years.
4. 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 or interest and finance charges for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in sales.
5. Exchange differences arising from translation/settlement of monetary items denominated in foreign currency 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 in the year in which the same becomes recoverable/payable.
6. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
7. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages are not treated as accrued due to uncertainty of realisation/acceptance and are therefore accounted for on receipt/acceptance.
8. 1. 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.
   2. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.
9. Scrap other than steel scrap is accounted for as and when sold.
10. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

M. Expenditure

1. Depreciation is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a) Kutcha Roads	47.50%
b) Enabling works	
- residential buildings including their internal electrification.	6.33%
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	19.00%
c) Personal computers & laptops including peripherals	19.00%
d) Photocopiers and fax machines	19.00%
e) Airconditioners, water coolers and refrigerators	8.00%

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 ₹ 5000/- are fully depreciated in the year of acquisition.
4. 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 earlier.
5. 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 prospectively over the residual life detrmined on the basis of the rate of depreciation.
6. 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 prospectively over the revised useful life determined by technical assessment.
7. 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.
8. Capital expenditure on assets not owned by the company is amortised over a period of 4 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of stations under operation is charged off to revenue.
9. Leasehold buildings are amortised over the lease period or 30 years, whichever is lower. Leasehold land and buildings, whose lease period is yet to be finalised, are amortised over a period of 30 years.
10. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.
11. Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.
12. Acturial gains/losses in respect of 'Employee Benefit Plans' are recognised in the Statement of Profit and Loss Account.
13. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and svstems.
14. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
15. Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Windage and handling losses of coal as per norms are included in cost of coal.

N. Finance leases

1. Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.
2. Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. M.1. 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 shorter.
3. Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

O. 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.

P. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2012-13 - STANDALONE

1. 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

2. 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 and 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.

3. 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, 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. 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.

4. 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**	-

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
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

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
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
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

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
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 2023 (Forty ninth issue-private placement).

4. Long-term borrowings

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				
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 semiannual 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.

5. 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.

6. 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, 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.

7. 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

Disclosure required by AS 15 on 'Employees benefits' has been made in Note 38.

8. 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.

9. 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 4.

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.

10. 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.

₹ Crore

As at	31.03.2013	31.03.2012

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) reognised 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.

11. 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		3.64
			6.95	
	(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 -9 - '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:

	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:

	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

12. 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**
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

13. 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 1000000 bonus shares)	2000000 (2000000)	10 (10)		**1.00**	1.00
NTPC-Alstom Power Services Private Ltd.	3000000 (3000000)	10 (10)		**3.00**	3.00
NTPC-SAIL Power Company Private Ltd.	490250050 (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

₹ 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
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
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

₹ Crore

As at			31.03.2013	31.03.2012
	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)		
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			**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.

₹ Crore

As at			31.03.2013	31.03.2012
	Number of shares/bonds/ securities	Face value per share/bond/ security		
	Current year/ (previous year)	Current year/ (previous year) (₹)		

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.

14. 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. 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, 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			31.03.2013	31.03.2012
	Number of bonds/ securities Current year/ (previous year)	Face value per bond/ security Current year/ (previous year) (₹)		
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.

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. 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
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

20. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012
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 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 10). 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 fee (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).

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2013	31.03.2012

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 equipments	**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: fee for application and training	**1.56**		1.31
		61.51	71.39
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 fee		**28.40**	30.19
Legal expenses		**27.12**	15.27

26. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012
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
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 fee)	**0.35**	0.33
Reimbursement of expenses	**0.40**	0.53

26. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012
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 equipments	**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

28. Expenditure during construction period (net)

₹ Crore

For the year ended	31.03.2013		31.03.2012
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 12)**

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**	4118.35
Fair value of plan assets at the end of the year	**4,812.77**	4183.86

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 10.

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 fee *	**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
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.Misra	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 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).

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**	31.3.2012
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

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	31.3.2012
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	**8,245,464,400**	8,245,464,400
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 Srilanka)	**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 fee			**2.15**	2.48
Others			**0.10**	0.28

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2011-12 - STANDALONE

1. Share capital

₹ Crore

As at	31.03.2012	31.03.2011
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) The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) During the year ended 31st March 2012, the amount of per share dividend recognised as distribution to equity share holders was **₹4.00** (previous year ₹ 3.80).

d) **Details of shareholders holding more than 5 % shares in the Company:**

Particulars	**31.03.2012**		31.03.2011	
	No. of shares	**%age holding**	No. of shares	%age holding
- Government of India	**6967361180**	**84.50**	6967361180	84.50
- Life Insurance Corporation of India	**487167008**	**5.91**	479752575	5.82

2. Reserves and surplus

₹ Crore

As at	31.03.2012	31.03.2011
Capital reserve		
As per last financial statements	**151.88**	144.74
Add : Transfer from surplus in the statement of profit & loss	**0.44**	6.87
Add : Grants received during the year	**1.33**	0.27
Less: Adjustments during the year	**0.03**	-
Closing balance	**153.62**	151.88
Securities premium account	**2,228.11**	2,228.11
Bonds redemption reserve		
As per last financial statements	**2,231.66**	1,986.72
Add : Transfer from surplus in the statement of profit & loss	**482.38**	494.94
Less: Transfer to surplus in the statement of profit & loss	**325.00**	250.00
Closing balance	**2,389.04**	2,231.66
General reserve		
As per last financial statements	**55,002.80**	49,802.80
Add : Transfer from surplus in the statement of profit & loss	**5,200.00**	5,200.00
Closing balance	**60,202.80**	55,002.80
Surplus in the statement of profit & loss		
As per last financial statements	**32.34**	29.59
Add: Profit for the year as per statement of profit & loss	**9,223.73**	9,102.59
Write back from bond redemption reserve	**325.00**	250.00
Less: Transfer to bond redemption reserve	**482.38**	494.94
Transfer to capital reserve	**0.44**	6.87
Transfer to general reserve	**5,200.00**	5,200.00
Dividend paid	**2,885.92**	2,473.63
Tax on dividend paid	**465.09**	410.84
Proposed dividend	**412.27**	659.63
Tax on proposed dividend	**62.83**	103.93
Net surplus	**72.14**	32.34
Total	**65,045.71**	59,646.79

a) The Company has proposed final dividend for the year 2011-12 @ **₹ 0.50** per equity share of par value ₹ 10/- each (previous year ₹ 0.80 per equity share)

3. Deferred revenue

₹ Crore

As at	31.03.2012	31.03.2011
On account of advance against depreciation	**718.47**	792.05
On account of income from foreign currency fluctuation	**711.59**	62.43
Total	**1,430.06**	854.48

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 and the revised CERC order for 2004-09, an amount of **₹ 34.39 crore** (previous year ₹ 79.75 crore) has been recognized after reversal/deferment of revenue of **₹ 39.19 crore** (previous year ₹ 11.55 crore) 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. This amount will be recognized as revenue corresponding to the depreciation charge in future years. Since the amount does not constitute a liability to be discharged in future periods hence it has been disclosed in this note separately from shareholder's funds and liabilities.

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
Bonds		
Secured		
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**	-
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 instalments 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
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**	-
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**	-

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
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**	-
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**	-
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. Securitised during the current year.	**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	**428.50**	500.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty sixth issue - private placement) III	**428.50**	500.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - private placement) IV	**400.00**	450.00

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
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]	**400.00**	450.00
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]	**400.00**	450.00
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]	**700.00**	800.00
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]	**300.00**	350.00
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 instalments thereafter upto the end of 10th year respectively from 15th September 2003 (Eighteenth issue - private placement) [VII]	**100.00**	200.00
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 instalments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth issue - Part B - private placement) [VIII]	**375.00**	450.00
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) [VIII]	**375.00**	450.00
Foreign currency notes		
Unsecured		
5.625 % Fixed rate notes due for repayment on 14th July 2021	**2,581.50**	-
5.875 % Fixed rate notes due for repayment on 2nd March 2016	**1,548.90**	1,356.90
Term loans		
From banks		
Secured		
Foreign currency loan (guaranteed by GOI) [IX]	**99.09**	256.56
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,999.49**	2,763.23
Other foreign currency loans	**5,799.66**	5,387.81
Rupee loans	**23,821.95**	21,038.14
Deposits		
Unsecured		
Fixed deposits	**0.47**	12.39
Long term maturities of finance lease obligations (Secured)[X]	**0.21**	0.65
Total	**45,908.27**	39,735.68

4. Long-term borrowings

a) **Details of terms of repayment and rate of interest**

₹ Crore

Particulars	Non current portion		Current portion	
	31.03.2012	31.03.2011	**31.03.2012**	31.03.2011
Term loans				
From banks				
Secured				
Foreign currency loan (guaranteed by GOI)	**99.09**	256.56	**186.38**	157.91
Unsecured				
Foreign currency loans (guaranteed by GOI)	**2,999.49**	2,763.23	**183.64**	121.16
Other foreign currency loans	**5,799.66**	5,387.81	**865.68**	647.39
Rupee loans	**23,821.95**	21,038.14	**2,430.18**	1,874.67
Fixed deposits (unsecured)	**0.47**	12.39	**11.79**	0.87

i) Secured foreign currency loan (guaranteed by the GOI) carries floating rate of interest linked to currency weighted LIBOR and is repayable in three semiannual installments as of 31st March 2012.

ii) Unsecured foreign currency loans (guaranteed by the GOI) carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in twenty eight to thirty eight semiannual installments as of 31st March 2012.

iii) Unsecured other foreign currency loans include loans of ₹ 1,290.35 crore (previous year ₹ 1,267.68 crore) which carry fixed rate of interest ranging from 3.85% p.a. to 4.31% p.a., loans of ₹ 5,186.32 crore (previous year ₹ 4,533.04 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR and a loan of ₹ 188.67 crore (previous year ₹ 234.48 crore) which carry floating rate of interest linked to the cost of borrowings of the Multilateral Agency Lender. These loans are repayable in one to twenty eight semi-annual installments as of 31st March 2012 commencing after moratorium period if any, as per the respective loan agreements.

iv) Unsecured rupee term loans carry interest ranging from 5.71 % to 12.75 % p.a. with monthly/quarterly/half-yearly/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 five to fifteen years after a moratorium period of six months to five years.

v) 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 defaults 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) 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.

IX Secured by English mortgage/hypothecation of all the present and future fixed and movable assets of Rihand Super Thermal Power Station as first charge, ranking pari-passu with charge already created, subject to however, Company's Banker's first charge on certain movable assets hyphothecated to them for working capital requirement.

X Secured against fixed assets obtained under finance lease.

XI Security cover mentioned at sl. no. I to VIII is above 100% of the debt securities outstanding.

5. Deferred tax liabilities (net)

₹ Crore

	As at 01.04.2011	Additions/ (Adjustments) during the year	**As at 31.03.2012**
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,082.92	(80.90)	**6,002.02**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	1,205.52	(107.36)	**1,098.16**
Disallowances u/s 43B of the Income Tax Act, 1961	323.00	6.40	**329.40**
	4,554.40	20.06	**4,574.46**
Less: Recoverable from beneficiaries	3,951.45	(13.89)	**3,937.56**
Total	602.95	33.95	**636.90**

a) The net increase during the year in the deferred tax liability of **₹ 33.95 crore** (previous year ₹ 393.69 crore) 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.

6. Other long-term liabilities

₹ Crore

As at	31.03.2012	31.03.2011
Trade payables	**5.07**	9.15
Deferred foreign currency fluctuation liability	**134.43**	96.54
Other liabilities		
Payable for capital expenditure	**1,589.28**	1,941.94
Others	**0.28**	2.95
Total	**1,729.06**	2,050.58

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 47.

b) In line with accounting policies no.L.3, deferred foreign currency fluctuation liability to the extent of **₹ 37.89 crore** (previous year ₹ 35.49 crore) has been made during the year.

c) Other liabilities - Others include deposits received from contractors, customers and parties towards sale of scrap etc.

7. Long-term provisions

₹ Crore

As at	31.03.2012	31.03.2011
Provision for employee benefits		
Opening balance	**561.90**	660.07
Additions/(adjustments) during the year	**41.80**	(98.17)
Total	**603.70**	561.90

a) Disclosure required by AS 15 on 'Employees benefits' has been made in Note 37.

8. Trade payables

₹ Crore

As at	31.03.2012	31.03.2011
For goods and services	**4,468.07**	4,088.01
Total	**4,468.07**	4,088.01

a) Disclosure w.r.t. micro and small enterprises as required by the MSMED Act is made in Note 47.

9. Other current liabilities

₹ Crore

As at	31.03.2012	31.03.2011
Current maturities of long term borrowings		
Secured		
Bonds	**693.00**	650.00
Foreign currency loan (guaranteed by GOI)	**186.38**	157.91
Unsecured		
Foreign currency loans (guaranteed by GOI)	**183.64**	121.16
Other foreign currency loans	**865.68**	647.39
Rupee term loans	**2,430.18**	1,874.67
Fixed deposits	**11.79**	0.87
Current maturities of finance lease obligations	**0.43**	0.56
Interest accrued but not due on borrowings	**499.81**	415.26
Unpaid dividends	**11.48**	10.25
Unpaid matured deposits and interest accrued thereon	**0.17**	0.18
Unpaid matured bonds and interest accrued thereon	**0.59**	0.60
Book overdraft	**2.96**	4.12
Advances from customers and others	**289.16**	482.76
Payable for capital expenditure	**3,514.57**	2,711.99
Other payables		
Tax deducted at source and other statutory dues	**154.14**	127.50
Others	**710.97**	557.28
Total	**9,554.95**	7,762.50

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 4.

c) Other payables - Others include deposits received from contractors, customers and amounts payable to employees.

d) Payable for capital expenditure includes the amount reimbursable to GOI in terms of public notice no.38 dated 5th November 1999 and public notice no.42 dated 10th October 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounting to **₹ 7.17 crore** (previous year ₹ 7.17 crore). No interest has been provided on the reimbursable amount as there is no stipulation for payment of interest in the public notices cited above.

e) Payable for capital expenditure includes liabilities towards equipment suppliers 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.

10. Short-term provisions

₹ Crore

As at	31.03.2012	31.03.2011
Provision for employee benefits		
Opening balance	**1,170.07**	1,374.50
Additions/(adjustments) during the year	**(26.23)**	(204.43)
Closing balance	**1,143.84**	1,170.07
Provision for proposed dividend		
Opening balance	**659.63**	659.63
Additions during the year	**412.27**	659.63
Amounts paid during the year	**659.63**	659.63
Closing balance	**412.27**	659.63
Provision for tax on proposed dividend		
Opening balance	**103.93**	107.23
Additions during the year	**62.83**	103.93
Amounts paid during the year	**103.93**	107.23
Closing balance	**62.83**	103.93
Provision for obligations incidental to land acquisition		
Opening balance	**255.40**	266.76
Additions during the year	**124.40**	13.79
Amounts paid during the year	**25.20**	19.78
Amounts reversed during the year	**14.52**	5.37
Closing balance	**340.08**	255.40
Provision for tariff adjustment		
Amounts adjusted during the year	**1,526.45**	-
Amounts reversed during the year	**312.75**	-
Closing balance	**1,213.70**	-
Provision for shortage in fixed assets pending investigation		
Opening balance	**1.00**	0.85
Additions during the year	**0.74**	0.64
Amounts adjusted during the year	**0.07**	0.03
Amounts reversed during the year	**0.36**	0.46
Closing balance	**1.31**	1.00
Others		
Opening balance	**0.50**	1.54
Additions during the year	**41.19**	0.10
Amounts reversed during the year	**0.10**	1.14
Closing balance	**41.59**	0.50
Total	**3,215.62**	2,190.53

a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note 37.

₹ Crore

As at	31.03.2012	31.03.2011

b) 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 the Company has been approved by the Ministry of Power, GOI, vide their letter dated 1st December 2011. The proposed scheme is under discussions with employees' representatives. Pending formation of the scheme, an amount of **₹ 174.55 crore** (previous year ₹ 94.56 crore) for the year and **₹ 301.50 crore** up to 31st March 2012 (upto the previous year ₹ 468.78 crore) has been provided and included in provision for employee benefits. During the year, a review of provision 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 ₹ 341.83 crores was written back through Note 27 - 'Prior period items (net)'.

c) Other provisions include **₹ 41.19 crore** (previous year ₹ Nil) 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 44 b) ii).

d) Provision for tariff adjustment - amount adjusted during the year represent the amount transferred from 'Other current assets -Unbilled revenue' (Refer Note 21 d).

11. Tangible assets

₹ Crore

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2011	Additions	Deductions/ Adjustments	**As at 31.03.2012**	Upto 01.04.2011	For the year	Deductions/ Adjustments	**Upto 31.03.2012**	**As at 31.03.2012**	As at 31.03.2011
Land :										
(including development expenses)										
Freehold	1,861.67	206.13	(79.52)	**2,147.32**	-	-	-	**-**	**2,147.32**	1,861.67
Leasehold	498.67	110.41	(40.97)	**650.05**	105.89	25.10	(0.65)	**131.64**	**518.41**	392.78
Roads, bridges, culverts & helipads	514.12	1.55	(3.80)	**519.47**	153.74	26.26	-	**180.00**	**339.47**	360.38
Building :										
Freehold										
Main plant	2,886.16	468.66	(38.87)	**3,393.69**	1,128.52	83.80	-	**1,212.32**	**2,181.37**	1,757.64
Others	2,101.86	145.33	(23.51)	**2,270.70**	768.46	98.37	(0.29)	**867.12**	**1,403.58**	1,333.40
Leasehold	50.57	-	0.39	**50.18**	22.02	2.78	0.15	**24.65**	**25.53**	28.55
Temporary erection	29.75	4.44	3.80	**30.39**	29.75	1.30	1.02	**30.03**	**0.36**	-
Water supply, drainage & sewerage system	588.99	12.65	(1.18)	**602.82**	272.79	20.31	(0.01)	**293.11**	**309.71**	316.20
MGR track and signalling system	1,079.18	116.28	(42.59)	**1,238.05**	555.47	33.28	-	**588.75**	**649.30**	523.71
Railway siding	289.37	87.43	(0.04)	**376.84**	136.87	16.81	-	**153.68**	**223.16**	152.50
Earth dam reservoir	179.69	97.63	(0.13)	**277.45**	82.03	12.17	-	**94.20**	**183.25**	97.66
Plant and equipment	60,769.90	5,981.06	(1,497.82)	**68,248.78**	29,248.84	2,705.56	70.54	**31,883.86**	**36,364.92**	31,521.06
Furniture and fixtures	358.22	24.23	0.58	**381.87**	217.28	15.23	0.97	**231.54**	**150.33**	140.94
Vehicles including speedboats										
Owned	11.07	1.18	0.59	**11.66**	5.67	0.64	0.58	**5.73**	**5.93**	5.40
Leased	2.45	-	0.46	**1.99**	1.31	0.54	0.46	**1.39**	**0.60**	1.14
Office equipment	123.86	17.44	2.03	**139.27**	65.19	8.00	1.91	**71.28**	**67.99**	58.67
EDP, WP machines and satcom equipment	352.60	16.84	4.62	**364.82**	234.56	24.78	5.23	**254.11**	**110.71**	118.04
Construction equipments	138.23	6.43	(0.22)	**144.88**	70.62	9.49	1.68	**78.43**	**66.45**	67.61
Electrical installations	303.44	17.51	(0.39)	**321.34**	138.92	11.65	0.10	**150.47**	**170.87**	164.52
Communication equipments	88.57	4.36	0.15	**92.78**	44.94	4.65	0.65	**48.94**	**43.84**	43.63
Hospital Equipments	27.35	2.27	0.28	**29.34**	14.87	0.83	0.26	**15.44**	**13.90**	12.48
Laboratory and workshop equipments	29.65	7.75	(0.21)	**37.61**	11.16	1.33	0.03	**12.46**	**25.15**	18.49
Capital expenditure on assets not owned by the Company	171.21	6.74	(0.34)	**178.29**	120.75	15.22	-	**135.97**	**42.32**	50.46
Assets of government	2.84	-	-	**2.84**	-	-	-	**-**	**2.84**	2.84
Less:Grants from government	2.84	-	-	**2.84**	-	-	-	**-**	**2.84**	2.84
Assets held for disposal valued at net book value or net realisable value whichever is less	2.14	0.03	0.17	**2.00**	-	-	-	**-**	**2.00**	2.14
Total	72,458.72	**7,336.35**	**(1,716.52)**	**81,511.59**	**33,429.65**	**3,118.10**	**82.63**	**36,465.12**	**45,046.47**	**39,029.07**
Previous year	66,749.74	5,039.53	(669.45)	72,458.72	32,024.30	2,619.52	1,214.17	33,429.65	39,029.07	34,725.44

Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

₹ Crore

	Gross Block		Depreciation/Amortisation	
	31.03.2012	31.03.2011	**31.03.2012**	31.03.2011
Disposal of assets	**12.02**	(0.37)	**6.86**	-
Retirement of assets	**195.68**	163.13	**76.96**	81
Cost adjustments including exchange differences	**(1,912.42)**	(806.08)	-	-
Assets capitalised with retrospective effect/write back of excess capitalisation	**(17.48)**	(39.11)	**(4.83)**	1,121.77
Others	**5.68**	12.98	**3.64**	11.40
	(1,716.52)	(669.45)	**82.63**	1,214.17

a) The conveyancing of the title to **10,359 acres** of freehold land of value **₹ 527.91 crore** (previous year 11,043 acres of value ₹ 538.18 crore), buildings & structures of value **₹ 136.60 crore** (previous year ₹ 135.58 crore) and also execution of lease agreements for **8,425 acres** of land of value **₹ 324.76 crore** (previous year 8,995 acres, value ₹ 252.51 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **819 acres** valuing **₹ 29.67 crore** (previous year 819 acres valuing ₹ 29.67 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include value of **1,192 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 **1,237 acres** of value **₹ 14.90 crore** (previous year 1,245 acres of value ₹ 15.03 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of **₹ 119.24 crore** (previous year ₹ 118.74 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 -9 - 'Other Current Liabilities -as other liabilities'.

g) The Company is executing a thermal power project in respect of which possession certificates for **1,489 acres** (previous year 1,489 acres) of land has been handed over to the Company and all statutory and environment clearances for the project have been received.Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. During the year, the High Power Committee has recommended to the Group of Ministers not to shift the present location of the plant. Aggregate cost incurred up to 31st March 2012, **₹ 194.45 crore** (previous year ₹ 190.19 crore) is included in tangible assets/CWIP and long-term loans & advances.

h) 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 **₹ 6.18 crore** (previous year ₹ 6.13 crore) has been charged to the statement of profit & loss.

i) The Company has received an opinion from the EAC of the ICAI on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the statement of profit & loss as and when incurred. The Company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication from ICAI regarding the review, existing treatment has been continued as per the relevant accounting policy.

j) 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 2012 is **₹ 2,342.21 crore** (previous year ₹ 1,742.69 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/Adjsutment' 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 heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjsutment' column are given below:

₹ Crore

	For the year ended 31st March 2012		For the year ended 31st March 2011	
	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	**26.94**	**63.76**	13.77	83.92
Others	**3.73**	**34.07**	1.54	14.59
Hydrolic works, barrages, dams, tunnels and power channel	-	**238.53**		119.04
			-	
MGR track and signalling system	**1.54**	**7.84**	-	2.93
Railway siding	**0.03**	**5.27**	0.02	4.09
Plant and equipment	**1,026.74**	**1,724.97**	165.40	1,327.84
Others including pending allocation	**602.23**	**267.77**	(12.45)	190.28
Total	**1,661.21**	**2,342.21**	168.28	1,742.69

Intangible assets

₹ Crore

	Gross Block				Amortisation				Net Block	
	As at 01.04.2011	Additions	Deductions/ Adjustments	**As at 31.03.2012**	Upto 01.04.2011	For the year	Deductions/ Adjustments	**Upto 31.03.2012**	**As at 31.03.2012**	As at 31.03.2011
Software	90.45	2.65	(0.05)	**93.15**	81.59	6.84	0.01	**88.42**	**4.73**	8.86
Right of Use - Land	6.46	-	-	**6.46**	1.29	1.16	-	**2.45**	**4.01**	5.17
- Others	199.52	-	(19.54)	**219.06**	6.66	8.47	(0.78)	**15.91**	**203.15**	192.86
Total	**296.43**	**2.65**	**(19.59)**	**318.67**	**89.54**	**16.47**	**(0.77)**	**106.78**	**211.89**	**206.89**
Previous year	100.33	106.89	(89.21)	296.43	64.48	24.28	(0.78)	89.54	206.89	35.85

Deduction/adjustments from gross block and amortisation for the year includes:

	Gross Block		**Depreciation / Amortisation**	
	31.03.2012	31.03.2011	**31.03.2012**	31.03.2011
Retirement of assets	**0.17**	0.37	**(0.17)**	-
Cost adjustments including exchange differences	**(19.54)**	(0.07)	**(0.78)**	-
Assets capitalised with retrospective effect/write back of excess capitalisation	**-**	(89.41)	**-**	(0.69)
Others	**(0.22)**	(0.10)	**0.18**	(0.09)
	(19.59)	(89.21)	**(0.77)**	(0.78)

a) The right of use of land, other than perpetual in nature, is amortised over its life.

b) Cost of acquisition of the right for drawl of water amounting to **₹ 219.06 crore** (previous year ₹ 199.52 crore) is included under intangible assets – Right of Use - Others. The right to draw water is amortized considering the life period of 25 years as per the rates and methodology notified by Regulations, 2009.

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2012	31.03.2011
Charged to statement of Profit & Loss	**2,791.70**	2,485.69
Allocated to fuel cost	**166.84**	124.87
Transferred to expenditure during construction period (net) - Note 28	**32.21**	24.77
Transferred to development of coal mines	**0.98**	0.52
Adjustment with deferred income/expense from deferred foreign currency fluctuation	**142.84**	7.95
	3,134.57	2,643.80

12. Capital work-in-progress

₹ Crore

	As at 01.04.2011	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2012**
Development of land	408.24	43.25	11.62	0.29	**439.58**
Roads, bridges, culverts & helipads	18.33	50.10	4.32	1.55	**62.56**
Piling and foundation	505.24	35.71			**540.95**
Buildings :					
Main plant	2,404.82	664.67	72.77	468.66	**2,528.06**
Others	384.22	232.84	(20.09)	138.81	**498.34**
Temporary erection	7.49	8.75	2.40	4.44	**9.40**
Water supply, drainage and sewerage system	53.04	24.19	2.24	10.44	**64.55**
Hydraulic works, barrages, dams, tunnels and power channel	2,513.28	918.84			**3,432.12**
MGR track and signalling system	241.22	103.88	42.55	116.28	**186.27**
Railway siding	154.33	158.12	6.84	87.43	**218.18**
Earth dam reservoir	119.45	21.39	-	97.63	**43.21**
Plant and equipment	25,830.16	10,812.22	599.01	5,787.90	**30,255.47**
Furniture and fixtures	6.48	3.40	1.45	2.63	**5.80**
Vehicles	0.18	-	0.01	-	**0.17**
Office equipment	2.36	0.26	(2.89)	0.56	**4.95**
EDP/WP machines & satcom equipment	2.22	0.93	0.61	2.33	**0.21**
Construction equipments	0.18	-	0.11		**0.07**
Electrical installations	114.06	76.03	0.78	16.97	**172.34**
Communication equipment	0.27	1.77	(0.32)	0.62	**1.74**
Hospital equipments	0.19	-	(0.19)		**0.38**
Laboratory and workshop equipments	2.24	-	0.78	-	**1.46**
Assets under 5 KM scheme of the GOI	-	2.24	-	-	**2.24**
Capital expenditure on assets not owned by the company	12.74	6.47	0.43	6.74	**12.04**
Exploratory wells-in-progress	7.65	0.01	-	-	**7.66**
Development of coal mines	195.05	84.69			**279.74**
	32,983.44	13,249.76	722.43	6,743.28	**38,767.49**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	82.33	15.26	2.24		**95.35**
Difference in exchange on foreign currency loans	(280.32)	937.48	28.48	-	**628.68**
Expenditure towards diversion of forest land	153.56	10.45	-	-	**164.01**
Pre-commisioning expenses (net)	54.16	244.24	107.47	-	**190.93**
Expenditure during construction period (net)	352.05	3,131.22 *	21.35	-	**3,461.92**
Less: Allocated to related works		3,262.65		-	**3,262.65**
	33,345.22	14,325.76	881.97	6,743.28	**40,045.73**
Less: Provision for unserviceable works	18.91	3.53		-	**22.44**
Construction stores (net of provision)	2,168.99	-	364.46	-	**1,804.53**
Total	35,495.30	14,322.23	1,246.43	6,743.28	**41,827.82**
Previous year	28,699.86	12,730.47	1,201.54	4,733.49	35,495.30

* Brought from expenditure during construction period (net) - Note 28

a) Construction stores are net of provision for shortages pending investigation amounting to **₹ 1.28 crore** (previous year ₹ 1.44 crore)

b) The pre-commissioning expenses during the year amounting to **₹ 549.35 crore** (previous year ₹ 112.75 crore) have been included in tangible assets/capital work-in-progress after adjustment of pre-commissioning sales of **₹ 305.11 crore** (previous year ₹ 34.96 crore) resulting in a net pre-commissioning expenditure of **₹ 244.24 crore** (previous year ₹ 77.79 crore).

c) Additions to the development of coal mines includes expenditure during construction period of **₹ 84.69 crore** (previous year ₹ 59.24 crore).

d) **Assets under 5 KM scheme of the GOI:**

Ministry of Power has launched a scheme for electrification of villages within 5 km periphery of generation plants of Central Public Sector Undertakings (CPSUs) for providing reliable and quality power to the project affected people. The scheme provides free electricity connections to below poverty line (BPL) households. The scheme will cover all existing and upcoming power plants of CPSUs. The cost of the scheme will be borne by the CPSU to which the plant belongs. This cost will be booked by the CPSU under the project cost and will be considered by the CERC for determination of tariff.

₹ Crore

	As at 01.04.2011	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2012**
INTANGIBLE ASSETS UNDER DEVELOPMENT					
Software	0.03	0.01	-	-	**0.04**
Total	0.03	0.01	-	-	**0.04**
Previous year	0.55	-	0.52	-	0.03

13. Non-current Investments

₹ Crore

As at				31.03.2012	31.03.2011
	Number of shares/bonds/ securities	Face value share/bond/ security			
	Current year/ (previous year)	Current year/ (previous year) (₹)			
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 (113959500)	10 (10)	**121.36**		113.96
Less: Provision for permanent diminution			**8.14**		-
				113.22	113.96
Kanti Bijlee Utpadan Nigam Ltd.	342738200 (57151000)	10 (10)		**342.74**	57.15
Bhartiya Rail Bijlee Company Ltd.	509460000 (355200000)	10 (10)		**509.46**	355.20
				985.50	546.39
Share application money pending allotment in					
NTPC Hydro Ltd.				**0.20**	0.50
Kanti Bijlee Utpadan Nigam Ltd.				**14.41**	164.73
Bhartiya Rail Bijlee Company Ltd. (* ₹ 39,000/-)				*	154.26
				14.61	319.49
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.	475250050 (475250050)	10 (10)		**475.25**	475.25
NTPC-Tamil Nadu Energy Company Ltd.	844000000 (581000000)	10 (10)		**844.00**	581.00
Ratnagiri Gas & Power Private Ltd.	776900000 (692900000)	10 (10)		**776.90**	692.90
Aravali Power Company Private Ltd.	1089508200 (658524200)	10 (10)		**1,089.51**	658.52
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	107429800 (73429800)	10 (10)		**107.43**	73.43

As at			31.03.2012	31.03.2011
	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)		
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
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.	2625000 (2625000)	10 (10)	**2.62**	2.62
International Coal Ventures Private Ltd.	1400000 (1400000)	10 (10)	**1.40**	1.40
Energy Efficiency Services Ltd.	625000 (625000)	10 (10)	**0.63**	0.63
CIL NTPC Urja Private Ltd.	25000 (-)	10 (-)	**0.03**	-
Anushakti Vidhyut Nigam Ltd.	49000 (-)	10 (-)	**0.05**	-
Pan-Asian Renewables Private Ltd.	500000 (-)	10 (-)	**0.50**	-
Trincomalee Power Company Ltd. (* Srilankan rupees)	1500000 (-)	100* (-)	**6.72**	-
			3,526.50	2,707.21
Share application money pending allotment in				
NTPC-Tamilnadu Energy Company Ltd.			**55.00**	60.00
Aravali Power Company Private Ltd. (* ₹ 60,000/-)			*	318.96
Meja Urja Nigam Private Ltd.			**5.00**	11.00
Nabinagar Power Generating Company Pvt. Ltd.			**50.00**	-
CIL NTPC Urja Private Ltd.			**0.05**	0.08
Energy Efficiency Services Ltd.			**24.38**	24.38
			134.43	414.42
Cooperative societies			*	*
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of[(b)]				
Andhra Pradesh	3781950 (5042600)	1000 (1000)	**378.20**	504.26
Assam	154392 (205856)	1000 (1000)	**15.44**	20.58
Bihar	5683200 (7577600)	1000 (1000)	**568.32**	757.76
Chattisgarh	1449660 (1932880)	1000 (1000)	**144.97**	193.29
Gujarat	2511720 (3348960)	1000 (1000)	**251.17**	334.90
Haryana	3225000 (4300000)	1000 (1000)	**322.50**	430.00
Himachal Pradesh	100164 (133552)	1000 (1000)	**10.02**	13.35
Jammu and Kashmir	1102080 (1469440)	1000 (1000)	**110.21**	146.94
Jharkhand	2880376 (3840496)	1000 (1000)	**288.04**	384.05

As at			31.03.2012	31.03.2011
	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)		
Kerala	3007200 (4009600)	1000 (1000)	**300.72**	400.96
Madhya Pradesh	2492520 (3323360)	1000 (1000)	**249.25**	332.34
Maharashtra	1144200 (1525600)	1000 (1000)	**114.42**	152.56
Orissa	3308622 (4411496)	1000 (1000)	**330.86**	441.15
Punjab	1038690 (1384920)	1000 (1000)	**103.87**	138.49
Rajasthan	435000 (435000)	1000 (1000)	**43.50**	43.50
Sikkim	102588 (136784)	1000 (1000)	**10.26**	13.68
Uttar Pradesh	11969700 (15959600)	1000 (1000)	**1,196.97**	1,595.96
Uttaranchal	1198950 (1598600)	1000 (1000)	**119.89**	159.86
West Bengal	3522744 (4696992)	1000 (1000)	**352.27**	469.70
			4,910.88	6,533.33
Total			**9,583.92**	**10,532.84**
Aggregate amount of quoted investments				
Book value			**12.00**	12.00
Market value			**73.32**	100.92
Aggregate amount of unquoted investments				
Book value			**9,571.92**	10,520.84
Aggregate amount of provision for dimunition in the value of investments			**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 .

b) Includes bonds of **₹ 4,910.88 crore** (previous year ₹ 4,881.87 crore) permitted for transfer/trading by Reserve Bank of India. Balance can be transferred/traded subject to prior approval of Reserve Bank of India.

c) During the 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 towards the permanent diminution in the value of investment in NTPC Hydro Ltd. has been made.

14. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2012	31.03.2011
CAPITAL ADVANCES		
Secured	**17.24**	17.36
Unsecured		
Covered by bank guarantee	**1,059.69**	1,673.50
Others	**1,664.48**	1,084.44
Considered doubtful	**2.19**	2.21
Less: Allowance for bad & doubtful advances	**2.19**	2.21
	2,741.41	2,775.30
SECURITY DEPOSITS (Unsecured)	**207.51**	126.08
LOANS		
Related parties		
Unsecured	**0.05**	0.07
Employees (including accrued interest)		
Secured	**377.60**	303.17
Unsecured	**136.94**	171.16
Loan to state government in settlement of dues from customers (Unsecured)	**335.04**	478.63
Others		
Secured	**34.85**	46.57
	884.48	999.60
ADVANCES		
Contractors & suppliers, including material issued on loan		
Unsecured	**49.86**	0.98
Total	**3,883.26**	3,901.96
a) Due from directors and officers of the Company		
Directors	**0.05**	0.07
Officers	**83.30**	68.18
b) Loans to related parties include:		
Key management personnel	**0.05**	0.07

c) Capital advances include amount due from related parties **₹ 0.08 crore** (previous year ₹ 0.90 crore)

d) Other loans represent loans of **₹ 21.42 crore** (previous year ₹ 28.57 crore) given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) and **₹ 13.43 crore** (previous year ₹ 18.00 crore) to Kanti Bijlee Utpadan Nigam Ltd.

15. Other non-current assets

₹ Crore

As at	31.03.2012	31.03.2011
Deferred foreign currency fluctuation asset	**1,371.88**	459.15
	1,371.88	459.15

In line with accounting policies no.L.3, deferred foreign currency fluctuation asset has been accounted and **₹ 129.78 crore** (previous year (-) ₹ 1.54 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	Face value bond/ security	31.03.2012	31.03.2011
	Current year/ (previous year)	Current year/ (previous year) (₹)		
Trade				
Current maturities of long term investments				
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of[c]				
Andhra Pradesh	1260650 (1260650)	1000 (1000)	126.07	126.07
Assam	51464 (51464)	1000 (1000)	5.15	5.15
Bihar	1894400 (1894400)	1000 (1000)	189.44	189.44
Chattisgarh	483220 (483220)	1000 (1000)	48.32	48.32
Gujarat	837240 (837240)	1000 (1000)	83.73	83.73
Haryana	1075000 (1075000)	1000 (1000)	107.50	107.50
Himachal Pradesh	33388 (33388)	1000 (1000)	3.34	3.34
Jammu and Kashmir	367360 (367360)	1000 (1000)	36.74	36.74
Jharkhand	960120 (960120)	1000 (1000)	96.01	96.01
Kerala	1002400 (1002400)	1000 (1000)	100.24	100.24
Madhya Pradesh	830840 (830840)	1000 (1000)	83.08	83.08
Maharashtra	381400 (381400)	1000 (1000)	38.14	38.14
Orissa	1102874 (1102874)	1000 (1000)	110.29	110.29
Punjab	346230 (346230)	1000 (1000)	34.62	34.62
Rajasthan	- (145000)	- (1000)	-	14.50
Sikkim	34196 (34196)	1000 (1000)	3.42	3.42
Uttar Pradesh	3989900 (3989900)	1000 (1000)	398.99	398.99
Uttaranchal	399650 (399650)	1000 (1000)	39.96	39.96
West Bengal	1174248 (1174248)	1000 (1000)	117.42	117.42
Sub-Total			**1,622.46**	1,636.96
Investment in mutual funds (unquoted)				
Canara Robeco Liquid Fund - Super IP-DDR			-	175.04
Total			**1,622.46**	1,812.00
Aggregate amount of unquoted investments				
Book value			**1,622.46**	1,812.00

a) Investments have been valued considering the accounting policy no.J.

b) The above investments are unquoted and hence market value is not applicable.

c) Includes bonds of **₹ 1,622.46 crore** (previous year ₹ 1,636.96 crore) permitted for transfer/trading by Reserve Bank of India.

d) Super IP-DDR is the nature of the scheme. IP-DDR stands for Institutional Plan - Daily Dividend Reinvestment

17. Inventories

₹ Crore

As at	31.03.2012	31.03.2011
Coal	**1,096.14**	1,255.50
Fuel oil	**234.65**	191.22
Naphtha	**119.04**	117.37
Stores and spares	**1,899.57**	1,741.25
Chemicals & consumables	**44.47**	45.81
Loose tools	**5.65**	5.48
Steel scrap	**16.54**	16.50
Others	**347.35**	319.03
	3,763.41	3,692.16
Less: Provision for shortages	**1.86**	2.34
Provision for obsolete/unserviceable items/ dimunition in value of surplus inventory	**58.70**	50.70
Total	**3,702.85**	3,639.12
Inventories include material-in-transit		
Coal	**83.15**	47.01
Components and spares	**28.00**	33.69
Chemicals & consumables	**0.09**	0.08
Loose tools	**0.16**	0.34
Others	**1.43**	1.24
	112.83	82.36

a) Inventory items, other than steel scrap and material-in-transit, have been valued considering the accounting policy no.K.1. Steel scrap has been valued at estimated realisable value. Material-in-transit has been valued at cost.

b) Inventories - Others include items of steel, cement, ash bricks etc.

18. Trade receivables

₹ Crore

As at	31.03.2012	31.03.2011
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**18.61**	4.35
Considered doubtful	**840.70**	840.84
Less: Allowance for bad & doubtful receivables	**840.70**	840.84
	18.61	4.35
Others-Unsecured, considered good	**5,813.90**	1,430.61
Total	**5,832.51**	1,434.96

19. Cash and bank balances

₹ Crore

As at	31.03.2012	31.03.2011
Cash & cash equivalents		
Balances with banks		
- Current accounts	**461.36**	315.60
- Deposits with original maturity upto three months	**300.00**	-
Cheques & drafts on hand	**0.43**	0.31
Others (stamps in hand)	**0.10**	0.05
Other bank balances		
Deposits with original maturity of more than three months	**15,357.98**	15,847.23
Others[#]	**26.24**	22.07
Total	**16,146.11**	16,185.26
# Not available for use to the Company and include:		
Unpaid dividend account balance	**11.48**	10.25
Balance with Reserve Bank of India *	**1.77**	0.13
Security with government authorities:		
As per court orders	**0.10**	0.10
As per demand	**12.89**	11.59
	26.24	22.07

* Represents amount kept with Reserve Bank of India in terms of Rule 3 A of the Companies (Acceptance of Deposits) Rules, 1975 towards margin money for fixed deposits from public.

20. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2012	31.03.2011
LOANS		
Related parties		
Unsecured	**0.03**	0.04
Employees (including accrued interest)		
Secured	**70.08**	52.05
Unsecured	**83.09**	82.79
Considered doubtful	**0.22**	0.25
Loan to state government in settlement of dues from customers (Unsecured)	**95.73**	95.73
Others		
Secured	**32.29**	25.14
Unsecured	**-**	0.02
Less: Allowance for bad & doubtful loans	**0.22**	0.25
	281.22	255.77
ADVANCES		
Related parties		
Unsecured	**1.64**	2.27
Employees		
Unsecured	**9.15**	11.60
Considered doubtful	**0.08**	0.08
Contractors & suppliers, including material issued on loan		
Secured	**5.60**	2.24
Unsecured	**821.51**	719.03
Considered doubtful	**1.62**	0.38
Others		
Unsecured	**112.99**	169.05
Less: Allowance for bad & doubtful advances	**1.70**	0.46
	950.89	904.19
Advance tax & tax deducted at source	**10,116.58**	9,789.49
Less: Provision for current tax	**8,593.96**	7,171.59
	1,522.62	2,617.90
Total	**2,754.73**	3,777.86
a) Due from Directors and Officers of the Company		
Directors	**0.03**	0.04
Officers	**25.88**	32.82
b) Loans to related parties include:		
Key management personnel	**0.03**	0.04

20. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2012	31.03.2011
c) Advance to related parties include:		
i) Joint venure companies	**1.64**	2.26
ii)Key management personnel	-	0.01
d) Loans and advances include amounts due from the following private companies in which one or more Directors of the Company are Directors:		
NTPC-Alstom Power Services Private Ltd.	**0.33**	0.95
NTPC-SAIL Power Company Private Ltd.	**5.04**	2.05
Ratnagiri Gas & Power Private Ltd.	**0.16**	4.36
Aravali Power Company Private Ltd.	**3.85**	3.16
NTPC BHEL Power Projects Private Ltd.	**1.35**	1.33
Meja Urja Nigam Private Limited	**2.73**	4.14
Nabinagar Power Generating Company Private Ltd.	**0.30**	2.41

e) Other loans represent loans of **₹ 28.58 crore** (previous year ₹ 21.43 crore) given to APIIC and **₹ 3.71 crore** (previous year ₹ 3.71 crore) to Kanti Bijlee Utpadan Nigam Ltd.

f) Other advances mainly represent advances given to gratuity trust of **₹ 7.06 crore** (previous year ₹ 39.20 crore) and prepaid expenses amounting to **₹ 54.49 crore** (previous year ₹ 52.56 crore).

21. Other current assets

₹ Crore

As at	31.03.2012	31.03.2011
Interest accrued on :		
Bonds	**312.14**	382.33
Term deposits	**775.60**	608.35
Others	**18.56**	43.52
	1,106.30	1,034.20
Claims recoverable		
Unsecured, considered good	**1,822.27**	1,640.38
Considered doubtful	**13.02**	12.99
Less: Allowance for doubtful claims	**13.02**	12.99
	1,822.27	1,640.38
Unbilled revenues	**5,616.10**	6,528.55
Security deposits (unsecured)	**302.70**	56.23
Others	**6.49**	5.08
Total	**8,853.86**	9,264.44

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Claims recoverables include **₹ 766.12 crore** (previous year ₹ 748.82 crore) towards the cost incurred upto 31st March 2012 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. Management expects that the total cost incurred, anticipated expenditure on the safety and stablisation measures, other recurring site expenses and interest costs as well as claims of various packages of contractors/vendors for this project will be compensated in full by the GOI. Hence no provision is considered necessary.

c) Security deposit (unsecured) includes **₹ 163.46 crore** (previous year ₹ 37.06 crore) sales tax deposited under protest with sales tax authorities.

d) Unbilled revenues includes **₹ 5,411.93 crore** (previous year ₹ 5,424.80 crore) billed to the beneficiaries after 31st March for energy sales. The amount for the year ended as at 31st March 2011 is after adjustment of provison for tariff adjustment of ₹ 1,526.45 crore. This provision has been shifted to 'Provision for tariff adjustment' (Note 10) during the year consequent to billing to the beneficiaries.

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2012	31.03.2011
Energy sales (including electricity duty)	**61,430.85**	54,982.56
Consultancy, project management and supervision fees (including turnkey construction projects)	**142.69**	169.45
	61,573.54	55,152.01
Energy internally consumed	**80.75**	64.68
Other operating revenues		
Interest from customers	**510.57**	116.16
Recognized from deferred foreign currency fluctuation liability	**0.16**	-
Provisions written back		
Tariff adjustment	**312.75**	-
Doubtful debts	**0.14**	-
Doubtful loans, advances and claims	**0.14**	0.04
Doubtful construction advances	**0.03**	0.01
Shortage in construction stores	**0.34**	0.11
Shortage in stores	**1.08**	1.89
Obsolescence in stores	**1.02**	5.15
Unserviceable capital works	**-**	0.15
Shortages in fixed assets	**0.36**	0.46
	315.86	7.81
Total	**62,480.88**	55,340.66

a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, and also notified First and Second Amendment in May and June 2011 (Regulations, 2009). In line with the Regulations, 2009, during the year, CERC has issued provisional/final tariff orders w.e.f. 1st April 2009 for all the stations except Talcher Thermal Power Station (TTPS). Beneficiaries are billed in accordance with the said provisional/final tariff orders except for TTPS where it is done on provisional basis. The amount billed for the year ended 31st March 2012 on this basis is **₹ 59,965.57 crore** (previous year ₹ 51,935.33 crore).

b) The CERC has issued final tariff orders for some of the stations under the Regulations, 2009, considering the year-wise projected capital expenditure for the tariff period 2009-14. Sales for these stations has been recognised at **₹ 13,196.36 crore** for the year ended 31st March 2012 by truing up capital expenditure to arrive at the capacity charges (previous year ₹ 11,320.96 crore). For all other stations, pending determination of station-wise final tariff by the CERC, sales have been provisionally recognized at **₹ 47,486.43 crore** for the year ended 31st March 2012 (previous year ₹ 42,222.49 crore) on the basis of principles enunciated in the said Regulations, 2009.

c) Sales include **₹ 547.78 crore** for the year ended 31st March 2012 (previous year ₹ 800.87 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

22. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2012	31.03.2011

d) i) 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 most of the stations 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 (-) ₹ 49.16 crore for the year ended 31st March 2012 (previous year ₹ Nil) has been recognised as sales and included in b) above. Consequently, 'Provision for Tariff Adjustment' of equivalent amount has been reversed.

ii) Pursuant to the issuance of second amendment to Regulations, 2009, sales amounting to (-) ₹ 263.59 crore has been adjsuted and reflected in b) and c) above during the year ended 31st March 2012. Corresponding provision for tarif adjustment created in 2010-11 has also been reversed during the year.

e) Sales include (-) **₹ 266.14 crore** for the year ended 31st March 2012 (previous year ₹ 338.51 crore) on account of income-tax recoverable from customers as per Regulations, 2004. Sales also include **₹ 37.77 crore** (previous year ₹ 21.72 crore) for the year ended 31st March 2012 on account of deferred tax materialized which is recoverable from customers as per Regulations, 2009.

f) Electricity duty on energy sales amounting to **₹ 428.65 crore** (previous year ₹ 278.01 crore) has been reduced from sales in the statement of profit and loss.

g) Energy internally consumed is valued at variable cost of generation and the corresponding amount is included in power charges (Note-26).

h) Regulations, 2009 provides that where after the truing-up, the tariff recovered is less than the tariff approved by the Commission under the Regulations, 2009, the generating Company shall recover from the beneficiaries the under-recovered amount along-with simple interest at the rate equal to the short-term prime lending rate of State Bank of India as on 1st April of the respective year. Accordingly, the amount recoverable from the customers along-with interest has been accounted and disclosed under 'other operating revenues'.

23. Other income

₹ Crore

For the year ended		31.03.2012	31.03.2011
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**659.38**	799.76
Others			
Loan to state government in settlement of dues from customers		**42.72**	50.85
Loan to subsidiary companies		**3.03**	3.16
Loan to employees		**25.31**	20.45
Contractors		**32.88**	19.86
Indian banks		**1,602.52**	1,195.32
Income tax refunds	**99.89**		-
Less : Refundable to customers	**34.47**		-
		65.42	-
Others		**12.02**	16.56
Dividend from			
Long-term investments in			
Subsidiaries		**19.00**	14.00
Joint ventures		**60.16**	21.13
Current investments in			
Mutual funds		**90.14**	53.17
Other non-operating income			
Surcharge received from customers		**1.16**	10.81
Hire charges for equipment		**3.23**	2.59
Net gain in foreign currency transactions & translations (other than considered as finance cost)		**61.25**	31.34
Miscellaneous income		**191.28**	153.80
Profit on disposal of fixed assets		**13.28**	8.16
		2,882.78	2,400.96
Less: Transferred to expenditure during construction period (net) - Note 28		**40.16**	24.91
Transferred to development of coal mines		**2.95**	0.06
Transferred to deferred foreign currency fluctuation asset/liability		**61.25**	31.34
Total		**2,778.42**	2,344.65

a) Miscellaneous income includes income from sale of scrap, township recoveries and insurance claims.

24. Employee benefits expense

₹ Crore

For the year ended	31.03.2012	31.03.2011
Salaries and wages	**3,165.72**	2,764.00
Contribution to provident and other funds	**295.86**	337.83
Staff welfare expenses	**295.10**	293.44
	3,756.68	3,395.27
Less: Allocated to fuel cost	**166.32**	171.79
Transferred to development of coal mines	**32.00**	28.98
Transferred to expenditure during construction period (net)- Note 28	**467.88**	404.79
Total	**3,090.48**	2,789.71

a) Disclosures required by AS 15 in respect of provision made towards various employees benefits are made in Note 37.

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	31.03.2012	31.03.2011
Interest on		
Bonds	**831.50**	805.35
Foreign currency term loans	**205.71**	177.52
Rupee term loans	**2,335.70**	1,703.92
Public deposits	**1.24**	1.24
Foreign currency bonds/notes	**184.32**	162.75
Others	**60.99**	75.85
	3,619.46	2,926.63
Other borrowing costs		
Bonds servicing & public deposit expenses	**2.18**	1.85
Guarantee fee	**37.67**	35.57
Management fee	**10.97**	25.92
Foreign currency bonds/notes expenses	**17.10**	-
Up-front fee	**15.31**	0.87
Others	**0.95**	(1.35)
	84.18	62.86
Exchange differences regarded as an adjustment to interest costs	**350.21**	174.16
Sub-Total	**4,053.85**	3,163.65
Less: Transferred to expenditure during construction period (net) - Note 28	**2,308.47**	1,735.09
Transferred to development of coal mines	**33.74**	7.60
Total	**1,711.64**	1,420.96

26. Generation, administration & other expenses

₹ Crore

For the year ended		31.03.2012	31.03.2011
Power charges	**224.33**		144.04
Less: Recovered from contractors & employees	**17.73**		15.93
		206.60	128.11
Water charges		**329.59**	294.48
Stores consumed		**45.24**	31.33
Rent	**26.33**		22.21
Less: Recoveries	**8.13**		6.81
		18.20	15.40
Load dispatch centre charges		**42.93**	98.35
Repairs & maintenance			
Buildings		**146.00**	125.29
Plant & machinery			
Power stations	**1,528.51**		1,272.43
Construction equipment	**0.73**		0.71
		1,529.24	1,273.14
Others		**93.67**	97.05
Insurance		**97.29**	91.87
Interest payable to customers		**(67.57)**	3.61
Rates and taxes		**23.84**	24.10
Water cess & environment protection cess		**25.50**	38.46
Training & recruitment expenses	**72.70**		70.85
Less: Fees for application and training	**1.31**		4.77
		71.39	66.08
Communication expenses		**37.75**	35.08
Travelling expenses		**171.35**	149.82
Tender expenses	**21.71**		24.48
Less: Receipt from sale of tenders	**2.22**		2.75
		19.49	21.73
Payment to auditors		**2.74**	2.87
Advertisement and publicity		**12.23**	13.78
Security expenses		**290.96**	244.68
Entertainment expenses		**13.16**	12.83
Expenses for guest house	**16.40**		13.80
Less: Recoveries	**2.18**		1.34
		14.22	12.46
Education expenses		**10.02**	25.41
Brokerage & commission		**2.60**	1.86
Community development and welfare expenses	**58.32**		79.48
Less: Grants-in-aid	**0.24**		0.43
		58.08	79.05
Ash utilisation & marketing expenses	**4.22**		1.64
Less: Sale of ash products	**0.06**		0.23
		4.16	1.41
Directors sitting fee		**0.25**	0.28
Books and periodicals		**1.94**	1.59
Professional charges and consultancy fees		**30.19**	39.39

26. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2012	31.03.2011
Legal expenses	**15.27**	12.29
EDP hire and other charges	**14.41**	15.69
Printing and stationery	**11.56**	12.22
Oil & gas exploration expenses	**14.34**	3.64
Hiring of vehicles	**47.08**	43.10
Rebate to customers	**632.87**	711.28
Reimbursement of L.C.charges on sales realisation	**4.10**	4.96
Bank charges	**2.95**	3.00
Net loss in foreign currency transactions & translations (other than considered as finance cost)	**35.31**	6.50
Miscellaneous expenses	**95.57**	71.42
Stores written off	**0.15**	0.05
Survey & investigation expenses written off	**7.05**	4.50
Loss on disposal/write-off of fixed assets	**58.40**	60.87
	4,170.12	3,879.03
Less: Allocated to fuel cost	**236.11**	210.46
Transferred to development of coal mines	**12.92**	14.11
Transferred to deferred foreign currency fluctuation asset/liability	**15.65**	-
Transferred to expenditure during construction period (net) - Note 28	**381.83**	280.33
	3,523.61	3,374.13
Provisions for		
Tariff adjustments	**-**	1,526.45
Doubtful debts	**-**	4.83
Diminution in value of long term investments in subsidiary Company	**8.14**	-
Doubtful loans, advances and claims	**0.05**	0.25
Shortage in stores	**0.88**	1.45
Obsolescence in stores	**10.39**	8.80
Shortage in construction stores	**0.26**	0.33
Unserviceable capital work-in-progress	**3.54**	9.29
Unfinished minimum work programme for oil and gas exploration	**41.19**	-
Shortages in fixed assets	**0.73**	0.65
Others	**-**	0.10
	65.18	1,552.15
Total	**3,588.79**	4,926.28

a) Interest payable to customers includes reversal of ₹ 198.83 crore provided in earlier years towards interest payable to beneficiaries as per APTEL order which was set aside by the Hon'ble Supreme Court of India during the year.

b) Spares consumption included in repairs and maintenance	**834.50**	807.11
c) Details in respect of payment to auditors:		
As auditor		
Audit fee	**0.85**	0.82
Tax audit fee	**0.30**	0.29
Limited review	**0.52**	0.62
In other capacity		
Other services (certification fees)	**0.33**	0.20
Reimbursement of expenses	**0.53**	0.74
Reimbursement of service tax	**0.21**	0.20
Total	**2.74**	2.87

Payment to the auditors includes **₹ 0.13 crore** (previous year ₹ 0.15 crore) relating to earlier year.

27. Prior period items (Net)

₹ Crore

For the year ended	31.03.2012	31.03.2011
REVENUE		
Sales	**9.00**	520.62
Others	**0.81**	0.02
	9.81	520.64
EXPENDITURE		
Employee benefits expense	**(322.05)**	(2.49)
Finance costs:		
Interest	**(0.61)**	0.13
Depreciation and amortisation	**(1.35)**	(1,113.05)
Generation, administration and other expenses		
Repairs and maintenance	**(0.21)**	1.35
Professional consultancy charges	**-**	(0.04)
Rates & taxes	**0.09**	0.70
Rent	**0.90**	-
Others	**(1.39)**	(0.63)
	(324.62)	(1,114.03)
Net Expenditure/(Revenue)	**(334.43)**	(1,634.67)
Less: Transferred to expenditure during construction period (net)- Note 28	**(19.01)**	4.05
Development of coal mines	**(1.84)**	-
Total	**(313.58)**	(1,638.72)

Employee benefits expense include **(-) ₹ 341.83 crore** (previous year ₹ nil) towards the reversal of excess provision for pension (refer Note 10).

28. Expenditure during construction period (net)

₹ Crore

For the year ended		31.03.2012	31.03.2011
A. Employee benefits expense			
Salaries and wages		**410.83**	340.64
Contribution to provident and other funds		**32.11**	32.32
Staff welfare expenses		**24.94**	31.83
Total (A)		**467.88**	404.79
B. Finance costs			
Interest on			
Bonds		**467.08**	504.95
Foreign currency term loans		**99.93**	86.26
Rupee term loans		**1,397.01**	1,066.78
Foreign currency bonds/notes		**104.91**	37.47
Other borrowing costs			
Foreign currency bonds/notes expenses		**10.47**	-
Management/arrangers/upfront fee		**20.77**	21.55
Others		**23.05**	3.45
Exchange differences regarded as an adjustment to interest costs		**185.25**	14.63
Total (B)		**2,308.47**	1,735.09
C. Depreciation and amortisation		**32.21**	24.77
D. Generation , administration & other expenses			
Power charges	**155.21**		80.73
Less: Recovered from contractors & employees	**1.76**		1.01
		153.45	79.72
Water charges		**47.77**	58.60
Rent		**4.21**	2.96
Repairs & maintenance			
Buildings	**7.18**		5.91
Construction equipment	**0.37**		0.24
Others	**14.58**		11.39
		22.13	17.54
Insurance		**1.23**	0.38
Rates and taxes		**2.40**	1.03
Communication expenses		**5.04**	4.77
Travelling expenses		**32.32**	28.76
Tender expenses	**4.46**		6.91
Less: Income from sale of tenders	**0.08**		0.12
		4.38	6.79
Advertisement and publicity		**0.85**	0.48
Security expenses		**39.38**	37.91
Entertainment expenses		**2.46**	2.02
Guest house expenses		**3.18**	2.60

28. Expenditure during construction period (net)

			₹ Crore
For the year ended	**31.03.2012**		31.03.2011
Education expenses	**0.02**		0.16
Books and periodicals	**0.35**		0.71
Community development expenses	**2.59**		1.61
Professional charges and consultancy fee	**7.97**		5.45
Legal expenses	**1.94**		1.30
EDP hire and other charges	**1.20**		1.35
Printing and stationery	**1.28**		0.96
Miscellaneous expenses	**47.68**		25.23
Total (D)	**381.83**		280.33
Total (A+B+C+D)	**3,190.39**		2,444.98
E. Less: Other income			
Hire charges	**2.76**		1.61
Sale of scrap	**0.11**		0.05
Interest from contractors	**29.09**		17.77
Interest others	**0.60**		4.97
Miscellaneous income	**7.60**		0.51
Total (E)	**40.16**		24.91
F. Prior period items (net)	**(19.01)**		4.05
Grand total (A+B+C+D-E+F)	**3,131.22**	*	2,424.12

*** Carried to capital work-in-progress - (Note 12)**

29. The financial statements for the year ended 31st March 2011 were prepared as per then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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 incorporated separately.

31. a) Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, which in the opinion of the management is not material.

    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. The coal price notification No 222021 /1/ 2008-CRC-UU dated 31.12.2011 issued by Ministry of Coal (MoC) proposed migration from Useful Heat Value (UHV) to Gross Calorific Value (GCV) based pricing of coal, and also increased the coal prices. This was superseded by notification dated 31.01.2012, partially rolling back the increase in coal prices. Various stakeholders including power utilities and MOP have expressed concern on the switchover from existing UHV to GCV based pricing of coal, without having put in place the prerequisite technical and legal framework. The issue is under deliberation at MOP and Central Electricity Authority with MoC for an early resolution.

Pending resolution of the issues, stations are continuing to make payment and accounting of coal as per the pre-migrated system of UHV based pricing of coal and the difference between the amounts billed by the coal companies and the payments made/accounted for has been shown as contingent liability. Since fuel cost is a pass through component of tariff, the revision of price will not have any adverse impact on the profits of the Company.

33. The levy of transit fee/entry tax/VAT on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. Probable demand for the period upto January 2012 has been included under contingent liabilities. In case the Company gets refund / demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

34. Disclosure as per Accounting Standard - 9 on 'Revenue Recognition'

Due to uncertainty of realisation in the absence of sanction by the GOI, the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.

35. 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 **₹ 19.66 crore** (previous year ₹ 6.50 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of fixed assets is **₹ 1,661.21 crore (**previous year ₹ 168.29 crore).

36. Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'

Revenue grants recognised during the year is **₹ 0.24 crore** (previous year ₹ 0.43 crore).

37. Disclosure as per Accounting Standard - 15 on 'Employee Benefits'

General description of various defined 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 **₹ 173.46 crore** (previous year ₹ 191.19 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.

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 10 b) above.

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 retired employee and the 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) as per the rules of the Company. 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	59.02 {53.78}	11.03 {9.74}	41.87 {38.01}	4.98 {4.32}
Interest cost on benefit obligation	100.75 {85.20}	26.49 {19.55}	55.40 {46.80}	16.35 {13.40}
Expected return on plan assets	(82.34) {(78.78)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	0.97 {50.37}	29.34 {45.32}	87.25 {85.47}	25.94 {16.55}
Expenses transferred to capital work-in-progress	6.68 {9.74}	3.60 {4.97}	18.01 {14.34}	- {-}
Expenses transferred to subsidiaries & joint venture companies	2.95 {4.57}	1.41 {3.16}	5.80 {9.63}	0.79 {0.40}
Expenses recognised in the statement of profit & loss	68.77 {96.26}	61.85 {66.48}	160.71 {146.31}	46.48 {33.87}
Actual return on plan assets	94.63 {83.89}	- {-}	- {-}	- {-}

ii) The amount recognised in the Balance Sheet

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2012	1,288.86 {1185.28}	369.49 {311.67}	739.57 {651.90}	229.34 {192.29}
Fair value of plan assets as at 31.03.2012	1,162.97 {1031.68}	- {-}	- {-}	- {-}
Net liability recognised in the balance sheet	125.89 {153.60}	369.49 {311.67}	739.57 {651.90}	229.34 {192.29}

iii) Changes in the present value of the defined benefit obligations:

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2011	1,185.28 {1065.03}	311.67 {244.40}	651.90 {585.08}	192.29 {167.46}
Interest cost	100.75 {85.20}	26.49 {19.55}	55.40 {46.80}	16.35 {13.40}
Current service cost	59.02 {53.78}	11.03 {9.74}	41.87 {38.01}	4.98 {4.32}
Benefits paid	(69.45) {(74.20)}	(9.04) {(7.33)}	(96.85) {(103.46)}	(10.22) {(9.44)}
Net actuarial (gain)/ loss on obligation	13.26 {(55.47)}	29.34 {45.31}	87.25 {85.47}	25.94 {16.55}
Present value of the defined benefit obligation as at 31.03.2012	1,288.86 {1185.28}	369.49 {311.67}	739.57 {651.90}	229.34 {192.29}

iv) Changes in the fair value of plan assets:

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2011	1,031.68 {987.14}	- {-}	- {-}	- {-}
Expected return on plan assets	82.34 {78.78}	- {-}	- {-}	- {-}
Contributions by employer	102.32 {31.40}	- {-}	- {-}	- {-}
Benefit paid	(65.66) {(70.74)}	- {-}	- {-}	- {-}
Net actuarial gain/(loss)	12.29 {5.10}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2012	1,162.97 {1031.68}	- {-}	- {-}	- {-}

v) Other disclosures:

₹ Crore

Gratuity/pension	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**	**31.03.2008**
Present value of obligation as at the end of	1288.86	1185.28	1065.02	1040.99	536.10
Fair value of plan assets as at the end of	1162.97	1031.68	987.14	535.94	462.34
Surplus/(Deficit)	(125.89)	(153.60)	(77.88)	(505.05)	(73.76)
Experience adjustment on plan liabilities (loss)/gain	(18.87)	(59.49)	10.13	(21.04)	8.49
Experience adjustment on plan assets (loss)/gain	12.29	5.10	25.12	4.61	0.53

₹ Crore

PRMF	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**	**31.03.2008**
Present value of obligation as at the end of	369.49	311.67	244.39	213.29	174.95
Experience adjustment on plan liabilities (loss)/gain	(30.60)	(33.27)	(12.65)	(4.24)	(14.32)

₹ Crore

Leave	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**	**31.03.2008**
Present value of obligation as at the end of	739.57	651.90	585.07	647.94	516.02
Experience adjustment on plan liabilities (loss)/gain	(89.90)	(87.83)	(37.25)	(107.16)	(107.06)

₹ Crore

Terminal Benefits	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**	**31.03.2008**
Present value of obligation as at the end of	229.34	192.29	167.47	125.51	101.60
Experience adjustment on plan liabilities (loss)/gain	(24.38)	(23.95)	(36.68)	(16.94)	37.18

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	4.17	6.46
Present value of obligation	30.95	46.97

F. Details of the Plan Assets

The details of the plan assets at cost are:

₹ Crore

	31.03.2012	31.03.2011
i) State government securities	**273.43**	237.32
ii) Central government securities	**330.85**	316.45
iii) Corporate bonds/debentures	**417.27**	422.48
iv) Money market instruments	**5.97**	Nil
v) Investment with insurance companies	**104.34**	0.74
vi) Fixed deposits with banks	**5.44**	60.00
Total	**1,137.30**	1,036.99

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 **₹ 94.63 crore** (previous year ₹ 83.89 crore).

H. Other Employee Benefits

Provision for long service award and family economic rehabilitation scheme amounting to **₹ 4.85 crore** (previous year ₹ 2.76 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:

	31.03.2012	31.03.2011
i) Method used	Projected Unit Credit Method	
ii) Discount rate	**8.50%**	8.00%
iii) Expected rate of return on assets:		
- Gratuity	**8.00%**	8.00%
- Pension	**7.00%**	7.00%
iv) Annual increase in costs	**6.00%**	5.50%
v) Future salary increase	**6.00%**	5.50%

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 2012-13 is **₹ 68.59 crore.**

38. **Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'**

Borrowing costs capitalised during the year are **₹ 2,342.21 crore** (previous year ₹ 1,743.61 crore).

38. **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 *	**61,430.85**	54,704.55	**142.69**	169.45	**61,573.54**	54,874.00
Other income	**684.66**	364.58	**3.36**	2.29	**688.02**	366.87
Total	**62,115.51**	55,069.13	**146.05**	171.74	**62,261.56**	55,240.87
Segment result #	**12,300.36**	12,083.33	**(19.46)**	50.21	**12,280.90**	12,133.54
Unallocated corporate interest and other income					**2,569.10**	2,166.43
Unallocated corporate expenses, interest and finance charges					**2,523.84**	2,250.37
Profit before tax					**12,326.16**	12,049.60
Income tax (net)					**3,102.43**	2,947.01
Profit after tax					**9,223.73**	9,102.59
Other information						
Segment assets	**64,642.77**	53,198.01	**220.52**	110.76	**64,863.29**	53,308.77
Unallocated corporate and other assets					**75,974.51**	72,430.11
Total assets	**64,642.77**	53,198.01	**220.52**	110.76	**140,837.80**	125,738.88
Segment liabilities	**8,235.50**	7,937.78	**167.53**	106.51	**8,403.03**	8,044.29
Unallocated corporate and other liabilities					**59,143.60**	49,802.34
Total liabilities	**8,235.50**	7,937.78	**167.53**	106.51	**67,546.63**	57,846.63
Depreciation (including prior period)	**2,753.31**	1,333.45	**0.17**	0.13	**2,753.48**	1,333.58
Non-cash expenses other than depreciation	**15.29**	1,542.64	**41.19**	1.45	**56.48**	1,544.09
Capital expenditure	**14,513.32**	11,864.09	**289.85**	270.21	**14,803.17**	12,134.30

* Includes **₹ 281.64 crore** (previous year ₹ 1,139.38 crore) for sales related to earlier years.

Generation segment result would have been **₹ 12,018.78 crore** (previous year ₹ 10,943.95 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.

40. 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.

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)
Shri S.P.Singh	Director (Human Resources)
Shri N.N.Mishra	Director (Operations)

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.	**335.47**	240.52
- NTPC-Alstom Power Services Private Ltd.	**10.10**	14.15
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.13**	0.50
- NTPC-Alstom Power Services Private Ltd	**0.82**	0.57
- Trincomalee Power Company Limited	**0.15**	-
ii) Dividend Received:		
- Utility Powertech Ltd.	**3.00**	1.00
- NTPC-Alstom Power Services Private Ltd.	**0.30**	0.36
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.94**	0.60
- NTPC-Alstom Power Services Private Ltd	**0.04**	0.87
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**48.83**	47.16
- NTPC-Alstom Power Services Private Ltd	**10.44**	17.52
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.30**	0.66
- NTPC-Alstom Power Services Private Ltd	**0.33**	0.93
- Trincomalee Power Company Limited	**0.15**	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **₹ 4.18 crore** (previous year ₹ 4.18 crore).

c) Remuneration to key management personnel for the year is **₹ 2.79 crore** (previous year ₹ 3.06 crore) and amount of dues outstanding to the Company as on 31st March 2012 are **₹ 0.08 crore** (previous year ₹ 0.11 crore).

41. 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

	31.03.2012	31.3.2011
a) Obligations towards minimum lease payments		
· Not later than one year	**0.48**	0.68
· Later than one year and not later than five years	**0.22**	0.70
· Later than five years	**-**	-
Total	**0.70**	1.38

b) Present value of (a) above		
· Not later than one year	**0.43**	0.57
· Later than one year and not later than five years	**0.21**	0.64
· Later than five years	**-**	-
Total	**0.64**	1.21
c) Finance charges	**0.06**	0.17

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 **₹ 75.68 crore** (previous year ₹ 70.23 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.

42. 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	**9,223.73**	9,102.59
Weighted average number of equity shares used as denominator	**8,245,464,400**	8,245,464,400
Earning per share (Basic and Diluted) - ₹	**11.19**	11.04
Nominal value per share - ₹	**10/-**	10/-

43. Disclosure as per Accounting Standard - 26 on 'Intangible Assets'

Research expenditure charged to revenue during the year is **₹ 29.89 crore** (previous year ₹ 28.30 crore).

44. 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)**	
	31.03.2012 (%)	31.03.2011 (%)
A. Joint Ventures incorporated in India		
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3, NTPC-SAIL Power Company Private Ltd.*	**50**	50
4. NTPC -Tamilnadu Energy Company Ltd.	**50**	50
5. Ratnagiri Gas and Power Private Ltd.*	**31.52**	30.17
6. Aravali Power Company Private Ltd.*	**50**	50
7. NTPC - SCCL Global Ventures Private Ltd.*	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.*	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
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.	**25**	25
15. Transformers & Electricals Kerala Ltd.	**44.60**	44.60
16. Energy Efficiency Services Ltd.*	**25**	25
17. CIL NTPC Urja Private Ltd.*	**50**	50
18. Anushakti Vidyut Nigam Ltd.*	**49**	-
19. Pan-Asian Renewables Private Ltd.*	**50**	-
B. Joint Ventures incorporated outside India		
1. Trincomalee Power Company Ltd.*	**50**	-

** The accounts are unaudited*

The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2012 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

₹ Crore

	31.03.2012	31.03.2011
A. Assets		
• Long term assets	**12,314.73**	10,573.99
• Current assets	**1,978.68**	1,255.69
Total	**14,293.41**	11,829.68
B. Liabilities		
• Long term liabilities	**8,085.19**	7,472.12
• Current liabilities and provisions	**1,940.20**	1,127.83
Total	**10,025.39**	8,599.95
C. Contingent liabilities	**78.09**	123.10
D. Capital commitments	**1,848.88**	2,673.05
	Current year	Previous year
E. Income	**3,659.89**	2,442.99
F. Expenses	**3,022.44**	2,125.75

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 2012 and expenditure for the year are given below:

₹ Crore

Item	**2011-12 (Un-audited)**	2010-11 (Un-audited)
Expenses	**3.61**	3.11
Assets	**0.03**	0.03
Liabilities	**0.95**	3.14
Capital commitments	**88.48**	81.03

ii) Exploration activities in the block AA-ONN-2003/2 were abandoned 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, MoP&NG demanded from the Company the cost of unfinished minimum work programme of US$ 7.516 million. During the year, provision of ₹ 41.19 crore along-with interest has been made. 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 ₹ 0.18 crore for the financial year 2011-12 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 2012 and expenditure for the year is as under:

₹ Crore

Item	**2011-12 (Un-audited)**	2010-11 (Un-audited)
Expenses	**0.18**	0.43
Assets	**14.64**	14.64
Liabilities	**2.10**	1.92
Contingent liabilities	**67.57**	78.50

45. 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.

46. Foreign currency exposure not hedged by a derivative instrument or otherwise:

₹ Crore

Particulars	Currencies	Amount	
		31.03.2012	31.03.2011
Borrowings, including interest accrued but not due thereon.	USD	**10,538.98**	7,157.37
	JPY	**3,378.49**	3,125.17
	EURO	**423.42**	441.21
Sundry creditors/deposits and retention monies	USD	**1,168.53**	1,144.72
	EURO	**786.62**	540.95
	Others	**34.96**	30.31
Sundry debtors and Bank balances	USD	**0.82**	2.08
Unexecuted amount of contracts remaining to be executed	USD	**2,033.53**	2,361.57
	EURO	**1,435.51**	3,311.03
	Others	**51.55**	25.22

47. Information in respect of micro and small enterprises as at 31st March 2012 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ Crore

Particulars	**Amount**
a) Amount remaining unpaid to any supplier:	
Principal amount	17.16
Interest due thereon (* ₹ 21,150/-)	*
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. (*₹ 3,371)	*
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0.03
d) Amount of interest accrued and remaining unpaid	0.03
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	-

48. 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	
	31.03.2012	31.03.2011	**31.03.2012**	31.03.2011
Kanti Bijlee Utpadan Nigam Ltd.	**17.14**	21.71	**21.71**	26.29

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 : ₹ 17.14 crore

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

49. Contingent Liabilities:

a) Claims against the company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for **₹ 4,417.04 crore** (previous year ₹ 3,485.85 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 **₹ 1,173.58 crore** (previous year ₹ 1,851.08 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues disclosed in Note 32, payments and accounting of coal are being made as per the pre-migrated system of UHV based pricing of coal. The difference between the billing by the coal companies on the revised GCV based price and payment released on pre-revised UHV based price amounts to **₹ 399.39 crore** (previous year ₹ Nil).

Further, an amount of **₹ 399.42 crore** (previous year ₹ 182.22 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 fees, penalty on diversion of agricultural land to non-agricultural use, nala tax, water royalty etc. and by others, contingent liability of **₹ 877.47 crore** (previous year ₹ 1,064.40 crore) has been estimated.

(v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of **₹ 1,769.70 crore** (previous year ₹ 1,495.35 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) & (iv), the estimated possible reimbursement is by way of recovery through tariff as per Regulations, 2009 and others is **₹ 676.32 crore** (previous year ₹ 146.97 crore).

b) Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters pending before various Appellate Authorities amount to **₹ 3,038.63 crore** (previous year ₹ 2,465.26 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 **₹ 2,111.54 crore** (previous year ₹ 1,793.36 crore).

c) Others

Other contingent liabilities amount to **₹ 327.20 crore** (previous year ₹ 398.74 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.

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 2012 is **₹ 29,563.89 crore** (previous year ₹ 23,779.74 crore).

b) In respect of investments of **₹ 2,895.97 crore** (previous year ₹ 2,440.72 crore) in the joint venture entities, the Company has restrictions for their disposal ranging from two years to twelve 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 **₹ 866.61 crore** (previous year ₹ 731.34 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 2012, the Company has commitments of **₹ 3,236.96 crore** (previous year ₹ 2,340.91 crore) towards further investment in the joint venture entities.

e) As at 31st March 2012, the Company has commitments of **₹ 1,419.32 crore** (previous year ₹ 1,561.68 crore) towards further investment in the subsidiary companies.

f) Company's comittment towards the minimum work programme in respect oil exploration activities of joint venture operations has been disclosed in Note 44 b).

g) Company's commitment in respect of further commitments relating to lease agreements has been disclosed in Note 41.

51. 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			**880.34**	965.31
Spare parts			**190.09**	98.73
b) Expenditure in foreign currency:				
Professional and consultancy fee			**7.07**	5.80
Interest			**390.03**	514.43
Others			**14.44**	12.21
c) Value of components, stores and spare parts consumed (including fuel):	**Current year**		Previous year	
	%age	**Amount**	%age	Amount
Imported	**18.69**	**7,942.77**	21.68	7,835.18
Indigenous	**81.31**	**34,572.43**	78.32	28,304.29
			Current year	Previous year
d) Earnings in foreign exchange:				
Professional & consultancy fees			**2.48**	1.01
Others			**0.28**	0.11

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2010-11 - STANDALONE

1.	a)	The conveyance of title for **11,043 acres** of freehold land of value **₹ 538.18 crore** (previous year 10,884 acres of value ₹ 507.11 crore) and buildings & structures valued at **₹ 135.58 crore** (previous year ₹ 149.05 crore), as also execution of lease agreements for **8,995 acres** of land of value **₹ 252.51 crore** (previous year 8,958 acres, value ₹ 244.72 crore) in favour of the Company are awaiting completion of legal formalities.
	b)	Leasehold land includes **819 acres** valuing **₹ 29.67 crore** (previous year 30 acres valuing ₹0.05 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 **1,245 acres** of value **₹ 15.03 crore** (previous year 1,247 acres of value ₹ 15.09 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
	e)	Land includes an amount of **₹ 118.74 crore** (previous year ₹ 115.27 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. (UPRVUNL) 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 UPRVUNL is disclosed under 'Other Liabilities' in 'Current Liabilities'.
	g)	The cost of right of use of land for laying pipelines amounting to **₹ 6.46 crore** (previous year ₹ 5.76 crore) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the period of legal right to use as per the rates and methodology notified by CERC Tariff Regulations, 2009 (Regulations, 2009).
	h)	Cost of acquisition of the right to draw water amounting to **₹ 199.52 crore** (previous year ₹ 8.41 crore) is included under intangible assets – Right of Use - Others. The right to draw water is amortized considering the life period of 25 years as per the rates and methodology notified by Regulations, 2009.
	i)	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 year. Lease rent for the year amounting to **₹ 6.13 crore** (previous year ₹ 6.08 crore) has been charged to the statement of Profit & Loss Account.
2	a)	The Central Electricity Regulatory Commission (CERC) notified the Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1st April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at **₹ 48,935.31 crore** (previous year ₹ 44,473.93 crore) for the year ended 31st March 2011 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (APTEL) for the tariff period 2004-2009 including as referred to in para 2 (d). Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31st March 2009 approved by the CERC. The amount provisionally billed for the year ended 31st March 2011 on this basis is **₹ 47,519.21 crore** (previous year ₹ 43,765.13 crore).
	b)	For the units commissioned subsequent to 1st April 2009, pending the determination of tariff by CERC, sales of **₹ 4,528.39 crore** (previous year ₹ 1,735.40 crore) have been provisionally recognised on the basis of principles enunciated in the Regulations, 2009. The amount provisionally billed for such units is **₹ 4,416.12 crore** (previous year ₹ 1,536.50 crore).

	c)	Sales of **₹ 800.87 crore** (previous year ₹ 119.33 crore) pertaining to previous years have been recognized based on the orders issued by the CERC/APTEL.
	d)	In respect of stations/units where the CERC had issued tariff orders applicable from 1st April 2004 to 31st March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the APTEL. The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed appeals with the Hon'ble Supreme Court of India on some of the issues decided in favour of the Company by the APTEL. The decision of Hon'ble Supreme Court is awaited. The Company had submitted that it would not press for determination of the tariff by the CERC as per APTEL orders pending disposal of the appeals by the Hon'ble Supreme Court. Considering expert legal opinions obtained that it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 were recognised in earlier years based on provisional tariff worked out by the Company as per the directions and methodology given by the APTEL. As accountal of sales is subject to the decision of the Hon'ble Supreme Court of India, pending decision of the Hon'ble Supreme Court of India, a sum of **₹ 1,262.86 crore** included in debtors has been fully provided for during the year. Effect, if any, will be given in the financial statements upon disposal of the appeals.
	e)	Consequent to issue of additional capitalisation orders by the CERC, advance against depreciation required to meet the shortfall in the component of depreciation to be charged in future years has been reassessed and the excess determined amounting to **₹ 79.75 crore** has been recognised as sales.
	f)	During the year, the CERC has issued tariff orders in respect of some of the stations in compliance with the judgement of APTEL mentioned at para d) above, and the beneficiaries were billed accordingly. Since the orders of CERC include those issues which have been challenged by them before Hon'ble Supreme Court, and are pending disposal, the impact thereof amounting to **₹ 252.22 crore** has been accounted as 'Advance from customers' in 'Current Liabilities'.
3.	a)	Sundry Debtors – Other debts includes **₹ 2,698.86 crore** (previous year ₹ 1,001.15 crore) towards revenue accounted in accordance with the accounting policy no. 12.1 which is yet to be billed.
	b)	CERC has issued a draft notification dated 3rd September 2010 which inter-alia provides for upfront truing up of un discharged liabilities with regard to capital cost admitted by CERC before 1st April 2009. In anticipation of final notification an estimated amount of **₹ 263.59 crore** has been provided for towards tariff adjustment.
4.		Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.
5.		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 Company formulated a defined contribution pension scheme and sent to Ministry of Power (MOP) for their approval. Pending approval of MOP, an amount of **₹ 94.56 crore** during the year and cumulatively **₹ 468.78 crore** has been provided up to 31st March 2011.
6.		The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **₹ 276.80 crore** (previous year ₹ 276.80 crore) out of which **₹ 269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of **₹ 7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.
7.		As per the direction of MOP, a memorandum of understanding was signed between the Company, Gujarat Power Corporation Ltd. (GPCL) and Gujarat Electricity Board (GEB) on 20th February 2004 to set up Pipavav Power Project. The Company disassociated from the Pipavav Power Project, a wholly owned subsidiary of the Company, on 24th May 2007 after obtaining approval from the MOP. MOP, Government of India, conveyed its approval vide Presidential Directive No. 5/5/2004-TH-II dated 3rd July 2009 for winding-up of the Pipavav Power Development Company Ltd. (PPDCL). The Board of Directors of NTPC Ltd. have also given consent for winding up of the PPDCL.

		MOP vide Presidential Directive No. 5/5/2004-TH-II dated 15th April 2010 conveyed the approval of GOI to permit NTPC for winding up of PPDCL, through striking off the name under Section 560 of the Companies Act, 1956. Registrar of Companies, National Capital Territory of Delhi and Haryana (ROC) has conveyed the name of the PPDCL has been struck-off from the Register of Companies vide their letter dated 28th January 2011. Accordingly, investment in the PPDCL amounting to **₹ 0.37 crore** was set off in full against the amount received from GPCL in the earlier years in this regard.
8.		The Government of Madhya Pradesh had notified levy of Madhya Pradesh Grameen Avsanrachana Tatha Sadak Vikas Adhiniyam (MPGATSVA) tax on coal with effect from September 2005. The tax was challenged by the coal supplier before the Hon'ble Jabalpur High Court which stayed its collection in April 2006. Hon'ble Jabalpur High Court by its order dated 3rd February 2011 has vacated the interim order of April 2006. The Central Government issued notification no. GSR 322 (E) dated 1st Aug 2007, on royalty which provide for adjustment of cess and tax specific to coal bearing lands so as to limit the overall revenue to the royalty . Various Special Leave Petitions (SLPs) were preferred in the Hon'ble Supreme Court against the levy by the aggrieved parties where-after the Hon'ble Supreme Court passed an interim order staying the coercive collection of the tax. During the year, Hon'ble Supreme Court heard various SLPs and ordered the assessees to file returns and subsequently in 6th December 2010 ordered the assessees to pay the taxes without prejudice to their rights in the pending appeals. Subsequent to the vacation of the stay, Northern Coal Fields Ltd, filed SLP in the Hon'ble Supreme Court, which was disposed off on 21.4.2011 in terms of its' earlier order dated 6th Dec 2010. In view of this, liability towards MPGATSVA tax for the period from September 2005 to July 2007 amounting to **₹ 255.82 crore** has been provided for during the year with consequent recognition in sales.
9.		As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29th May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.
10.		The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of gas supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.
11.		MOP, GOI vide letter dated 24.12.2010 has communicated the discontinuation of one of the Hydro Power Projects of the Company in the State of Uttarakhand. Subsequently, the Company has issued Letter of Frustration to the suppliers/vendors of the project. MOP has sought details of expenditure incurred, committed costs, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs, as well as claims of various packages of contractors/vendors. Management expects that the total cost incurred, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs as well as claims of various packages of contractors/vendors for this project will be compensated in full. Hence, cost incurred on the project up to 31.03.2011 amounting to **₹ 748.82 crore** has been accounted as recoverable from GOI and disclosed under 'Claims Recoverable' in 'Loans and Advances'.
12.		Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.
13.		The Company is executing a thermal power project in respect of which possession certificates for **1,489 acres** (previous year 1,489 acres) of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has

		been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31st March 2011 **₹ 190.19 crore** (previous year ₹ 183.10 crore) is included in 'Fixed Assets' . Management is confident of recovery of cost incurred, hence no provision is considered necessary.
14.		During the year the Company has received an opinion from the Expert Advisory Committee 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 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 regarding the review, existing treatment has been continued as per existing accounting policy.
15.	a)	Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.
	b)	In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
16.		Effect of changes in Accounting Policies:
		During the year, the Office of the Comptroller & Auditor General of India has expressed an opinion that power sector companies shall be governed by the rates of depreciation notified by the CERC for providing depreciation in respect of generating assets in the accounts instead of the rates as per the Companies Act, 1956. Accordingly, the Company revised its accounting policies relating to charging of depreciation w.e.f 1st April 2009 considering the rates and methodology notified by the CERC for determination of tariff through Regulations, 2009. In case of certain assets, the Company has continued to charge higher depreciation based on technical assessment of useful life of those assets. Consequent to this change, prior period depreciation written back is **₹ 1,116.50 crore**, depreciation for the year is lower by **₹ 279.62 crore**. As a result, fixed assets and profit before tax for the year is higher by **₹ 1,396.12 crore**. Due to the above change, the amount of advance against depreciation (AAD) required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been reassessed by the Company station-wise as at 1st April 2009 and the excess determined, amounting to **₹ 727.49 crore** has been recognised as prior period sales. Further, the amount recoverable from the beneficiaries on account of deferred tax materialised for the financial year 2009-10 has been reassessed and excess amount of **₹ 212.67 crore** is reversed as 'Prior Period Sales' with equivalent reduction in provision for tax of earlier years in the Profit and Loss Account. Further, due to the above change, deferred tax liability (net) and deferred tax recoverable from the beneficiaries as at 31st March 2010 amounting to ₹ 3,049.41 crore and ₹ 2,840.16 crore respectively have been reviewed and restated to ₹ 4,415.19 crore and ₹ 3,809.69 crore respectively. As a result, deferred tax liability as at 31.03.2010 has increased by ₹ 1,365.78 crore out of which ₹ 969.53 crore is recoverable from the beneficiaries as per Regulation 39 of Regulations, 2009 and net increase is included in the 'Provision for Deferred tax - Earlier years' in the Profit and Loss Account.
17.		Revenue grants recognised during the year is **₹ 0.43 crore** (previous year **₹ 1.71 crore**).
18.		**Disclosure as per Accounting Standard (AS) 15**: General description of various defined 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 **₹ 191.19 crore** (previous year ₹ 159.70 crore) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. 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.

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 above.

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 retired employee and the 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 as per the rules of the Company. 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 profit and loss account, balance sheet are as under:

(Figures given in { } are for previous year)

i) **Expenses recognised in Profit & Loss Account**

(₹ crore)

	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Current Service Cost	53.78 {48.91}	9.74 {8.20}	38.01 {33.54}	4.32 {4.99}
Interest cost on benefit obligation	85.20 {78.07}	19.55 {16.00}	46.80 {48.60}	13.40 {9.41}
Expected return on plan assets	(78.78) {(42.70)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	50.37 {(39.93)}	45.32 {11.59}	85.47 {34.54}	16.55 {36.05}
Expenses recognised in the Profit & Loss Account	110.57 {44.35}	74.61 {35.79}	170.28 {116.68}	34.27 {50.45}

ii) **The amount recognised in the Balance Sheet**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2011	1185.28 {1065.03}	311.67 {244.40}	651.90 {585.08}	192.29 {167.46}
Fair value of plan assets as at 31.03.2011	1031.68 {987.14}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	153.60 {77.89}	311.67 {244.40}	651.90 {585.08}	192.29 {167.46}

iii) **Changes in the present value of the defined benefit obligations:**

(₹ crore)

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.04.2010	1065.03 {1040.99}	244.40 {213.29}	585.08 {647.94}	167.46 {125.51}
Interest cost	85.20 {78.07}	19.55 {16.00}	46.80 {48.60}	13.40 {9.41}
Current Service Cost	53.78 {48.91}	9.74 {8.20}	38.01 {33.54}	4.32 {4.99}
Benefits paid	(74.20) {(88.51)}	(7.33) {(4.68)}	(103.46) {(179.54)}	(9.44) {(8.50)}
Net actuarial (gain)/ loss on obligation	(55.47) {(14.43)}	45.31 {11.59}	85.47 {34.54}	16.55 {36.05}
Present value of the defined benefit obligation as at 31.03.2011	1185.28 {1065.03}	311.67 {244.40}	651.90 {585.08}	192.29 {167.46}

iv) **Changes in the fair value of plan assets:**

(₹ crore)

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.04.2010	987.14 {536.40}	- {-}	- {-}	- {-}
Expected return on plan assets	78.78 {42.70}	- {-}	- {-}	- {-}
Contributions by employer	31.40 {469.10}	- {-}	- {-}	- {-}
Benefit paid	(70.74) {(86.56)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	5.10 {25.50}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2011	1031.68 {987.14}	- {-}	- {-}	- {-}

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	5.53	4.44
Present value of obligation	33.73	52.78

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **₹ 2.76 crore** (previous year credit of ₹ 3.42 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Profit & Loss Account.

G. Details of the Plan Assets

The details of the plan assets at cost as on 31st March are as follows:

(₹ crore)

		2011	2010
i)	State Government securities	**237.32**	229.26
ii)	Central Government securities	**316.45**	317.68
iii)	Corporate Bonds/ debentures	**422.48**	422.15
iv)	RBI Special Deposit	**Nil**	23.99
v)	Money Market Instruments	**0.74**	24.90
vi)	Investment with Insurance Companies	**60.00**	-
	Total	**1036.99**	1017.98

H. Actual return on plan assets **₹ 83.89 crore** (previous year ₹ 68.16 crore).

I. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

		2011	2010
i)	Method used	Projected Unit Credit Method	
ii)	Discount rate	**8.00%**	7.50%
iii)	Expected rate of return on assets:		
	- Gratuity	**8.00%**	8.00%
	- Pension	**7.00%**	7.00%
iv)	Future salary increase	**5.50%**	5.00%

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 2011-12 is **₹ 35.04 crore.**

19. The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) debited to the Profit & Loss Account is **₹ 6.50 crore** (previous year credit of ₹ 18.91 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of fixed assets and Capital work-in-progress is **₹ 168.29 crore** {previous year credit of ₹ 1,181.54 crore}.

20. Borrowing costs capitalised during the year is **₹ 1,743.61 crore** (previous year ₹ 1,480.40 crore).

21. **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					
	Generation		Others		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**54,704.55**	46,168.67	**169.45**	153.92	**54,874.00**	46,322.59
Internal consumption of electricity	**64.68**	55.10	**-**	**-**	**64.68**	55.10
Total	**54,769.23**	46,223.77	**169.45**	153.92	**54,938.68**	46,377.69
Segment Result #	**12,094.83**	10,152.53	**50.20**	58.16	**12,145.03**	10,210.69
Unallocated Corporate Interest and Other Income	**-**	-	-	-	**2,166.43**	2,467.66
Unallocated Corporate expenses, interest and finance charges	**-**	-	-	-	**2,261.86**	1,792.88
Profit before Tax	**-**	-	-	-	**12,049.60**	10.885.46
Income/Fringe Benefit Taxes (Net)	**-**	-	-	-	**2,947.01**	2,157.26
Profit after Tax	**-**	-	-	-	**9,102.59**	8728.20
Other information						
Segment assets	**53,166.50**	46,956.86	**110.76**	143.32	**53,277.26**	47,100.18
Unallocated Corporate and other assets	**-**	-	-	-	**72,430.11**	65,773.57
Total assets	**53,166.50**	46,956.86	**110.76**	143.32	**125,707.37**	112,873.75
Segment liabilities	**7,906.27**	7,506.66	**106.51**	88.87	**8,012.78**	7,595.53
Unallocated Corporate and other liabilities	**-**	-	-	-	**49,802.34**	42,840.70
Total liabilities	**7,906.27**	7,506.66	**106.51**	88.87	**57,815.12**	50,436.23
Depreciation (including prior period)	**1,333.45**	2,617.95	**0.13**	0.17	**1,333.58**	2,618.12
Non-cash expenses other than Depreciation	**1,542.64**	10.88	**1.45**	-	**1,544.09**	10.88
Capital Expenditure	**11,864.09**	9,864.69	**270.21**	113.85	**12,134.30**	9,978.54

* Includes **₹ 1,139.38 crore** (previous year (-) ₹ 600.60 crore) for sales related to earlier years.

Generation segment result would have been **₹ 10,955.45 crore** (previous year ₹ 10,753.13crore) 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.

22. **Related Party Disclosures:**

a) Related parties:

i) Joint ventures:
Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd.

ii) Key Management Personnel:

Shri Arup Roy Choudhury[1]	Chairman and Managing Director
Shri R.S. Sharma[2]	Chairman and Managing Director
Shri Chandan Roy[3]	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav[4]	Director (Human Resources)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh	Director (Projects)
Shri D.K.Jain[5]	Director (Technical)
Shri S.P.Singh[6]	Director (Human Resources)
Shri N.N.Misra[7]	Director (Operations)

1. W.e.f. 1st September 2010 2. Superannuated on 31st August 2010 3. Superannuated on 31st July 2010 4. Superannuated on 30th June 2010 5.W.e.f. 13th May 2010 6. W.e.f. 16th October 2010 7. W.e.f. 19th October 2010.

b) Transactions with the related parties at a (i) above are as follows:

(₹ crore)

Particulars	**Current Year**	Previous Year
Transactions during the year		
• Contracts for Works/ Services for services received by the Company**:**		
- Utility Powertech Ltd.	**240.52**	217.55
- NTPC-Alstom Power Services Private Ltd.	**14.15**	9.93

• Deputation of Employees:		
- Utility Powertech Ltd.	**0.50**	1.75
- NTPC-Alstom Power Services Private Ltd	**0.57**	4.46
• Dividend Received:		
- Utility Powertech Ltd.	**1.00**	0.30
- NTPC-Alstom Power Services Private Ltd.	**0.36**	0.60
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.60**	0.25
- NTPC-Alstom Power Services Private Ltd	**0.87**	1.64
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**47.16**	36.14
- NTPC-Alstom Power Services Private Ltd	**17.52**	14.68
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.66**	0.73
- NTPC-Alstom Power Services Private Ltd	**0.93**	1.81

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **₹ 4.18 crore** (previous year ₹ 4.02 crore).

c) Remuneration to key management personnel for the year is **₹ 3.06 crore** (previous year ₹ 2.63 crore) and amount of dues outstanding to the Company as on 31st March 2011 are **₹ 0.11 crore (**previous year ₹ 0.06 crore).

23. **Disclosure regarding 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)

		31.03.2011	31.3.2010
a)	Obligations towards minimum lease payments		
	• Not later than one year	**0.68**	0.67
	• Later than one year and not later than five years	**0.70**	0.83
	• Later than five years	**-**	-
	Total	**1.38**	1.50
b)	Present value of (a) above		
	• Not later than one year	**0.57**	0.53
	• Later than one year and not later than five years	**0.64**	0.74
	• Later than five years	**-**	-
	Total	**1.21**	1.27
c)	Finance Charges	**0.17**	0.23

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. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include **₹ 70.23 crore** (previous year ₹ 68.85 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 'Generation, Administration and Other Expenses'. Further during the year, the Company has taken a helicopter on wet lease basis and the amount of lease charges is included in 'Miscellaneous Expenses' in 'Generation, Administration and Other Expenses'.

24. **Earning 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	**9,102.59**	8,728.20
Weighted average number of equity shares used as denominator	**824,54,64,400**	824,54,64,400
Earning per share (Basic and Diluted) - ₹	**11.04**	10.59
Face value per share – ₹	**10/-**	10/-

25. a) The item-wise details of deferred tax liability (net) are as under:

(₹ crore)

	31.03.2011	31.03.2010
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**6,082.92**	4,104.66
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**1,205.52**	847.83
ii) Disallowances u/s 43B of the Income Tax Act, 1961	**323.00**	207.42
	1,528.52	1055.25
Deferred tax liability (net) - (a)	**4,554.40**	3,049.41
Recoverable from beneficiaries as per Regulation 39 of Regulations 2009 - (b)	**3,951.45**	2,840.16
Balance (a)-(b)	**602.95**	209.25

The net increase during the year in the deferred tax liability is **₹ 393.69 crore** (previous year ₹ 209.10 crore) has been debited to Profit & Loss Account.

26. Research and development expenditure charged to revenue during the year is **₹ 28.30 crore** (previous year ₹ 20.56 crore).

27. **Interest in Joint Ventures:**

a) Joint Venture Entities:

Company	**Proportion of ownership interest as on (Excluding Share Application Money)**	
	31.03.2011	31.03.2010
	% age	% age
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3. NTPC-SAIL Power Company Private Ltd.*	**50**	50
4. NTPC -Tamilnadu Energy Company Ltd.*	**50**	50
5. Ratnagiri Gas and Power Private Ltd.	**30.17**	29.65
6. Aravali Power Company Private Ltd.	**50**	50
7. NTPC - SCCL Global Ventures Private Ltd.	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.*	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
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.*	**25**	25
15. Transformers & Electrical Kerala Ltd.*	**44.60**	44.60
16. Energy Efficiency Services Private Ltd.*	**25**	25
17. CIL NTPC Urja Private Limited*	**50**	-

** The accounts are unaudited*

The above joint venture entities are incorporated in India. The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2011 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

(₹ crore)

		31.03.2011	31.03.2010
A.	Assets		
	• Long Term Assets	**10,573.99**	8,672.88
	• Current Assets	**1,255.69**	1,032.00
	Total	**11,829.68**	9,704.88
B.	Liabilities		
	• Long Term Liabilities	**7,472.12**	6,339.54
	• Current Liabilities and Provisions	**1,127.83**	915.55
	Total	**8,599.95**	7,255.09
C.	Contingent Liabilities	**123.10**	59.89
D.	Capital Commitments	**2,673.05**	3,989.50
		Current Year	Previous Year
E.	Income	**2,442.99**	1,836.90
F.	Expenses	**2,125.75**	1,723.80

b) Joint Venture Operations:

i) During the year, 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 2011 and expenditure for the year are given below :

(₹ crore)

Item	**2010-11 (Un-audited)**
Expenses	**3.11**
Assets	**0.03**
Liabilities	**3.14**
Capital Commitments	**81.03**

ii) Subsequent to the withdrawal by the operator M/s Geopetrol International Inc. from block AA-ONN-2003/2 wherein the Company has 40% PI, attempts to accomplish the residual exploratory activities by reconstituting the consortium did not yield result. Some of the service providers have initiated legal proceedings against the consortium for payment of their claims. The operator has rejected these claims since they are not payable as per the terms of contract. Further, Directorate General of Hydrocarbons (DGH) has communicated the cost of unfinished minimum work programme to the consortium with Company's share being US $ 7.516 million **(equivalent ₹ 33.99 crore)**. The Company has sought waiver of the claim citing force-majeure conditions at site leading to suspension of exploratory activities. The Company expects favourable decision and, hence no provision is considered necessary.

Based on the un-audited statement of the accounts forwarded by the operator, the Company's share in the assets and liabilities as at 31st March 2011 and expenditure for the year is as under:

(₹ crore)

Item	**2010-11 (Un-audited)**	2009-10 (Un- audited)*
Expenses	**0.43**	3.21
Assets	**14.64**	14.90
Liabilities	**1.92**	1.76
Contingent liabilities	**78.50**	46.46
(* Since audited)		

28. 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.

29. **Foreign currency exposure not hedged by a derivative instrument or otherwise**:

(₹ crore)

Sl. No	Particulars	Currencies	Amount	
			31.03.2011	31.03.2010
a)	Borrowings, including interest accrued but not due thereon.	USD JPY Others	**7,157.37** **3,125.17** **441.21**	7,052.16 2,911.30 422.53
b)	Sundry creditors/deposits and retention monies	USD EURO Others	**1,144.72** **540.95** **30.31**	967.18 349.34 41.91
c)	Sundry debtor and Bank balances	USD	**2.08**	1.56
d)	Unexecuted amount of contracts remaining to be executed	USD EURO Others	**2,361.57** **3,311.03** **25.22**	3346.52 4642.55 32.88

30. The pre-commissioning expenses during the year amounting to **₹ 112.75 crore** (previous year ₹ 145.88 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **₹ 34.96 crore** (previous year ₹ 96.10 crore) resulting in a net pre-commissioning expenditure of **₹ 77.79 crore** (previous year ₹ 49.78 crore).

31. Payment to the Statutory Auditors:

(₹ crore)

	Current year	Previous year
Audit Fees	**0.82**	0.74
Tax audit Fees	**0.29**	0.26
Certification Fees	**0.82**	0.82
Reimbursements		
-Travelling Expenses	**0.74**	0.43
- Service Tax	**0.20**	0.19
Total	**2.87**	2.44

32. a) Information in respect of Micro, Small and Medium Enterprises as at 31st March 2011:

(₹ crore)

Sl.	**Particulars**	**Amount**
a)	Amount remaining unpaid to any supplier: • Principal amount • Interest due thereon	 9.23 -
b)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along-with the amount paid to the suppliers beyond the appointed day. (* ₹ 7,062/-)	*
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 Micro, Small and Medium Enterprises Development Act, 2006.	0.02
d)	Amount of interest accrued and remaining unpaid	0.02
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 Micro, Small and Medium Enterprises Development Act, 2006	-

33. Loans and Advances due from subsidiaries:

(₹ crore)

Name of Subsidiary	Outstanding Balance as at		Maximum Amount Outstanding	
	31.03.2011	31.03.2010	**31.03.2011**	31.03.2010
NTPC Electric Supply Company Ltd.	**7.82**	8.68	**12.56**	30.61
NTPC Vidyut Vyapar Nigam Ltd	**1.25**	8.50	**9.20**	21.16
NTPC Hydro Ltd.	**0.38**	1.00	**14.07**	4.02
Kanti Bijlee Utpadan Nigam Ltd.	**36.11**	33.06	**37.10**	39.42
Bharatiya Rail Bijlee Company Ltd.	**1.53**	2.03	**2.14**	7.19
Total	**47.09**	53.27	**75.07**	102.40

34. Disclosure as required by Clause 32 of Listing Agreements:

A. Loans and Advances in the nature of Loans:

1. To Subsidiary Companies

(₹ crore)

Name of the Company	Outstanding Balance as at		Maximum amount outstanding During the year ended	
	31.03.2011	31.03.2010	**31.03.2011**	31.03.2010
Kanti Bijlee Utpadan Nigam Ltd.	**21.71**	26.29	**26.29**	30.75
NTPC Vidyut Vyapar Nigam Ltd.	**Nil**	Nil	**Nil**	16.50

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 below Section 372A of the Companies Act, 1956 : ₹ 21.71 crore

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

35. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2011 is **₹ 23,779.74 crore** (previous year ₹ 30,534.58 crore).

36 **Contingent Liabilities:**

1. 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 **₹ 3,485.85 crore** (previous year ₹ 3,879.77 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 contract 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 **₹ 1,851.08 crore** (previous year ₹ 1,786.25 crore) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **₹ 1,246.62 crore** (previous year ₹ 1,248.78 crore) has been estimated.

The contingent liabilities referred to in (i) above, includes an amount of ₹ 1,495.35 crore relating to the hydro power project stated above , 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 **₹ 146.97 crore** (previous year ₹ 428.90 crore).

2. Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **₹ 2,465.26 crore** (previous year ₹ 2,292.41 crore) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimated possible reimbursement of **₹ 1,793.36 crore** (previous year ₹ 1,793.36 crore)

3. Others

Other contingent liabilities amounts to **₹ 398.74 crore** (previous year ₹ 266.14 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.

37. Managerial remuneration paid/payable to Directors

(₹ crore)

	Current Year	Previous Year
Salaries and allowances	**2.26**	1.95
Contribution to provident fund & other funds including gratuity & group insurance	**0.40**	0.21
Other benefits	**0.40**	0.47
Directors' fees	**0.28**	0.29

In addition to the above remuneration the whole time Directors have been allowed the use of staff car including for private journeys, on payment of ₹ 780/- per month, as contained in the Ministry of Finance (BPE) Circular No.2 (18)/pc/64 dt.29.11.64, as amended.

The provisions for/contribution to gratuity, leave encashment and post-retirement medical facilities are ascertained on actuarial valuation done on overall Company basis and hence not ascertainable separately.

38.

Licensed and Installed Capacities as at: (As certified by Management)		**Current Year**		Previous Year
Licensed Capacity - Not applicable				
Installed Capacity (MW Commercial units)		**29,892**		28,902
Quantitative information in respect of Generation and Sale of Electricity:				
a) Pre-commissioning period :				
Generation (in MUs)		**162**		401
Sales (in MUs)		**141**		338
b) Commercial period :				
Generation (in MUs)		**220,379**		218,439
Sales (in MUs)		**206,582**		205,091
c) Value of imports calculated on CIF basis (₹ crore):				
Capital goods		**965.31**		896.97
Spare parts		**98.73**		139.26
d) Expenditure in foreign currency (₹ crore):				
Professional and Consultancy fee		**5.80**		5.33
Interest		**514.43**		358.82
Others		**12.21**		18.78
e) Value of Components, Stores and Spare parts consumed (including fuel) (₹ crore):	**%age**	**Amount**	**%age**	**Amount**
Imported	**21.68**	**7,835.18**	14.13	4,260.71
Indigenous	**78.32**	**28,304.29**	85.87	25,895.97

	f) Earnings in foreign exchange (₹ crore):		
	Professional & Consultancy fee	**1.01**	0.80
	Others	**0.11**	0.05

39. Figures have been rounded off to nearest rupees in crores up to two decimals.

40. Previous year figures have been regrouped /rearranged wherever considered necessary.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2009-10 - STANDALONE

1.	a)	The conveyancing of the title to **10,884 acres** of freehold land of value **₹ 507.11 crore** (Previous year 10,844 acres of value ₹ 494.96 crore) and buildings & structures valued at **₹ 149.05 crore** (previous year ₹ 113.61 crore), as also execution of lease agreements for **8,958 acres** of land of value **₹ 244.72 crore** (previous year 8,820 acres, value ₹ 271.98 crore) in favour of the Company are awaiting completion of legal formalities.
	b)	Leasehold land includes **30 acres** valuing **₹ 0.05 crore** (previous year 30 acres valuing ₹ 0.05 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 **1,247 acres** of value **₹ 15.09 crore** (previous year 1,223 acres of value ₹ 11.03 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
	e)	Land includes an amount of **₹ 115.27 crore** (previous year ₹ 124.26 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 'Other Liabilities' in 'Current Liabilities'.
	g)	During the year, freehold land measuring **36 acres** was handed over by the Government of Uttar Pradesh to Company in exchange of freehold land measuring **35 acres** without any financial consideration.
	h)	The cost of right of use of land for laying pipelines amounting to **₹ 5.76 crore** (previous year ₹ 1.28 crore) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the legal right to use.
	i)	Cost of acquisition of the right for drawl of water amounting to **₹ 8.41 crore** (previous year nil) is included under intangible assets – Right of Use - Others. The right of drawl of water is for thirty years and the cost is accordingly amortized.
2	a)	The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1st April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at **₹ 44,473.93 crore** during the year ended 31st March 2010 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (ATE) for the tariff period 2004-2009 including as referred to in para 2 (e). The Tariff Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31st March 2009 approved by the CERC. The amount provisionally billed during the year ended 31st March 2010 on this basis is **₹ 43,765.13 crore**.
	b)	For the units commissioned during the year, pending the determination of tariff by CERC, sales of **₹ 1,735.40 crore** have been provisionally recognised on the basis of principles enunciated in the Tariff Regulations, 2009. The amount provisionally billed for such units is **₹ 1,536.50 crore**.
	c)	Sales of (-) **₹ 600.60 crore** (previous year ₹ 1,020.04 crore) pertaining to previous years has been recognized based on the orders issued by the CERC/ATE.
	d)	In terms of Regulation 39, CERC Tariff Regulations, 2009, notified by the CERC, the Company has determined the amount of the Deferred Tax Liability (net) materialised during the year pertaining to the period upto 31st March 2009 by identifying the major changes in the elements of Deferred Tax

		Liability/Asset, as recoverable from the beneficiaries and accordingly a sum of ₹ **248.47 crore** (net) has been recognised as Sales during the year.
	e)	In respect of stations/units where the CERC had issued tariff orders applicable from 1st April 2004 to 31st March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the ATE. The ATE disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed an appeal with the Hon'ble Supreme Court of India on some of the issues decided by the ATE which is pending. The Company has submitted that it would not press for determination of the tariff by the CERC as per ATE orders pending disposal of the appeal by the Hon'ble Supreme Court. Considering expert legal opinions obtained that, it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 amounting to ₹ **1,044.29 crore** were recognised in earlier years based on provisional tariff worked out by the Company as per the methodology and directions as decided by the ATE. Due to further CERC tariff orders received during the year, the provisional sales of ₹ **1,044.29 crore** has now been reduced to ₹ **1,025.60 crore.** The sales accounted as above is subject to final outcome of the decision of the Hon'ble Supreme Court of India and consequential effect, if any, will be given in the financial statements upon disposal of the appeal.
3.		Sundry debtors – Other Debts, Unsecured includes ₹ **1,001.15 crore** (previous year ₹ 390.10 crore) towards revenue accounted in accordance with the accounting policy no. L.1 which is yet to be billed.
4.		Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, CERC through Regulations, 2009 notified the rates of depreciation. CERC exercising its powers under Section 79 of the Electricity Act, 2003 requested the Ministry of Power to advise the Ministry of Corporate Affairs to notify the rates of depreciation considered by the CERC for tariff determination as depreciation under Section 205 (2) (c) of the Companies Act, 1956. Ministry of Corporate Affairs is yet to notify such rates under Section 205 (2) (c) of the Companies Act, 1956. The Company has also obtained legal opinions that the Tariff Policy cannot override the provisions of the Companies Act, 1956 and it is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific provision in the Electricity Act, 2003. Hence provisions of Section 616 of the Companies Act, 1956 are also not applicable in this regard. Accordingly, the Company is charging depreciation consistently at the rates specified in Schedule XIV of the Companies Act, 1956 with effect from the financial year 2004-05 except as stated in accounting policy no.M.1.
5.		Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to ₹ **115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.
6.		The pay revision of the employees of the Company was due w.e.f. 1st January 2007. Based on the guidelines issued by Department of Public Enterprises (DPE), Government of India (GOI), the pay revision of the executive category of employees has been approved during the year. Pending finalisation of pay revision in respect of employees in the non-executive category, provision of ₹ **314.46 crore** and ₹ **658.96 crore** (previous year ₹ 176.70 crore and ₹ 344.50 crore) has been made for the year and upto year respectively on an estimated basis having regard to the guidelines issued by DPE. A sum of ₹ **138.69 crore** (previous year ₹ 74.80 crore) paid as adhoc advance towards pay revision to the employees in the non-executive category is included in 'Loans and Advances'.

7.		The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to ₹ **276.80 crore** (previous year ₹ 276.80 crore) out of which ₹ **269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of ₹ **7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.
8.		As per the direction of the Ministry of Power (MOP), a memorandum of understanding was signed between the Company, Gujarat Power Corporation Ltd. (GPCL) and Gujarat Electricity Board (GEB) on 20th February 2004 to set up Pipavav Power Project. The Company disassociated from the Pipavav Power Project, a wholly owned subsidiary of the Company, on 24th May 2007 after obtaining approval from the MOP. MOP, Government of India, conveyed its approval vide Presidential Directive No. 5/5/2004-TH-II dated 3rd July 2009 for winding-up of the Pipavav Power Development Company Ltd. (PPDCL) pending final settlement of claims with GPCL/Government of Gujarat. The Board of Directors of NTPC Ltd. have also given consent for winding up of the PPDCL. MOP, GOI through its further Presidential Directive No. 5/5/2004-TH-II dated 15th April 2010 conveyed the approval of GOI to permit NTPC for winding up of PPDCL through striking off the name under Section 560 of the Companies Act, 1956. Accordingly, necessary application/declarations have been filed with the Registrar of Companies (ROC) for striking off the name of the Company from the Register of Companies maintained by the ROC. Pending liquidation of the PPDCL, an amount of ₹ **0.37 crore** (Previous year ₹ 0.37 crore) received from GPCL is included in other liabilities under 'Current Liabilities'. As full amount has been received towards equity invested, no provision is considered necessary for diminution in the value of investment.
9.		Consequent to the notification no.S.O.2804 (E) dated 3rd November 2009, issued by Ministry of Environment and Forest (MoEF), Government of India, direct/indirect expenses relating to fly ash for the period from 3rd November 2009 to 31st March 2010 amounting to ₹ **0.80 crore** has been adjusted from 'Ash Utilisation and Marketing Expenses' and transferred to the subsidiary company NTPC Vidyut Vyapaar Nigam Limited for adjustment with reserve. The reserve in terms of the said notification is maintained by the said subsidiary company.
10.		As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29th May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.
11.		The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.
12.		Fixed assets, capital work-in-progress and construction stores and advances include ₹ **676.47 crore** in respect of one of the hydro power project, the construction of which has been suspended temporarily from 18th May 2009 on the advice of the Ministry of Power, GOI. Presently, the issue regarding resumption of the project is under consideration with the GOI. Pending decision, borrowing costs of ₹ **23.74 crore** have not been capitalised from the date of suspension.

13.		Progress of work under the contract for steam generator and auxiliaries package at one of the project has been affected due to certain disputes with the contractor. While the contractual and other related issues are under deliberation, the contract continues to be in force and supplies of equipment/structural items have been made by the contractor during the year. Construction of other systems for the project is also in progress. Since activities that are necessary to prepare the asset for its intended use are in progress, borrowing costs continue to be capitalised.
14.		Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.
15.		The Company is executing a thermal power project in respect of which possession certificates for 1,489 acres of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31st March 2010 **₹ 183.11 crore** is included in Fixed Assets. Management is confident of recovery of cost incurred, hence no provision is considered necessary.
16.	a)	Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.
	b)	In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
17.		Effect of changes in Accounting Policies:
	a)	Tariff Regulations, 2009 issued by the CERC provide that the balance depreciable value of the each of the existing stations as on 1st April, 2009 shall be worked out by deducting the cumulative depreciation including the Advance Against Depreciation (AAD) as admitted by the CERC up to 31st March 2009 from the gross depreciable value of the assets thereby merging AAD with depreciation for tariff recovery. Under the said Tariff Regulations, the CERC also has notified the revised rates of depreciation and removed the provision for AAD. In view of the change in CERC Tariff Regulations, 2009, the Company revised its accounting policy no. L.2 and the amount of AAD required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been assessed station-wise and wherever an excess has been determined as on 1st April 2009, the same amounting to **₹ 311.47 crore** has been recognised as sales during the year. In addition, **₹ 5.30 crore** has been recognised as sales during the year out of AAD consequent to this change.
	b)	Claims on the Company for price variation which were hitherto accounted for on acceptance. During the year, unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts. Consequently, profit for the year is lower by **₹ 1.99 crore**, fixed assets are higher by **₹ 284.94 crore** and current liabilities are higher by **₹ 286.93 crore**.
18.		Revenue grants recognised during the year is **₹ 1.71 crore** (previous year ₹ 0.86 crore).
19.		**Disclosure as per Accounting Standard (AS) 15**: General description of various defined 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 **₹ 159.70 crore** (Previous year ₹ 98.49 crore) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. 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.

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 taken over employees from erstwhile State Government Power Utility. These 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 retired employee and the 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.

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 taken over employees from erstwhile State Government Power Utility at another station.

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. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. 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 profit and loss account, balance sheet are as under:

(Figures given in { } are for previous year)

i) **Expenses recognised in Profit & Loss Account**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	48.91 {49.63}	8.20 {7.72}	33.54 {39.16}	4.99 {5.47}
Past Service Cost	- {414.41}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	78.07 {37.52}	16.00 {12.24}	48.60 {36.12}	9.41 {7.11}
Expected return on plan assets	(42.70) {(37.15)}	- {-}	- {-}	- {-}
Net actuarial (gain)/loss recognised in the year	(39.93) {19.18}	11.59 {21.24}	34.54 {111.08}	36.05 {16.54}
Expenses recognised in the Profit & Loss Account	44.35 {483.59}	35.79 {41.20}	116.68 {186.36}	50.45 {29.12}

ii) **The amount recognised in the Balance Sheet**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2010	1,065.03 {1,040.98}	244.40 {213.28}	585.08 {647.93}	167.46 {125.50}
Fair value of plan assets as at 31.03.2010	987.14 {536.57}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	77.89 {504.41}	244.40 {213.28}	585.08 {647.93}	167.46 {125.50}

iii) **Changes in the present value of the defined benefit obligations:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.04.2009	1,040.99 {536.09}	213.29 {174.94}	647.94 {516.01}	125.51 {101.60}
Interest cost	78.07 {37.52}	16.00 {12.24}	48.60 {36.12}	9.41 {7.11}
Current Service Cost	48.91 {49.63}	8.20 {7.72}	33.54 {39.16}	4.99 {5.47}
Past Service Cost	- {414.41}	- {-}	- {-}	- {-}
Benefits paid	(88.51) {(20.96)}	(4.68) {(2.86)}	(179.54) {(54.44)}	(8.50) {(5.22)}
Net actuarial (gain)/ loss on obligation	(14.43) {24.28}	11.59 {21.24}	34.54 {111.08}	36.05 {16.54}
Present value of the defined benefit obligation as at 31.03.2010	1065.03 {1,040.98}	244.40 {213.28}	585.08 {647.93}	167.46 {125.50}

iv) **Changes in the fair value of plan assets:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.04.2009	536.40 {462.34}	- {-}	- {-}	- {-}
Expected return on plan assets	42.70 {37.15}	- {-}	- {-}	- {-}
Contributions by employer	469.10 {51.26}	- {-}	- {-}	- {-}
Benefit paid	(86.56) {(19.28)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	(25.50) {5.10}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2010	987.14 {536.57}	- {-}	- {-}	- {-}

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	4.99	3.92
Present value of obligation	42.15	33.62

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **₹ 3.42 crore (credit)** (previous year debit of ₹ 1.56 crore) for the year have been made on the basis of actuarial valuation at the year end and credited to the Profit & Loss Account.

G. Details of the Plan Assets

The details of the plan assets at cost as on 31st March are as follows:

₹ Crore

		2010	2009
i)	State Government securities	**229.26**	93.80
ii)	Central Government securities	**317.68**	182.40
iii)	Corporate Bonds/ debentures	**422.15**	223.60
iv)	RBI Special Deposit	**23.99**	24.00
v)	Money Market Instruments	**24.90**	Nil
	Total	**1,017.98**	523.80

H. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

		2010	2009
i)	Method used	Projected Unit Credit Method	
ii)	Discount rate	**7.50%**	7.00%
iii)	Expected rate of return on assets:		
	- Gratuity	**8.00%**	8.00%
	- Pension	**7.00%**	9.00%
iv)	Future salary increase	**5.00%**	4.50%

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.

I. Actual return on plan assets ₹ **68.16 crore** (previous year ₹ 42.25 crore).

J. The Company's best estimate of the contribution towards Gratuity/Pension for the financial year 2010-11 is ₹ **31.98 crore.**

20. The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) credited to the Profit & Loss Account is ₹ **18.91 crore** (previous year debit of ₹ 24.36 crore).

ii) The amount of exchange differences (net) credited to the carrying amount of fixed assets and Capital work-in-progress is ₹ **1,181.54 crore** {previous year ₹ 1,164.89 crore (debit)}.

21. Borrowing costs capitalised during the year are ₹ **1,480.40 crore** (previous period ₹ 1,222.08 crore).

22. **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					
	Generation		Others		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**46,168.67**	41,791.29	**153.92**	132.54	**46,322.59**	41,923.83
Internal consumption of electricity	**55.10**	51.38	**-**	-	**55.10**	51.38
Total	**46,223.77**	41,842.67	**153.92**	132.54	**46,377.69**	41,975.21
Segment Result #	**10,152.53**	9,053.05	**58.16**	41.84	**10,210.69**	9,094.89
Unallocated Corporate Interest and Other Income					**2,467.66**	3,061.48
Unallocated Corporate expenses, interest and finance charges					**1,792.88**	2,796.90
Profit before Tax						
Income/Fringe Benefit Taxes (Net)					**2,157.27**	1,158.17
Profit after Tax					**8,728.20**	8,201.30
Other information						
Segment assets	**46956.86**	42,433.34	**143.32**	104.45	**47,100.18**	42,537.79
Unallocated Corporate and other assets					**65,773.57**	62,687.98
Total assets	**46,956.86**	42,433.34	**143.32**	104.45	**112,873.75**	105,224.77
Segment liabilities	**7,506.66**	8,596.69	**88.87**	72.19	**7,595.53**	8,668.88
Unallocated Corporate and other liabilities					**42840.70**	39,185.83
Total liabilities	**7,506.66**	8,596.69	**88.87**	72.19	**50436.23**	47,854.71
Depreciation	**2,617.95**	2,337.59	**0.17**	0.18	**2618.12**	2,337.77
Non-cash expenses other than Depreciation	**10.88**	24.45	**-**	-	**10.88**	24.45
Capital Expenditure	**9864.69**	13,084.83	**113.85**	27.73	**9978.54**	13,112.06

***** Includes (-) **₹ 600.60 crore** (previous year ₹ 1,020.04 crore) for sales related to earlier years.

Generation segment result would have been **₹ 10,753.13 crore** (previous period ₹ 8,033.01 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.

23. **Related Party Disclosures:**

a) Related parties:

i) Joint ventures:
Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd.

ii) Key Management Personnel:

Shri R.S. Sharma	Chairman and Managing Director
Shri Chandan Roy	Director (Operations)
Shri R.K. Jain[1]	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (Human Resources)
Shri K.B. Dubey[2]	Director (Projects)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh[3]	Director (Projects)

1. Superannuated on 31st December 2009. 2. Superannuated on 31st July 2009. 3. W.e.f. 1st August 2009.

b) Transactions with the related parties at a (i) above are as follows:

₹ Crore

Particulars	Current Year	Previous Year
Transactions during the year		
• Contracts for Works/ Services for services received by the Company**:**		
- Utility Powertech Ltd.	**217.55**	185.32
- NTPC-Alstom Power Services Private Ltd.	**9.93**	35.45
• Deputation of Employees:		
- Utility Powertech Ltd.	**1.75**	1.33
- NTPC-Alstom Power Services Private Ltd	**4.46**	2.30
• Dividend Received:		
- Utility Powertech Ltd.	**0.30**	1.20
- NTPC-Alstom Power Services Private Ltd.	**0.60**	0.60
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.25**	1.70
- NTPC-Alstom Power Services Private Ltd	**1.64**	0.87
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**36.14**	28.04
- NTPC-Alstom Power Services Private Ltd	**14.68**	14.33
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.73**	0.54
- NTPC-Alstom Power Services Private Ltd	**1.81**	3.67

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **₹ 4.02 crore** (previous year ₹ 3.90 crore).

c) Remuneration to key management personnel for the year is **₹ 2.63 crore** (previous year ₹ 1.41 crore) and amount of dues outstanding to the Company as on 31st March 2010 are **₹ 0.11 crore** (previous year ₹ 0.30 crore).

24. **Disclosure regarding 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

		31.03.2010	31.3.2009
a)	Obligations towards minimum lease payments		
	• Not later than one year	**0.67**	0.64
	• Later than one year and not later than five years	**0.83**	1.34
	• Later than five years	**-**	-
	Total	**1.50**	1.98
b)	Present value of (a) above		
	• Not later than one year	**0.53**	0.45
	• Later than one year and not later than five years	**0.74**	1.14
	• Later than five years	**-**	-
	Total	**1.27**	1.59
c)	Finance Charges	**0.23**	0.39

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. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹ **68.85 crore** (previous period ₹ 30.75 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 shown as Rent in Generation, Administration and Other Expenses.

25. **Earning 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	**8,728.20**	8,201.30
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earning per share (Basic and Diluted) - Rupees	**10.59**	9.95
Face value per share – (₹)	**10/-**	10/-

26. a) The item-wise details of deferred tax liability (net) are as under:

₹ Crore

	31.03.2010	**31.03.2009**
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**4,104.66**	7,004.48
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**847.83**	1,530.98
ii) Disallowances u/s 43B of the Income Tax Act, 1961	**207.42**	338.55
	1,055.25	1,869.53
Deferred tax liability (net)	**3,049.41**	5,134.95

During the year, the deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2009 amounting to ₹ 5,134.95 crore have been reviewed and restated to ₹ **2,494.25 crore.** In terms of Regulation 39, CERC Tariff Regulations, 2009, the Company has determined the amount of the deferred tax liability (net) materialised during the year pertaining to the period up to 31st March 2009 by identifying the major changes in the elements of deferred tax liability/asset, as recoverable from the beneficiaries. Accordingly, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2010 works out to ₹ **3,049.41 crore** and ₹ **2,840.24 crore** respectively**.**

The net increase during the year in the deferred tax liability is ₹ **209.06 crore** (previous year decrease ₹ 448.84 crore) has been debited to Profit & Loss Account.

27. Research and development expenditure charged to revenue during the year is ₹ **20.56 crore** (previous period ₹ 8.10 crore).

28. **Interest in Joint Ventures:**

a) Joint Venture Entities:

Company	**Proportion of ownership interest as on (Excluding Share Application Money)**	
	31.03.2010	31.03.2009
	% age	% age
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3, NTPC-SAIL Power Company Private Ltd.	**50**	50
4. NTPC -Tamilnadu Energy Company Ltd.	**50**	50
5. Ratnagiri Gas and Power Private Ltd.*	**29.65**	28.33
6. Aravali Power Company Private Ltd.	**50**	50
7. NTPC - SCCL Global Ventures Private Ltd.	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.	**49**	49

11. Nabinagar Power Generating Company Private Ltd.	**50**	50
12. National Power Exchange Ltd.*	**16.67**	16.67
13. International Coal Ventures Private. Ltd.*	**14.28**	-
14. National High Power Test Laboratory Private Ltd.	**25**	-
15. Transformers & Electrical Kerala Ltd.*	**44.60**	-
16. Energy Efficiency Services Private Ltd.*	**25**	-

* *The accounts are unaudited*

The above joint venture entities are incorporated in India. The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2010 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

₹ Crore

		31.03.2010	31.03.2009
A.	Assets		
	• Long Term Assets	**8,672.88**	5,920.80
	• Current Assets	**1,032.00**	650.90
	Total	**9,704.88**	6,571.70
B.	Liabilities		
	• Long Term Liabilities	**6,339.54**	4,253.70
	• Current Liabilities and Provisions	**915.55**	624.20
	Total	**7,255.09**	4,877.90
C.	Contingent Liabilities	**59.89**	14.80
D.	Capital Commitments	**3,989.50**	3,693.60
		Current Year	Previous Year
E.	Income	**1,836.90**	641.20
F.	Expenses	**1,723.80**	787.90

b) Joint Venture Operations:

The Company along-with M/s Geopetrol International Inc., M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. (the consortium) is carrying out exploration for oil and gas block (Block AA-ONN-2003/2) allotted in the State of Arunachal Pradesh for which a Production Sharing Contract (PSC) was entered into with Government of India. M/s Geopetrol International Inc. with 30% participating interest (PI) is the Operator of the Block. M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. with 15% PI each and the Company with 40% PI are the other joint venture partners.

During the year, unforeseen difficulties were encountered in the drilling plinth preparation at the first location where the operations were taken up. The operator has proposed to withdraw from the PSC and served a notice of resignation. The Company is in search of suitable partner(s) for reconstitution of the consortium and for operation of the block to restart the drilling activities. The Company has taken up the matter with Directorate General of Hydrocarbons for suitable time extension on account of delays in grant of statutory clearances for completion of minimum work programme (MWP) and also on account of force majeure conditions.

Based on the un-audited statement of the accounts forwarded by the Operator, the Company's share of PI in respect of assets and liabilities as at 31st March 2010 and expenditure for the year ended on that date has been accounted for as under:

₹ Crore

Item	**2009-10 (Un-audited)**	2008-09 (Audited)
Expenses	**3.21**	8.66
Fixed Assets including Capital work-in-progress	**8.00**	3.47
Other Assets	**6.90**	5.39
Current Liabilities	**1.76**	0.30
Contingent liability	**46.46**	-

The Company's share of the MWP committed under the PSC for the block is ₹ **60.63 crore** (Previous year ₹ 61.20 crore).

29. 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.

30. **Foreign currency exposure not hedged by a derivative instrument or otherwise**:

₹ Crore

Sl. No	Particulars	Currencies	Amount	
			31.03.2010	31.03.2009
a)	Borrowings, including interest accrued but not due thereon.	USD JPY Others	**7,052.16** **2,911.30** **422.53**	7,461.24 3,233.88 472.73
b)	Sundry creditors/deposits and retention monies	USD EURO Others	**967.18** **349.32** **41.91**	690.21 121.77 99.74
c)	Sundry debtor and Bank balances	USD EURO	**1.56** **-**	11.94 30.99
d)	Unexecuted amount of contracts remaining to be executed	USD EURO Others	**3,346.52** **4,642.55** **32.88**	4,381.82 4,026.99 58.73

31. The pre-commissioning expenses during the year amounting to **₹ 145.88 crore** (previous year ₹ 168.87 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **₹ 96.10 crore** (previous year ₹ 160.98 crore) resulting in a net pre-commissioning expenditure of **₹ 49.78 crore** (previous year ₹ 7.89 crore).

32. Payment to the Statutory Auditors:

₹ Crore

	Current year	Previous year
Audit Fees	**0.74**	0.76
Tax audit Fees	**0.26**	0.27
Certification Fees	**0.82**	0.72
Reimbursements		
-Travelling Expenses	**0.43**	0.55
- Service Tax	**0.19**	0.20
Total	**2.44**	2.50

33. a) Information in respect of Micro, Small and Medium Enterprises as at 31st March 2010:

₹ Crore

Sl.	**Particulars**	**Amount**
a)	Amount remaining unpaid to any supplier: • Principal amount • Interest due thereon (*₹ 218,964/-)	0.51*
b)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along-with the amount paid to the suppliers beyond the appointed day.	0.51
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 Micro, Small and Medium Enterprises Development Act, 2006. (*₹ 10,813/-)	*
d)	Amount of interest accrued and remaining unpaid (*₹ 2,18,964/-)	*
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 Micro, Small and Medium Enterprises Development Act, 2006 (*₹ 1,77,047/-)	*

34. Loans and Advances due from subsidiaries:

₹ Crore

Name of Subsidiary	Outstanding Balance as at		Maximum Amount Outstanding	
	31.03.2010	31.03.2009	**31.03.2010**	31.03.2009
NTPC Electric Supply Company Ltd.	**8.68**	12.87	**30.61**	52.39
NTPC Vidyut Vyapar Nigam Ltd	**8.50**	2.04	**21.16**	7.77
Pipavav Power Development Company Ltd. (#₹ 27,641/- and * ₹ 11096/-)	**-**	*	#	*
NTPC Hydro Ltd.	**1.00**	0.26	**4.02**	6.81
Kanti Bijlee Utpadan Nigam Ltd.	**33.06**	39.42	**39.42**	49.25
Bharatiya Rail Bijlee Company Ltd.	**2.03**	0.86	**7.19**	8.25
Total	**53.27**	55.45	**102.46**	124.47

35. 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	
	31.03.2010	31.03.2009	**31.03.2010**	31.03.2009
Kanti Bijlee Utpadan Nigam Ltd.	**26.29**	30.75	**30.75**	40.00
NTPC Vidyut Vyapar Nigam Ltd.	**Nil**	Nil	**16.50**	Nil

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 below Section 372A of the Companies Act, 1956 : **₹ 26.29 crore**

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

36. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2010 is **₹ 30,534.58 crore** (previous year ₹ 27,219.85 crore).

37. **Contingent Liabilities:**

1. 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 **₹ 3,879.77 crore** (previous year ₹ 4662.26 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 contract 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 **₹ 1,786.25 crore** (previous year ₹ 1,551.47 crore) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **₹ 1,284.78 crore** (previous year ₹ 1,258.50 crore) has been estimated. This includes amount of **₹ 255.82 crore** (previous year ₹ 255.82 crore) billed by the Coal supplier on account of MPGATSV tax up to 31st July 2007 which is subject matter of dispute before the Hon'ble Supreme Court.

In respect of (i) and (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 ₹ **428.90 crore** (previous year ₹ 275.02 crore).

2. Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **₹ 2,292.42 crore** (previous year ₹ 68.18 crore) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimated possible reimbursement of **₹ 1,793.37 crore** (previous year ₹ 0.78 crore).

3. Others

Other contingent liabilities amounts to ₹ **266.14 crore** (previous year ₹ 169.84 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.

38. Managerial remuneration paid/payable to Directors

₹ Crore

	Current Year	Previous Year
Salaries and allowances	**1.95**	1.14
Contribution to provident fund & other funds including gratuity & group insurance	**0.21**	0.10
Other benefits	**0.47**	0.17
Directors' fees	**0.29**	0.16

In addition to the above remuneration the whole time Directors have been allowed the use of staff car including for private journeys, on payment of ₹ 780/- per month, as contained in the Ministry of Finance (BPE) Circular No.2 (18)/pc/64 dt.29.11.64, as amended.

The provisions for/contribution to gratuity, leave encashment and post-retirement medical facilities are ascertained on actuarial valuation done on overall Company basis and hence not ascertainable separately.

39. During the year, 'Further Public Offer' of 412,273,220 equity shares of ₹ 10/- each of the Company through an offer for sale by the President of India, acting through the Ministry of Power, GOI was made through the alternate book building process. Consequently, shareholding of the GOI reduced to 84.50% from 89.50%.

40.

Licensed and Installed Capacities as at: (As certified by Management)	**Current Year**	Previous Year
Licensed Capacity - Not applicable		
Installed Capacity (MW Commercial units)	**28,902**	27,912
Quantitative information in respect of Generation and Sale of Electricity:	Current Period	Previous Period
a) Pre-commissioning period :		
Generation (in MUs)	**401**	785
Sales (in MUs)	**338**	724
b) Commercial period :		
Generation (in MUs)	**218,439**	206,156
Sales (in MUs)	**205,091**	193,688
c) Value of imports calculated on CIF basis (₹ Crore):		
Capital goods	**896.97**	1,038.58
Spare parts	**139.26**	91.87

	d) Expenditure in foreign currency (₹ Crore):				
	Professional and Consultancy fee		**5.33**		2.39
	Interest		**358.83**		406.67
	Others		**18.78**		60.07
	e) Value of Components, Stores and Spare parts consumed (including fuel) (₹ Crore):	**%age**	**Amount**	**%age**	**Amount**
	Imported	**14.13**	**4,260.71**	10.40	2885.54
	Indigenous	**85.87**	**25,895.97**	89.60	24,848.37
	f) Earnings in foreign exchange (₹ Crore):				
	Professional & Consultancy fee		**0.80**		2.10
	Interest		**-**		1.40
	Others		**0.05**		0.11

41. Figures have been rounded off to nearest rupees in crore.

42. Previous year figures have been regrouped /rearranged wherever necessary.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2008-09 - STANDALONE

1.	a)	The conveyancing of the title to **10,844 acres** of freehold land of value **₹ 494.96 crore** (previous year 10,288 acres of value ₹ 356.33 crore) and buildings & structures valued at **₹ 113.61 crore** (previous year ₹ 78.14 crore), as also execution of lease agreements for **8,820 acres** of land of value **₹ 271.98 crore** (previous year 7,403 acres, value ₹ 82.00 crore) in favour of the Company are awaiting completion of legal formalities.
	b)	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.
	c)	Land includes **1,223 acres** of value **₹ 11.03 crore** (previous year 1,334 acres of value ₹ 11.31 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
	d)	Land includes an amount of **₹ 124.26 crore** (previous year ₹ 159.04 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.
	e)	The cost of right of use of land for laying pipelines amounting to **₹ 1.28 crore** (previous year ₹ 1.28 crore) is included under intangible assets. The right of use is perpetual in nature and accordingly not amortised.
2.	a)	The Central Electricity Regulatory Commission (CERC) has notified by Regulations in March 2004, the terms and conditions for determination of tariff applicable with effect from 1st April 2004 for a period of five years. The CERC has issued final tariff orders for all the stations/units except for two stations (four units), where sales of **₹ 1,317.23 crore**, for the current year (previous year ₹ 1,502.75 crore) have been recognised based on provisional tariff orders issued by CERC.
	b)	In respect of stations/units where the CERC had issued final tariff orders applicable from 1st April 2004, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed an appeal with the Appellate Tribunal for Electricity (ATE). The ATE has disposed off the appeal favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC has filed an appeal with the Hon'ble Supreme Court of India on some of the issues decided by the ATE which is pending and is yet to issue the revised tariff orders for the balance issues in respect of some of the stations as per the directions of the ATE. Sales for the year in respect of these stations amounting to **₹ 37,066.11 crore** (previous year ₹ 30,701.32 crore) have been accounted for based on provisional tariff worked out by the Company as per the methodology and directions as decided by the ATE.
	c)	Sales in respect of one of the stations has been provisionally recognised at **₹ 1,440.17 crore** (previous year ₹ 1,307.44 crore) on the basis of principles enunciated under CERC Regulations, 2004, as against the billing of **₹ 1,456.94 crore** (previous year ₹ 1,325.79 crore) as per tariff order issued by CERC, prior to the takeover of the station by the company.
	d)	Sales of **₹ 1,020.04 crore** (previous year ₹ 1,133.57 crore) pertaining to previous years has been recognised based on the orders issued by CERC/ATE.

3.		Depreciation has been charged at the rates specified in Schedule XIV of the Companies Act, 1956 except as stated in accounting policy no.12.2.1. Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, the CERC has not revised the rates of depreciation for the tariff period 1st April 2004 to 31st March 2009. The Company has been advised that the Tariff Policy cannot override the provisions of the Companies Act, 1956 and it is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific deviation contained in the Electricity Act, 2003 which could be said to have been saved by Section 616 of the Companies Act, 1956. The Company has also been advised that there is no such provision in the Electricity Act, 2003 either prescribing the rates of depreciation for the generating Company or otherwise empowering any authority for providing depreciation rates for accounting purposes in supercession of the provisions of the Companies Act, 1956.
4.		Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.
5.		The pay revision of the employees of the Company is due w.e.f 1st January 2007. Pending implementation of pay revision, provision for the year **₹ 534.23 crore** (previous year ₹ 409.42 crore) and up to the year **₹ 1,041.51 crore** (upto previous year 31st March 2008 ₹ 507.28 crore) has been made towards wage revision on an estimated basis having regard to the guidelines issued by Department of Public Enterprises, GOI. A sum of **₹ 314.18 crore** (previous year ₹ 144.42 crore) paid as adhoc advance towards pay revision is included in 'Loans and Advances'.
6.		In accordance with the Uttar Pradesh Electricity Reforms (Transfer of Tanda Generation Undertaking) Scheme 2000, the assets for **₹ 607.00 crore** (previous year ₹ 607.00 crore) of Tanda Power Station of UP State Electricity Board (UPSEB) were handed over to the Company free from all encumbrances. However, the mortgage created by UPSEB on fixed assets in favour of Life Insurance Corporation of India (LIC) before the assets were taken over was not vacated. Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd (erstwhile UPSEB) has confirmed the repayment of loan to LIC and the process of de-mortgage of fixed assets of Tanda Power Station is in progress.
7.		The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **₹ 276.80 crore** (previous year ₹ 276.80 crore) out of which **₹ 269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of **₹ 7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.
8.		As per the direction of the Ministry of Power (MOP), a memorandum of understanding was signed between the Company, Gujarat Power Corporation Ltd. (GPCL) and Gujarat Electricity Board (GEB) on 20th February 2004 to set up Pipavav Power Project. The Company disassociated from the Pipavav Power Project on 24th May 2007 after obtaining approval from the MOP. The Board of Directors of NTPC Ltd., have given consent for winding up of the Pipavav Power Development Company Ltd. (PPDCL), a wholly owned subsidiary of the Company after due settlement of claims towards expenses incurred by the Company on PPDCL with GPCL/GOG. During the year, a sum of ₹ 2.17 crore has been received from M/s GPCL out of which ₹ 0.37 crore has been adjusted against claims recoverable, ₹ 0.37 crore received towards equity contribution has been shown as other liability pending liquidation of PPDCL and the balance amount of ₹ 1.42 crore has been accounted as Miscellaneous Income and Interest – Others. As full amount has been received towards equity invested, no provision is considered necessary for diminution in the value in investment.

9.		Based on the opinions of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) received during the year, in respect of land in possession of the company, provision of **₹ 284.22 crore** has been made towards expenditure on resettlement & rehabilitation activities including the amount payable to the project affected persons (PAPs) towards land for land option, resettlement grant or other grants, providing community facilities and compensatory afforestation, greenbelt development & loss of environmental value etc. based on the Rehabilitation Action Plan (RAP) of the Company or as per the agreement with/demand letters/directions of the local authorities and the same is included in the cost of land.
10.		Consequent to the issuance of the new Coal Distribution Policy by Ministry of Coal in October 2007, the Company and Coal India Ltd. (holding Company of the coal suppliers), revisited the Model Coal Supply Agreement (CSA) initialled in March 2007. The new CSA, which is in advance stage of finalisation, would be valid for 20 years with a provision for review after every 5 years. On finalisation, separate CSAs would be signed by each station with the respective subsidiaries of Coal India Ltd.
11		The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL, the Company has also paid entry tax and sales tax on transmission charges in respect of supplies made to various stations in the state of Uttar Pradesh. GAIL has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL on settlement of these cases, the same will be passed on to respective beneficiaries.
12	a)	Balances shown under advances, creditors and material lying with contractors and material issued on loan in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.
	b)	In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
13.		Effect of changes in Accounting Policies:
	a)	I) Based on the opinions of the EAC of the ICAI, pronounced during the year, with regard to accounting of exchange differences arising from restatement/settlement of foreign currency monetary items, the following adjustments have been carried out: (i) Exchange differences (gain) of **₹ 753.57 crore** in respect of foreign currency loans contracted before 1st April 2004, which were hitherto treated as borrowing cost and recognised in the Profit and Loss Account have been adjusted in the cost of related assets by debit to 'Prior Period Interest'. Due to the above adjustment, depreciation of **₹ 247.82 crore** pertaining to previous years has been written back through 'Prior Period Depreciation' and depreciation for the year is lower by **₹ 40.82 crore.** (ii) Exchange differences (gain) of **₹ 9.88 crore** for the financial years 2004-05 to 2006-07 arising from restatement/settlement of foreign currency monetary items in respect of transactions entered into on or after 1st April 2004, which were hitherto treated as Incidental Expenditure During Construction (IEDC) at units under construction have been recognized in the Profit & Loss Account through 'Prior Period Interest/Exchange differences'. Due to the above adjustment, depreciation amounting to **₹ 0.24 crore** pertaining to previous years has been charged to 'Prior Period Depreciation' and depreciation for the year is higher by **₹ 0.51 crore.** II) In line with the Central Government Gazette Notification No.193 dated 31st March 2009 amending Accounting Standard (AS) – 11 on 'The Effects of Changes in Foreign Exchange Rates', the Company has exercised the option to adjust with effect from the financial year 2007-08, the exchange differences arising from restatement/settlement of long term foreign currency monetary items relating to acquisition of depreciable capital assets in the cost of related assets and depreciate the same over the balance life of the asset. Accordingly, the Company adjusted exchange differences arising for the financial year 2007-08 and 2008-09 amounting to **₹ 15.19 crore** included in the cost

		of related assets, of this a sum of **₹ 0.23 crore** relating to the year 2007-08 has been credited to the General Reserve as per the transitional provisions in the aforesaid Notification. Consequently, depreciation for the year is higher by **₹ 2.99 crore**. III) Consequent to the change in the accounting policies as detailed in (I) and (II) above, the balance of **₹ 255.37 crore** as on 31st March 2008 in the 'Deferred Foreign Currency Fluctuation Liability' has been written back through 'Prior Period Sales'. In respect of operating stations, an amount of **₹ 208.05 crore** recoverable from the beneficiaries in future years as per CERC Regulations corresponding to exchange differences recognised in the Profit & Loss Account for the periods up to 31st March 2008 has been recognised as 'Deferred Foreign Currency Fluctuation Asset' through 'Prior Period Sales'. Similarly, **₹ 414.43 crore** to be passed on to the beneficiaries in future years corresponding to exchange differences adjusted in the cost of related assets up to 31st March 2008 has been recognised as 'Deferred Foreign Currency Fluctuation Liability' by debit to 'Deferred Expenditure from Foreign Currency Fluctuation'. Due to accounting of such exchange differences, corresponding decrease in depreciation amounting to **₹ 73.60 crore** has been credited to 'Deferred Expenditure from Foreign Currency Fluctuation' by debit to 'Prior Period Depreciation out of Deferred Expenses/Income from Foreign Currency Fluctuation'. In case of projects under construction, 'Deferred Foreign Currency Fluctuation Asset/Liability' has been created corresponding to exchange differences recognised in the statement of Profit & Loss Account which are admissible for inclusion in capital cost for tariff determination as per CERC Regulations, relating to prior years **₹ 25.05 crore** and current year **₹ 26.83 crore.** As a result, net profit for the year is lower by **₹ 63.89 crore.**
	b)	Expenses common to operation and construction activities were hitherto allocated to Profit & Loss Account and Incidental Expenditure during Construction in proportion of sales to annual capital outlay in the case of Corporate Office and sales to accretion to capital work-in-progress in the case of projects. Consequent upon the withdrawal of Guidance Note on 'Treatment of Expenditure during Construction Period' by the ICAI, the Company has identified and allocated on a systematic basis the administration and general overhead expenses attributable to construction of fixed assets at the corporate office and construction projects and included the same in capital work-in-progress/fixed assets. Due to this, profit for the year and fixed assets/capital work-in-progress are lower by **₹ 73.33 crore.**
14.		The Company has progressively implemented SAP-ERP System at different units w.e.f. 1st June 2007. As a result, the valuation of inventory items has undergone a change from monthly weighted average to moving weighted average at the units where ERP system has been implemented during the year. Due to the above change, impact on profit for the year if any, is not ascertainable.
15.		Revenue Grants recognised during the year is **₹ 0.86 crore** (previous year ₹ 2.20 crore).
16.		**Disclosure as per Accounting Standard (AS) 15**: General description of various defined 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. The contribution to the fund for the year is recognised as expense and is charged to the Profit & Loss Account. 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.
	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** (previous year ₹ 0.04 crore), on superannuation, resignation, termination, disablement or on death.

The Company has a scheme of pension at one of the stations in respect of taken over employees from erstwhile State Government Power Utility.

These 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 retired employee and the 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.

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 taken over employees from erstwhile State Government Power Utility at another station.

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. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. 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 profit and loss account, balance sheet are as under:
(Figures given in { } represents previous year)

i) **Expenses recognised in Profit & Loss Account**

₹ crore

	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Current Service Cost	49.63 {40.63}	7.72 {6.72}	39.16 {31.40}	5.47 {42.29}
Past Service Cost	414.41 (-)	- {-}	- {-}	- {-}
Interest cost on benefit obligation	37.52 {36.79}	12.24 {11.61}	36.12 {31.33}	7.11 {7.16}
Expected return on plan assets	(37.15) {(35.33)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	19.18 {15.01}	21.24 {14.32}	111.08 {107.06}	16.54 {(37.17)}
Expenses recognised in the Profit & Loss Account	483.59 {57.10}	41.20 {32.65}	186.36 {169.79}	29.12 {12.28}

ii) **The amount recognised in the Balance Sheet**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.3.2009 (i)	1,040.98 {536.09}	213.28 {174.94}	647.93 {516.02}	125.50 {101.60}
Fair value of plan assets as at 31.3.2009 (ii)	536.57 {462.33}	- {-}	- {-}	- {-}
Difference (ii) – (i)	(504.41) {(73.76)}	(213.28) {(174.94)}	(647.93) {(516.02)}	(125.50) {(101.60)}
Net asset /(liability) recognised in the Balance Sheet	(504.41) {(73.76)}	(213.28) {(174.94)}	(647.93) {(516.02)}	(125.50) {(101.60)}

iii) **Changes in the present value of the defined benefit obligations:**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.4.2008	536.09 {459.95}	174.94 {145.18}	516.01 {391.59}	101.60 {89.54}
Interest cost	37.52 {36.79}	12.24 {11.61}	36.12 {31.33}	7.11 {7.16}
Current Service Cost	49.63 {40.63}	7.72 {6.72}	39.16 {31.40}	5.47 {42.29}
Past Service Cost	414.41 (-)	- {-}	- {-}	- {-}
Benefits paid	(20.95) {(16.65)}	(2.86) {(2.89)}	(54.44) {(45.37)}	(5.22) {(0.23)}
Net actuarial (gain)/ loss on obligation	24.28 {15.37}	21.24 {14.32}	111.08 {107.06}	16.54 {(37.16)}
Present value of the defined benefit obligation as at 31.3.2009	1040.98 {536.09}	213.28 {174.94)	647.93 {516.01}	125.50 {101.60}

iv) **Changes in the fair value of plan assets:**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.4.2008	462.34 {441.51}	- {-}	- {-}	- {-}
Expected return on plan assets	37.15 {35.34}	- {-}	- {-}	- {-}
Contributions by employer	51.26 {0.57}	- {-}	- {-}	- {-}
Benefit paid	(19.28) {(15.45)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	5.10 {0.36}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.3.2009	536.57 {462.33}	- {-}	- {-}	- {-}

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	3.17	2.56
Present value of obligation	39.82	31.92

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **₹ 1.56 crore** (previous year ₹ 3.39 crore) for the year have been made on the basis of actuarial valuation at the year end and charged to the profit & loss account.

G. Details of the Plan Asset

The details of the plan assets at cost as on 31st March are as follows:

₹ crore

		2009	2008
i)	State Government securities	**93.80**	90.30
ii)	Central Government securities	**182.40**	164.30
iii)	Corporate Bonds/ debentures	**223.60**	182.50
iv)	RBI Special Deposit	**24.00**	24.00
	Total	**523.80**	461.10

H. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

i)	Method used	Projected Unit Credit Method
ii)	Discount rate	7.00 %
iii)	Expected rate of return on assets - Gratuity	8.00 %
	- Pension	9.00 %
iv)	Future salary increase	4.50 %

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.

I. Actual return on Plan Assets **₹ 42.25 crore** (previous year ₹ 35.70 crore)

17. The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) debited to the Profit & Loss Account is **₹ 24.36 crore** {previous year ₹ 9.83 crore (credit)}.

ii) The amount of exchange differences debited to the carrying amount of fixed assets and Capital work-in-progress is **₹ 1,164.89 crore** {previous year ₹ 19.35 crore (credit)}.

18. Borrowing costs capitalised during the year is **₹ 1,222.08 crore** (previous year ₹ 638.32 crore).

19. **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					
	Generation		Others		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**41,791.29**	36,946.20	**132.54**	103.92	**41,923.83**	37,050.12
Internal consumption of electricity	**51.38**	40.87	**-**	-	**51.38**	40,87
Total	**41,842.67**	36,987.07	**132.54**	103.92	**41,975.21**	37,090.99
Segment Result #	**9,053.05**	9,080.76	**41.84**	28.86	**9,094.89**	9,109.56
Unallocated Corporate Interest and Other Income					**3,061.48**	2,769.64
Unallocated Corporate expenses, interest and finance charges					**2,796.90**	1,624.29
Income Taxes (Net)					**1,158.17**	2,840.10
Profit after Tax					**8,201.30**	7,414.81
Other information						
Segment assets	**42,433.34**	32,310.90	**104.45**	92.20	**42,537.79**	32,403.10
Unallocated Corporate and other assets					**62,686.98**	56,984.90
Total assets	**42,433.34**	32,310.90	**104.45**	92.20	**105,224.77**	89,388.00
Segment liabilities	**8,596.69**	6,314.80	**72.19**	54.60	**8,668.88**	6,369.40
Unallocated Corporate and other liabilities					**39,185.83**	30,380.00
Total liabilities	**8,596.69**	6,314.80	**72.19**	54.60	**47,854.71**	36,749.40
Depreciation	**2,337.59**	2,121.40	**0.18**	0.20	**2337.77**	2,121.60
Non-cash expenses other than Depreciation	**24.45**	6.30	**-**	0.10	**24.45**	6.40
Capital Expenditure	**13,084.33**	8,056.80	**27.73**	14.00	**13,112.06**	8,070.80

* Includes **₹ 1,020.04 crore** (previous year ₹ 1,133.57 crore) for sales related to earlier years

Generation segment result would have been **₹ 8,033.01 crore** (previous year ₹ 7,947.19 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.

20. **Related Party Disclosures:**

a) Related parties:

i) Joint ventures:
Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd.

During the year, the company reviewed the applicability of the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' and AS 27 to 'Financial Reporting of Interests in Joint Ventures' to the investment made in PTC India Ltd. The company is of the view that provisions of these Standards are not applicable to investment in PTC India Ltd. and the same has been excluded from the disclosures during the year.

ii) Key Management Personnel:

Shri R.S. Sharma	Chairman and Managing Director [1]
Shri T. Sankaralingam	Chairman and Managing Director [2]
Shri Chandan Roy	Director (Operations)
Shri R.K. Jain	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (Human Resources)
Shri K.B. Dubey	Director (Projects)
Shri I.J. Kapoor	Director (Commercial) [3]

1. Director (Commercial) from 1st April 2008 to 30th April 2008 and assumed charge as Chairman and Managing Director w.e.f 1st May 2008.
2. Superannuated on 30th April 2008
3. W.e.f 26th December 2008

b) Transactions with the related parties at a (i) above are as follows:

₹ crore

Particulars	Current Year	Previous Year
Contracts for Works/ Services for services received by the Company		
• Transactions during the year	**220.77**	409.50
• Amount recoverable from related parties	**2.10**	2.90
• Amount payable to related parties	**42.37**	53.60
Contracts for Works/ Services for services provided by the Company		
• Transactions during the year	**-**	0.40
• Amount recoverable from related parties (* ₹ 11,634/-)	**-**	*
Dividend Received	**1.80**	2.80
Deputation of Employees		
• Transactions during the year	**3.63**	2.00
• Amount recoverable from the related parties	**4.21**	1.10

The Company has received guarantees from Utility Powertech Ltd. for an amount of **₹ 0.10 crore** (previous year ₹ 0.30 crore).

c) Remuneration to key management personnel is **₹ 1.41 crore** (previous year ₹ 1.21 crore) and amount of dues outstanding to the Company as on 31st March 2009 are **₹ 0.30 crore (**previous year ₹ 0.10 crore).

21. **Disclosure regarding 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

		31.03.2009	31.03.2008
a)	Outstanding balance of minimum lease payments		
	• Not later than one year	**0.64**	0.39
	• Later than one year and not later than five years	**1.34**	0.49
	Total	**1.98**	0.88
b)	Present value of (a) above		
	• Not later than one year	**0.45**	0.32
	• Later than one year and not later than five years	**1.14**	0.41
	Total	**1.59**	0.73
c)	Finance Charges	**0.39**	0.15

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. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include **₹ 30.75 crore** (previous year ₹ 22.92 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 shown as Rent in Generation, Administration and Other expenses.

22. **Earning 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)	**8,201.30**	7,414.81
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earning per share (Basic and Diluted) Rupees	**9.95**	8.99
Face value per share (Rupees)	**10/-**	10/-

23. The item-wise details of deferred tax liability (net) are as under:

₹ Crore

	31.03.2009	31.03.2008
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**7,004.48**	7,086.00
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**1,530.98**	1,223.74
ii) Disallowed u/s 43B of the Income Tax Act,1961	**338.55**	278.47
	1,869.53	1,502.21
Deferred tax liability (net)	**5,134.95**	5,583.79

The net decrease in the deferred tax liability is **₹ 448.80 crore** (previous year increase ₹ 141.10 crore) and the same is payable/recoverable from the customers, on becoming part of the current tax.

24. Research and Development expenditure charged to revenue during the year is **₹ 8.10 crore** (previous year ₹ 6.18 crore).

25. **Interest in Joint Ventures:**

a) Joint Venture Entities:

Company	**Proportion of ownership interest as on**	
	31.03.2009	31.03.2008
	% age	% age
Utility Powertech Ltd.	**50**	50
NTPC - Alstom Power Services Private Ltd.	**50**	50
NTPC-SAIL Power Company Private Ltd.	**50**	50
NTPC -Tamilnadu Energy Company Ltd.	**50**	50
Ratnagiri Gas and Power Private Ltd.	**28.33**	28.33
Aravali Power Company Private Ltd.	**50**	50
NTPC - SCCL Global Ventures Private Ltd.	**50**	50
Meja Urja Nigam Private Ltd.	**50**	-
NTPC - BHEL Power Projects Private Ltd.	**50**	-
BF - NTPC Energy Systems Ltd.	**49**	-
Nabinagar Power Generating Company Private Ltd.	**50**	-
National Power Exchange Ltd.	**16.67**	-

The above joint venture entities are incorporated in India. The Company's share of the assets, liabilities, contingent liabilities and capital commitment as on 31st March 2009 and income and expenses for the year in respect of joint venture entities based on audited accounts, except for Ratnagiri Gas & Power Private Ltd. which are un-audited, are given below:

₹ crore

		31.03.2009	31.03.2008
A.	Assets		
	• Long Term Assets	**5,920.80**	4,700.76
	• Current Assets	**650.90**	424.78
	Total	**6,571.70**	5,125.54
B.	Liabilities		
	• Long Term Liabilities	**4,253.70**	3,124.02
	• Current Liabilities and Provisions	**624.20**	381.62
	Total	**4,877.90**	3,505.64
C.	Contingent Liabilities	**14.80**	71.19
D.	Capital Commitments	**3,693.60**	3,124.37
		Current Year	Previous Year
E.	Income	**641.20**	802.64
F.	Expenses	**787.90**	751.74

b) Joint Venture Operations:

The Company along-with M/s Geopetrol International Inc. and M/s Canoro Resources Ltd., (the consortium) has been allotted with an oil and gas block in the State of Arunachal Pradesh. The consortium has entered into a Production Sharing Contract (PSC) with GOI for exploration and production of oil and gas. The Company is a non-operator and has 40% share in expenses, income, assets and liabilities with a minimum work programme commitment of **₹ 63.59 crore** (previous year ₹ 56.26 crore) as per the PSC.

The other two consortium partners viz. M/s Geopetrol International Inc. and M/s Canoro Resources Ltd. each initially had 30 % participating interest in the Block. M/s Canoro Resources Ltd. had off-loaded 50% of their participating interest to M/s Brownstone Ventures Inc. which was approved by GOI in December 2007 and the consequent amendment to the PSC has been executed on 2nd December 2008.

Based on the audited statement of accounts of the block, the Company's share of assets and liabilities as at 31st March 2009 and expenditure for the year ended on that date in respect of above joint venture operation has been accounted for as under:

₹ crore

Item	**2008-09 (Audited)**	2007-08 (Audited)
Expenses	**8.66**	10.67
Fixed Assets including Capital work-in-progress	**3.47**	1.44
Other Assets	**5.39**	5.85
Current Liabilities	**0.30**	1.32

26. As required by Accounting Standard (AS) 28 'Impairment of Assets' notified by the Institute of Chartered Accountants of India, the Company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

27. **Foreign currency exposure not hedged by a derivative instrument or otherwise**:

₹ crore

Sl. No	Particulars	Currencies	Amount	
			31.03.2009	31.03.2008
a)	Borrowings, including interest accrued but not due thereon.	USD	**7,461.24**	5,307.63
		JPY	**3,233.88**	2,551.94
		Others	**472.73**	64.94
b)	Sundry creditors/deposits and retention monies	USD	**690.21**	642.48
		EURO	**121.77**	169.81
		Others	**99.74**	91.37
c)	Sundry debtor and Bank balances	GBP	**-**	10.15
		USD	**11.94**	5.10
		EURO	**30.99**	30.51
d)	Unexecuted amount of contracts remaining to be executed	USD	**4,381.82**	3,184.17
		EURO	**4,026.99**	1,599.41
		Others	**58.73**	214.66

28. The pre-commissioning expenses during the year amounting to **₹ 168.87 crore** (previous year ₹ 169.92 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **₹ 160.98 crore** (previous year ₹ 72.10 crore) resulting in a net pre-commissioning expenditure of **₹ 7.89 crore** (previous year ₹ 97.82 crore).

29. Payment to the Statutory Auditors:

₹ crore

	Current Year	Previous Year
Audit Fees	**0.76**	0.55
Tax audit Fees	**0.27**	0.19
Certification Fees	**0.72**	0.68
Reimbursements		
-Travelling Expenses	**0.55**	0.49
- Service Tax	**0.20**	0.19
Total	**2.50**	2.10

30. a) Information in respect of Micro, Small and Medium Enterprises as at 31st March, 2009:

₹ crore

Sl.	**Particulars**	**Amount**
a)	Amount remaining unpaid to any supplier: • Principal amount • Interest due thereon (*₹ 5,12,890/-)	0.98 *
b)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along-with the amount paid to the suppliers beyond the appointed day.	0.60
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 Micro, Small and Medium Enterprises Development Act, 2006. (*₹ 1,72,106/-)	*
d)	Amount of interest accrued and remaining unpaid (*₹ 4,11,350/-)	*
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 Micro, Small and Medium Enterprises Development Act, 2006 (*₹ 99,528/-)	*

31. Loans and advances due from subsidiaries:

₹ crore

Name of Subsidiary	Outstanding balance		Maximum amount	
	31.03.2009	31.03.2008	**31.03.2009**	31.03.2008
NTPC Electric Supply Company Ltd.	**12.87**	12.05	**52.39**	17.84
NTPC Vidyut Vyapar Nigam Ltd	**2.04**	1.51	**7.77**	4.88
Pipavav Power Development Company Ltd. (*Rs.11,096/-)	*	*	*	6.14
NTPC Hydro Ltd.	**0.26**	2.52	**6.81**	3.67
Kanti Bijlee Utpadan Nigam Ltd.	**39.42**	26.87	**49.25**	26.87
Bharatiya Rail Bijlee Company Ltd.	**0.86**	0.07	**8.25**	0.07
Total	**55.45**	43.02	**124.47**	59.47

32. 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 on		Maximum Amount Outstanding during the year ended	
	31.03.2009	31.03.2008	**31.03.2009**	31.03.2008
Kanti Bijlee Utpadan Nigam Ltd.	**30.75**	20.20	**40.00**	20.20

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 below Section 372A of the Companies Act, 1956 : ₹ 30.75 crore

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

33. Estimated amount of contracts remaining to be executed on capital account and not provided for is **₹ 58,818.46 crore** (previous year ₹ 24,330.97 crore).

34 **Contingent Liabilities:**

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for **₹ 4,662.26 crore** (previous year ₹ 1,125.46 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 contract 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 **₹ 1,551.47 crore** (previous year ₹ 1,046.53 crore) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **₹ 1,258.45 crore** (previous year ₹ 1,287.85 crore) has been estimated. This includes amount of **₹ 255.82 crore**) previous year ₹ 255.82 crore) billed by the Coal supplier on account of MPGATSV tax up to 31st July 2007 which is subject matter of dispute before Supreme Court.

In respect of (i) and (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 **₹ 275.02 crore** (previous year ₹ 344.30 crore).

2. Disputed Income Tax/Sales Tax/Excise demands

Demand made against the company by Central/State Tax Authorities amounting to **₹ 68.18 crore** (previous year ₹ 1,554.12 crore) are disputed by the Company and contested before various Appellate Authorities. In such cases, the company estimated possible reimbursement of **₹ 0.78 crore** (previous year ₹ 1,006.29 crore).

3. Others

Unexpired Letters of credit other than for capital expenditure amount to **₹ 120.03 crore** (previous year ₹ 215.85 crore) and other contingent liabilities amount to **₹ 169.84 crore** (previous year ₹ 16.91 crore). In such cases, the company estimated possible reimbursement of **₹ Nil** (previous year ₹ 1.70 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.

35. Managerial remuneration paid/payable to Directors

₹ crore

	Current Year	Previous Year
Salaries and allowances	**1.14**	0.95
Contribution to provident fund & other funds including gratuity & group insurance	**0.10**	0.08
Other benefits	**0.17**	0.16
Directors' fees	**0.16**	*

*(₹ 4,20,000/-)

In addition to the above remuneration the whole time Directors have been allowed the use of staff car including for private journeys, on payment of ₹ 780/- per month, as contained in the Ministry of Finance (BPE) Circular No.2 (18)/pc/64 dt.29.11.64, as amended.

The provisions for/contribution to gratuity, leave encashment and post-retirement medical facilities are ascertained on actuarial valuation done on overall Company basis and hence not ascertainable separately.

36.

Licensed and Installed Capacities as at 31st March: (As certified by Management)	**Current Year**	Previous Year
Licensed Capacity - Not applicable		
Installed Capacity (MW Commercial units)	**27,912**	25,912
Quantitative information in respect of Generation and Sale of Electricity (in MUs) :		
a) Pre-commissioning period :		
Generation	**785**	583
Sales	**724**	557
b) Commercial period :		
Generation	**206,156**	200,280
Sales	**193,688**	187,988
c) Value of imports calculated on CIF basis (₹ crore):		
Capital goods	**1,038.58**	1,180.23
Spare parts	**91.87**	49.33
d) Expenditure in foreign currency (₹ crore):		
Professional and Consultancy fee	**2.39**	4.45
Interest	**406.67**	318.91
Others	**60.07**	79.54

	e) Value of Components, Stores and Spare parts consumed (including fuel) (₹ crore):	**%age**	**Amount**	**%age**	**Amount**
	Imported	**10.40**	**2,885.54**	3.66	828.24
	Indigenous	**89.60**	**24,848.37**	96.34	21,803.91
	f) Earnings in foreign exchange (₹ crore):				
	Professional & Consultancy fee		**2.11**		3.03
	Interest		**1.40**		0.36
	Others		**0.11**		0.10

37. Figures have been rounded off to nearest rupees in crore.

38. Previous year figures have been regrouped /rearranged wherever necessary.

ANNEXURE - VI

Statement of Accounting Ratios - Standalone

₹ Crore

Description	As at/ For the year ended 31.03.2013	As at/ For the year ended 31.03.2012	As at/ For the year ended 31.03.2011	As at/ For the year ended 31.03.2010	As at/ For the year ended 31.03.2009
Basic and diluted Earning per Share (₹)	15.30	11.19	11.04	10.59	9.95
(Net profit after tax/Weighted average number of shares outstanding during the year)					
(i) Net profit after tax	12,619.39	9,223.73	9,102.59	8,728.20	8,201.30
(ii) Weighted average number of shares outstanding during the year	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400
Return on Net Worth (%)	15.70	12.59	13.41	13.98	14.30
(Net profit after tax/Net Worth X 100)					
(i) Net profit after tax	12,619.39	9,223.73	9,102.59	8,728.20	8,201.30
(ii) Net worth (Shareholders' Fund)	80,387.51	73,291.17	67,892.25	62,437.42	57,370.06
Net Asset Value Per Share (₹)	97.49	88.89	82.34	75.72	69.58
(Net Worth/Number of shares at the end of the year)					
(i) Net worth (Shareholders' Fund)	80,387.51	73,291.17	67,892.25	62,437.42	57,370.06
(ii) Number of shares at the end of the year	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400
Debt to Equity Ratio	0.72	0.69	0.64	0.61	0.60
(Total debt outstanding/Net Worth)					
(i) Total Debt Ourtstanding	58,146.30	50,279.37	43,188.24	37,797.02	34,567.75
(ii) Net worth (Shareholders' Fund)	80,387.51	73,291.17	67,892.25	62,437.42	57,370.06

ANNEXURE - VII

Statement of Dividend - Standalone

₹ Crore

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Share Capital	8245.46	8245.46	8245.46	8245.46	8245.46
Amount of Dividend					
Interim Dividend	3,092.07	2,885.92	2,473.63	2,473.64	2,308.73
Final Dividend	1,649.09	412.27	659.63	659.63	659.63
Total	**4,741.16**	**3,298.19**	**3,133.26**	**3,133.27**	**2,968.36**
Rate of Dividend (%)	57.50	40.00	38.00	38.00	36.00
Corporate Dividend Tax	781.87	527.92	514.77	527.62	501.71

ANNEXURE - VIII

Capitalisation Statement - Standalone

₹ Crore

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Debts					
Long Term	53,253.66	45,908.27	39,735.68	33,804.81	31,817.27
Short Term*	4,892.64	4,371.10	3,452.56	3,992.21	2,750.48
Total Debts (A)	**58,146.30**	**50,279.37**	**43,188.24**	**37,797.02**	**34,567.75**
Shareholders' Fund					
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	54191.96	49124.60
Total Shareholders' Fund (B)	**80,387.51**	**73,291.17**	**67,892.25**	**62,437.42**	**57,370.06**
Debt to Equity Ratio (A/B)	0.72	0.69	0.64	0.61	0.60

* Short term debt is debt maturing within the twelve months following the respective year end.

ANNEXURE -IX

STATEMENT OF TAX SHELTER - STANDALONE

₹ Crore

Sl.	Particulars	2012-13 (Provisional)	2011-12	2010-11	2009-10	2008-09
	Rate of tax	**32.45%**	**32.45%**	**33.22%**	**33.99%**	**33.99%**
A	**PROFIT BEFORE TAX BUT AFTER EXTRAORDINARY ITEMS**	**16,578.63**	**12,326.16**	**12,049.60**	**10,885.47**	**9,359.48**
a	Income on which tax to be borne by SEBs	1,079.49	182.76	506.82	183.94	6,258.31
b	Income on which tax to be borne by NTPC	15,499.14	12,143.40	11,542.78	10,701.53	3,101.17
	Total profit Before Tax (a+b)	**16,578.63**	**12,326.16**	**12,049.60**	**10,885.47**	**9,359.48**
c	Tax on Income to be borne by SEBs	518.45	87.77	252.09	94.71	3222.54
d	Tax on Income to be borne by NTPC	5028.70	3939.93	3834.22	3637.45	1054.09
	TOTAL TAX ON BOOK PROFIT(c+d)	**5,547.15**	**4,027.70**	**4,086.31**	**3,732.16**	**4,276.63**
	ADJUSTMENT					
B	**PERMANENT DIFFERENCES**					
	Dividend exempt u/s 10(33)/10(34)/80M	241.33	169.30	88.31	77.70	49.84
	Donations	-0.15	0.11	0.00	-0.52	-0.10
	WealthTax	-4.42	-4.18	-3.92	-5.02	-1.97
	Tax Holiday claim u/s 80IA/u/s 80G/ u/s 35	5,097.19	3,374.11	3,085.81	2,872.01	2,815.05
	Interest on 8.5% Tax Free Power Bonds	555.13	702.08	850.60	999.11	1,147.62
	Others	0.39	199.38	24.36	-18.10	-24.09
	Tax on perquisites u/s 40(a)	0.00	-0.40	-21.45	-19.75	-10.31
	Net prior period adjustment	-0.45	0.36	1,111.86	-13.07	-109.62
	FBT Recoverable from SEBs	0.00	0.00	0.00	0.00	0.00
	Tax included in sales	294.66	65.97	150.05	64.85	758.28
	Refund of sale	0.00	55.10	18.40	0.00	0.00
	TOTAL PERMANENT DIFFERENCE (B)	**6,183.68**	**4,561.83**	**5,304.02**	**3,957.21**	**4,624.70**
C	**TIMING DIFFERENCES**					
	Diff. Between book depreciation and tax depreciation	130.86	104.27	495.08	1,317.46	2,597.89
	Profit on sale of assets	4.62	13.28	8.16	6.99	12.74
	Loss on sale of assets	-59.91	-58.40	-60.87	-27.64	-40.34
	Expenditure on assets not owned by the company	9.80	6.47	9.76	138.54	26.75
	Advance against depreciation	9.87	73.59	818.79	325.17	-562.61
	Net Provisions disallowed	645.24	251.22	-1,538.47	3.84	-7.35
	Tax duty & other sums u/s 43B	-85.13	-122.83	-76.66	35.59	-79.32
	Cost of mobile phones	-2.12	-2.28	-10.45	-1.59	0.00
	VRS	0.31	-0.09	0.42	0.65	1.24
	IPO expenses	3.09	2.41	3.25	3.25	2.21
D	**TOTAL TIMING DIFFRENCES (C)**	**656.63**	**267.64**	**-350.99**	**1,802.26**	**1,951.21**
E	**NET ADJUSTMENT (B+C)**	**6840.31**	**4829.47**	**4953.03**	**5759.47**	**6575.91**
	TAX SAVING THEREON					
	Income to be passed through to beneficiaries	223.80	16.51	99.88	33.21	2770.29
	Income to be borne by NTPC	2068.15	1555.77	1578.57	1935.72	406.49
F	**TOTAL TAX SAVING**	**2291.95**	**1572.28**	**1678.45**	**1968.93**	**3176.78**
	TAXABLE INCOME AS PER IT RETURN					
	Income on which tax to be borne by SEBs	613.50	148.38	306.01	119.45	878.27
	Income on which tax to be borne by NTPC	9124.82	7348.33	6790.57	5006.55	1905.30
G	**TOTAL TAXABLE INCOME**	**9738.32**	**7496.71**	**7096.58**	**5126.00**	**2783.57**
	TAX AS PER INCOME TAX RETURN					
	Tax on Income to be borne by SEBs	294.65	71.26	152.21	61.50	452.25
	Tax on Income to be borne by NTPC	2960.55	2384.16	2255.65	1701.73	647.60
H	**TOTAL TAX AS PER RETURN**	**3255.20**	**2455.42**	**2407.86**	**1763.23**	**1099.85**

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED REFORMATTED FINANCIAL INFORMATION

The Board of Directors,
NTPC Limited,
Core -7, SCOPE Complex,
Lodi Road,
New Delhi – 110 003

Dear Sirs,

1. We have examined the attached Consolidated Reformatted Financial Information of NTPC Limited (the "Company"), its Subsidiaries and Joint Venture Companies as approved by the Official authorised by a Committee of the Board of Directors, prepared in accordance with Paragraph B(1), Part II of Schedule II of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("SEBI Regulations") issued by Securities and Exchange Board of India in pursuance of Section 11A of the Securities and Exchange Board of India Act, 1992 and related clarifications, and in accordance with our engagement letter dated October 29, 2013 and scope agreed upon with you in connection with the Draft Prospectus/Prospectus being issued by the Company for Proposed Issue of Tax Free Secured Redeemable Non-Convertible Bonds (the "Bonds"), having benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended.

2. The preparation and presentation of this Consolidated Reformatted Financial Information is the responsibility of Company's management. This Consolidated Reformatted Financial Information has been regrouped and reclassified in accordance to Revised Schedule VI of the Companies Act, 1956 effective from 1.4.2011 (but not restated retrospectively for change in any accounting policy) and is to be included in the Draft Prospectus/Prospectus of the Company's proposed issue of the Bonds.

A. Consolidated Financial Information as reformatted on the basis of the Consolidated Audited Financial Statements

We have examined the attached Consolidated Reformatted Statement of Assets and Liabilities of the Company, its Subsidiary and Joint Venture Companies as at March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure I) and the attached Consolidated Reformatted Statement of Profit and Loss for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure II) and the attached Consolidated Reformatted Statement of Cash Flows for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure III) which together with the related Notes to Accounts (Annexure IV) and Significant Accounting Policies and other Notes to Accounts (Annexure V) are herein referred to as "Consolidated Reformatted Financial Information".

This Consolidated Reformatted Financial Information has been extracted by the management from the audited financial statements of the Company, its Subsidiary and Joint Venture Companies after making such adjustments and regroupings as considered appropriate. For our examination, we have placed reliance on the consolidated financial statements of the Company audited by the following auditors:

Name of the Auditors	Report Dated	Financial Year
M/s Varma and Varma, M/s B.C. Jain & Co., M/s Parakh & Co., M/s Dass Gupta & Associates, M/s S. K. Mehta & Co. and M/s K.K. Soni & Co.	May 10, 2011	2010-11
M/s Varma and Varma, M/s B.C. Jain & Co., M/s Parakh & Co., M/s S.K. Mittal & Co., M/s Dass Gupta & Associates and M/s S. K. Mehta & Co.	May 17, 2010 May 22, 2009	2009-10 2008-09

The Consolidated Reformatted Financial Information included for these years, i.e. March 31, 2011, 2010 & 2009 is based solely on the reports submitted by them. These financial statements have been approved by the Board of Directors of the Company in the respective years.

The financial statements of the following subsidiary and joint venture companies have been audited by other auditors as detailed below and whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the Consolidated Reformatted Financial Information is based solely on the reports submitted by them:

Name of the Company	**Name of the Auditor (M/s) (Chartered Accountants)**	**Financial Year**
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.)	Satish K Aggarwal & Co. Bhudladia & Co.	2008-09, 2009-10 2010-11 to 2012-13
2) NTPC Hydro Ltd. (under amalgamation with NTPC Ltd.)	K. Prasad & Co. KSMN & Co. Rohtas & Hans	2008-09 & 2009-10 2010-11 & 2011-12 2012-13
3) NTPC Vidyut Vyapar Nigam Ltd.	Rohtas & Hans N.K. Jain Mittal & Co. Aiyar & Co.	2008-09 2009-10 2010-11 to 2012-13
4) Kanti Bijlee Utpadan Nigam Ltd	GRA & Associates B.B. Mathur & Co.	2008-09 to 2010-11 2011-12 & 2012-13
5) Bhartiya Rail Bijlee Company Ltd.	H.S Madan & Co. I.P. Pasricha & Co.	2008-09 to 2010-11 2011-12 & 2012-13
6) Pipavav Power Development Company Ltd.	KK Jain & Co.	2008-09
Joint Ventures:		
1) Utility Powertech Ltd.	Haribhakti & Co.	2008-09 to 2012-13
2) NTPC -Alstom Power Services Pvt. Ltd.	S.R. Batliboi & Co. Price Waterhouse	2008-09 2009-10 to 2012-13
3) NTPC-Tamilnadu Energy Company Ltd	R. P. Narang & Co. Khanijo & Khanijo M. Kuppuswamy PSG & Co.	2008-09 to 2009-10 2011-12 2012-13
4) Transformers and Electricals Kerala Ltd.	Elias George & Co. G. Joseph & Associates	2011-12 2012-13
5) National High Power Test Laboratory Pvt. Ltd	Surjit Bhatti & Co. Dua & Associates	2009-10 2011-12 & 2012-13
6) Meja Urja Nigam Pvt Ltd.	Pramod Maheshwari & Co. Ashwani Sood & Associates	2008-09 to 2010-11 2011-12 & 2012-13
7) Nabinagar Power Generating Company Pvt. Ltd.	LD & Associates R. P. Singal & Co. Ahmad Shukla Jain & Associates	2008-09 to 2010-11 2011-12 2012-13
8) Aravali Power Company Pvt. Ltd.	VAR & Associates KSMC & Associates	2008-09 to 2010-11 2012-13
9) NTPC-BHEL Power Project Pvt. Ltd	P. Jain & Company Uberoi Sood & Kapoor	2008-09 & 2009-10 2010-11 to 2011-12
10) NTPC- SAIL Power Company Pvt. Ltd.	Chandiok & Guliani	2008-09 & 2009-10
11) BF-NTPC Energy Systems Ltd.	Dalal & Shah	2008-09 & 2009-10
12) Ratnagiri Gas & Power Pvt. Ltd.	D. S. Shukla & Co.	2010-11
13) NTPC-SCCL Global Venture Pvt. Ltd.	Sandeep Ahuja & Co.	2008-09 to 2010-11
14) National Power Exchange Ltd.	Bansal Sinha & Co.	2010-11

The amount of assets, revenues and net cash flows in respect of these subsidiary and joint venture companies to the extent to which they are reflected in the Consolidated Reformatted Financial Information for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 are as under:

₹ Crore

Financial Year	Total Assets	Total Revenue	Net Cash Flows
2008-09	5,218.90	2,305.60	549.50
2009-10	8,521.60	761.30	534.20
2010-11	10,738.37	1,853.41	70.53
2011-12	9,016.23	668.87	275.07
2012-13	17,637.76	1,992.30	(205.85)

The financial statements of following joint venture companies were unaudited for the periods indicated below and were solely based on the financial statements certified by the management of the respective entities.

Name of the Company	**Financial Year**
1) NTPC-Tamilnadu Energy Company Ltd	2010-11
2) Transformers and Electricals Kerala Ltd.	2009-10 & 2010-11
3) National High Power Test Laboratory Pvt. Ltd	2010-11
4) Aravali Power Company Pvt. Ltd.	2011-12
5) NTPC-BHEL Power Project Pvt. Ltd	2012-13
6) NTPC- SAIL Power Company Pvt. Ltd.	2010-11 to 2012-13
7) BF-NTPC Energy Systems Ltd.	2010-11 to 2012-13
8) Ratnagiri Gas & Power Pvt. Ltd.	2008-09 to 2009-10, 2011-12 to 2012-13
9) NTPC-SCCL Global Venture Pvt. Ltd.	2011-12 & 2012-13
10) National Power Exchange Ltd.	2008-09 to 2009-10, 2011-12 to 2012-13
11) International Coal Venture Pvt. Ltd.	2009-10 to 2012-13
12) Energy Efficiency Services Ltd.	2009-10 to 2012-13
13) CIL NTPC Urja Pvt. Ltd.	2010-11 to 2012-13
14) Anushakti Vidyut Nigam Ltd.	2011-12 & 2012-13
15) Pan-Asian Renewables Private Ltd.	2011-12 & 2012-13
16) Trincomalee Power Company Ltd.	2011-12 & 2012-13

The amount of assets, revenues and net cash-flows in respect of these joint venture companies to the extent to which they are reflected in the Consolidated Reformatted Financial Information for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 are as under:

₹ Crore

Financial Year	Total Assets	Total Revenue	Net Cash Flows
2008-09	2,869.20	357.30	12.70
2009-10	3,543.60	1,209.30	123.50
2010-11	4,176.78	812.52	7.57
2011-12	10,143.11	3,244.45	0.22
2012-13	5,971.33	1,775.75	130.49

We have performed such tests and procedures, which in our opinion were necessary for the purpose of our examination. These procedures, mainly involved comparison of the attached Consolidated Reformatted Financial Information with the Company's consolidated audited financial statements for the financial years ended March 31, 2013, 2012, 2011, 2010 and 2009 and reclassification as per SEBI Regulations and Revised Schedule VI of the Companies Act, 1956.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to have been correctly extracted and reclassified and the same have been accordingly used in the Consolidated Reformatted Financial Information appropriately.

We further report that;

1. The Consolidated Reformatted Financial Information has been prepared in accordance with the requirements of Paragraph B(1), Part II of Schedule II and Revised Schedule VI of the Companies Act, 1956 and the SEBI Regulations.

2. These profits have been arrived at after charging all expenses including depreciation and after making such regroupings as in our opinion are appropriate and are to be read with the Notes on Accounts and Significant Accounting Policies and other notes attached thereto and forming part of the Consolidated Reformatted Financial Information.

3. There is no qualification in the auditors' report on the consolidated financial statements for the years ended March 31, 2013, 2012, 2011, 2010 and 2009. However, there are emphasis of matter in the auditors' reports as included in Annexure - A to this report which is to be read with Significant Accounting Policies and Notes to Accounts.

4. There are no extraordinary items that need to be disclosed separately in the Consolidated Reformatted Financial Information.

B. Other Reformatted Consolidated Financial Information

We have examined the following Consolidated Reformatted Financial Information relating to the Company, its Subsidiary and Joint Venture Companies proposed to be included in the Draft Prospectus/Prospectus and annexed to this report.

i. Statement of Accounting Ratios as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure VI).

ii. Statement of Dividend as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure VII).

iii. Capitalisation Statement as at and for each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure VIII).

In our opinion, the Consolidated Reformatted Financial Information and Other Consolidated Reformatted Financial Information of the Company, its Subsidiary and Joint Venture Companies, as attached to this report, as mentioned in paragraphs (A) and (B) above, read with Annexure A to our report, respective significant accounting policies and notes to accounts, after making necessary adjustments and regroupings as considered appropriate, has been prepared in accordance with Paragraph B(1), Part II of Schedule II and Revised Schedule VI of the Companies Act, 1956 and 'SEBI Regulations.'

This report is intended solely for the use of the management and the Lead Managers and for inclusion in Draft Prospectus/Prospectus in connection with the proposed Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

This report should neither in any way be construed as a re-issuance or redrafting of any of the previous audit reports issued by us/other firms of chartered accountants nor construed as a new opinion on any financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of this report.

For O.P. Bagla & Co.
Chartered Accountants
FRN 000018N

(Atul Aggarwal)
Partner
M. No.092656

For K.K. Soni & Co.
Chartered Accountants
FRN 000947N

(S. S. Soni)
Partner
M. No.094227

For PKF Sridhar & Santhanam
Chartered Accountants
FRN 003990S

(V. Kothandaraman)
Partner
M. No.025973

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208W

(M. S. Balachandran)
Partner
M. No.024282

For Ramesh C Agrawal & Co.
Chartered Accountants
FRN 001770C

(Monika Agrawal)
Partner
M. No.093769

For A.R. & Co.
Chartered Accountants
FRN 002744C

(Anil Gaur)
Partner
M. No.017546

Place: New Delhi
Date : 1st November 2013

ANNEXURE - A

Emphasis of Matter/Attention Drawn in the Auditors' Report

Sl. No.	For the Year/ Period ended	Emphasis of Matter/Attention Drawn
1	31st March 2013	Without qualifying our report, we draw attention to Note No. 35 to the financial statement in respect of accounting of fuel on GCV based pricing system.
2	31st March 2012	Without qualifying our report, we draw attention to note no. 23 a) and 23 b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
3	31st March 2011	Without qualifying our report, we draw attention to note no. 3 a) and b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
4	31st March 2010	We draw attention to note no. 3 a) and b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
		We draw attention to note no. 3 e) in respect of accounting of sales of ₹ 1,044.29 crore in earlier years (reduced to ₹ 1,025.60 crore in the current year) based on the order of Appelate Tribunal for Electricity in favour of the Company pending disposal of the appeal before the Hon'ble Supreme Court of India.

ANNEXURE - I

CONSOLIDATED REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

₹ Crore

Particulars	Note	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	1	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves and surplus	2	72,995.49	66,030.35	60,139.10	54,371.82	49,162.20
		81,240.95	74,275.81	68,384.56	62,617.28	57,407.66
Deferred revenue	3	1,244.05	1,430.06	854.48	1,590.76	2,543.66
Fly ash utilisation fund		234.93	126.98	58.96	10.62	-
Minority interest		644.81	595.59	485.05	278.96	166.19
Non-current liabilities						
Long-term borrowings	4	64,587.72	54,851.94	47,059.57	40,004.95	35,958.28
Deferred tax liabilities (net)	5	1,080.72	764.49	671.65	229.71	0.10
Other long-term liabilities	6	2,213.81	1,791.57	2,469.03	1,769.95	1,330.43
Long-term provisions	7	761.20	623.49	568.52	431.33	363.81
		68,643.45	58,031.49	50,768.77	42,435.94	37,652.62
Current liabilities						
Short-term borrowings	8	382.16	150.16	39.40	12.09	1.50
Trade payables	9	5,888.67	5,037.97	4,374.31	3,407.98	2,583.09
Other current liabilities	10	13,142.54	12,195.79	9,362.10	8,763.56	7,745.81
Short-term provisions	11	7,289.02	3,411.09	2,284.51	2,730.40	2,967.50
		26,702.39	20,795.01	16,060.32	14,914.03	13,297.90
TOTAL		178,710.58	155,254.94	136,612.14	121,847.59	111,068.03
ASSETS						
Non-current assets						
Goodwill on consolidation		0.62	0.62	0.62	0.62	0.62
Fixed assets						
Tangible assets	12	71,578.34	50,913.47	44,652.15	38,763.56	34,924.84
Intangible assets	12	253.75	217.40	208.85	37.86	38.62
Capital work-in-progress	13	46,553.36	50,396.99	41,091.99	33,447.70	26,733.44
Intangible assets under development	13	1.28	1.27	0.03	0.55	0.24
Non-current investments	14	3,300.42	4,922.88	6,545.33	8,182.66	9,833.74
Long-term loans and advances	15	11,058.65	6,216.05	7,700.47	7,529.31	9,118.06
Other non-current assets	16	1,145.49	1,375.16	463.40	365.25	973.49
		133,891.91	114,043.84	100,662.84	88,327.51	81,623.05
Current assets						
Current investments	17	1,622.46	1,622.46	1,812.00	3,594.95	1,862.21
Inventories	18	4,575.78	4,177.91	3,910.83	3,532.96	3,361.52
Trade receivables	19	6,096.64	6,681.02	1,746.27	1,097.84	1,154.17

CONSOLIDATED REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

₹ Crore

Particulars	Note	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Cash and bank balances	20	18,738.12	18,087.39	17,856.17	16,053.01	17,250.45
Short-term loans and advances	21	1,718.30	1,676.66	1,219.36	1,902.05	1,784.02
Other current assets	22	12,067.37	8,965.66	9,404.67	7,339.27	4,032.61
		44,818.67	41,211.10	35,949.30	33,520.08	29,444.98
TOTAL		178,710.58	155,254.94	136,612.14	121,847.59	111,068.03

ANNEXURE - II

CONSOLIDATED REFORMATTED STATEMENT OF PROFIT AND LOSS

₹ Crore

Particulars	Note	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Revenue from operations (gross)	23	69,948.38	66,365.89	57,920.64	48,665.46	43,062.44
Less: Electricity duty / Excise duty		571.56	472.64	313.47	281.14	235.98
Revenue from operations (net)		69,376.82	65,893.25	57,607.17	48,384.32	42,826.46
Other income	24	3,163.97	2,949.23	2,401.01	2,819.24	3,209.92
Total revenue		72,540.79	68,842.48	60,008.18	51,203.56	46,036.38
Expenses						
Fuel		42,827.77	43,302.66	36,414.35	30187.66	27346.45
Electricity purchased		15.33	9.09	7.90	1.21	-
Employee benefits expense	25	3,551.38	3,260.96	2,922.26	2,523.09	2,532.51
Cost of material and services		312.24	325.18	247.14	182.36	124.40
Finance costs	26	2,480.54	2,134.72	1,725.75	1,358.57	1,419.10
Depreciation and amortisation expense		3,823.22	3,107.09	2,719.69	2,894.38	2,494.89
Generation, administration & other expenses	27	4,521.43	3,881.58	5,240.89	3,066.77	2,702.31
Prior period items (net)	28	(33.78)	(316.06)	(1,662.13)	(59.59)	109.48
Total expenses		57,498.13	55,705.22	47,615.85	40,154.45	36,729.14
Profit before tax and exceptional items		15,042.66	13,137.26	12,392.33	11,049.11	9,307.24
Exceptional items		1,568.29	-	-	-	-
Profit before tax		16,610.95	13,137.26	12,392.33	11,049.11	9,307.24
Tax expense						
Current tax		3743.81	3261.17	2602.16	1981.83	1214.66
Deferred tax		316.23	92.73	441.94	229.63	(452.03)
Less: MAT credit recoverable		35.31	31.30	-	-	-
Deferred tax recoverable		-	-	-	-	(452.15)
Total tax expense		4,024.73	3,322.60	3,044.10	2,211.46	1,214.78
Profit after tax		12,586.22	9,814.66	9,348.23	8,837.65	8,092.46
Less: Share of Profit /(loss)-Minority interest		(4.56)	1.87	(5.17)	(0.03)	(0.10)
Group profit after tax		12,590.78	9,812.79	9,353.40	8,837.68	8,092.56
Expenditure during construction period (net)	29					
Earnings per equity share (Par value of ₹ 10/- each)						
Basic & Diluted		15.27	11.90	11.34	10.72	9.81

ANNEXURE - III

CONSOLIDATED REFORMATTED STATEMENT OF CASH FLOWS

₹ Crore

For the Year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before tax	16,610.95	13,137.26	12,392.33	11,049.11	9,307.24
Adjustment for:					
Depreciation / Amortisation	3,823.22	3,107.09	2,719.69	2,894.38	2,494.89
Prior period depreciation / amortisation	3.93	(0.43)	(1,170.72)	25.42	(237.55)
Provisions	209.22	75.83	1,552.77	12.35	29.89
Deferred revenue on account of advance against depreciation	(9.87)	(73.58)	(818.79)	(325.17)	562.61
Deferred foreign currency fluctuation asset/liability	238.75	(876.83)	(58.28)	614.84	(1,174.29)
Deferred income from foreign currency fluctuation	79.56	792.00	90.46	(640.06)	647.01
Interest charges	2,457.80	2,103.98	1,689.63	1,323.48	1,386.80
Guarantee fee & other finance charges	22.74	30.74	36.12	35.09	32.30
Interest/income on term deposits/bonds/investments	(2,475.64)	(2,381.51)	(2,093.79)	(2,374.86)	(2,778.40)
Dividend income	(217.79)	(151.71)	(74.30)	(67.20)	(6.00)
Provisions written back	(845.42)	(317.32)	(7.84)	(12.79)	(17.04)
Operating Profit before Working Capital Changes	19,897.45	15,445.52	14,257.28	12,534.59	10,247.46
Adjustment for:					
Trade receivables	1,417.14	(3,400.03)	(2,850.90)	(3,263.29)	(647.30)
Inventories	(186.21)	(96.95)	(252.20)	(42.48)	(529.80)
Trade payables, provisions and other liabilities	1,778.39	858.96	1,477.14	173.50	2,203.10
Loans & Advances and Other current assets	(3,419.45)	(198.84)	(714.19)	2,176.95	(1,560.37)
Cash generated from operations	19,487.32	12,608.66	11,917.13	11,579.27	9,713.09
Direct taxes paid	(2,979.54)	(1,211.70)	(2,447.89)	(2,347.07)	(2,014.75)
Net Cash from Operating Activities - A	16,507.79	11,396.96	9,469.24	9,232.20	7,698.34
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(20,405.74)	(13,149.72)	(11,595.92)	(12,351.59)	(9,760.75)
Purchase of investments	(17,955.00)	(23,630.00)	(15,848.17)	(10,520.79)	-
Sale of investments	19,583.83	25,433.87	19,268.07	10,439.52	1,750.00
Interest/income on term deposits/bonds/investments received	2,474.48	2,301.30	1,910.90	2,501.25	2,710.11
Income tax paid on interest income	(760.53)	(690.09)	(586.27)	(454.01)	(557.45)
Dividend received	217.79	151.71	74.30	67.20	6.00
Net cash used in Investing Activities - B	(16,845.17)	(9,582.93)	(6,777.09)	(10,318.42)	(5,852.09)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from long term borrowings	14,381.51	10,712.62	10,543.51	9,164.92	8,517.00
Repayment of long term borrowings	(4,603.31)	(3,651.79)	(4,308.44)	(2,751.32)	(2,294.40)
Proceeds from Short term borrowings	232.00	110.76	27.31	10.59	1.50
Securities Premium on issue of Share Capital	-	-	-	-	(61.40)
Grants received/Ash Utilisiation reserves etc.	162.85	189.24	327.50	176.50	42.00
Interest paid	(4,922.38)	(4,721.80)	(3,742.01)	(2,976.61)	(2,645.10)
Guarantee fee & other finance charges paid	(139.40)	(98.68)	(64.62)	(63.23)	(35.80)
Dividend paid	(3,550.10)	(3,550.10)	(3,149.16)	(3,138.67)	(2,974.30)
Tax on dividend	(573.06)	(573.06)	(523.08)	(533.40)	(505.80)
Net cash used in Financing Activities - C	988.11	(1,582.81)	(888.99)	(111.22)	43.70
Net increase/decrease in cash and cash equivalents (A+B+C)	650.73	231.22	1,803.16	(1,197.44)	1,889.95
Cash and cash equivalents at the beginning of the year	18,087.39	17,856.17	16,053.01	17,250.45	15,360.50
Cash and cash equivalents at the end of the period	18,738.12	18,087.39	17,856.17	16,053.01	17,250.45

Not 1. Cash and cash equivalents consists of cash in hand and balances with banks.

2. Previous year figures have been regrouped/rearranged wherever considered necessary.

NOTES TO ACCOUNTS

1. Share capital

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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	10,000.00	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	8,245.46	8,245.46	8,245.46

2. Reserves and surplus

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Capital reserve					
As per last financial statements	391.33	362.82	282.44	198.14	188.47
Add : Transfer from surplus	0.97	0.44	6.87	4.97	8.56
Add : Grants received during the year	41.24	76.98	113.18	75.14	-
Less : Adjustments during the year	24.57	48.91	39.67	(4.19)	(1.11)
Closing balance	408.97	391.33	362.82	282.44	198.14
Securities premium account	2,228.11	2,228.11	2,228.11	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	1,986.72	1,688.94	1,360.21
Add : Transfer from surplus	492.79	482.38	494.94	497.78	453.73
Less : Transfer to surplus	346.50	325.00	250.00	200.00	125.00
Closing balance	2,535.33	2,389.04	2,231.66	1,986.72	1,688.94
General reserve					
As per last financial statements	60,390.00	55,087.18	49,871.20	45,124.34	40,693.27
Add : Transfer from surplus	6,643.18	5,348.20	5,216.14	4,772.70	4,440.02
Less: Adjustments during the year	36.46	45.38	5.33	25.87	9.10
Closing balance	66,996.72	60,390.00	55,082.01	49,871.17	45,124.19
Surplus					
As per last financial statements	632.70	229.33	3.35	(77.26)	85.82
Add: Profit for the year from Statement of Profit and Loss	12,590.78	9,812.79	9,353.40	8,837.68	8,092.56
Write back from bond redemption reserve	346.50	325.00	250.00	200.00	125.00
Less: Transfer to bond redemption reserve	492.79	482.38	494.94	497.78	453.73
Transfer to capital reserve	0.97	0.44	6.87	4.97	8.56
Transfer to debt service reserve	81.84	-	-	-	-
Transfer to general reserve	6,643.18	5,348.20	5,216.14	4,772.70	4,440.02
Dividend paid	3,094.07	2,887.92	2,473.63	2,473.63	2,308.72
Tax on dividend paid	501.94	465.41	410.84	420.40	391.46
Proposed dividend	1,718.27	473.29	662.18	675.53	665.04
Tax on proposed dividend	291.99	76.78	107.65	112.03	113.03
Net surplus	744.93	632.70	234.50	3.38	(77.18)
Total	72,995.49	66,030.35	60,139.10	54,371.82	49,162.20

3. Deferred revenue

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
On account of advance against depreciation	708.60	718.47	792.05	1610.84	1936.01
On account of income from foreign currency fluctuation	535.45	711.59	62.43	(20.08)	607.65
Total	1,244.05	1,430.06	854.48	1,590.76	2,543.66

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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)	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)	50.00	50.00	50.00	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)	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)	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)	300.00	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)	195.00	195.00	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)	500.00	500.00	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)	350.00	350.00	350.00	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)	700.00	700.00	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)	550.00	550.00	550.00	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)	50.00	50.00	50.00	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)	1,000.00	1,000.00	1,000.00	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)	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)	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)	100.00	100.00	100.00	100.00	100.00

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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)	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)	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)	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)	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)	75.00	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)	75.00	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)	120.00	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)	150.00	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)	105.00	105.00	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)	357.00	428.50	500.00	500.00	500.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty sixth issue - private placement)	357.00	428.50	500.00	500.00	500.00

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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)	350.00	400.00	450.00	500.00	500.00
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)	350.00	400.00	450.00	500.00	500.00
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)	350.00	400.00	450.00	500.00	500.00
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)	600.00	700.00	800.00	900.00	1,000.00
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)	250.00	300.00	350.00	400.00	450.00
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)	-	100.00	200.00	300.00	400.00
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)	300.00	375.00	450.00	525.00	600.00
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)	300.00	375.00	450.00	525.00	600.00
10.00% Secured Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6th year and in annual instalments thereafter upto the end of 10th year respectively from 5th September 2001 (Twelfth Issue - Private Placement)	-	-	-	100.00	200.00
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	8,920.00	8,850.00	7,850.00
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	1,356.90	1,370.10	1,546.50
5.50 % Eurobonds due for repayment on 10th March 2011	-	-	-	-	1,031.00
Term loans					
From Banks					
Secured					
Rupee loans	2,986.65	2,517.84	2,091.81	2,089.79	1,771.23
Unsecured					
Foreign currency loans	4,766.70	3,927.15	3,179.19	1,557.39	1,332.93
Rupee loans	13,919.18	9,503.36	9,484.75	7,561.39	7,354.36
From Others					

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Secured					
Foreign currency loan (guaranteed by GOI)	-	99.09	256.56	391.12	578.14
Rupee loans	8,313.13	6,385.94	5,186.62	4,059.43	2,357.03
Unsecured					
Foreign currency loans (guaranteed by GOI)	2,604.09	2,999.49	2,763.23	2,577.32	2,834.41
Other foreign currency loans	1,864.55	1,872.51	2,208.62	2,757.59	3,381.36
Rupee loans	13,090.55	14,358.43	11,598.76	8,777.30	5,919.41
Deposits					
Unsecured					
Fixed deposits	0.52	0.47	12.39	12.81	0.72
Others					
Unsecured					
Bonds application money pending allottment	200.00	-	-	-	-
Long term maturities of finance lease obligations (Secured)	0.05	0.26	0.74	0.71	1.19
Total	64,587.72	54,851.94	47,059.57	40,004.95	35,958.28

5. Deferred tax liabilities (net)

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Deferred tax liability					
Difference of book depreciation and tax depreciation	6,519.89	6,201.99	6,265.08	4,261.02	7,022.25
Less: Deferred tax assets					
Provisions & other disallowances for tax purposes	789.64	1,153.08	1,301.94	966.70	1,531.75
Disallowances u/s 43B of the Income Tax Act, 1961	334.13	329.82	323.00	207.40	338.55
	5,396.12	4,719.09	4,640.14	3,086.92	5,151.95
Less:-Recoverable from beneficiaries	4,315.40	3,954.60	3,968.49	2,857.21	5,151.85
Total	1,080.72	764.49	671.65	229.71	0.10

6. Other long-term liabilities

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Trade payables	6.83	5.41	10.39	12.57	10.59
Deferred foreign currency fluctuation liability	135.60	134.43	96.67	61.05	54.52
Other liabilities					
Payable for capital expenditure	2,066.54	1,644.76	2,352.67	1695.13	1263.53
Others	4.84	6.97	9.30	1.20	1.79
Total	2,213.81	1,791.57	2,469.03	1,769.95	1,330.43

7. Long-term provisions

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Provision for employee benefits					
Opening balance	613.85	568.52	431.33	363.81	302.25
Additions/ (adjustments) during the year	138.63	45.33	137.19	67.52	61.56
Closing balance	752.48	613.85	568.52	431.33	363.81
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	568.52	431.33	363.81

8. Short-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Loans repayable on demand					
From Banks					
Secured					
Cash Credit	382.16	150.16	39.40	12.09	1.50
Total	382.16	150.16	39.40	12.09	1.50

9. Trade payables

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
For goods and services	5,888.67	5,037.97	4,374.31	3407.98	2583.09

10. Other current liabilities

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Current maturities of long term borrowings					
Bonds-Secured	693.00	693.00	650.00	500.00	400.00
Foreign currency notes - Unsecured	-	-	-	913.40	-
From Banks					
Secured					
Rupee term loans	192.87	168.70	61.30	86.61	81.10
Unsecured					
Foreign currency loans	233.59	219.64	67.44	67.18	65.45
Rupee term loans	1,759.13	1,695.35	1,451.64	1,352.72	1,473.72
From Others					
Secured					
Rupee term loans	357.82	256.63	136.47	48.51	31.28
Foreign currency loan (guaranteed by GOI)	96.44	186.38	157.91	137.53	139.83
Unsecured					
Foreign currency loans (guaranteed by GOI)	171.73	183.64	121.16	60.97	49.82
Other foreign currency loans	576.19	646.04	579.95	521.24	164.11
Rupee term loans	1367.73	740.33	428.53	442.11	456.39
Loan from Government of India	-	-	-	-	0.06
Fixed deposits	0.11	11.79	0.87	0.58	0.70
	5,448.61	4,801.50	3,655.27	4,130.85	2,862.46
Current maturities of finance lease obligations-secured	0.29	0.49	0.59	0.64	0.40
Interest accrued but not due on borrowings	670.55	533.02	435.90	376.86	375.76
Unpaid dividends	15.67	11.50	10.27	22.57	5.80
Unpaid matured deposits and interest accrued thereon	0.20	0.26	0.18	0.51	0.58
Unpaid matured bonds and interest accrued thereon	0.59	0.59	0.60	0.62	0.65
Book overdraft	20.88	3.64	9.34	28.13	96.68
Advances from customers and others	424.50	419.27	570.69	385.69	551.89
Payable for capital expenditure	4,195.52	4,400.06	2,951.54	2393.18	2270.78
Other payables					
Tax deducted at source and other statutory dues	189.46	169.34	146.08	95.51	134.69
Deposits from contractors and others	1,264.91	1,205.71	962.40	909.62	566.49
Gratuity obligations	93.12	60.16	102.32	31.40	469.09
Payable to employees	468.81	332.02	229.58	234.42	153.09
Others	349.43	258.23	287.34	153.56	257.45
Total	13,142.54	12,195.79	9,362.10	8,763.56	7,745.81

11. Short-term provisions

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Provision for employee benefits					
Opening balance	1,163.67	1,183.28	1,625.15	1850.09	1242.17
Additions/ (adjustments) during the year	266.16	(19.61)	(441.87)	(224.94)	607.92
Closing balance	1,429.83	1,163.67	1,183.28	1,625.15	1,850.09
Provision for proposed dividend					
Opening balance	473.29	662.18	675.53	665.05	665.66
Additions during the year	1,718.27	473.29	662.18	675.53	665.05
Amounts used during the year	473.29	662.18	675.53	665.05	665.66
Closing balance	1,718.27	473.29	662.18	675.53	665.05
Provision for tax on proposed dividend					
Opening balance	76.78	107.65	112.03	113.02	114.10
Additions during the year	291.99	76.78	107.65	112.03	113.02
Amounts paid during the year	76.78	107.65	112.03	113.02	114.10
Closing balance	291.99	76.78	107.65	112.03	113.02
Provision for obligations incidental to land acquisition					
Opening balance	376.97	309.69	299.91	319.62	-
Additions during the year	1,969.15	138.46	39.31	22.25	319.68
Amounts paid during the year	138.98	25.58	24.06	36.07	0.06
Amounts adjusted during the year	(21.58)	45.60	5.47	5.89	-
Closing balance	2,228.72	376.97	309.69	299.91	319.62
Provision for tariff adjustment					
Opening balance	1,228.39	-	-	-	-
Additions during the year	104.90	1,541.14	-	-	-
Amounts reversed during the year	-	312.75	-	-	-
Closing balance	1,333.29	1,228.39	-	-	-
Provision for shortage in fixed assets pending					
Opening balance	1.31	1.00	0.85	1.17	0.49
Additions during the year	0.27	0.74	0.64	0.19	0.52
Amounts adjusted during the year	0.10	0.07	0.02	0.03	(0.26)
Amounts reversed during the year	0.39	0.36	0.47	0.48	0.10
Closing balance	1.09	1.31	1.00	0.85	1.17
Others					
Opening balance	90.68	20.71	16.93	18.55	98.38
Additions during the year	224.72	43.60	2.96	3.99	0.47
Amounts adjusted during the year	29.11	(26.37)	(0.83)	5.61	80.24
Amounts reversed during the year	0.46	-	0.01	-	0.06
Closing balance	285.83	90.68	20.71	16.93	18.55
Total	7,289.02	3,411.09	2,284.51	2,730.40	2,967.50

12. Tangible assets

₹ Crore

As at	Net Block				
	31.03.2013	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
Land :					
(including development expenses)					
Freehold	5,203.64	2,986.22	2413.34	2257.44	1965.77
Leasehold	1,355.27	582.96	447.64	474.57	474.30
Roads,bridges, culverts & helipads	431.38	354.77	373.72	364.17	340.60
Building :					
Freehold					
Main plant	3,690.63	2,445.51	2025.38	1761.31	1510.13
Others	1,646.45	1,486.33	1395.26	1494.12	1399.12
Leasehold	23.87	26.22	29.27	31.09	32.53
Temporary erection	2.82	1.80	0.91	0.44	0.02
Water supply, drainage & sewerage system	366.67	344.67	345.76	341.73	355.02
MGR track and signalling system	719.68	674.82	550.00	373.84	341.93
Railway siding	317.98	276.06	201.44	170.78	184.82
Earth dam reservoir	225.35	202.84	118.34	115.55	119.81
Plant and equipment	56,681.33	40,740.98	35981.29	30698.36	27701.70
Furniture and fixtures	189.17	167.78	154.66	138.03	116.97
Vehicles including speedboats					
Owned	5.53	6.17	5.63	3.15	2.51
Leased	0.31	0.64	1.23	1.31	1.51
Office equipment	84.88	70.98	61.06	51.46	41.56
EDP, WP machines and satcom equipment	127.15	115.18	121.90	113.89	95.64
Construction equipments	84.59	78.52	77.64	58.96	45.42
Electrical installations	249.56	183.68	180.56	163.99	104.76
Communication equipments	44.87	45.55	45.02	42.71	39.78
Hospital equipments	16.24	13.90	12.48	9.81	8.94
Laboratory and workshop equipments	37.72	28.39	20.73	14.34	5.76
Assets under 5 KM scheme of the GOI	0.52	-	-	-	-
Capital expenditure on assets not owned by the Company	72.73	79.50	88.89	82.51	36.24
Assets of Government	2.81	2.84	2.84	2.84	2.84
Less:Grants from Government	2.81	2.84	2.84	2.84	2.84
Total	71,578.34	50,913.47	44,652.15	38,763.56	34,924.84

Intangible assets

₹ Crore

As at	Net Block				
	31.03.2013	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
Software	4.94	5.59	9.52	22.72	37.34
Right of Use- Land	44.17	5.28	6.47	6.76	1.28
- Others	204.64	206.53	192.86	8.38	-
Total	253.75	217.40	208.85	37.86	38.62

13. Capital work-in-progress

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Development of land	579.25	561.13	475.92	390.95	345.10
Roads, bridges, culverts & helipads	89.10	103.29	45.71	59.82	64.58
Piling and foundation	901.27	950.99	812.63	868.40	910.64
Buildings :					
Main plant	2,078.87	2,905.21	2,563.49	1,979.24	1,205.56
Others	735.41	594.68	444.05	392.79	280.55
Temporary erection	6.85	15.98	11.88	1.70	4.41
Water supply, drainage and sewerage system	64.43	75.42	59.85	49.75	45.24
Hydraulic works, barrages, dams, tunnels and power channel	4,096.10	3,452.97	2,534.13	2,321.36	1,893.07
MGR track and signalling system	317.05	219.57	241.57	342.70	296.79
Railway siding	367.15	219.42	154.33	139.71	64.29
Earth dam reservoir	50.53	73.56	145.92	145.18	89.03
Plant and machinery	31,632.21	36,546.18	30,066.68	23,554.61	18,424.53
Furniture and fixtures	11.99	5.82	6.60	3.52	6.02
Vehicles	0.64	0.18	0.18	0.17	-
Office equipment	3.32	4.95	2.36	2.00	0.74
EDP/WP machines & satcom equipment	4.31	0.22	2.22	1.01	3.25
Construction equipments	0.11	0.45	0.33	0.01	-
Electrical installations	152.51	208.86	120.76	49.66	71.34
Communication equipment	3.08	1.93	0.35	2.03	2.21
Hospital equipments	0.15	0.38	0.19	0.01	-
Laboratory and workshop equipments	0.16	1.46	2.24	0.16	1.29
Assets under 5 KM scheme of the GOI	58.23	2.24	-	-	-
Capital expenditure on assets not owned by the company	33.26	19.81	16.52	183.45	78.99
Exploratory wells-in-progress	7.64	7.66	7.65	7.64	3.15
Development of coal mines	376.16	279.74	195.05	136.89	96.71
	41,569.78	46,252.10	37,910.61	30,632.76	23,887.49
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	335.55	317.79	281.46	236.94	162.74
Difference in exchange on foreign currency loans	851.36	628.68	(280.32)	(246.32)	206.32
Expenditure towards diversion of forest land	234.00	172.16	161.71	176.18	175.55
Pre-commisioning expenses (net)	100.39	257.13	54.24	(62.73)	8.13
Expenditure during construction period (net)	4,466.22	4,527.52	3,330.88	2,689.46	3,135.90
Less: Allocated to related works	3,833.98	4,157.52	2,873.59	2,156.47	2,796.95
	43,723.32	47,997.86	38,584.99	31,269.82	24,779.18
Less: Provision for unserviceable works	71.44	22.45	18.91	14.43	14.73
Construction stores (net of provision)	2,901.48	2,421.58	2,525.91	2,192.31	1,968.99
Total	46,553.36	50,396.99	41,091.99	33,447.70	26,733.44

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Intangible Assets under Development					
Software	1.28	1.27	0.03	0.55	0.24
Total	1.28	1.27	0.03	0.55	0.24

14. Non-current investments

₹ Crore

As at	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Long term - Trade						
Equity instruments (fully paid up - unless otherwise stated)						
Quoted						
Joint venture companies						
PTC India Ltd.	10 (10)	12.00	12.00	12.00	12.00	12.00
		12.00	12.00	12.00	12.00	12.00
Unquoted						
Subsidiary companies						
Pipavav Power Development Company Ltd.	10 (10)	-	-	-	0.38	-
		-	-	-	0.38	-
Cooperative societies		#	#	#	#	#
Bonds (fully paid up)						
Unquoted						
8.50 % Tax-Free State Government Special Bonds of the Government of						
Andhra Pradesh	1000 (1000)	252.13	378.20	504.26	630.32	756.39
Assam	1000 (1000)	10.29	15.44	20.58	25.73	30.87
Bihar	1000 (1000)	378.88	568.32	757.76	947.20	1,136.64
Chattisgarh	1000 (1000)	96.64	144.97	193.29	241.61	289.93
Gujarat	1000 (1000)	167.45	251.17	334.90	418.61	502.34
Haryana	1000 (1000)	215.00	322.50	430.00	537.50	645.00
Himachal Pradesh	1000 (1000)	6.68	10.02	13.35	16.69	20.03
Jammu and Kashmir	1000 (1000)	73.47	110.21	146.94	183.68	220.41
Jharkhand	1000 (1000)	192.03	288.04	384.05	480.06	576.08
Kerala	1000 (1000)	200.48	300.72	400.96	501.20	601.44
Madhya Pradesh	1000 (1000)	166.17	249.25	332.34	415.42	498.51
Maharashtra	1000 (1000)	76.28	114.42	152.56	190.70	228.84
Orissa	1000 (1000)	220.57	330.86	441.15	551.43	661.72

₹ Crore

As at		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
	Face value per share/bond/ security Current year/ (previous year) (₹)					
Punjab	1000 (1000)	69.25	103.87	138.49	173.12	207.74
Rajasthan	1000 (1000)	43.50	43.50	43.50	58.00	87.00
Sikkim	1000 (1000)	6.84	10.26	13.68	17.10	20.51
Uttar Pradesh	1000 (1000)	797.98	1,196.97	1,595.96	1,994.95	2,393.94
Uttaranchal	1000 (1000)	79.93	119.89	159.86	199.83	239.80
West Bengal	1000 (1000)	234.85	352.27	469.70	587.13	704.55
		3,288.42	4,910.88	6,533.33	8,170.28	9,821.74
Total		3,300.42	4,922.88	6,545.33	8,182.66	9,833.74

[#] Equity shares of **₹ 30,200/-** held in various Company's employees co-operative societies.

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Capital Advances					
Secured	62.90	19.64	18.13	1.61	127.39
Unsecured					
Covered by Bank Guarantee	4,725.28	1,595.31	2,266.85	3176.90	3485.28
Others	3,281.30	1,877.95	1,478.00	1055.30	582.96
Considered doubtful	2.54	2.19	2.21	2.23	6.70
Less: Allowance for bad & doubtful advances	2.54	2.19	2.21	2.23	6.70
	8,069.48	3,492.90	3,762.98	4,233.81	4,195.63
Security deposits (unsecured)	93.90	91.61	129.28	71.47	50.76
Loans					
Related parties-Unsecured	0.03	0.05	0.07	0.04	0.06
Employees (including accrued interest)					
Secured	400.27	380.55	305.37	347.59	345.90
Unsecured	144.14	138.24	172.28	69.92	72.13
Loan to state government in settlement of dues from customers-Unsecured	239.31	335.04	478.63	526.49	622.22
Others					
Secured	14.29	21.42	28.57	57.43	210.81
Unsecured	-	-	-	0.03	0.05
	798.04	875.30	984.92	1,001.44	1,251.07
Advances					
Contractors & Suppliers, including material issued on loan					
Unsecured	92.18	84.85	44.34	50.16	52.98
Others-Secured	0.18	0.16	1.19	1.59	1.26
	92.36	85.01	45.53	51.75	54.24
Advance tax deposit & tax deducted at source	11,932.58	10,370.99	10,141.41	9,361.31	7,161.06
Less: Provision for current tax	10,036.37	8,770.20	7,402.79	7,201.21	3,594.70
	1,896.21	1,600.79	2,738.62	2,160.10	3,566.36
MAT credit recoverable	108.66	70.44	39.14	10.74	-
Total	11,058.65	6,216.05	7,700.47	7,529.31	9,118.06

16. Other non-current assets

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Long term trade receivables					
Unsecured, considered good	9.33	1.42	4.25	-	-
Deferred foreign currency fluctuation asset	1,136.16	1,373.74	459.15	365.25	973.49
Total	1,145.49	1,375.16	463.40	365.25	973.49

17. Current investments

₹ Crore

As at	Face value per bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
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	1000 (1000)	126.07	126.07	126.07	126.07	126.07
Assam	1000 (1000)	5.15	5.15	5.15	5.15	5.15
Bihar	1000 (1000)	189.44	189.44	189.44	189.44	189.44
Chattisgarh	1000 (1000)	48.32	48.32	48.32	48.32	48.32
Gujarat	1000 (1000)	83.73	83.73	83.73	83.73	83.73
Haryana	1000 (1000)	107.50	107.50	107.50	107.50	107.50
Himachal Pradesh	1000 (1000)	3.34	3.34	3.34	3.34	3.34
Jammu and Kashmir	1000 (1000)	36.74	36.74	36.74	36.74	36.74
Jharkhand	1000 (1000)	96.01	96.01	96.01	96.01	96.01
Kerala	1000 (1000)	100.24	100.24	100.24	100.24	100.24
Madhya Pradesh	1000 (1000)	83.08	83.08	83.08	83.08	83.08
Maharashtra	1000 (1000)	38.14	38.14	38.14	38.14	38.14
Orissa	1000 (1000)	110.29	110.29	110.29	110.29	110.29
Punjab	1000 (1000)	34.62	34.62	34.62	34.62	34.62
Rajasthan	1000 (1000)	-	-	14.50	29.00	29.00
Sikkim	1000 (1000)	3.42	3.42	3.42	3.42	3.42
Uttar Pradesh	1000 (1000)	398.99	398.99	398.99	398.99	398.99
Uttaranchal	1000 (1000)	39.96	39.96	39.96	39.96	39.96
West Bengal	1000 (1000)	117.42	117.42	117.42	117.42	117.42
		1,622.46	1,622.46	1,636.96	1,651.46	1,651.46
Other Bonds						

₹ Crore

As at	Face value per bond/ security Current year/ (previous year) (₹)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series - 1/2003, 06/2002, 06/2009		-	-	-	-	4.68
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series - 1/2003, 09/2002, 09/2009		-	-	-	-	4.72
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series - 1/2003, 10/2002, 10/2009		-	-	-	-	14.93
		-	-	-	-	24.33
Government of India Dated Securities (Non-Trade)		-	-	-	-	187.46
Less: Amortisation of Premium		-	-	-	-	1.04
		-	-	-	-	186.42
Investment in mutual funds (unquoted)						
Canara Robeco Liquid Fund - Super IP - DDR		-	-	175.04	-	-
Canara Robeco Treasury Advantage Super - IP - DDR		-	-	-	750.08	-
SBI-SHF Ultra Short Short Term Fund-IP-DDR		-	-	-	425.05	-
UTI Treasury Advantage Fund - IP - DDR		-	-	-	768.36	-
		-	-	175.04	1,943.49	-
Total		1,622.46	1,622.46	1,812.00	3,594.95	1,862.21

18. Inventories

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Coal	1,039.74	1,258.91	1,306.58	1120.33	1116.31
Fuel oil	400.27	261.23	211.33	180.73	190.51
Naphtha	146.77	177.04	155.30	137.34	122.01
Stores and spares	2,440.60	2,080.13	1,871.96	1758.99	1808.99
Chemicals & consumables	76.96	48.00	49.89	32.41	29.84
Loose tools	6.76	6.25	5.60	5.20	4.59
Steel Scrap	25.89	25.66	18.19	12.32	11.56
Others	503.86	382.14	345.26	336.24	126.90
	4,640.85	4,239.36	3,964.11	3,583.56	3,410.71
Less: Provision for shortages	2.56	2.24	2.36	3.09	5.14
Provision for obsolete/ unserviceable items/ dimunition in value of surplus inventory	62.51	59.21	50.92	47.51	44.05
Total	4,575.78	4,177.91	3,910.83	3,532.96	3,361.52

19. Trade Receivables

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good	204.12	107.18	64.98	50.18	37.62
Considered doubtful	0.03	840.70	841.69	839.24	837.28
Less: Allowance for bad & doubtful receivables	0.03	840.70	841.69	839.24	837.28
	204.12	107.18	64.98	50.18	37.62
Others- Unsecured, considered good	5,892.52	6,573.84	1,681.29	1047.66	1116.55
Total	6,096.64	6,681.02	1,746.27	1,097.84	1,154.17

20. Cash and bank balances

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Cash & cash equivalents					
Balances with banks					
Current accounts	418.94	543.83	382.47	658.80	289.40
Deposits with original maturity upto three months	59.53	544.75	293.97	133.91	759.23
Cheques & drafts on hand	74.98	1.83	0.31	12.48	1.53
Remittance in transit	-	-	-	0.06	0.56
Cash on hand	-	0.02	0.13	0.18	0.11
Others (stamps in hand)	0.09	0.10	0.05	0.06	0.08
Other bank balances					
Deposits with original maturity of more than three months	18,110.68	16,919.18	17,160.83	15205.12	16158.47
Others	73.90	77.68	18.41	42.40	41.07
Total	18,738.12	18,087.39	17,856.17	16,053.01	17,250.45

21. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Loans					
Related parties					
Unsecured	0.04	0.03	0.04	0.02	0.02
Employees(including accrued interest)					
Secured	76.92	70.67	52.20	54.10	52.05
Unsecured	91.68	83.73	83.12	47.61	33.21
Considered doubtful	-	0.22	0.25	0.23	0.23
Loan to state government in settlement of dues from customers-Unsecured	95.73	95.73	95.73	95.73	95.73
Others					
Secured	35.71	28.58	21.43	134.24	9.19
Unsecured	-	0.27	0.02	0.65	0.77
Less: Allowance for bad & doubtful loans	-	0.22	0.25	0.23	0.23
	300.08	279.01	252.54	332.35	190.97
Advances					
Related parties					
Unsecured	4.08	1.64	2.27	2.75	2.63
Employees					
Unsecured	9.21	10.07	11.70	155.37	337.30
Considered doubtful	0.11	0.08	0.08	0.07	0.07
Contractors & suppliers, including material issued on loan					
Secured	6.71	5.60	2.24	2.45	3.67
Unsecured	605.88	960.18	761.57	1223.36	997.48
Considered doubtful	1.53	1.64	0.44	0.28	0.19
Others					
Unsecured	131.95	97.53	120.89	91.71	158.17
Considered doubtful	1.03	1.01	-	1.01	0.18
Less: Allowance for bad & doubtful advances	2.67	2.73	0.52	1.36	0.44
	757.83	1,075.02	898.67	1,475.64	1,499.25
Security deposits (Unsecured)	660.39	322.63	68.15	94.06	93.80
Total	1,718.30	1,676.66	1,219.36	1,902.05	1,784.02

22. Other current assets

₹ Crore

As at	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interest accrued					
Bonds	243.19	312.14	382.33	452.52	523.64
Government of India Dated Securities	-	-	-	-	4.73
Term deposits	875.02	804.91	630.10	377.02	432.29
Others	23.98	18.68	43.69	14.31	14.30
	1,142.19	1,135.73	1,056.12	843.85	974.96
Claims recoverable					
Unsecured, considered good	4,782.01	1,848.46	1,650.02	483.14	332.70
Considered doubtful	13.05	13.31	12.95	17.14	18.37
Less: Allowance for doubtful claims	13.05	13.31	12.95	17.14	18.37
	4,782.01	1,848.46	1,650.02	483.14	332.70
Unbilled revenue	6,127.57	5,966.52	6,688.55	5987.55	2705.98
Assets held for disposal	3.03	2.08	2.21	2.71	2.01
Others	12.57	12.87	7.77	22.02	16.96
Total	12,067.37	8,965.66	9,404.67	7,339.27	4,032.61

23. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Energy sales (including electricity duty)	67,996.09	64,840.13	57,196.75	48024.20	42547.15
Consultancy, project management and supervision fee (including turnkey construction projects)	401.67	464.74	438.04	406.71	327.23
Sale of goods (including excise duty)	126.69	126.09	97.14	106.68	22.92
	68,524.45	65,430.96	57,731.93	48,537.59	42,897.30
Energy internally consumed	93.17	85.61	64.71	55.14	51.38
Other operating revenues					
Interest from customers	432.60	515.31	116.16	59.94	96.72
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	-	0.07	0.09
Doubtful loans, advances and claims	0.33	0.14	0.04	0.42	14.47
Doubtful construction advances	-	0.03	0.01	4.48	0.00
Shortage in construction stores	1.12	0.34	0.11	0.73	0.42
Shortage in stores	0.71	1.10	1.92	1.98	1.09
Obsolescence in stores	1.30	1.02	5.15	4.09	0.86
Unserviceable capital works	0.90	-	0.15	0.54	-
Others	0.39	1.80	0.46	0.48	0.11
	845.42	317.32	7.84	12.79	17.04
Total	69,948.38	66,365.89	57,920.64	48,665.46	43,062.44

24. Other income

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interest from					
Long-term investments					
Government securities (8.5% tax free bonds)	520.86	659.38	799.76	940.13	1,080.50
Other Bonds	-	-	-	0.65	4.27
Government of India Securities (Net)	-	-	-	1.81	12.08
Others					
Loan to state government in settlement of dues from customers	34.58	42.72	50.85	58.99	67.13
Loan to employees	29.21	25.55	20.60	16.64	17.67
Contractors	43.84	39.28	23.06	32.86	24.88
Deposits with banks	1,920.20	1,679.41	1,243.18	1,368.24	1,614.42
Income tax refunds	39.48	100.42	1.87	452.63	330.65
Less : Refundable to customers	0.02	34.47	-	452.63	110.69
	39.46	65.95	1.87	-	219.96
Others	9.36	12.23	17.32	37.88	35.64
Profit on redemption of long term investment in Government of India treasury bills	-	-	-	5.04	-
Dividend from					
Long-term investments in					
Joint ventures	103.66	60.16	21.13	6.84	6.00
Current investments in					
Mutual funds	114.13	91.55	53.17	60.36	36.08
Other non-operating income					
Surcharge received from customers	88.67	1.39	10.90	62.36	6.88
Hire charges for equipment	4.35	3.26	2.59	2.82	1.31
Net gain in foreign currency transactions & translations	28.12	61.25	31.49	30.17	2.30
Sale of scrap	89.06	80.08	57.98	54.73	38.34
Liquidated damages recovered	11.82	7.13	7.15	6.62	6.59
Miscellaneous income	211.44	243.78	116.14	176.89	104.75
Profit on disposal of fixed assets	4.76	13.40	8.37	7.01	12.74
	3,253.52	3,086.52	2,465.56	2,870.04	3,291.54
Less: Transferred to expenditure during construction period (net)- Note 29	53.35	73.09	33.00	44.00	54.77
Transferred to development of coal mines	8.30	2.95	0.06	0.02	0.05
Transferred to deferred foreign currency fluctuation asset/liability	27.90	61.25	31.49	6.78	26.80
Total	3,163.97	2,949.23	2,401.01	2,819.24	3,209.92

25. Employee benefits expense

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Salaries and wages	3,667.99	3,371.60	2,940.80	2477.18	1995.79
Contribution to provident and other funds	392.73	320.25	352.90	348.94	684.67
Staff welfare expenses	373.11	312.66	311.74	293.16	328.57
	4,433.83	4,004.51	3,605.44	3,119.28	3,009.03
Less: Allocated to fuel cost / Ash utilisation fund	204.56	173.95	178.46	154.09	122.95
Transferred to development of coal mines	34.31	32.00	28.98	21.94	15.79
Transferred to expenditure during construction period (net)- Note 29	643.58	537.60	475.74	420.16	337.78
Total	3,551.38	3,260.96	2,922.26	2,523.09	2,532.51

26. Finance costs

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interest on					
Bonds	900.87	831.50	805.35	766.37	605.25
Foreign currency term loans	235.33	205.71	177.52	188.35	230.11
Rupee term loans	3,833.62	3,170.07	2,397.48	1,807.26	1,372.93
Public deposits	0.16	1.24	1.24	1.09	0.26
Foreign currency bonds/notes	345.91	184.32	162.75	170.43	173.76
Cash credit	21.01	9.80	-	-	-
Others	73.22	66.07	82.55	42.89	70.79
	5,410.12	4,468.71	3,626.89	2,976.39	2,453.10
Other borrowing costs					
Bonds servicing & public deposit expenses	2.38	2.18	1.85	1.92	1.78
Guarantee fee	40.19	38.47	35.65	39.73	33.98
Management fee	36.24	10.97	25.92	0.28	1.12
Up-front fee	23.87	28.83	2.94	20.63	-
Foreign currency bonds/notes expenses	6.05	17.10	-	0.06	0.11
Insurance premium on foreign currency loans	27.39	-	-	-	-
Others	3.28	1.13	(1.33)	4.70	8.3
	139.40	98.68	65.03	67.32	45.29
Exchange differences regarded as an adjustment to interest costs	(350.21)	350.21	174.16	0.09	268.82
	5,199.31	4,917.60	3,866.08	3,043.80	2,767.21
Less: Transferred to expenditure during construction period (net)- Note 29	2,672.25	2,749.14	2,132.73	1,685.23	1,348.11
Transferred to development of coal mines	46.52	33.74	7.60	-	-
Total	2,480.54	2,134.72	1,725.75	1,358.57	1,419.10

27. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Power charges	204.31	244.98	152.68	117.21	105.21
Less: Recovered from contractors & employees	18.88	18.35	16.32	14.57	12.77
	185.43	226.63	136.36	102.64	92.44
Water charges	508.16	345.00	307.00	137.90	99.66
Stores consumed	49.90	48.02	38.55	32.63	32.67
Rent	37.16	35.18	30.21	28.95	20.03
Less:Recoveries	7.84	8.16	6.81	6.21	5.57
	29.32	27.02	23.40	22.74	14.46
Load dispatch centre charges	42.41	43.53	98.35	-	-
Repairs & maintenance					
Buildings	181.08	149.78	129.41	107.87	97.04
Plant & machinery					
Power stations	1,923.17	1,676.32	1,465.19	1,277.70	1,023.58
Construction equipments	1.09	0.95	0.73	0.64	0.96
	1,924.26	1,677.27	1,465.92	1,278.34	1,024.54
Others	113.35	103.22	108.90	98.07	83.55
Insurance	111.61	103.78	96.27	84.16	60.47
Interest payable to customers	5.72	(67.57)	3.61	1.38	7.20
Rates and taxes	38.11	27.41	26.01	24.86	22.13
Water cess & environment protection cess	35.82	25.72	38.59	26.26	25.53
Training & recruitment expenses	64.80	73.99	73.05	73.90	43.18
Less: Fees for application and training	1.60	1.34	4.77	4.05	3.61
	63.20	72.65	68.28	69.85	39.57
Communication expenses	48.82	41.80	37.80	35.67	29.26
Travelling expenses	198.72	185.87	161.88	145.20	135.77
Tender expenses	24.52	23.98	27.82	25.67	24.92
Less: Receipt from sale of tenders	3.11	2.34	2.88	1.96	2.48
	21.41	21.64	24.94	23.71	22.44
Payment to auditors	3.29	2.99	3.09	2.66	2.64
Advertisement and publicity	13.92	12.69	14.98	16.04	11.17
Security expenses	357.79	314.32	260.25	235.27	172.43
Entertainment expenses	15.09	14.28	13.82	12.10	14.43
Expenses for guest house	21.26	17.89	15.03	12.26	10.41
Less:Recoveries	2.75	2.23	1.37	1.35	1.20
	18.51	15.66	13.66	10.91	9.21
Education expenses	9.41	10.14	25.50	21.61	18.41
Brokerage & commission	3.47	3.35	2.85	2.48	1.49
Community development and welfare expenses	86.96	59.33	80.19	21.17	14.48
Less: Grants-in-aid	0.39	0.24	0.43	0.03	0.86
	86.57	59.09	79.76	21.14	13.62
Ash utilisation & marketing expenses	10.93	6.32	2.32	3.91	4.69
Less: Sale of ash products	0.04	0.06	0.23	0.94	-
	10.89	6.26	2.09	2.97	4.69
Directors sitting fee	0.35	0.30	0.31	0.31	0.16
Books and periodicals	2.72	2.01	1.61	2.00	1.77
Professional charges and consultancy fees	41.14	52.10	48.02	45.15	52.51
Legal expenses	28.34	16.60	15.85	11.41	6.91
EDP hire and other charges	15.34	15.17	16.36	16.89	12.84
Printing and stationery	13.70	12.67	13.23	11.83	10.83
Oil & gas exploration expenses	8.78	14.34	3.64	3.39	8.69
Rebate to customers	579.81	662.60	747.32	707.67	674.86
Reimbursement of L.C.charges on sales realisation	0.60	4.10	4.96	7.19	13.26
Bank charges	4.90	4.22	5.87	4.62	2.98
Net loss in foreign currency transactions & translations	6.11	37.24	6.64	-	-
Miscellaneous expenses	176.25	157.97	131.00	108.24	146.90
Stores written off	0.14	0.15	0.05	0.30	0.81
Survey & investigation expenses written off	4.12	7.74	4.53	4.32	4.15
Loss on disposal/write-off of fixed assets	62.25	66.48	62.22	29.30	42.44
	5,020.81	4,524.24	4,242.88	3,469.08	3,013.93

27. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Less: Allocated to fuel cost / Ash utilisation fund	297.10	243.79	214.67	184.64	145.00
Transferred to development of coal mines	13.62	12.92	14.11	17.41	8.48
Transferred to deferred foreign currency fluctuation asset/liability	2.30	17.64	0.05	-	-
Transferred to expenditure during construction period (net) - Note 29	395.58	444.14	325.93	212.61	188.03
	4,312.21	3,805.75	3,688.12	3,054.42	2,672.42
Provisions for					
Tariff adjustments	103.24	14.69	1,526.45	-	-
Doubtful debts	-	1.01	5.39	1.42	1.18
Doubtful loans, advances and claims	0.09	0.05	0.25	0.11	0.40
Shortage in stores	2.01	1.26	1.47	1.81	5.36
Obsolescence in stores	4.67	10.77	8.84	7.61	17.80
Shortage in construction stores	0.39	0.79	0.33	0.91	0.77
Unserviceable capital work-in-progress	49.89	3.54	9.29	0.30	1.58
Unfinished minimum work programme for oil and gas exploration	5.08	41.19	-	-	-
Others	43.85	2.53	0.75	0.19	2.80
	209.22	75.83	1,552.77	12.35	29.89
Total	4,521.43	3,881.58	5,240.89	3,066.77	2,702.31

28. Prior period items (Net)

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Revenue					
Sales	0.06	9.00	520.68	(32.52)	464.68
Others	8.58	2.23	0.03	2.48	(1.34)
	8.64	11.23	520.71	(30.04)	463.34
Expenditure					
Employee benefits expense	(5.13)	(328.22)	(2.49)	(98.02)	(0.33)
Finance costs					
Interest	(12.00)	(0.44)	39.76	21.33	753.89
Other borrowing costs	(7.91)	-	-	-	-
Depreciation and amortisation	3.93	(0.43)	(1,170.72)	25.42	(237.55)
Generation, administration and other expenses					
Repairs and maintenance	0.77	(1.98)	26.32	(0.28)	0.36
Professional consultancy charges	0.15	0.64	(0.04)	0.04	2.03
Communication expenses	0.66	0.04	-	-	-
Advertisement and publicity	0.12	-	-	0.24	0.14
Rates & taxes	(0.07)	0.24	0.70	0.52	(1.40)
Rent	(0.31)	1.23	(0.03)	0.32	0.07
Net loss in foreign currency transactions & translations	0.72	-	-	3.63	(46.94)
Others	(8.46)	2.00	0.53	(5.48)	75.10
	(27.53)	(326.92)	(1,105.97)	(52.28)	545.37
Net Expenditure/(Revenue)	(36.17)	(338.15)	(1,626.68)	(22.24)	82.03
Less: Transferred to expenditure during construction period (net)-Note 29	(3.11)	(20.25)	35.45	37.86	(2.40)
Transferred to deferred foreign currency fluctuation	0.72	-	-	(0.51)	(25.05)
Transferred to development of coal mines	-	(1.84)	-	-	-
Total	(33.78)	(316.06)	(1,662.13)	(59.59)	109.48

29. Expenditure during construction period (net)

₹ Crore

For the year ended	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
A. Employee benefits expense					
Salaries and wages	561.24	471.88	400.94	363.40	229.12
Contribution to provident and other funds	45.45	37.01	37.88	38.20	71.07
Staff welfare expenses	36.89	28.71	36.92	18.56	37.59
Total (A)	643.58	537.60	475.74	420.16	337.78
B. Finance costs					
Interest on					
Bonds	390.47	467.08	504.95	474.76	322.50
Foreign currency term loans	94.88	99.93	86.26	88.17	117.87
Rupee term loans	2,032.61	1,824.03	1,460.49	1038.56	748.33
Foreign currency bonds/notes	222.88	104.91	37.47	47.26	65.09
Others	-	-	0.02	4.24	0.22
Other borrowing costs					
Foreign currency bonds/notes expenses	5.54	10.47	-	0.01	0.23
Management/arrangers/upfront fee	60.11	20.77	21.55	20.60	0.01
Others	51.01	36.70	7.36	11.62	12.75
Exchange differences regarded as an adjustment to interest costs	(185.25)	185.25	14.63	0.01	81.11
Total (B)	2,672.25	2,749.14	2,132.73	1,685.23	1,348.11
C. Depreciation and amortisation	41.37	37.17	32.16	22.63	19.66
D. Generation, administration & other expenses					
Power charges	128.17	172.27	87.12	60.77	52.48
Less: Recovered from contractors & employees	1.92	2.10	1.15	0.88	0.86
	126.25	170.17	85.97	59.89	51.62
Water charges	11.19	47.88	58.93	8.78	0.27
Rent	5.85	5.40	4.51	4.12	3.60
Repairs & maintenance					
Buildings	9.25	8.35	7.82	4.67	5.23
Construction equipment	0.97	0.59	0.24	0.23	5.87
Others	28.55	21.89	16.81	16.30	10.72
	38.77	30.83	24.87	21.20	21.82
Insurance	2.26	2.12	0.86	0.72	1.10
Rates and taxes	1.39	2.54	1.52	0.65	2.49
Communication expenses	7.61	6.46	5.74	4.96	4.23
Travelling expenses	40.49	36.39	32.65	28.29	27.17
Tender expenses	7.42	5.34	9.44	8.10	8.13
Less: Income from sale of tenders	0.10	0.10	0.15	0.14	-
	7.32	5.24	9.29	7.96	8.13
Payment to auditors	0.07	0.05	0.06	0.07	0.02
Advertisement and publicity	1.73	0.89	0.51	0.85	1.43
Security expenses	58.84	50.08	44.32	28.41	20.57
Entertainment expenses	2.77	2.92	2.37	2.12	2.40
Guest house expenses	5.33	3.94	3.23	2.90	1.43
Education expenses	0.01	0.02	0.16	0.12	0.12
Books and periodicals	0.93	0.35	0.71	0.72	0.62
Community development expenses	8.02	2.92	1.77	1.52	1.39
Professional charges and consultancy fee	9.95	15.67	5.91	8.56	6.28
Legal expenses	5.55	2.28	4.09	0.58	2.51
EDP hire and other charges	1.54	1.34	1.47	0.96	0.81
Printing and stationery	1.61	1.49	1.21	1.36	1.07
Miscellaneous expenses	58.10	55.16	35.78	27.87	28.95
Total (D)	395.58	444.14	325.93	212.61	188.03
E. Less: Other income					
Hire charges	3.76	2.79	1.61	1.88	1.19
Sale of scrap	1.30	8.29	0.59	0.13	0.45
Interest from contractors	28.10	33.40	20.18	27.40	23.88
Interest others	6.32	19.68	9.65	5.75	14.68
Miscellaneous income	13.87	8.93	0.97	8.84	14.57
Total (E)	53.35	73.09	33.00	44.00	54.77
F. Prior period items (net)	(3.11)	(20.25)	35.45	37.86	(2.40)
G. Income/Fringe Benefit Tax	-	-	-	(0.05)	1.43
Grand total (A+B+C+D-E+F+G)	3,696.32	3,674.71	2,969.01	2,334.44	1,837.84

ANNEXURE- V

Significant Accounting Policies and Other Notes to Accounts - Consolidated

Significant Accounting Policies for the Years ended 31.03.2009 to 31.03.2013

Significant accounting policies for the financial years ended 31.03.2009 to 31.03.2013 are same as set out under Annexure - V (Significant Accounting Policies and Other Notes) of the Standalone Reformatted Financial Information.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2012-2013 - CONSOLIDATED

1. 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

2. 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 and 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.

3. 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.

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 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 23).

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. 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.

4. 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

4. Long-term borrowings

₹ 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

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
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

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
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 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

4. Long-term borrowings

₹ Crore

As at	31.03.2013	31.03.2012
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).

4. Long-term borrowings

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.

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 favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor 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.

5. 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.

6. 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 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.

7. Long-term provisions

₹ Crore

As at	31.03.2013	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.41.

8. 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.

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 4.

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	**1,163.67**	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

11. Short-term provisions

₹ Crore

As at	31.03.2013	31.03.2012
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.41.

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 32 D (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	2,986.22	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 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
Hydrolic works, barrages, dams, tunnels and power	**-**	**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 29	**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

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 29

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.

14. Non-current Investments

₹ Crore

As at			31.03.2013	31.03.2012
	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)		
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

₹ Crore

As at			31.03.2013	31.03.2012
	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)		
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.

***** 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).

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.

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2013	31.03.2012

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).

16. 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, 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 23.

17. 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.

b) The above investments are unquoted and hence market value is not applicable.

18. 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. Steel scrap has been valued at estimated realisable value.

b) Inventories-Others include steel, cement, ash bricks etc.

19. 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. 34 for write back of allowance for bad and doubtful receivables.

20. 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.

21. 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.

22. 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). (Refere Note 34).

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.

23. 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 fee (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).

23. Revenue from operations (gross)

₹ Crore

For the year ended	31.03.2013	31.03.2012

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-27).

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 34 (a) in respect of write back of provision for doubtful debts.

24. 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 29		**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.

25. 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 29	**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 41.

26. 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
	(350.21)	350.21
Exchange differences regarded as an adjustment to interest costs		
	5,199.31	4,917.60
Less: Transferred to expenditure during construction period (net)-Note 29	**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.

27. 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 equipments	**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
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

27. Generation, administration & other expenses

₹ Crore

For the year ended	31.03.2013	31.03.2012
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 29	**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'.

28. 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		
Interest	**(12.00)**	(0.44)
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 29	**(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.

29. 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
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

29. Expenditure during construction period (net)

₹ Crore

For the year ended	31.03.2013		31.03.2012
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.

30. Previous year figures have been regrouped /rearranged wherever considered necessary.
31. 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.

32. **BASIS OF CONSOLIDATION**

A. The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Ventures, together referred to as 'Group'.

a) Basis of Accounting:

i) The financial statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of Interest in Joint Ventures' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

b) Principles of consolidation:

The consolidated financial statements have been prepared as per the following principles:
i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

iv)The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

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:	Proportion (%) of Shareholding as on	
	31.03.2013	31.03.2012
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.

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.

33. 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.

34. 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 23) 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.

35. 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).

36. 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.

37. 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.

38. **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.

39. **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).

40. **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).

41. **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**	4118.35
Fair value of plan assets at the end of the year	**4,812.77**	4183.86

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)

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}

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.

42. **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).

43. **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
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.34).

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.

44. **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.Misra	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 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

45. **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	31.03.2012
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 27 – '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 27.

46. **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	**8,245,464,400**	8,245,464,400
Earning per share (Basic and Diluted) - ₹	**15.27**	11.90
Nominal value per share - ₹	**10/-**	10/-

47. **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).

48. **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.

49. **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	**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.

50. **Contingent Liabilities:**

(a) Claims against the Group not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Group for **₹ 4,031.12 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 35, 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 22 (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 **₹ 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.

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 **₹ 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 oil exploration activities of joint venture operations has been disclosed in Note 32 D.

c) Group's commitment in respect of further commitments relating to lease agreements has been disclosed in Note 45.

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).

52. For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2011-2012 - CONSOLIDATED

1. Share capital

₹ Crore

As at	31.03.2012	31.03.2011
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

2. Reserves and surplus

₹ Crore

As at	31.03.2012	31.03.2011
Capital reserve		
As per last financial statements	**362.82**	282.44
Add : Transfer from surplus in the statement of profit & loss	**0.44**	6.87
Add : Grants received during the year	**76.98**	113.18
Less : Adjustments during the year	**48.91**	39.67
Closing balance	**391.33**	362.82
Securities premium account	**2,228.11**	2,228.11
Foreign currency translation reserve	**(0.83)**	-
Bonds redemption reserve		
As per last financial statements	**2,231.66**	1,986.72
Add : Transfer from surplus in the statement of profit & loss	**482.38**	494.94
Less : Transfer to surplus in the statement of profit & loss	**325.00**	250.00
Closing balance	**2,389.04**	2,231.66
General reserve		
As per last financial statements	**55,087.18**	49,871.20
Add : Transfer from surplus in the statement of profit & loss	**5,348.20**	5,216.14
Less: Adjustments during the year	**47.25**	0.16
Closing balance	**60,388.13**	55,087.18
Surplus in the statement of profit & loss		
As per last financial statements	**229.33**	3.35
Add: Profit for the year from statement of profit & loss	**9,814.66**	9,348.23
Write back from bond redemption reserve	**325.00**	250.00
Less: Transfer to bond redemption reserve	**482.38**	494.94
Transfer to capital reserve	**0.44**	6.87
Transfer to general reserve	**5,348.20**	5,216.14
Dividend paid	**2,887.92**	2,473.63
Tax on dividend paid	**465.41**	410.84
Proposed dividend	**473.29**	662.18
Tax on proposed dividend	**76.78**	107.65
Net surplus	**634.57**	229.33
Total [#]	**66,030.35**	60,139.10

[#] Includes **(-) ₹ 511.66 crore** (previous year (-) ₹ 171.70 crore) share of jointly controlled entities.

3. Deferred revenue

₹ Crore

As at	31.03.2012	31.03.2011
On account of advance against depreciation	**718.47**	792.05
On account of income from foreign currency fluctuation	**711.59**	62.43
Total [#]	**1,430.06**	854.48

[#] Includes **₹ Nil** (previous year ₹ Nil) share of jointly controlled entities.

a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholder's funds and liabilities.

b) In line with significant accounting policy no. L.2. of the Company and the revised CERC order for 2004-09, an amount of **₹ 34.39 crore** (previous year ₹ 79.75 crore) has been recognized after reversal/deferment of revenue of **₹ 39.19 crore** (previous year ₹ 11.55 crore) during the year from the AAD and included in energy sales (Note 23).

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. This amount will be recognized as revenue corresponding to the depreciation charge in future years. Since the amount does not constitute a liability to be discharged in future periods hence it has been disclosed in this note separately from shareholder's funds and liabilities.

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
Bonds		
Secured		
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 pedeemable 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**	-
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 instalments 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
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**	-

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
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**	-
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 (Fourtieth issue - private placement)[III]	**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**	-
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]. Securitised during the current year.	**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

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
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]	**428.50**	500.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty sixth issue - private placement) [III]	**428.50**	500.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - private placement) [IV]	**400.00**	450.00
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]	**400.00**	450.00
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]	**400.00**	450.00
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]	**700.00**	800.00
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]	**300.00**	350.00
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 instalments thereafter upto the end of 10th year respectively from 15th September 2003 (Eighteenth issue - private placement) [VII]	**100.00**	200.00
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 instalments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth issue - Part B - private placement) [VIII]	**375.00**	450.00
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) [VIII]	**375.00**	450.00

4. Long-term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
Foreign Currency Notes		
Unsecured		
5.625 % Fixed rate notes due for repayment on 14th July 2021	**2,581.50**	-
5.875 % Fixed rate notes due for repayment on 2nd March 2016	**1,548.90**	1,356.90
Term Loans		
From banks and financial institutions		
Secured		
Foreign currency loan (Guaranteed by GOI) [IX]	**99.09**	256.56
Rupee loans [X]	**8,039.08**	7,278.43
Unsecured		
Foreign currency loans (Guaranteed by GOI)	**2,999.49**	2,763.23
Other foreign currency loans	**5,799.66**	5,387.81
Rupee loans	**24,726.49**	21,083.51
Deposits		
Unsecured		
Fixed deposits	**0.47**	12.39
Long term maturities of finance lease obligations (Secured)[XI]	**0.26**	0.74
Total [#]	**54,851.94**	47,059.57

[#] Includes **₹ 7,932.53 crore** (previous year ₹ 7,199.36 crore) share of jointly controlled entities.

4. Long-term borrowings

a) **Details of terms of repayment and rate of interest in respect of term loans**

₹ Crore

Particulars	Non current portion		Current portion	
	31.03.2012	31.03.2011	**31.03.2012**	31.03.2011
Term loans				
From banks				
Secured				
Foreign currency loan (guaranted by GOI)	**99.09**	256.56	**186.38**	157.91
Rupee loans	**8,039.08**	7,278.43	**425.33**	197.77
Unsecured				
Foreign currency loans (Guaranted by GOI)	**2,999.49**	2,763.23	**183.64**	121.16
Other foreign currency loans	**5,799.66**	5,387.81	**865.68**	647.39
Rupee loans	**24,726.49**	21,083.51	**2,435.68**	1,880.17
Fixed deposits (unsecured)	**0.47**	12.39	**11.79**	0.87

i) Secured foreign currency loan (guaranteed by the GOI) carry floating rate of interest linked to currency weighted LIBOR and is repayable in three semiannual installments as of 31st March 2012.

ii) Unsecured foreign currency loans (guaranteed by the GOI) carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in twenty eight to thirty eight semiannual installments as of 31st March 2012.

iii) Unsecured other foreign currency loans include loans of **₹ 1,290.35 crore** (previous year ₹ 1,267.68 crore) which carry fixed rate of interest ranging from 3.85% p.a. to 4.31% p.a., loans of **₹ 5,186.32 crore** (previous year ₹ 4,533.04 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR and a loan of **₹ 188.67 crore** (previous year ₹ 234.48 crore) which carry floating rate of interest linked to the cost of borrowings of the Multilateral Agency Lender. These loans are repayable in one to twenty eight semi-annual installments as of 31st March 2012 commencing after moratorium period if any, as per the respective loan agreements.

iv) Unsecured rupee term loans carry interest ranging from 5.71 % to 12.75 % 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 five to fifteen years after a moratorium period of three to five years.

v) 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.

vi) Secured rupee term loans generally carry interest linked to AAA bond yield, 225 to 250 bps above base rate and fixed interest rate ranging from 7.71% to 11.20 % 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 after the moratatium period.

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 defaults 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) 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.

IX Secured by English mortgage/hypothecation of all the present and future fixed and movable assets of Rihand Super Thermal Power Station as first charge, ranking pari-passu with charge already created, subject to however, Company's Banker's first charge on certain movable assets hyphothecated to them for working capital requirement.

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 of 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 (4X250) 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.

XI Secured against fixed assets obtained under finance lease.

XII Security cover mentioned at sl. no. I to VIII is above 100% of the debt securities outstanding.

5. Deferred tax liabilities (net)

₹ Crore

	As at 01.04.2011	Additions/ Adjustments during the year	**As at 31.03.2012**
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,265.08	(63.09)	**6,201.99**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	1,301.94	(148.86)	**1,153.08**
Disallowances u/s 43B of the Income Tax Act, 1961	323.00	6.82	**329.82**
	4,640.14	78.95	**4,719.09**
Recoverable from beneficiaries	3,968.49	(13.89)	**3,954.60**
Total [#]	671.65	92.84	**764.49**

[#] Includes **₹ 126.15 crore** (previous year ₹ 68.62 crore) share of jointly controlled entities.

a) The net increase during the year in the deferred tax liability of **₹ 92.84 crore** (previous year ₹ 441.94 crore) 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.

6. Other long-term liabilities

₹ Crore

As at	31.03.2012	31.03.2011
Trade payables	**5.41**	10.39
Deferred foreign currency fluctuation liability	**134.43**	96.67
Other liabilities		
Payable for capital expenditure	**1,644.76**	2,352.67
Others	**6.97**	9.30
Total [#]	**1,791.57**	2,469.03

[#] Includes ₹ **4.46 crore** (previous year ₹ 415.28 crore) share of jointly controlled entities.

a) In line with accounting policies no.L.3, deferred foreign currency fluctuation liability to the extent of ₹ **37.76 crore** (previous year ₹ 35.49 crore) has been made during the year.

b) Other liabilities - Others include deposits received from contractors, customers and parties towards sale of scrap etc.

7. Long-term provisions

₹ Crore

As at	31.03.2012	31.03.2011
Provision for employee benefits		
Opening balance	**568.52**	667.82
Additions/ (adjustments) during the year	**45.33**	(99.30)
Closing balance	**613.85**	568.52
Contractual obligations		
Opening balance	**-**	-
Additions during the year	**9.78**	-
Amounts adjusted during the year	**0.14**	-
Amounts reversed during the year	**-**	-
Closing balance	**9.64**	-
Total [#]	**623.49**	568.52

[#] Includes **₹ 19.79 crore** (previous year ₹ 15.72 crore) share of jointly controlled entities.

a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note no.39.

8. Short term borrowings

₹ Crore

As at	31.03.2012	31.03.2011
Loans repayable on demand		
From Banks		
Secured		
Cash Credit	**150.16**	39.40
Total [#]	**150.16**	39.40

[#] Includes **₹ 109.94 crore** (previous year ₹ Nil) share of jointly controlled entities.

a) The cash credit is fully secured against Inventory and Trade Debtors of Kanti Bijlee Utpadan Nigam Ltd. with interest as per prevailing bank norms.

b) Power Finance Corporation Ltd. has ceded first pari passu charge to the extent of ₹ 325 crores on the fixed assets, revenue and receivables of Aravali Power Company Pvt. Ltd. in favour of its working capital lender (Punjab National Bank).Rate of interest charged by the bank is 1% above bank base rate.

c) There has been no defaults in payment of interest as at the end of the year.

9. Trade payables

₹ Crore

As at	31.03.2012	31.03.2011
For goods and services	**5,045.39**	4,391.67
Total [#]	**5,045.39**	4,391.67

[#] Includes **₹ 209.42 crore** (previous year ₹ 181.09 crore) share of jointly controlled entities.

10. Other current liabilities

₹ Crore

As at	31.03.2012	31.03.2011
Current maturities of long term debts		
Secured		
Bonds	**693.00**	650.00
Foreign currency loans (Guaranteed by GOI)	**186.38**	157.91
Rupee loans	**425.33**	197.77
Unsecured		
Foreign currency loans (Guaranteed by GOI)	**183.64**	121.16
Other foreign currency loans	**865.68**	647.39
Rupee loans	**2,435.68**	1,880.17
Fixed deposits	**11.79**	0.87
Current maturities of finance lease obligations	**0.49**	0.59
Interest accrued but not due on borrowings	**522.32**	435.90
Interest accrued and due on borrowings	**10.70**	-
Unpaid dividends*	**11.50**	10.27
Unpaid matured deposits and interest accrued thereon*	**0.17**	0.18
Unpaid matured bonds and interest accrued thereon*	**0.59**	0.60
Book overdraft	**3.64**	9.34
Advances from customers and others	**419.27**	1,452.83
Payable for capital expenditure	**4,410.88**	2,951.54
Other payables		
Tax deducted at source and other statutory dues	**169.17**	146.08
Others	**1,863.27**	699.50
Total [#]	**12,213.50**	9,362.10

[#] Includes **₹ 1,453.54 crore** (previous year ₹ 593.82 crore) share of jointly controlled entities.

* Represents 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.

a) Details in respect of rate of interest and terms of repayment of secured and unsecured current maturity of long term debts indicated above are disclsoed with the details of long terms borrowings in note no.4.

b) Other payables - others include deposits received from contractors, customers and amounts payable to employees.

c) Payable for capital expenditure includes the amount reimbursable to GOI in terms of public notice no.38 dated 5th November, 1999 and public notice no.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounting to **₹ 7.17 crore** (previous year ₹ 7.17 crore). No interest has been provided on the reimbursable amount as there is no stipulation for payment of interest in the public notices cited above.

d) Payable for capital expenditure includes liabilities towards equipment suppliers pending evaluation of performance and guarantee test results of steam/turbine generators at some of the stations. Pending settlement, liquidated damages for shortfall in performance of these equipments, if any, have not been recognised.

11. Short-term provisions

₹ Crore

As at	31.03.2012	31.03.2011
Provision for employee benefits		
Opening balance	**1,183.28**	1,388.66
Additions/ (adjustments) during the year	**(19.61)**	(205.38)
Closing balance	**1,163.67**	1,183.28
Provision for proposed dividend		
Opening balance	**662.18**	675.53
Additions during the year	**473.29**	662.18
Amounts used during the year	**662.18**	675.53
Closing balance	**473.29**	662.18
Provision for tax on proposed dividend		
Opening balance	**107.65**	112.03
Additions during the year	**76.78**	107.65
Amounts paid during the year	**107.65**	112.03
Closing balance	**76.78**	107.65
Provision for obligations incidental to land acquisition		
Opening balance	**309.69**	299.91
Additions during the year	**138.46**	39.31
Amounts paid during the year	**25.58**	24.06
Amounts reversed during the year	**45.60**	5.47
Closing balance	**376.97**	309.69
Provision for tariff adjustment		
Additions during the year	**14.69**	
Amounts adjusted during the year	**1,526.45**	-
Amounts reversed during the year	**312.75**	-
Closing balance	**1,228.39**	-
Provision for shortage in fixed assets pending investigation		
Opening balance	**1.00**	0.85
Additions during the year	**0.74**	0.64
Amounts adjusted during the year	**0.07**	0.02
Amounts reversed during the year	**0.36**	0.47
Closing balance	**1.31**	1.00

11. Short-term provisions

₹ Crore

As at	31.03.2012	31.03.2011
Others		
Opening balance	**3.35**	5.53
Additions during the year	**42.89**	2.96
Amounts adjusted during the year	**(26.37)**	5.13
Amounts reversed during the year	**-**	0.01
Closing balance	**72.61**	3.35
Total [#]	**3,393.02**	2,267.15

[#] Includes ₹ **167.37 crore** (previous year ₹ 60.86 crore) share of jointly controlled entities.

a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note no.39.

b) 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 the Company has been approved by the Ministry of Power, GOI, vide their letter dated 1st December 2011. The proposed scheme is under discussions with employees' representatives. Pending formation of a separate trust, an amount of **₹ 174.55 crore** (previous year ₹ 94.56 crore) for the year and **₹ 301.50 crore** up to 31st March 2012 (upto the previous year ₹ 468.78 crore) has been provided and included in in provision for employee benefits. An initial investment of ₹ 1.00 crore was made in LIC on 31st March 2012 out of the above said provision. During the year, a review of provision 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 ₹ 341.83 crore was written back through Note 28 - 'Prior period items (net)'.

c) Other provisions includes **₹ 41.19 crore** (previous year ₹ Nil) towards the cost of unfinished minimum work programme demanded by the Ministry of Petrolium and Natural Gas (MoPNG) included interest thereon in relation to block AA-ONN-2003/2.

d) Provision for tariff adjustment - amount adjusted during the year represent the amount transferred from 'Other current assets -Unbilled revenue' (Refer Note 22 c).

12. Tangible assets

₹ Crore

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2011	Additions	Deductions/ Adjustments	**As at 31.03.2012**	Upto 01.04.2011	For the year	Deductions/ Adjustments	**Upto 31.03.2012**	**As at 31.03.2012**	As at 31.03.2011
Land :										
(including development expenses)										
Freehold	2,413.34	486.07	(86.81)	**2,986.22**	-		-		**2,986.22**	2,413.34
Leasehold	561.32	121.18	(42.14)	**724.64**	113.68	27.31	(0.69)	**141.68**	**582.96**	447.64
Roads,bridges, culverts & helipads	528.65	3.85	(4.13)	**536.63**	154.93	26.94	0.01	**181.86**	**354.77**	373.72
Building :										
Freehold										
Main plant	3,186.61	472.27	(44.25)	**3,703.13**	1,161.23	94.67	(1.72)	**1,257.62**	**2,445.51**	2,025.38
Others	2,178.55	170.86	(21.63)	**2,371.04**	783.29	102.53	1.11	**884.71**	**1,486.33**	1,395.26
Leasehold	51.35	-	0.39	**50.96**	22.08	2.81	0.15	**24.74**	**26.22**	29.27
Temporary erection	32.51	5.63	3.20	**34.94**	31.60	2.41	0.87	**33.14**	**1.80**	0.91
Water supply, drainage & sewerage system	621.84	18.99	(2.09)	**642.92**	276.08	21.93	(0.24)	**298.25**	**344.67**	345.76
MGR track and signalling system	1,108.20	116.32	(43.45)	**1,267.97**	558.20	34.95	0.00	**593.15**	**674.82**	550.00
Railway siding	339.16	87.43	(6.94)	**433.53**	137.72	19.77	0.02	**157.47**	**276.06**	201.44
Earth dam reservoir	200.46	97.63	(0.13)	**298.22**	82.12	13.26	0.00	**95.38**	**202.84**	118.34
Plant and equipment	65,971.43	6,032.19	(1,676.66)	**73,680.28**	29,990.14	3,003.25	54.09	**32,939.30**	**40,740.98**	35,981.29
Furniture and fixtures	377.20	29.06	0.29	**405.97**	222.54	16.76	1.11	**238.19**	**167.78**	154.66
Vehicles including speedboats										
Owned	11.46	1.18	0.45	**12.19**	5.83	0.68	0.49	**6.02**	**6.17**	5.63
Leased	2.64	-	0.57	**2.07**	1.41	0.56	0.54	**1.43**	**0.64**	1.23
Office equipment	127.50	18.36	1.92	**143.94**	66.44	8.37	1.85	**72.96**	**70.98**	61.06
EDP, WP machines and satcom equipment	360.85	18.35	4.01	**375.19**	238.95	26.02	4.96	**260.01**	**115.18**	121.90
Construction equipments	151.17	9.76	(0.22)	**161.15**	73.53	10.78	1.68	**82.63**	**78.52**	77.64
Electrical installations	321.69	21.72	6.65	**336.76**	141.13	12.32	0.37	**153.08**	**183.68**	180.56
Communication equipments	90.19	4.89	0.24	**94.84**	45.17	4.77	0.65	**49.29**	**45.55**	45.02
Hospital equipments	27.35	2.27	0.28	**29.34**	14.87	0.83	0.26	**15.44**	**13.90**	12.48
Laboratory and workshop equipments	33.73	7.84	(0.08)	**41.65**	13.00	1.56	1.30	**13.26**	**28.39**	20.73
Capital expenditure on assets not owned by the Company	210.42	8.53	(0.66)	**219.61**	121.53	18.48	(0.10)	**140.11**	**79.50**	88.89
Assets of Government	2.84	-	-	**2.84**	-	-	-	**-**	**2.84**	2.84
Less:Grants from Government	2.84	-	-	**2.84**	-	-	-	**-**	**2.84**	2.84
Assets held for disposal valued at net book value or net realisable value whichever is less	2.21	0.03	0.16	**2.08**	-	-	-	**-**	**2.08**	2.21
Total [#]	78,909.83	**7,734.41**	**(1,911.03)**	**88,555.27**	**34,255.47**	**3,450.96**	**66.71**	**37,639.72**	**50,915.55**	**44,654.36**
Previous year	71,423.76	6,742.40	(743.67)	78,909.83	32,657.49	2,864.61	1,266.63	34,255.47	44,654.36	38,766.27

[#] Includes ₹ **5,449.59 crore** (previous year ₹ 5259.29 crore) share of jointly controlled entities.

a) The conveyancing of the title to **10860 acres** of freehold land of value ₹ **584.02 crore** (previous year 12,378 acres of value ₹ 697.27 crore) and buildings & structures valued at ₹ **136.60 crore** (previous year ₹ 135.58 crore), as also execution of lease agreements for **9483 acres** of land of value ₹ **337.36 crore** (previous year 9,627 acres, value ₹ 299.99 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **819 acres** valuing ₹ **29.67 crore** (previous year 819 acres valuing ₹ 29.67 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include cost of **1,192 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 **1,237 acres** of value ₹ **14.90 crore** (previous year 1,245 acres of value ₹ 15.03 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **124.77 crore** (previous year ₹ 118.74 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) The Company is executing a thermal power project in respect of which possession certificates for **1,489 acres** (previous year 1,489 acres) of land has been handed over to the Company and all statutory and environment clearances for the project have been received.Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. During the year, the High Power Committee has recommended to the Group of Ministers not to shift the present location of the plant. Aggregate cost incurred up to 31st March 2012, **₹ 194.45 crore** (previous year ₹ 190.19 crore) is included in tangible assets/CWIP and long-term loans & advances.

h) 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 **₹ 6.18 crore** (previous year ₹ 6.13 crore) has been charged to the statement of Profit & Loss.

i) The Company has received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the statement of Profit & Loss as and when incurred. The Company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication from ICAI regarding the review, existing treatment has been continued as per the relevant accounting policy.

j) 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 2012 is **₹ 2,782.88 crore** (previous year ₹ 2,140.33 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/Adjsutment' 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/Adjsutment' column are given below:

₹ Crore

	For the year ended 31st March 2012		For the year ended 31st March 2011	
	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	**26.94**	**70.23**	13.77	83.92
Others	**3.73**	**34.16**	1.54	17.28
Hydrolic works, barrages, dams, tunnels and power channel	**-**	**238.53**	-	119.04
MGR track and signalling system	**1.54**	**7.84**	-	2.93
Railway siding	**0.03**	**5.27**	0.02	4.11
Plant and equipment	**1,026.74**	**1,899.17**	165.40	1,531.79
Others including pending allocation	**602.23**	**527.68**	(12.45)	381.26
Total	**1,661.21**	**2,782.88**	168.28	2,140.33

Intangible assets

₹ Crore

	Gross Block				Amortisation				Net Block	
	As at 01.04.2011	Additions	Deductions/ Adjustments	**As at 31.03.2012**	Upto 01.04.2011	For the year	Deductions/ Adjustments	**Upto 31.03.2012**	**As at 31.03.2012**	As at 31.03.2011
Software	92.37	3.24	(0.26)	**95.87**	82.85	7.34	(0.09)	**90.28**	**5.59**	9.52
Right of Use- Land	7.79	-	-	**7.79**	1.32	1.21	0.02	**2.51**	**5.28**	6.47
- Others	199.52	3.52	(19.54)	**222.58**	6.66	8.61	(0.78)	**16.05**	**206.53**	192.86
Total [#]	**299.68**	**6.76**	**(19.80)**	**326.24**	**90.83**	**17.16**	**(0.85)**	**108.84**	**217.40**	**208.85**
Previous year	103.01	107.42	(89.25)	299.68	65.15	24.62	(1.06)	90.83	208.85	37.86

[#] Includes **₹ 5.33 crore** (previous year ₹ 1.89 crore) share of jointly controlled entities.

a) The cost of right of use of land for laying pipelines amounting to **₹ 6.46 crore** (previous year ₹ 6.46 crore) is included above. The right of use, other than perpetual in nature, are amortised over the legal right to use.

b) Cost of acquisition of the right for drawl of water amounting to **₹ 223.92 crore** (previous year ₹ 199.52 crore) is included under Right of Use - Others. The right to draw water is amortized considering the life period of 25 years as per the rates and methodology notified by Regulations, 2009.

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2012	31.03.2011
Charged to Profit & Loss Statement	**3,107.09**	2,719.69
Allocated to the fuel cost	**180.04**	128.91
Transferred to expenditure during construction period (net) - Note 29	**37.17**	32.16
Transferred to development of coal mines	**0.98**	0.52
Adjustment with deffered income/expense from deferred foreign currency fluctuation	**142.84**	7.95
	3,468.12	2,889.23

13. Capital work-in-progress

₹ Crore

	As at 01.04.2011	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2012**
Development of land	475.92	97.62	12.12	0.29	**561.13**
Roads, bridges, culverts & helipads	45.71	66.12	4.38	4.16	**103.29**
Piling and foundation	812.63	138.36	-	-	**950.99**
Buildings :					
Main plant	2,563.49	886.66	73.68	471.26	**2,905.21**
Others	444.05	298.89	(18.12)	166.38	**594.68**
Temporary erection	11.88	10.95	2.39	4.46	**15.98**
Water supply, drainage and sewerage system	59.85	34.37	2.14	16.66	**75.42**
Hydraulic works, barrages, dams, tunnels and power channel	2,534.13	918.84	0.00	-	**3,452.97**
MGR track and signalling system	241.57	136.92	42.61	116.31	**219.57**
Railway siding	154.33	165.75	13.23	87.43	**219.42**
Earth dam reservoir	145.92	25.27	(0.00)	97.63	**73.56**
Plant and machinery	30,066.68	12,890.29	594.90	5,815.89	**36,546.18**
Furniture and fixtures	6.60	3.53	1.49	2.82	**5.82**
Vehicles	0.18	-	-	-	**0.18**
Office equipment	2.36	0.26	(2.89)	0.56	**4.95**
EDP/WP machines & satcom equipment	2.22	1.05	0.62	2.43	**0.22**
Construction equipments	0.33	0.29	0.17	-	**0.45**
Electrical installations	120.76	107.92	0.77	19.05	**208.86**
Communication equipment	0.35	2.41	(0.32)	1.15	**1.93**
Hospital equipments	0.19	-	(0.19)	-	**0.38**
Laboratory and workshop equipments	2.24	-	0.78	-	**1.46**
Assets under 5 KM scheme of the GOI	-	2.24	-		**2.24**
Capital expenditure on assets not owned by the company	16.52	10.94	0.44	7.21	**19.81**
Exploratory wells-in-progress	7.65	0.01	0.00	-	**7.66**
Development of coal mines	195.05	84.69	-	-	**279.74**
	37,910.61	15,883.38	728.20	6,813.69	**46,252.10**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	281.46	35.11	(1.22)	-	**317.79**
Difference in exchange on foreign currency loans	(280.32)	937.48	28.48	-	**628.68**
Expenditure towards diversion of forest land	161.71	10.45	0.00	-	**172.16**
Pre-commisioning expenses (net)	54.24	310.36	107.47	-	**257.13**
Expenditure during construction period (net)	457.29	3,674.71 *	(395.52)	-	**4,527.52**
Less: Allocated to related works		4,157.52			**4,157.52**
	38,584.99	16,693.97	467.41	6,813.69	**47,997.86**
Less: Provision for unserviceable works	18.91	3.53	(0.01)	-	**22.45**
Construction stores (net of provision)	2,525.91	215.74	320.07	-	**2,421.58**
Total #	41,091.99	16,906.18	787.49	6,813.69	**50,396.99**
Previous year	33,781.30	15,124.34	1,430.56	6,383.09	41,091.99

Includes ₹ **6,628.60 crore** (previous year ₹ 5,046.72 crore) share of jointly controlled entities.

* Brought from expenditure during construction period (net) - Note 29

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **1.28 crore** (previous year ₹ 1.44 crore)

b) The pre-commissioning expenses during the year amounting to ₹ **617.38 crore** (previous year ₹ 130.28 crore) have been included in Tangible Assets/Capital work-in-progress after adjustment of pre-commissioning sales of ₹ **307.02 crore** (previous year ₹ 34.96 crore) resulting in a net pre-commissioning expenditure of ₹ **310.36 crore** (previous year ₹ 95.32 crore).

c) Additions during the year under 'Development of coal mines' includes expenditure during construction period of ₹ **84.69 crore** (previous year ₹ 59.24 crore)

d) **Assets under 5 KM scheme of the GOI:**

Ministry of Power has launched a scheme for electrification of villages within 5 km periphery of generation plants of Central Public Sector Undertakings (CPSUs) for providing reliable and quality power to the project affected people. The scheme provides free electricity connections to below poverty line (BPL) households. The scheme will cover all existing and upcoming power plants of CPSUs. The cost of the scheme will be borne by the CPSU to which the plant belongs. This cost will be booked by the CPSU under the project cost and will be considered by the CERC for determination of tariff.

	As at 01.04.2011	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2012**
INTANGIBLE ASSETS UNDER DEVELOPMENT					
Software	0.03	1.24	-	-	**1.27**
Total #	0.03	1.24	-	-	**1.27**
Previous year	0.55	-	0.52	-	0.03

Includes ₹ **1.23 crore** (previous year ₹ Nil) share of jointly controlled entities.

14. Non-current Investments

₹ Crore

As at	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)	31.03.2012	31.03.2011
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	3781950 (5042600)	1000 (1000)	**378.20**	504.26
Assam	154392 (205856)	1000 (1000)	**15.44**	20.58
Bihar	5683200 (7577600)	1000 (1000)	**568.32**	757.76
Chattisgarh	1449660 (1932880)	1000 (1000)	**144.97**	193.29
Gujarat	2511720 (3348960)	1000 (1000)	**251.17**	334.90
Haryana	3225000 (4300000)	1000 (1000)	**322.50**	430.00
Himachal Pradesh	100164 (133552)	1000 (1000)	**10.02**	13.35
Jammu and Kashmir	1102080 (1469440)	1000 (1000)	**110.21**	146.94
Jharkhand	2880376 (3840496)	1000 (1000)	**288.04**	384.05
Kerala	3007200 (4009600)	1000 (1000)	**300.72**	400.96
Madhya Pradesh	2492520 (3323360)	1000 (1000)	**249.25**	332.34
Maharashtra	1144200 (1525600)	1000 (1000)	**114.42**	152.56
Orissa	3308622 (4411496)	1000 (1000)	**330.86**	441.15
Punjab	1038690 (1384920)	1000 (1000)	**103.87**	138.49
Rajasthan	435000 (435000)	1000 (1000)	**43.50**	43.50
Sikkim	102588 (136784)	1000 (1000)	**10.26**	13.68
Uttar Pradesh	11969700 (15959600)	1000 (1000)	**1,196.97**	1,595.96
Uttaranchal	1198950 (1598600)	1000 (1000)	**119.89**	159.86
West Bengal	3522744 (4696992)	1000 (1000)	**352.27**	469.70
			4,910.88	6,533.33
Total ##			**4,922.88**	6,545.33

₹ Crore

As at			31.03.2012	31.03.2011
	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)		
Quoted investments				
Book value			**12.00**	12.00
Market value			**73.32**	100.92
Unquoted investments				
Book value			**4,910.88**	6,533.33

[#] Includes bonds of **₹ 4,910.88 crore** (previous year ₹ 4,881.87 crore) permitted for transfer/trading by Reserve Bank of India. Balance can be transferred/traded subject to prior approval of Reserve Bank of India.

[##] Includes **₹ Nil** (previous year ₹ Nil) share of jointly controlled entities.

a) Investments have been valued considering the accounting policy J.

***** Equity shares of **₹ 30,200/-** (previous year ₹ 30,200/-) held in various Company's employees co-operative societies.

15. Long-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2012	31.03.2011
CAPITAL ADVANCES		
Secured	**19.64**	18.13
Unsecured		
Covered by Bank Guarantee	**1,595.31**	2,266.85
Others	**1,766.27**	1,478.00
Considered doubtful	**2.19**	2.21
Less: Allowance for bad & doubtful advances	**2.19**	2.21
	3,381.22	3,762.98
SECURITY DEPOSITS (Unsecured)	**214.77**	129.28
LOANS		
Related parties-Unsecured	**0.05**	0.07
Employees (including accrued interest)		
Secured	**380.55**	305.37
Unsecured	**138.24**	172.28
Loan to state government in settlement of dues from customers-Unsecured	**335.04**	478.63
Others-Secured	**21.42**	28.57
	875.30	984.92
ADVANCES		
Contractors & Suppliers, including material issued on loan		
Unsecured	**84.85**	44.34
Others-Secured	**0.16**	1.19
	85.01	45.53
MAT credit recoverable	**70.44**	39.14
Total #	**4,626.74**	4,961.85

Includes **₹ 224.12 crore** (previous year ₹ 355.42 crore) share of jointly controlled entities.

a) Other loans represent loans of **₹ 21.42 crore** (previous year ₹ 28.57 crore) given to Andra Pradesh Industrial Infrastructure Company Ltd.(APIIC)

16. Other non current assets

₹ Crore

As at	31.03.2012	31.03.2011
Long term trade receivables		
Unsecured, considered good	**1.42**	4.25
Deferred foreign currency fluctuation asset	**1,373.74**	459.15
Total [#]	**1,375.16**	463.40

[#] Includes **₹ 1.63 crore** (previous year ₹ 4.25 crore) share of jointly controlled entities.

a) In line with accounting policies no.L.3, deferred foreign currency fluctuation asset has been accounted and **₹ 129.78 crore** (previous year (-) ₹ 1.54 crore) being exchange fluctuations on account of interest and finance charges has been recognised as energy sales in Note 23.

17. Current investments

₹ Crore

As at			31.03.2012	31.03.2011
	Number of bonds/ securities Current year/ (previous year)	Face value bond/ security Current year/ (previous year) (₹)		
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of[(c)]				
Andhra Pradesh	1260650 (1260650)	1000 (1000)	126.07	126.07
Assam	51464 (51464)	1000 (1000)	5.15	5.15
Bihar	1894400 (1894400)	1000 (1000)	189.44	189.44
Chattisgarh	483220 (483220)	1000 (1000)	48.32	48.32
Gujarat	837240 (837240)	1000 (1000)	83.73	83.73
Haryana	1075000 (1075000)	1000 (1000)	107.50	107.50
Himachal Pradesh	33388 (33388)	1000 (1000)	3.34	3.34
Jammu and Kashmir	367360 (367360)	1000 (1000)	36.74	36.74
Jharkhand	960120 (960120)	1000 (1000)	96.01	96.01
Kerala	1002400 (1002400)	1000 (1000)	100.24	100.24
Madhya Pradesh	830840 (830840)	1000 (1000)	83.08	83.08
Maharashtra	381400 (381400)	1000 (1000)	38.14	38.14
Orissa	1102874 (1102874)	1000 (1000)	110.29	110.29
Punjab	346230 (346230)	1000 (1000)	34.62	34.62
Rajasthan	- (145000)	1000 (1000)	-	14.50
Sikkim	34196 (34196)	1000 (1000)	3.42	3.42
Uttar Pradesh	3989900 (3989900)	1000 (1000)	398.99	398.99

₹ Crore

As at			31.03.2012	31.03.2011
	Number of bonds/ securities Current year/ (previous year)	Face value bond/ security Current year/ (previous year) (₹)		
Uttaranchal	399650 (399650)	1000 (1000)	39.96	39.96
West Bengal	1174248 (1174248)	1000 (1000)	117.42	117.42
Sub-Total			**1,622.46**	1,636.96
Investment in Mutual Funds (Un-quoted)				
Canara Robeco Liquid Super-IP-DDR			**-**	175.04
Sub-Total			**-**	175.04
Total[#]			**1,622.46**	1,812.00

[#] Includes **₹ Nil** (previous year ₹ Nil) share of jointly controlled entities.

Unquoted investments		
Book value	**1,622.46**	1,812.00

a) Investments have been valued considering the accounting policy no.J.

b) The above investments are unquoted and hence market value is not applicable.

c) Entire bonds are permitted by Reserve Bank of India for transfer/trading.

d) Super IP-DDR is the nature of the scheme. IP-DDR stands for Institutional Plan - Daily Dividend Reinvestment

18. Inventories

₹ Crore

As at	31.03.2012	31.03.2011
Coal	**1,258.91**	1,306.58
Fuel oil	**261.23**	211.33
Naphtha	**177.04**	155.30
Stores and spares	**2,080.13**	1,871.96
Chemicals & consumables	**48.00**	49.89
Loose tools	**6.25**	5.60
Steel Scrap	**25.66**	18.19
Others	**382.14**	345.26
	4,239.36	3,964.11
Less: Provision for shortages	**2.24**	2.36
Provision for obsolete/ unserviceable items/ dimunition in value of surplus inventory	**59.21**	50.92
Total [#]	**4,177.91**	3,910.83

[#] Includes **₹ 456.28 crore** (previous year ₹ 269.27 crore) share of jointly controlled entities.

Inventories include material in transit		
Coal	**87.58**	49.63
Components and spares	**51.23**	61.06
Chemicals & consumables	**0.25**	0.09
Loose tools	**0.16**	0.34
Others	**1.43**	42.14
	140.65	153.26

a) Inventory items, other than steel scrap and material-in-transit, have been valued considering the accounting policy no.K.1. Steel scrap has been valued at estimated realisable value. Material-in-transit has been valued at cost.

b) Other inventories include items of steel, cement, ash bricks etc.

19. Trade Receivables

₹ Crore

As at	31.03.2012	31.03.2011
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**107.18**	64.98
Considered doubtful	**840.70**	841.69
Less: Allowance for bad & doubtful receivables	**840.70**	841.69
	107.18	64.98
Other- Unsecured, considered good	**6,573.84**	1,681.29
Total [#]	**6,681.02**	1,746.27

[#] Includes **₹ 622.69 crore** (previous year ₹ 203.15 crore) share of jointly controlled entities.

20. Cash and bank balances

₹ Crore

As at	31.03.2012	31.03.2011
Cash & cash equivalents		
Balances with banks		
- Current accounts	**543.83**	382.47
- Deposits with original maturity upto three months	**544.75**	293.97
Cheques & drafts on hand	**1.83**	0.31
Cash on hand	**0.02**	0.13
Others (stamps in hand)	**0.10**	0.05
Other bank balances		
Deposits with original maturity of more than three months[(a)]	**16,919.18**	17,160.83
Others [(*)]	**81.96**	22.07
Total [#]	**18,091.67**	17,859.83

[#] Includes **₹ 520.25 crore** (previous year ₹ 445.55 crore) share of jointly controlled entities.

a) Includes bank deposits with original maturity of more than twelve months amounting to **₹ 9.44 crore** (previous year ₹ 14.74 crore).

* Not available for use to the Company and include:

Unpaid dividend account balance	**11.49**	10.25
Balance with Reserve Bank of India##	**1.77**	0.13
Security with government authorities:		
As per court orders	**0.10**	0.10
As per demand	**12.89**	11.59
Margin money with banks	**55.71**	-
	81.96	22.07

Represents amount kept with Reserve Bank of India in terms of Rule 3 A of the Companies (Acceptance of Deposits) Rules, 1975 towards margin money for fixed deposits from public.

21. Short-term loans and advances (Considered good, unless otherwise stated)

₹ Crore

As at	31.03.2012	31.03.2011
LOANS		
Related parties		
Unsecured	**0.03**	0.04
Employees(including accrued interest)		
Secured	**70.67**	52.20
Unsecured	**83.73**	83.12
Considered doubtful	**0.22**	0.25
Loan to state government in settlement of dues from customers (Unsecured)	**95.73**	95.73
Others		
Secured	**28.58**	21.43
Unsecured	**0.27**	0.02
Less: Allowance for bad & doubtful loans	**0.22**	0.25
	279.01	252.54
ADVANCES		
Related parties		
Unsecured	**1.64**	2.27
Employees		
Unsecured	**10.07**	11.70
Considered doubtful	**0.08**	0.08
Contractors & suppliers, including material issued on loan		
Secured	**5.60**	2.24
Unsecured	**960.18**	761.57
Considered doubtful	**1.64**	0.44
Others		
Unsecured	**104.99**	120.89
Considered doubtful	**1.01**	-
Less: Allowance for bad & doubtful advances	**2.73**	0.52
	1,082.48	898.67
Advance tax deposit & tax deducted at source	**10,370.99**	10,141.41
Less: Provision for current tax	**8,770.20**	7,402.79
	1,600.79	2,738.62
Total [#]	**2,962.28**	3,889.83

[#] Includes **₹ 186.06 crore** (previous year ₹ 114.11 crore) share of jointly controlled entities.

a) Other loans represent loans of **₹ 28.58 crore** (previous year ₹ 21.43 crore) given to APIIC.

b) Other advances mainly represent advances given to gratuity trust of **₹ 7.06 crore** (previous year ₹ 39.20 crore) and prepaid expenses amounting to **₹ 54.49 crore** (previous year ₹ 52.56 crore).

22. Other current assets

₹ Crore

As at	31.03.2012	31.03.2011
Interest accrued :		
Bonds	**312.14**	382.33
Term deposits	**804.91**	630.10
Others	**18.68**	43.69
	1,135.73	1,056.12
Claims recoverable		
Unsecured, considered good	**1,848.46**	1,650.02
Considered doubtful	**13.02**	12.95
Less: Provision for doubtful claims	**13.02**	12.95
	1,848.46	1,650.02
Unbilled revenue	**5,966.52**	6,688.55
Security deposits (Unsecured)*	**306.47**	64.49
Others	**12.87**	7.77
Total [#]	**9,270.05**	9,466.95

[#] Includes **₹ 193.59 crore** (previous year ₹ 124.08 crore) share of jointly controlled entities.

* Includes **₹ 163.46 crore** (Previous year ₹ 37.06 crore) sales tax deposited under protest with Sales Tax Authorities

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Claims recoverables include **₹ 766.12 crore** (previous year ₹ 748.82 crore) towards the cost incurred upto 31st March 2012 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. Management expects that the total cost incurred, anticipated expenditure on the safety and stablisation measures, other recurring site expenses and interest costs as well as claims of various packages of contractors/vendors for this project will be compensated in full by the GOI. Hence no provision is considered necessary.

c) Unbilled revenues includes **₹ 5,411.93 crore** (previous year ₹ 5,424.80 crore) billed to the beneficiaries after 31st March for energy sales. The amount for the year ended as at 31st March 2011 is after adjustment of provison for tariff adjustment of ₹ 1,526.45 crore. This provision has been shifted to 'Provision for tariff adjustment' (Note 11) during the year consequent to billing to the beneficiaries.

23. Revenue from operations (gross)

₹ Crore

For the period ended	31.03.2012	31.03.2011
Energy sales (including electricity duty)	**64,840.13**	57,196.75
Consultancy, project management and supervision fees (including turnkey construction projects)	**464.74**	438.04
Sale of goods (including excise duty)	**126.09**	97.14
	65,430.96	57,731.93
Energy internally consumed	**85.61**	64.71
Other operating revenues		
Interest from customers	**515.31**	116.16
Recognized from deferred foreign currency fluctuation liability	**0.16**	-
Miscellaneous income	**16.53**	-
Provisions written back		
Tariff adjustment	**312.75**	-
Doubtful debts	**0.14**	-
Doubtful loans, advances and claims	**0.14**	0.04
Doubtful construction advances	**0.03**	0.01
Shortage in construction stores	**0.34**	0.11
Shortage in stores	**1.10**	1.92
Obsolescence in stores	**1.02**	5.15
Unserviceable capital works	**-**	0.15
Others	**1.80**	0.46
	317.32	7.84
Total[#]	**66,365.89**	57,920.64

[#] Includes **₹ 3662.79 crore** (previous year ₹ 2440.20 crore) share of jointly controlled entities.

a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, and also notified First and Second Amendment in May and June 2011 (Regulations, 2009). In line with the Regulations, 2009, during the year, CERC has issued provisional/final tariff orders w.e.f. 1st April 2009 for all the stations except Talcher Thermal Power Station (TTPS). Beneficiaries are billed in accordance with the said provisional/final tariff orders except for TTPS where it is done on provisional basis. The amount billed for the year ended 31st March 2012 on this basis is **₹ 59,965.57 crore** (previous year ₹ 51,935.33 crore).

b) The CERC has issued final tariff orders for some of the stations under the Regulations, 2009, considering the year-wise projected capital expenditure for the tariff period 2009-14. Sales for these stations has been recognised at **₹ 13,196.36 crore** for the year ended 31st March 2012 by truing up capital expenditure to arrive at the capacity charges (previous year ₹ 11,320.96 crore). For all other stations, pending determination of station-wise final tariff by the CERC, sales have been provisionally recognized at **₹ 47,486.43 crore** for the year ended 31st March 2012 (previous year ₹ 42,222.49 crore) on the basis of principles enunciated in the said Regulations, 2009.

23. Revenue from operations (gross)

₹ Crore

For the period ended	31.03.2012	31.03.2011

c) Sales include **₹ 547.78 crore** for the year ended 31st March 2012 (previous year ₹ 800.87 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d)(i) 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 most of the stations 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 (-) ₹ 49.16 crore for the year ended 31st March 2012 (previous year ₹ Nil) has been recognised as sales and included in b) above. Consequently, 'Provision for Tariff Adjustment' of equivalent amount has been reversed.

(ii) Pursuant to the issuance of second amendment to Regulations, 2009, sales amounting to (-) ₹ 263.59 crore has been adjsuted and reflected in b) and c) above during the year ended 31st March 2012. Corresponding provision for tarif adjustment created in 2010-11 has also been reversed during the year.

e) Sales include (-) **₹ 266.14 crore** for the year ended 31st March 2012 (previous year ₹ 338.51 crore) on account of income-tax recoverable/ payable from/to customers as per Regulations, 2004. Sales also include **₹ 37.77 crore** (previous year ₹ 21.72 crore) for the year ended 31st March 2012 on account of deferred tax materialized which is recoverable from customers as per Regulations, 2009.

f) Electricity duty on energy sales amounting to **₹ 428.65 crore** (previous year ₹ 278.01 crore) has been reduced from sales in the statement of profit and loss.

g) Energy internally consumed is valued at variable cost of generation and the corresponding amount is included in power charges (Note-27).

h) Regulations, 2009 provides that where after the truing-up, the tariff recovered is less than the tariff approved by the Commission under the Regulations, 2009, the generating Company shall recover from the beneficiaries the under-recovered amount along-with simple interest at the rate equal to the short-term prime lending rate of State Bank of India as on 1st April of the respective year. Accordingly, the amount recoverable from the customers along-with interest has been accounted and disclosed under 'other operating revenues'.

24. Other income

₹ Crore

For the period ended		31.03.2012	31.03.2011
Interest from			
Long-term investments (tax-free)		**659.38**	799.76
Others			
Loan to state government in settlement of dues from customers		**42.72**	50.85
Loan to employees		**25.55**	20.60
Interest from contractors		**39.28**	23.06
Indian banks		**1,679.41**	1,243.18
Interest from income tax refunds	**100.42**		1.87
Less : Refundable to customers	**34.47**	**65.95**	-
Others		**12.23**	17.32
Dividend from			
Long-term investments in			
Joint ventures		**60.16**	21.13
Current investments in			
Mutual funds		**91.55**	53.17
Other non-operating income			
Surcharge received from customers		**1.39**	10.90
Hire charges for equipment		**3.26**	2.59
Net gain in foreign currency transactions & translations (other than considered as finance cost)		**61.25**	31.49
Miscellaneous income*		**319.76**	181.27
Profit on disposal of fixed assets		**13.40**	8.37
		3,075.29	2,465.56
Less: Transferred to expenditure during construction period (net)-Note 29		**73.09**	33.00
Transferred to development of coal mines		**2.95**	0.06
Transferred to deferred foreign currency fluctuation asset/liability		**61.25**	31.49
Total[#]		**2,938.00**	2,401.01

[#] Includes **₹ 43.47 crore** (previous year ₹ 43.72 crore) share of jointly controlled entities.

*As per the presidential directive dated 22.12.2009 by MOP, GoI, NVVN Limited, a subsidiary of the company was appointed as the nodal agency for the phase I of the Jawahar Lal Nehru National Solar Mission 2009-13 to enter into power purchase agreement with solar power developers. Due to non performance as to the guidelines issued in this regard, an amount of ₹ 107.18 crore has been recovered from the propective solar power developers and included in miscellanous income.

25. Employee benefits expense

₹ Crore

For the period ended	31.03.2012	31.03.2011
Salaries and wages	**3,365.80**	2,940.80
Contribution to provident and other funds	**317.30**	352.90
Staff welfare expenses	**310.18**	311.74
	3,993.28	3,605.44
Less: Allocated to fuel cost / Ash utilisation fund	**173.95**	178.46
Transferred to development of coal mines	**32.00**	28.98
Transferred to expenditure during construction period (net)- Note 29	**537.60**	475.74
Total [#]	**3,249.73**	2,922.26

[#] Includes **₹ 113.94 crore** (previous year ₹ 84.23 crore) share of jointly controlled entities.

Disclosures required by AS 15 in respect of provision made towards various employees benefits is made in Note 39.

26. Finance costs

₹ Crore

For the period ended	31.03.2012	31.03.2011
Interest on		
Bonds	**831.50**	805.35
Foreign currency term loans	**205.71**	177.52
Rupee term loans	**3,170.07**	2,397.48
Public deposits	**1.24**	1.24
Foreign currency bonds/notes	**184.32**	162.75
Others	**75.87**	82.55
	4,468.71	3,626.89
Other Borrowing Costs		
Bonds servicing & public deposit expenses	**2.18**	1.85
Guarantee fee	**38.47**	35.65
Management fee	**10.97**	25.92
Foreign currency bonds/notes expenses	**17.10**	-
Up-front fee	**28.83**	2.94
Others	**1.13**	(1.33)
	98.68	65.03
Exchange differences regarded as an adjustment to interest costs	**350.21**	174.16
Sub-Total	**4,917.60**	3,866.08
Less: Transferred to expenditure during construction period (net)- Note 29	**2,749.14**	2,132.73
Transferred to development of coal mines	**33.74**	7.60
Total[#]	**2,134.72**	1,725.75

[#] Includes **₹ 416.17 crore** (previous year ₹ 296.87 crore) share of jointly controlled entities.

27. Generation, administration & other expenses

₹ Crore

For the period ended		31.03.2012	31.03.2011
Power charges	**244.98**		152.68
Less: Recovered from contractors & employees	**18.35**		16.32
		226.63	136.36
Water charges		**345.00**	307.00
Stores consumed		**48.02**	38.55
Rent	**35.18**		30.21
Less:Recoveries	**8.16**		6.81
		27.02	23.40
Load dispatch centre charges		**43.53**	98.35
Repairs & maintenance			
Buildings		**149.78**	129.41
Plant & machinery			
Power stations	**1,676.32**		1,465.19
Construction equipment	**0.95**		0.73
		1,677.27	1,465.92
Others		**103.22**	108.90
Insurance		**103.78**	96.27
Interest payable to customers		**(67.57)**	3.61
Rates and taxes		**27.41**	26.01
Water cess & environment protection cess		**25.72**	38.59
Training & recruitment expenses	**73.99**		73.05
Less: Fees for application and training	**1.34**		4.77
		72.65	68.28
Communication expenses		**41.80**	37.80
Travelling expenses		**185.87**	161.88
Tender expenses	**23.98**		27.82
Less: Receipt from sale of tenders	**2.34**		2.88
		21.64	24.94
Payment to auditors		**2.99**	3.09
Advertisement and publicity		**12.69**	14.98
Security expenses		**314.32**	260.25
Entertainment expenses		**14.28**	13.82
Expenses for guest house	**17.89**		15.03
Less:Recoveries	**2.23**		1.37
		15.66	13.66
Education expenses		**10.14**	25.50
Brokerage & commission		**3.35**	2.85
Community development and welfare expenses	**59.33**		80.19
Less: Grants-in-aid	**0.24**		0.43
		59.09	79.76
Ash utilisation & marketing expenses	**6.32**		2.32
Less: Sale of ash products	**0.06**		0.23
		6.26	2.09
Directors sitting fee		**0.30**	0.31
Books and periodicals		**2.01**	1.61
Professional charges and consultancy fees		**52.10**	48.02

27. Generation, administration & other expenses

₹ Crore

For the period ended	31.03.2012	31.03.2011
Legal expenses	**16.60**	15.85
EDP hire and other charges	**15.17**	16.36
Printing and stationery	**12.67**	13.23
Oil & gas exploration expenses	**14.34**	3.64
Rebate to customers	**662.60**	747.32
Reimbursement of L.C.charges on sales realisation	**4.10**	4.96
Bank charges	**4.22**	5.87
Net loss in foreign currency transactions & translations (other than considered as finance cost)	**37.24**	6.64
Miscellaneous expenses	**157.97**	131.00
Stores written off	**0.15**	0.05
Survey & investigation expenses written off	**7.74**	4.53
Loss on disposal/write-off of fixed assets	**66.48**	62.22
	4,524.24	4,242.88
Less: Allocated to fuel cost / Ash utilisation fund	**243.79**	214.67
Transferred to development of coal mines	**12.92**	14.11
Transferred to deferred foreign currency fluctuation asset/liability	**17.64**	0.05
Transferred to expenditure during construction period (net) - Note 29	**444.14**	325.93
	3,805.75	3,688.12
Provisions for		
Tariff adjustments	**14.69**	1,526.45
Doubtful debts	**1.01**	5.39
Doubtful loans, advances and claims	**0.05**	0.25
Shortage in stores	**1.26**	1.47
Obsolescence in stores	**10.77**	8.84
Shortage in construction stores	**0.79**	0.33
Unserviceable capital work-in-progress	**3.54**	9.29
Unfinished minimum work programme for oil and gas exploration	**41.19**	-
Others	**2.53**	0.75
	75.83	1,552.77
Total[#]	**3,881.58**	5,240.89
Spares consumption included in repairs and maintenance	**865.49**	880.19

[#] Includes **₹ 275.09 crore** (previous year ₹ 289.11 crore) share of jointly controlled entities.

Interest payable to customers includes reversal of ₹ 198.83 crore provided in earlier years towards interest payable to beneficiaries as per APTEL order which was set aside by the Hon'ble Supreme Court of India during the year.

28. Prior period items (Net)

₹ Crore

For the period ended	31.03.2012	31.03.2011
Revenue		
Sales	**9.00**	520.68
Others	**2.23**	0.03
	11.23	520.71
Expenditure		
Employee benefits expense	**(328.22)**	(2.49)
Finance costs	**(0.44)**	39.76
Depreciation and amortisation	**(0.43)**	(1,170.72)
Repairs and maintenance	**(1.98)**	26.32
Professional consultancy charges	**0.64**	(0.04)
Rates & taxes	**0.24**	0.70
Rent	**1.23**	(0.03)
Others	**2.04**	0.53
	(326.92)	(1,105.97)
Net Expenditure/(Revenue)	**(338.15)**	(1,626.68)
Less: Transferred to expenditure during construction period (net)- Note 29	**(20.25)**	35.45
Development of coal mines	**(1.84)**	-
Total [#]	**(316.06)**	(1,662.13)

[#] Includes **₹ 0.86 crore** (previous year ₹ 23.41 crore) share of jointly controlled entities.

29. Expenditure during construction period (net)

₹ Crore

For the period ended		31.03.2012	31.03.2011
A. Employee benefits expense			
Salaries and wages		**471.88**	400.94
Contribution to provident and other funds		**37.01**	37.88
Staff welfare expenses		**28.71**	36.92
Total (A)		**537.60**	475.74
B. Finance costs			
Interest on			
Bonds		**467.08**	504.95
Foreign currency term loans		**99.93**	86.26
Rupee term loans		**1,824.03**	1,460.49
Foreign currency bonds/notes		**104.91**	37.47
Others		**-**	0.02
Other borrowing costs			
Foreign currency bonds/notes expenses		**10.47**	-
Management/arrangers/upfront fee		**20.77**	21.55
Others		**36.70**	7.36
Exchange differences regarded as an adjustment to interest costs		**185.25**	14.63
Total (B)		**2,749.14**	2,132.73
C. Depreciation and amortisation		**37.17**	32.16
D. Generation, administration & other expenses			
Power charges	**172.27**		87.12
Less: Recovered from contractors & employees	**2.10**		1.15
		170.17	85.97
Water charges		**47.88**	58.93
Rent		**5.40**	4.51
Repairs & maintenance			
Buildings	**8.35**		7.82
Construction equipment	**0.59**		0.24
Others	**21.89**		16.81
		30.83	24.87
Insurance		**2.12**	0.86
Rates and taxes		**2.54**	1.52
Communication expenses		**6.46**	5.74
Travelling expenses		**36.39**	32.65
Tender expenses	**5.34**		9.44
Less: Income from sale of tenders	**0.10**		0.15
		5.24	9.29
Payment to auditors		**0.05**	0.06
Advertisement and publicity		**0.89**	0.51
Security expenses		**50.08**	44.32

29. Expenditure during construction period (net)

₹ Crore

For the period ended	31.03.2012		31.03.2011
Entertainment expenses	**2.92**		2.37
Guest house expenses	**3.94**		3.23
Education expenses	**0.02**		0.16
Books and periodicals	**0.35**		0.71
Community development expenses	**2.92**		1.77
Professional charges and consultancy fee	**15.67**		5.91
Legal expenses	**2.28**		4.09
EDP hire and other charges	**1.34**		1.47
Printing and stationery	**1.49**		1.21
Miscellaneous expenses	**55.16**		35.78
Total (D)	**444.14**		325.93
Total (A+B+C+D)	**3,768.05**		2,966.56
E. Less: Other income			
Hire charges	**2.79**		1.61
Sale of scrap	**8.29**		0.59
Interest from contractors	**33.40**		20.18
Interest others	**19.68**		9.65
Miscellaneous income	**8.93**		0.97
Total (E)	**73.09**		33.00
F. Prior period items (net)	**(20.25)**		35.45
Grand total (A+B+C+D-E+F) [#]	**3,674.71**	*	2,969.01

*** Carried to capital work-in-progress - (Note 13)**

[#] Includes **₹ 446.50 crore** (previous year ₹ 489.93 crore) share of jointly controlled entities.

30. The consolidated financial statements for the year ended 31st March 2011 had been prepared as per the pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the consolidated financial statements for the year ended 31st March 2012 have been prepared considering the provisions of Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of consolidated financial statements.

31. 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 incorporated separately through foot notes.

32. **BASIS OF CONSOLIDATION**

A. The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Ventures.

a) Basis of Accounting:

i) The financial statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of Interest in Joint Ventures' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

b) Principles of consolidation:

The consolidated financial statements have been prepared as per the following principles:

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

iv)The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

B. The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2012	31.03.2011
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**	100
2. NTPC Hydro Ltd.(under amalgamation with NTPC Ltd.)	**100**	100
3. NTPC Vidyut Vyapar Nigam Ltd.	**100**	100
4. Kanti Bijlee Utpadan Nigam Ltd.	**64.93**	64.57
5. Bhartiya Rail Bijlee Company Ltd.	**74**	74

Joint Venture Companies:	Proportion (%) of Shareholding as on	
	31.03.2012	31.03.2011
A. Incorporated in India		
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3. NTPC-SAIL Power Company Private Ltd.*	**50**	50
4. NTPC-Tamilnadu Energy Company Ltd.	**50**	50
5. Ratnagiri Gas & Power Private Ltd. *	**31.52**	30.17
6. Aravali Power Company Private Ltd.*	**50**	50
7. NTPC-SCCL Global Ventures Private Ltd.*	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.*	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
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.	**25**	25
15. Transformers & Electricals Kerala Ltd.	**44.6**	44.6
16. Energy Efficiency Services Ltd. *	**25**	25
17. CIL NTPC Urja Private Ltd.*	**50**	50
18. Anushakti Vidyut Nigam Ltd.*	**49**	-
19. Pan-Asian Renewables Private Ltd.*	**50**	-
B. Incorporated outside India		
1. Trincomalee Power Company Ltd.*	**50**	-

** The financial statements are un-audited.*

C. Anushakti Vidyut Nigam Ltd. was incorporated on 27th January 2011 with 51% shares held by Nuclear Power Corporation India Ltd. Subscription money towards equity was received during the year and as such considered for consolidation from the current year.

D. Pan-Asian Renewables Private Ltd. was incorporated on 14th October 2011 in which 50% shares held by the Company and balance equally held by Asian Development Bank and Kyuden International Corporation a wholly owned subsidiary of Kyushu Electric Power Company Inc..

E. Trincomalee Power Company Ltd. was incorporated on 26th September 2011 in which shares are to be held by the Company and Ceylon Electricity Board, Srilanka equally.

F. Board of directors of the company has accorded the in-principal approval for amalgamation of NTPC Hydro Limited, a 100% subsidiary company, with NTPC limited.

G. 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 2012 and expenditure for the year included in the consolidated financial statements are given below:

(₹ Crore)

Item	**2011-12 (Un-audited)**	2010-11 (Un-audited)
Expenses	**3.61**	3.11
Assets	**0.03**	0.03
Liabilities	**0.95**	3.14
Capital Commitments	**88.48**	81.03

G. ii) Exploration activities in the block AA-ONN-2003/2 were abandoned 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, MoPNG demanded from the Company the cost of unfinished minimum work programme of US$ 7.516 million. During the year, provision of ₹ 41.19 crore along-with interest has been made. 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 ₹ 0.18 crore for the financial year 2011-12 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 2012 and expenditure for the year is as under:

₹ Crore

Item	**2011-12 (Un-audited)**	2010-11 (Un-audited)
Expenses	**0.18**	0.43
Assets	**14.64**	14.64
Liabilities	**2.10**	1.92
Contingent liabilities	**67.57**	78.50

33. a) Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential 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.

34. The coal price notification No 222021 /1/ 2008-CRC-UU dated 31.12.2011 issued by Ministry of Coal (MoC) proposed migration from Useful Heat Value (UHV) based to Gross Calorific Value (GCV) based pricing of coal, and also increased the coal prices. This was superseded by notification dated 31.01.2012, partially rolling back the increase in coal prices. Various stakeholders including power utilities and MOP have expressed concern on the switchover from existing UHV to GCV based pricing of coal, without having put in place the prerequisite technical and legal framework. The issue is under deliberation at MOP and Central Electricity Authority with MoC for an early resolution.

    Pending resolution of the issues, stations are continuing to make payment and accounting of coal as per the pre-migrated system of UHV based pricing of coal and the difference between the amounts billed by the coal companies and the payments made/accounted for has been shown as contingent liability. Since, fuel cost is a pass through component of tariff, the revision of price will not have any adverse impact on the profits of the Company.

35. The levy of transit fee/entry tax/VAT 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 from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

    NTPC Vidyut Vyapar Nigam Ltd. (NVVN) inter-alia engaged in sale of fly ash & its products given by the company at cost. Consequent 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 in compliance of notification, a sum of **₹ 68.02** (previous year ₹ 48.34 crore) has been transferred in the reserve during the year after netting of related/allocable cost of **₹ 16.29 crore** (previous year ₹ 9.67 crore) from the sale proceeds of the products.

36. **Disclosure as per Accounting Standard - 9 on 'Revenue Recognition'**
    Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.

37. **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 **₹ 19.60 crore** (previous year debit of ₹ 6.50 crore).

    ii) The amount of exchange differences (net) debited to the carrying amount of Fixed Assets is **₹ 1,671.05 crore (**previous year debit of ₹ 170.04 crore).

38. **Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'**
    Revenue grant recognised during the year is **₹ 0.24 crore** (previous year ₹ 0.43 crore).

39. **Disclosure as per Accounting Standard - 15 on 'Employee Benefits'**

    General description of various defined 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 **₹ 186.36 crore** (Previous year ₹ 191.88 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.

    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 above.

    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 retired employee and the 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 as per the rules of the Company. 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	60.03 {54.63}	11.12 {9.82}	42.67 {38.72}	5.09 {4.32}
Interest cost on benefit obligation	101.41 {85.82}	26.61 {19.65}	55.86 {47.10}	16.35 {13.40}
Expected return on plan assets	(82.94) {(79.22)}	0 {-}	0 {-}	0 {-}
Net actuarial (gain)/ loss recognised in the year	1.56 {48.78}	29.38 {45.29}	88.02 {86.22}	25.94 {16.58}
Expenses recognised in the Statement of Profit & Loss	80.06 {110.01}	67.11 {74.76}	186.55 {172.04}	47.38 {34.30}

ii) **The amount recognised in the Balance Sheet**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2012	1,298.60 {1193.04}	371.11 {313.07}	746.01 {656.81}	229.83 {192.53}
Fair value of plan assets as at 31.03.2012	1,169.90 {1039.04}	0 {-}	0 {-}	0 {-}
Net liability recognised in the Balance Sheet	128.70 {154.00}	371.11 {313.07}	746.01 {656.81}	229.83 {192.53}

iii) **Changes in the present value of the defined benefit obligations:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2011	1,193.04 {1072.82}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}
Interest cost	101.41 {85.82}	26.61 {19.65}	55.86 {47.10}	16.35 {13.40}
Current service cost	60.03 {54.63}	11.12 {9.82}	42.67 {38.72}	5.09 {4.32}
Benefits paid	(69.86) {(74.77)}	(9.07) {(7.34)}	-97.35 {(104.04)}	(10.08) {(9.44)}
Net actuarial (gain)/ loss on obligation	13.98 {54.54}	29.38 {45.29}	88.02 {86.22}	25.94 {16.58}
Present value of the defined benefit obligation as at 31.03.2012	1,298.60 {1193.04}	371.11 {313.07}	746.01 {656.81}	229.83 {192.53}

iv) **Changes in the fair value of plan assets:**

₹ Crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2011	1,039.04 {992.59}	- {-}	- {-}	- {-}
Expected return on plan assets	82.94 {79.24}	- {-}	- {-}	- {-}
Contributions by employer	101.39 {32.72}	- {-}	- {-}	- {-}
Benefit paid	(65.89) {(71.27)}	- {-}	- {-}	- {-}
Net actuarial gain/(loss)	12.42 {5.76}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2012	1,169.90 {1039.04}	- {-}	- {-}	- {-}

vi) 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	4.22	(6.50)
Present value of obligation	31.35	(47.14)

F. Other Employee Benefits

Provision for long service award and family economic rehabilitation scheme amounting to **₹ 4.85 crore** (previous year ₹ 2.76 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.

40. **Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'**

Borrowing costs capitalised during the year are **₹ 2,782.88 crore** (previous year ₹ 2,140.33 crore).

41. **Disclosure as per Accounting Standard - 17 on 'Segment Reporting'**

Segment information:

a) Business Segments

The Company's principal business is generation and sale of bulk power to State Power Utilities. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.

b) Segment Revenue and Expense

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as Segment Expenses.

c) Segment Assets and Liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Construction work-in-progress, construction stores and advances are included in unallocated corporate and other assets. Segment liabilities include operating liabilities and provisions.

(₹ Crore)

	Business Segments				**Total**	
	Generation		**Others**			
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**64,805.11**	56,839.96	**653.44**	578.50	**65,458.55**	57,418.46
Other income	**679.00**	401.86	**146.63**	38.59	**825.63**	440.45
Total	**65,484.11**	57,241.82	**800.07**	617.09	**66,284.18**	57,858.91
Segment Result #	**13,336.59**	12,662.83	**192.38**	135.39	**13,528.97**	12,798.22
Unallocated Corporate Interest and Other					**2,547.07**	2,149.27
Unallocated Corporate expenses, interest and finance charges					**2,938.78**	2,555.16
Profit before Tax					**13,137.26**	12,392.33
Income/Fringe Benefit Taxes (Net)					**3,322.60**	3,044.10
Profit after Tax					**9,814.66**	9,348.23
Other information						
Segment assets	**73,203.85**	60,004.65	**2,243.93**	1,626.95	**75,447.78**	61,631.60
Unallocated Corporate and other assets					**79,814.22**	74,980.54
Total assets	**73,203.85**	60,004.65	**2,243.93**	1,626.95	**155,262.00**	136,612.14
Segment liabilities	**10,803.08**	9,497.01	**1,794.67**	1,330.60	**12,597.75**	10,827.61
Unallocated Corporate and other liabilities					**68,388.44**	57,399.97
Total liabilities	**10,803.08**	9,497.01	**1,794.67**	1,330.60	**80,986.19**	68,227.58
Depreciation (including prior period)	**3,067.39**	1,508.14	**2.40**	1.77	**3,069.79**	1,509.91
Non-cash expenses other than Depreciation	**15.29**	1,542.70	**41.19**	2.01	**56.48**	1,544.71
Capital Expenditure	**17,710.56**	14,638.58	**315.31**	276.46	**18,025.87**	14,915.04

* Includes (-) **₹ 54.75 crore** (previous year ₹ 1,180.00 crore) for sales related to earlier years.

Generation segment result would have been **₹ 13,281.54 crore** (previous year ₹ 11,496.69 crore) without including the sales related to earlier years.

d) The operations of the Company are mainly carried out within the country and therefore, geographical segments are inapplicable.

42. **Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'**

a) Related parties:

i) Joint ventures:

Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd., Pan-Asian Renewables Private Ltd., Trincomalee Power Company 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)
Shri S.P.Singh	Director (Human Resources)
Shri N.N.Mishra	Director (Operations)

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.	**335.47**	240.52
- NTPC-Alstom Power Services Private Ltd.	**10.10**	14.15
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.13**	0.50
- NTPC-Alstom Power Services Private Ltd	**0.82**	0.57
- Trincomalee Power Company Ltd.	**0.15**	-
ii) Dividend Received:		
- Utility Powertech Ltd.	**3.00**	1.00
- NTPC-Alstom Power Services Private Ltd.	**0.30**	0.36
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.94**	0.60
- NTPC-Alstom Power Services Private Ltd	**0.04**	0.87
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**48.83**	47.16
- NTPC-Alstom Power Services Private Ltd	**10.44**	17.52
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.30**	0.66
- NTPC-Alstom Power Services Private Ltd	**0.33**	0.93
- Trincomalee Power company Ltd.	**0.15**	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **₹ 4.18 crore** (previous year ₹ 4.18 crore).

c) Remuneration to key management personnel for the year is **₹ 2.79 crore** (previous year ₹ 3.06 crore) and amount of dues outstanding to the Company as on 31st March 2012 are **₹ 0.08 crore** (previous year ₹ 0.11 crore).

43. **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

	31.03.2012	31.3.2011
a) Obligations towards minimum lease payments		
· Not later than one year	**0.52**	0.72
· Later than one year and not later than five years	**0.28**	0.80
· Later than five years		-
Total	**0.80**	1.52
b) Present value of (a) above		
· Not later than one year	**0.47**	0.61
· Later than one year and not later than five years	**0.26**	0.73
· Later than five years	**-**	-
Total	**0.73**	1.34
c) Finance Charges	**0.07**	0.18

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 25 - Employee benefits expense includes **₹ 83.20 crore** (previous year ₹ 76.99 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 27 – '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 27.

44. **Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'**

The elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

	Current Year	Previous Year
Net profit after tax used as numerator - ₹ crore	**9,814.66**	9,348.23
Weighted average number of equity shares used as denominator	**8,245,464,400**	8,245,464,400
Earning per share (Basic and Diluted) - ₹	**11.90**	11.34
Face value per share - ₹	**10/-**	10/-

45. **Disclosure as per Accounting Standard - 26 on 'Intangible Assets'**

Research expenditure charged to revenue during the year is **₹ 29.89 crore** (previous year ₹ 28.30 crore).

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:**

₹ Crore

Particulars	Currencies	Amount	
		31.03.2012	31.03.2011
Borrowings, including interest accrued but not due thereon.	USD	**10,538.98**	7,157.37
	JPY	**3,378.49**	3,125.17
	EURO	**423.42**	441.21
Sundry creditors/deposits and retention monies	USD	**1,228.61**	1,189.05
	EURO	**859.28**	601.76
	Others	**34.96**	30.31
Sundry debtor and Bank balances	USD	**0.82**	2.08
Unexecuted amount of contracts remaining to be executed	USD	**2,188.14**	2,493.04
	EURO	**1,566.40**	4,197.59
	Others	**190.16**	25.22

48. **Contingent Liabilities:**

(a) Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for **₹ 4,461.01 crore** (previous year ₹ 3,525.43 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 contract 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 **₹ 1,174.20 crore** (previous year ₹ 1,851.08 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues disclosed in Note 34, payments and accounting of coal are being made as per the pre-migrated system of UHV based pricing of coal. The difference between the billing by the coal companies on the revised GCV based price and payment released on pre-revised UHV based price amounts to **₹ 399.39 crore (**previous year ₹ Nil**)**.

Further, an amount of **₹ 399.42 crore** (previous year ₹ 182.22 crore) towards surface transportation charges, custome 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 fees, penalty on diversion of agricultural land to non-agricultural use, nala tax, water royalty etc. and by others, contingent liability of **₹ 878.95 crore** (previous year ₹ 1,065.78 crore) has been estimated.

(v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of **₹ 1,769.70 crore** (previous year ₹ 1,495.35 crore) relating to the hydro power project stated in Note 22 - 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 **₹ 676.32 crore** (previous year ₹ 146.97 crore).

(b) Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **₹ 3,273.96 crore** (previous year ₹ 2,547.79 crore) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimated possible reimbursement of **₹ 2,112.02 crore** (previous year ₹ 1,793.37 crore).

(c) Others

Other contingent liabilities amount to **₹ 365.99 crore** (previous year ₹ 408.57 crore).

Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

The contingent liabilities disclosed above include **₹ 78.09 crore** (previous year ₹ 123.09 crore) share of jointly controlled entitites.

49. **Capital and other commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2012 is **₹ 36,693.87 crore** (previous year ₹ 31,496.08 crore) which includes an amount of **₹ 1,848.88 crore**(previous year ₹ 2,673.05 crore) in respect of jointly controlled entities.

b) Company's comittment towards the minimum work programme in respect oil exploration activities of joint venture operations has been disclosed in Note 32 G.

c) Company's commitment in respect of further commitments relating to lease agreements has been disclosed in Note 43.

50. For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

51. Previous year figures have been regrouped /rearranged wherever necessary.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2010-11 - CONSOLIDATED

1. **BASIS OF CONSOLIDATION**

1.1 The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Ventures.

a) **Basis of Accounting:**

i) The financial statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of Interest in Joint Ventures' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

b) **Principles of consolidation**:

The consolidated financial statements have been prepared as per the following principles:

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

(iv)The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

1.2 The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2011	31.03.2010
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**	100
2. NTPC Hydro Ltd.	**100**	100
3. NTPC Vidyut Vyapar Nigam Ltd.	**100**	100
4. Kanti Bijlee Utpadan Nigam Ltd. (Formerly known as Vaishali Power Generation Company Ltd.)	**64.57**	64.57
5. Bharatiya Rail Bijlee Company Ltd.	**74**	74

Joint Venture Companies:	Proportion (%) of Shareholding as on	
	31.03.2011	31.03.2010
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3. NTPC-SAIL Power Company Private Ltd.*	**50**	50
4. NTPC-Tamilnadu Energy Company Ltd.*	**50**	50
5. Ratanagiri Gas & Power Private Ltd.	**30.17**	29.65
6. Aravali Power Company Private Ltd.	**50**	50
7. NTPC-SCCL Global Ventures Private Ltd.	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.*	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
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.*	**25**	25
15. Transformers & Electrical Kerala Ltd.*	**44.60**	44.60
16. Energy Efficiency Services Ltd. *	**25**	25
17. CIL NTPC Urja Private Ltd.*	**50**	-

** The financial statements are un-audited.*

All the above Companies are incorporated in India.

1.3 CIL NTPC Urja Private Ltd. was incorporated on 27th April 2010, in which shares are to be held by the Company and Coal India Ltd. equally.

1.4 Anushakti Vidhyut Nigam Ltd. was incorporated on 27th January 2011 in which 49% shares are to be held by the Company and 51% shares are to be held by Nuclear Power Corporation India Ltd. Pending remittance of the subscription money the same is not considered for consolidation.

1.5 The Company had acquired 44.6% shares in Transformers & Electrical Kerala Ltd. (TELK) on 19th June 2009. Capital reserve arising on consolidation represent portion of the Company's share of interest in the net asset of TELK over the cost of investment which was calculated based on the un-audited financial statements of TELK as at 31st March 2009 taking into account the amount of proportionate profit till the date of investment based on the un-audited financial statements for the year ended 31st March 2010. The amount has been updated to ₹ 5.87 crore based on the audited financial statements of TELK for the year ended 31st March 2010.

1.6 a) During the year, the Company along-with some Public Sector Undertakings has entered into Production Sharing Contracts (PSCs) with Government of India (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 2011 and expenditure for the year included in the Consolidated Financial Statements are given below :

(₹ crore)

Item	**2010-11 (Un-audited)**
Expenses	**3.11**
Assets	**0.03**
Liabilities	**3.14**
Capital Commitments	**81.03**

	1.6 b)	Subsequent to the withdrawal by the operator M/s Geopetrol International Inc. from block AA-ONN-2003/2 wherein the Company has 40% PI, attempts to accomplish the residual exploratory activities by reconstituting the consortium did not yield result. Some of the service providers have initiated legal proceedings against the consortium for payment of their claims. The operator has rejected these claims since they are not payable as per the terms of contract. Further, Directorate General of Hydrocarbons (DGH) has communicated the cost of unfinished minimum work programme to the consortium with Company's share being US $ 7.516 million **(equivalent ₹ 33.99 crore).** The Company has sought waiver of the claim citing force-majeure conditions at site leading to suspension of exploratory activities. The Company expects favourable decision and, hence no provision is considered necessary. Based on the un-audited statement of the accounts forwarded by the operator, the Company's share in the assets and liabilities as at 31st March 2011 and expenditure for the year included in the Consolidated Financial Statements is as under: ₹ crore **Item** | **2010-11 (Un-audited)** | 2009-10 (Un- audited)* Expenses | **0.43** | 3.21 Assets | **14.64** | 14.90 Liabilities | **1.92** | 1.76 Contingent liabilities | **78.50** | 46.46 (* Since audited)
2.	a)	The conveyancing of the title to **12,378 acres** of freehold land of value **₹ 697.27 crore** (previous year 11,010 acres of value ₹ 651.00 crore) and buildings & structures valued at **₹ 135.58 crore** (previous year ₹ 149.05 crore), as also execution of lease agreements for **9,627 acres** of land of value **₹ 299.99 crore** (previous year 9,021 acres, value ₹ 291.87 crore) in favour of the Company are awaiting completion of legal formalities.
	b)	Leasehold land includes **819 acres** valuing **₹ 29.67 crore** (previous year 30 acres valuing ₹0.05 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 **1,245 acres** of value **₹ 15.03 crore** (previous year 1,247 acres of value ₹ 15.09 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
	e)	Land includes an amount of **₹ 118.74 crore** (previous year ₹ 115.27 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. (UPRVUNL) 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 UPRVUNL is disclosed under 'Other Liabilities' in 'Current Liabilities'.
	g)	The cost of right of use of land for laying pipelines amounting to **₹ 7.79 crore** (previous year ₹ 5.80 crore) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the period of legal right to use as per the rates and methodology notified by CERC Tariff Regulations, 2009 (Regulations, 2009).
	h)	Cost of acquisition of the right to draw water amounting to **₹ 199.52 crore** (previous year ₹ 8.41 crore) is included under intangible assets – Right of Use - Others. The right to draw water is amortized considering the life period of 25 years as per the rates and methodology notified by Regulations, 2009.
	i)	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 year. Lease rent for the year amounting to **₹ 6.13 crore** (previous year ₹ 6.08 crore) has been charged to the statement of Profit & Loss Account.
3.	a)	The Central Electricity Regulatory Commission (CERC) notified the Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1st April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at **₹ 48,935.31 crore** (previous year ₹ 44,473.93 crore) for the year ended 31st March 2011 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (APTEL) for the tariff period 2004-2009 including as referred to in para 2 (d). Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31st March 2009 approved by the CERC. The amount provisionally billed for the year ended 31st March 2011 on this basis is **₹ 47519.21 crore** (previous year ₹ 43,765.13 crore).
	b)	For the units commissioned subsequent to 1st April 2009, pending the determination of tariff by CERC, sales of **₹ 4,528.39 crore** (previous year ₹ 1,735.40 crore) have been provisionally recognised on the basis of principles enunciated in the Regulations, 2009. The amount provisionally billed for such units is **₹ 4,416.12 crore** (previous year ₹ 1,536.50 crore).
	c)	Sales of **₹ 819.77 crore** (previous year ₹ 119.33 crore) pertaining to previous years have been recognized based on the orders issued by the CERC/APTEL.
	d)	In respect of stations/units where the CERC had issued tariff orders applicable from 1st April 2004 to 31st March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the APTEL. The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed appeals with the Hon'ble Supreme Court of India on some of the issues decided in favour of the Company by the APTEL. The decision of Hon'ble Supreme Court is awaited. The Company had submitted that it would not press for determination of the tariff by the CERC as per APTEL orders pending disposal of the appeals by the Hon'ble Supreme Court. Considering expert legal opinions obtained that it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 were recognised in earlier years based on provisional tariff worked out by the Company as per the directions and methodology given by the APTEL. As accountal of sales is subject to the decision of the Hon'ble Supreme Court of India, pending decision of the Hon'ble Supreme Court of India, a sum of **₹ 1,262.86 crore** included in debtors has been fully provided for during the year. Effect, if any, will be given in the financial statements upon disposal of the appeals.
	e)	Consequent to issue of additional capitalisation orders by the CERC, advance against depreciation required to meet the shortfall in the component of depreciation to be charged in future years has been reassessed and the excess determined amounting to **₹ 79.75 crore** has been recognised as sales.
	f)	During the year, the CERC has issued tariff orders in respect of some of the stations in compliance with the judgement of APTEL mentioned at para d) above, and the beneficiaries were billed accordingly. Since the orders of CERC include those issues which have been challenged by them before Hon'ble Supreme Court, and are pending disposal, the impact thereof amounting to **₹ 252.22** crore has been accounted as 'Advance from customers' in the 'Current Liabilities'.
	g)	In respect of joint ventures sale of energy of **₹ 72.14 crore** provisionally recognised, in respect of new units commenced during the year, on the basis of mutual arrangement/principles enunciated in the Regulations, 2009.
4.	a)	Sundry Debtors – Other debts includes **₹ 2,698.86 crore** (previous year ₹ 1,001.15 crore) towards revenue accounted in accordance with the accounting policy no. L which is yet to be billed.
	b)	CERC has issued a draft notification dated 3rd September 2010 which inter-alia provides for upfront truing up of un discharged liabilities with regard to capital cost admitted by CERC before 1st April 2009. In anticipation of final notification an estimated amount of **₹ 263.59 crore** has been provided for towards tariff adjustment.

5		Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period from 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.
6.		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 Company formulated a defined contribution pension scheme and sent to Ministry of Power (MOP) for their approval. Pending approval of MOP, an amount of **₹ 94.56 crore** during the year and cumulatively **₹ 468.78 crore** has been provided upto 31st March 2011.
7.		The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **₹276.80 crore** (previous year ₹ 276.80 crore) out of which **₹ 269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of **₹ 7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.
8.		The Government of Madhya Pradesh had notified levy of Madhya Pradesh Grameen Avsanrachana Tatha Sadak Vikas Adhiniyam (MPGATSVA) tax on coal with effect from September 2005. The tax was challenged by the coal supplier before the Hon'ble Jabalpur High Court which stayed its collection in April 2006. Hon'ble Jabalpur High Court by its order dated 3rd February 2011 has vacated the interim order of April 2006. The Central Government issued notification no. GSR 322 (E) dated 1st Aug 2007, on royalty which provide for adjustment of cess and tax specific to coal bearing lands so as to limit the overall revenue to the royalty. Various Special Leave Petitions (SLPs) were preferred in the Hon'ble Supreme Court against the levy by the aggrieved parties where-after the Hon'ble Supreme Court passed an interim order staying the coercive collection of the tax. During the year, Hon'ble Supreme Court heard various SLPs and ordered the assessees to file returns and subsequently in 6th December 2010 ordered the assessees to pay the taxes without prejudice to their rights in the pending appeals. Subsequent to the vacation of the stay, Northern Coal Fields Ltd, filed SLP in the Hon'ble Supreme Court, which was disposed off on 21.4.2011 in terms of its' earlier order dated 6th Dec 2010. In view of this, liability towards MPGATSVA tax for the period from September 2005 to July 2007 amounting to **₹ 255.82 crore** has been provided for during the year with consequent recognition in sales.
9.		As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29th May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.
10.		The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of gas supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.
11.		MOP, GOI vide letter dated 24.12.2010 has communicated the discontinuation of one of the Hydro Power Projects of the Company in the State of Uttarakhand. Subsequently, the Company has issued Letter of Frustration to the suppliers/vendors of the project.

		MOP has sought details of expenditure incurred, committed costs, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs, as well as claims of various packages of contractors/vendors. Management expects that the total cost incurred, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs as well as claims of various packages of contractors/vendors for this project will be compensated in full. Hence, cost incurred on the project up to 31.03.2011 amounting to **₹ 748.82 crore** has been accounted as recoverable from GOI and disclosed under 'Claims Recoverable' in 'Loans and Advances'.
12.		Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.
13.		The Company is executing a thermal power project in respect of which possession certificates for **1,489 acres** (previous year 1,489 acres) of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31st March 2011 **₹ 190.19 crore** (previous year ₹ 183.10 crore) is included in 'Fixed Assets'. Management is confident of recovery of cost incurred, hence no provision is considered necessary.
14.		During the year, the Company has received an opinion from the Expert Advisory Committee 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 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 regarding the review, existing treatment has been continued as per existing accounting policy.
15.	a)	Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.
	b)	In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
16.		Effect of changes in Accounting Policies:
		During the year, the Office of the Comptroller & Auditor General of India has expressed an opinion that power sector companies shall be governed by the rates of depreciation notified by the CERC for providing depreciation in respect of generating assets in the accounts instead of the rates as per the Companies Act, 1956. Accordingly, the Company revised its accounting policies relating to charging of depreciation w.e.f 1st April 2009 considering the rates and methodology notified by the CERC for determination of tariff through Regulations, 2009. In case of certain assets, the Company has continued to charge higher depreciation based on technical assessment of useful life of those assets. Consequent to this change, prior period depreciation written back is **₹ 1,173.04 crore**, depreciation for the year is lower by **₹ 324.23 crore**. As a result, fixed assets and profit before tax for the year is higher by **₹ 1,497.27 crore**. Due to the above change, the amount of advance against depreciation (AAD) required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been reassessed by the Company station-wise as at 1st April 2009 and the excess determined, amounting to **₹ 727.49 crore** has been recognised as prior period sales. Further, the amount recoverable from the beneficiaries on account of deferred tax materialised for the financial year 2009-10 has been reassessed and excess amount of **₹ 212.67 crore** is reversed as 'Prior Period Sales' with equivalent reduction in provision for tax of earlier years in the Profit and Loss Account. Further, due to the above change, deferred tax liability (net) and deferred tax recoverable from the beneficiaries as at 31st March 2010 amounting to ₹ 3,049.41 crore and ₹ 2,840.16 crore respectively have been reviewed and restated to ₹ 4,415.19 crore and ₹ 3,809.69 crore respectively. As a result,

		deferred tax liability as at 31.03.2010 has increased by **₹ 1365.78 crore** out of which **₹ 969.53 crore** is recoverable from the beneficiaries as per Regulation 39 of Regulations 2009 and net increase is included in the 'Provision for Deferred tax - Earlier years' in the Profit and Loss Account.
17.		Revenue grants recognised during the year is **₹ 0.43 crore** (previous year ₹ 1.71 crore).
18.		NTPC Vidyut Vyapar Nigam Ltd. (NVVN) inter-alia engaged in sale of fly ash & its products given by the company at cost. Consequent 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 in compliance of notification, a sum of **₹ 48.34 crore** has been transferred in the reserve during the year after netting of related/allocable cost of **₹ 9.67 crore** from the sale proceeds of the products.
19.		**Disclosure as per Accounting Standard (AS) 15**: General description of various defined 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 **₹ 191.88 crore** (previous year ₹ 160.35 crore) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. 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.
	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 no. 6 above. 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 retired employee and the 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 as per the rules of the Company. 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 profit and loss account, balance sheet are as under:

(Figures given in { } are for previous year)

i) **Expenses recognised in Profit & Loss Account**

				₹ crore
	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Current Service Cost	54.58 {49.59}	9.82 {8.26}	38.72 {34.03}	4.32 {4.99}
Past Service Cost	0.05 {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	85.82 {78.56}	19.65 {16.08}	47.10 {48.86}	13.40 {9.41}
Expected return on plan assets	(79.22) {(42.96)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	48.78 {(39.33)}	45.29 {11.72}	86.22 {34.61}	16.58 {36.05}
Expenses recognised in the Profit & Loss Account	110.01 {45.86}	74.76 {36.06}	172.04 {117.50}	34.30 {50.45}

ii) **The amount recognised in the Balance Sheet**

				₹ crore
	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Present value of obligation as at 31.03.2011	1193.04 {1072.82}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}
Fair value of plan assets as at 31.03.2011	1039.04 {992.59}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	154.00 {80.23}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}

iii) **Changes in the present value of the defined benefit obligations:**

				₹ crore
	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Present value of obligation as at 1.04.2010	1072.82 {1047.40}	245.65 {214.28}	588.81 {651.49}	167.67 {125.51}
Interest cost	85.82 {78.56}	19.65 {16.08}	47.10 {48.86}	13.40 {9.40}
Current Service Cost	54.58 {49.59}	9.82 {8.26}	38.72 {34.03}	4.32 {4.99}
Past Service Cost	0.05 {-}	- {-}	- {-}	- {-}
Benefits paid	(74.77) {(88.78)}	(7.34) {(4.69)}	(104.04) {(180.18)}	(9.44) {(8.29)}
Net actuarial (gain)/ loss on obligation	(54.54) {(13.95)}	45.29 {11.72}	86.22 {34.61}	16.58 {36.05}
Present value of the defined benefit obligation as at 31.03.2011	1193.04 {1072.82}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}

iv) **Changes in the fair value of plan assets:**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.4.2010	992.59 {539.99}	- {-}	- {-}	- {-}
Expected return on plan assets	79.24 {42.96}	- {-}	- {-}	- {-}
Contributions by employer	32.72 {472.77}	- {-}	- {-}	- {-}
Benefit paid	(71.27) {(88.51)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	5.76 {(25.38)}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2011	1039.04 {992.59}	- {-}	- {-}	- {-}

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	5.53	4.44
Present value of obligation	33.73	52.78

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **₹ 2.76 crore** (previous year credit of ₹ 3.42 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Profit & Loss Account.

20. The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) debited to the Profit & Loss Account is **₹ 6.50 crore** (previous year credit of ₹ 18.91 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of fixed assets and Capital work-in-progress is **₹ 170.04 crore** (previous year credit of ₹ 1,183.57 crore).

21. Borrowing costs capitalised during the year are **₹ 2,075.72 crore** (previous year ₹ 1,684.87 crore).

22. Segment information:

a) Business Segment:

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					
	Generation		Others		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**56,839.96**	47,749.89	**578.50**	506.56	**57418.46**	48,256.45
Internal consumption of electricity	**64.71**	55.14	**-**	-	**64.71**	55.14
Total	**56,904.67**	47,805.03	**578.50**	506.56	**57,483.17**	48,311.59
Segment Result #	**12,676.69**	10,493.76	**135.98**	160.85	**12,812.67**	10,654.61
Unallocated Corporate Interest and Other Income					**2,149.27**	2,453.71
Unallocated Corporate expenses, interest and finance charges					**2,569.61**	2,059.21
Profit before Tax					**12,392.33**	11,049.11
Income/Fringe Benefit Taxes (Net)					**3,044.10**	2,211.46
Profit after Tax					**9,348.23**	8,837.65
Other information						
Segment assets	**59,973.14**	51,846.54	**1,626.95**	1,737.46	**61,600.09**	53,584.00
Unallocated Corporate and other assets					**74,980.54**	68,281.24
Total assets	**59,973.14**	51,846.54	**1,626.95**	1,737.46	**136,580.63**	121,865.24
Segment liabilities	**9,465.50**	8,385.59	**1,330.60**	1,401.23	**10,796.10**	9,786.82
Unallocated Corporate and other liabilities					**57,399.76**	49,461.14
Total liabilities	**9,465.50**	8,385.59	**1,330.60**	1,401.23	**68,195.86**	59,247.96
Depreciation (including prior period)	**1,508.14**	2,868.96	**1.77**	1.35	**1,509.91**	2,870.31
Non-cash expenses other than Depreciation	**1,542.70**	10.92	**2.01**	1.41	**1,544.71**	12.33
Capital Expenditure	**14,638.58**	13,188.89	**276.46**	135.52	**14,915.04**	13324.41

* Includes **₹ 1,180.00 crore** (previous year (-) ₹ 352.13 crore) for sales related to earlier years

\# Generation segment result would have been **₹ 11,496.69 crore** (previous year ₹ 10,845.89 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.

23. **Related party disclosures**

a Related parties:

i) Joint ventures:

Utility Powertech Ltd.,
NTPC-Alstom Power Services Private Ltd.,
BF-NTPC Energy Systems Ltd.

ii) Key Management Personnel of the Company:

Shri Arup Roy Choudhury[1]	Chairman and Managing Director
Shri R.S. Sharma[2]	Chairman and Managing Director
Shri Chandan Roy[3]	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav[4]	Director (Human Resources)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh	Director (Projects)
Shri D.K.Jain[5]	Director (Technical)
Shri S.P.Singh[6]	Director (Human Resources)
Shri N.N.Misra[7]	Director (Operations)

1. W.e.f. 1st September 2010 2. Superannuated on 31st August 2010 3. Superannuated on 31st July 2010 4. Superannuated on 30th June 2010 5. W.e.f. 13th May 2010 6. W.e.f. 16th October 2010 7. W.e.f. 19th October 2010.

b) Transactions with the related parties at a (i) above are as follows:

(₹ crore)

Particulars	**Current Year**	Previous Year
Transactions during the year		
• Contracts for Works/ Services for services received by the Company**:**		
- Utility Powertech Ltd.	**240.52**	217.55
- NTPC-Alstom Power Services Private Ltd.	**14.15**	9.93
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.50**	1.75
- NTPC-Alstom Power Services Private Ltd	**0.57**	4.46
• Dividend Received:		
- Utility Powertech Ltd.	**1.00**	0.30
- NTPC-Alstom Power Services Private Ltd.	**0.36**	0.60
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.60**	0.25
- NTPC-Alstom Power Services Private Ltd	**0.87**	1.64
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**47.16**	36.14
- NTPC-Alstom Power Services Private Ltd	**17.52**	14.68
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.66**	0.73
- NTPC-Alstom Power Services Private Ltd	**0.91**	1.81

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **₹ 4.18 crore** (previous year ₹ 4.02 crore).

c) Remuneration to key management personnel for the year is **₹ 3.06 crore** (previous year ₹ 2.63 crore) and amount of dues outstanding to the Company as on 31st March 2011 are **₹ 0.11 crore (**previous year ₹ 0.06 crore).

24. **Disclosure regarding 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

		31.3.2011	31.3.2010
a)	Obligations towards minimum lease payments		
	• Not later than one year	**0.72**	0.73
	• Later than one year and not later than five years	**0.80**	0.87
	• Later than five years	**-**	-
	Total	**1.52**	1.60
b)	Present value of (a) above		
	• Not later than one year	**0.61**	0.52
	• Later than one year and not later than five years	**0.73**	0.86
	• Later than five years	**-**	-
	Total	**1.34**	1.38
c)	Finance Charges	**0.18**	0.22

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. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include **₹ 76.99 crore** (previous year ₹ 74.34 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 'Generation, Administration and Other Expenses'. Further during the year, the Company has taken a helicopter on wet lease basis and the amount of lease charges is included in 'Miscellaneous Expenses' in 'Generation, Administration and Other Expenses'.

25. **Earning 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**)	**9,348.23**	8837.65
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earning per share (Basic and Diluted)- in ₹	**11.34**	10.72
Face value per share (in ₹)	**10/-**	10/-

26. The item-wise details of deferred tax liability (net) are as under:

(₹ crore)

	31.3.2011	31.03.2010
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**6,265.08**	4,260.62
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**1,301.88**	966.70
ii) Disallowed u/s 43B of the Income Tax Act,1961	**323.00**	207.40
	1,624.88	1,174.10
Deferred tax liability (net) – (a)	**4640.20**	3,086.92
Recoverable from beneficiaries as per Regulation 39 of Regulations, 2009 – (b)	**3,968.49**	2,857.21
Balance (a) - (b)	**671.71**	229.71

The net increase during the year in the deferred tax liability is **₹ 442.00 crore** (previous year decrease ₹ 229.61) has been debited to Profit & Loss Account.

27. Research and development expenditure charged to revenue during the year is **₹ 28.30 crore** (previous year ₹ 20.56 crore).

28. **Foreign currency exposure not hedged by a derivative instrument or otherwise:**

₹ crore

Sl.	Particulars	Currencies	**31.3.2011**	31.3.2010
a.	Borrowings, including interest accrued but not due thereon.	USD JPY Others	**7,157.37** **3,125.17** **441.21**	7,052.16 2,911.30 422.53
b.	Sundry creditors/deposits and retention money	USD EURO Others	**1189.05** **601.76** **30.31**	967.91 354.54 36.40
c.	Sundry debtor and Bank balances	USD	**2.08**	39.70
d.	Unexecuted amount of contracts remaining to be executed	USD EURO Others	**2,493.04** **4,197.59** **25.22**	4,312.05 4,030.95 89.48

29. As required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006, the parent Company has carried out the assessment of impairment of assets based on such assessment, there has been no impairment loss during year.

30. The pre-commissioning expenses during the year amounting to **₹ 130.28 crore** (previous year ₹ 253.28 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **₹ 34.96 crore** (previous year ₹ 240.57) resulting in a net pre-commissioning expenditure of **₹ 95.32 crore** (previous year ₹ 12.71 crore).

31. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2011 is **₹ 31,496.08 crore** (previous year ₹ 37,786.00 crore) which include an amount of **₹ 2,673.05 crore** (previous year ₹ 3,989.50 crore) in respect of jointly controlled entities.

32. **Contingent Liabilities:**

1. 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 **₹ 3,525.43 crore** (previous year ₹ 3,878.77 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 contract 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 **₹ 1,851.08 crore** (previous year ₹ 1,786.25 crore) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **₹ 1,248.00 crore** (previous year ₹ 1,306.18 crore) has been estimated.

The contingent liabilities referred to in (i) above, includes an amount of **₹ 1,495.35 crore** relating to the hydro power project stated in Note no. 11 above, 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 **₹ 146.97 crore** (previous year ₹ 428.90 crore).

	2. Disputed Income Tax/Sales Tax/Excise demands Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **₹ 2,547.79 crore** (previous year ₹ 2,299.93 crore) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the Company estimated possible reimbursement of **₹ 1,793.37 crore** (previous year ₹ 1,793.37 crore). 3. Others Other contingent liabilities amount to **₹ 408.57 crore** (previous year ₹ 309.05 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 **₹ 123.09 crore** (previous year ₹ 59.90 crore) share of jointly controlled entities.

33. For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

34. Figures have been rounded off to nearest rupees in crore with two decimals.

35. Previous year figures have been regrouped /rearranged wherever considered necessary.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2009-10 - CONSOLIDATED

1. **BASIS OF CONSOLIDATION**

1.1 The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Venture Companies.

a) **Basis of Accounting:**

i) The financial statements of the subsidiary companies and Joint Venture Companies in the consolidation are drawn up to the same reporting date as of the Company.

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 the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to the accounts.

(iv)The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

1.2 The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2010	31.03.2009
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**	100
2. NTPC Hydro Ltd.	**100**	100
3. NTPC Vidyut Vyapar Nigam Ltd.	**100**	100
4. Kanti Bijlee Utpadan Nigam Ltd. (Formerly known as Vaishali Power Generation Company Ltd.)	**64.57**	51
5. Bharatiya Rail Bijlee Company Ltd.	**74**	74
Joint Venture Companies:	Proportion (%) of Shareholding as on	
	31.03.2010	31.03.2009
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50

3. NTPC-SAIL Power Company Private Ltd.	**50**	50
4. NTPC-Tamilnadu Energy Company Ltd.	**50**	50
5. Ratanagiri Gas & Power Private Limited *	**29.65**	28.33
6. Aravali Power Company Private Ltd.	**50**	50
7. NTPC-SCCL Global Ventures Private Ltd.	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
12. National Power Exchange Ltd.*	**16.67**	16.67
13. International Coal Ventures Private. Ltd.*	**14.28**	-
14. National High Power Test Laboratory Private Ltd.	**25**	-
15. Transformers & Electrical Kerala Ltd.*	**44.60**	-
16. Energy Efficiency Services Limited *	**25.00**	

** The financials statements are un-audited.*

All the above Companies are incorporated in India.

1.3 International Coal Ventures Private Ltd. was incorporated on 20th May, 2009, in which share to be held by the Company, Steel Authority of India Ltd., Coal India Ltd., Rashtriya Ispat Nigam Ltd. and NMDC Ltd. in the ratio of 1:2:2:1:1 as per the joint venture agreement.

1.4 National High Power Test Laboratory Private Ltd. was incorporated on 22nd May 2009 in which 25% shares are held by the Company and balance shares held by NHPC Ltd., Damodar Valley Corporation Ltd. and Power Grid Corporation of India Ltd. equally.

1.5 The Company has acquired 44.6% shares in Transformers & Electrical Kerala Ltd. (TELK) on 19th June 2009. Capital reserve amounting to ₹ 9.39 crore arising on consolidation represent portion of the Company's share of interest in the net asset of TELK over the cost of investment which has been calculated based on the un-audited financial statements of TELK as at 31st March 2009 and updated taking in to account the amount of proportionate profit till the date of investment based on the un-audited financial statements of TELK for the year ended 31st March 2010.

1.6 Energy Efficiency Services Limited was incorporated on 10th December 2009 in which 25% shares are held by the Company and the balance shares are held by Power Finance Corporation Ltd., Power Grid Corporation of India Ltd. and Rural Electrification Corporation Ltd. equally.

1.7 The Company has made further investment of ₹ 57.10 crore during the year in a subsidiary company, Kanti Bijlee Utpadan Nigam Ltd.(KBUNL) As a result, the holding of parent Company increased to 64.57% from 51%. The amount of goodwill worked out on further issue of equity is insignificant, hence not considered.

1.8 Ministry of Power (MOP), Government of India (GOI) through its Presidential Directive No. 5/5/2004-TH-II dated 15th April 2010 conveyed the approval of GOI to permit NTPC for winding up of Pipavav Power Development Company Ltd. (PPDCL), a wholly owned subsidiary of the Company, by striking off the name under Section 560 of the Companies Act, 1956. Accordingly, necessary application/declarations have been filed with the Registrar of Companies (ROC) for striking off the name PPDCL from the Register of Companies maintained by the ROC.

An amount of **₹ 0.38 crore** (Previous year ₹ 0.38 crore) invested in PPDCL is carried as investment in Investments against which an amount of **₹ 0.38 crore** is received and included in other liabilities under 'Current Liabilities'. As PPDCL is under winding up, the same has not been consolidated in these statements.

1.9 **Joint Venture Operations:** The Company along-with M/s Geopetrol International Inc., M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. (the consortium) is carrying out exploration for oil and gas block (Block AA-ONN-2003/2) allotted in the State of Arunachal Pradesh for which a Production Sharing Contract (PSC) was entered into with Government of India. M/s Geopetrol International Inc. with 30% participating interest (PI) is the Operator of the Block. M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. with 15% share each and the Company with 40% PI are the other joint venture partners.

During the year, unforeseen difficulties were encountered in the drilling plinth preparation at the first location where the operations were taken up. The operator has proposed to withdraw from the PSC and served a notice of resignation. The Company is in search of suitable partner(s) for reconstitution of the consortium and for operation of the block to restart the drilling activities. The Company has taken up the matter with Directorate General of Hydrocarbons for suitable time extension on account of delays in grant of statutory clearances for completion of minimum work programme (MWP) and also on account of force majeure conditions.

Based on the un-audited statement of the accounts forwarded by the Operator, the Company's share of PI in respect of assets and liabilities as at 31st March 2010 and expenditure for the year ended on that date has been accounted for as under:

₹ crore

Item	**2009-10 (Un-audited)**	2008-09 (Audited)
Expenses	**3.21**	8.66
Fixed Assets including Capital work-in-progress	**8.00**	3.47
Other Assets	**6.90**	5.39
Current Liabilities	**1.76**	0.30
Contingent liability	**46.46**	-

The Company's share of the balance MWP committed under the PSC for the block is **₹ 60.63 crore** (Previous year ₹ 61.20 crore).

1.10 In case of joint venture Company (Ratanagiri Gas & Power Private Ltd), where our holding is 29.65 %:

Due to increase in the capital cost, financial restructuring has been agreed to by the lenders and stake-holders under the aegis of the Government of India in March 2009. As a result of restructuring, interest rate has been reduced from 1st April 2009 and unpaid interest has been converted into loan and there exists a difference of ₹ 132.00 crore between the calculation of the Company and that of lenders. Further, the said Company is claiming that rate of interest as per restructuring is to be charged lower than that communicated by the lenders. Discussions with the lenders are under way to resolve the issues involved.

2. a) The conveyancing of the title to **11,010 acres** of freehold land of value **₹ 651.00 crore** (Previous year 11,374 acres of value ₹ 546.40 crore) and buildings & structures valued at **₹ 149.05 crore** (previous year ₹ 113.61 crore), as also execution of lease agreements for **9,021 acres** of land of value **₹ 291.87 crore** (previous year 8,820 acres, value ₹ 271.98 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land include **30 acres** valuing **₹ 0.05 crore** (previous year 30 acres valuing ₹ 0.05 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 **1,247 acres** of value **₹ 15.09 crore** (previous year 1,223 acres of value ₹ 11.03 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of **₹ 115.27 crore** (previous year ₹ 124.26 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 'Other Liabilities' in 'Current Liabilities'.

g) During the year, freehold land measuring **36 acres** was handed over by the Government of Uttar Pradesh to Company in exchange of freehold land measuring **35 acres** without any financial consideration.

h) The cost of right of use of land for laying pipelines amounting to **₹ 5.76 crore** (previous year ₹ 1.28 crore) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the legal right to use.

i) Cost of acquisition of the right for drawl of water amounting to **₹ 8.41 crore** (previous year nil) is included under intangible assets - Right of Use - Others. The right of drawl of water is for thirty years and cost is accordingly amortized.

3. a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1st April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at **₹ 44,473.93 crore** during the year ended 31st March 2010 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (ATE) for the tariff period 2004-2009 including as referred to in para 3 (e).

The Tariff Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31st March 2009 approved by the CERC. The amount provisionally billed during the year ended 31st March 2010 on this basis is **₹ 43,765.13 crore**.

b) For the units commissioned during the year, pending the determination of tariff by CERC, sales of **₹ 1,735.40 crore** have been provisionally recognised on the basis of principles enunciated in the Tariff Regulations, 2009. The amount provisionally billed for such units is ₹ 1,536.50 crore.

c) Sales of (-) **₹ 600.60 crore** (previous year ₹ 1,020.05 crore) pertaining to previous years has been recognized based on the orders issued by the CERC/ATE.

d) In terms of Regulation 39, CERC Tariff Regulations, 2009, notified by the CERC, the Company has determined the amount of the Deferred Tax Liability (net) materialised during the year pertaining to the period upto 31st March 2009 by identifying the major changes in the elements of Deferred Tax Liability/Asset, as recoverable from the beneficiaries and accordingly a sum of **₹ 248.47 crore** (net) has been recognised as Sales during the year.

e) In respect of stations/units where the CERC had issued tariff orders applicable from 1st April 2004 to 31st March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the ATE. The ATE disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed an appeal with the Hon'ble Supreme Court of India on some of the issues decided by the ATE which is pending. The Company has submitted that it would not press for determination of the tariff by the CERC as per ATE orders pending disposal of the appeal by the Hon'ble Supreme Court.

Considering expert legal opinions obtained that, it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 amounting to **₹ 1,044.29 crore** were recognised in earlier years based on provisional tariff worked out by the Company as per the methodology and directions as decided by the ATE. Due to further CERC tariff orders received during the year, the provisional sales of **₹ 1,044.29 crore** has now been reduced to **₹ 1,025.60 crore.** The sales accounted as above is subject to final outcome of the decision of the Hon'ble Supreme Court of India and consequential effect, if any, will be given in the financial statements upon disposal of the appeal.

4. Sundry debtors – Other Debts, Unsecured includes **₹ 1,001.15 crore** (previous year ₹ 390.10 crore) towards revenue accounted in accordance with the accounting policy no. L which is yet to be billed.

5. Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, CERC through Regulations, 2009 notified the rates of depreciation for the purpose of determination of tariff.

CERC exercising its powers under Section 79 of the Electricity Act, 2003 requested the Ministry of Power to advise the Ministry of Corporate Affairs to notify the rates of depreciation considered by the CERC for tariff determination as depreciation under Section 205 (2) (c) of the Companies Act, 1956. Ministry of Corporate Affairs is yet to notify such rates under Section 205 (2) (c) of the Companies Act, 1956.

The Company has also obtained legal opinions that the Tariff Policy cannot override the provisions of the Companies Act, 1956 and it is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific provision in the Electricity Act, 2003. Hence provisions of Section 616 of the Companies Act, 1956 are also not applicable in this regard. Accordingly, the Company is charging depreciation consistently at the rates specified in Schedule XIV of the Companies Act, 1956 with effect from the financial year 2004-05 except as stated in accounting policy no.M.1.

6. Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period from 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.

7. The pay revision of the employees of the Company was due w.e.f. 1st January 2007.

Based on the guidelines issued by Department of Public Enterprises (DPE), Government of India (GOI), the pay revision of the executive category of employees has been approved during the year. Pending finalisation of pay revision in respect of employees in the non-executive category, provision of **₹ 316.75 crore** and **₹ 662.55 crore** (previous years ₹ 178.00 crore and ₹ 345.50 crore) has been made for the year and upto year respectively on an estimated basis having regard to the guidelines issued by DPE. A sum of **₹ 138.69 crore** (previous year ₹ 74.80 crore) paid as adhoc advance towards pay revision to the employees in the non-executive category is included in 'Loans and Advances'.

8. The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **₹ 276.80 crore** (previous year ₹ 276.80 crore) out of which **₹ 269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of **₹ 7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.

9. As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29th May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.

10. The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.

11. Fixed assets, capital work-in-progress and construction stores and advances include **₹ 676.47 crore** in respect of one of the hydro power project, the construction of which has been suspended temporarily from 18th May 2009 on the advice of the Ministry of Power, GOI. Presently, the issue regarding resumption of the project in under consideration with the GOI. Pending decision, borrowing costs of ₹ **23.74 crore** have not been capitalised from the date of suspension.

12. Progress of work under the contract for steam generator and auxiliaries package at one of the projects has been affected due to certain disputes with the contractor. While the contractual and other related issues are under deliberation, the contract continues to be in force and supplies of equipment/structural items have been made by the contractor during the year. Construction of other systems for the project is also in progress. Since activities that are necessary to prepare the asset for its intended use are in progress, borrowing costs continue to be capitalised.

13. Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.

14. The Company is executing a thermal power project in respect of which possession certificates for 1,489 acres of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31st March 2010 **₹ 183.11 crore** is included in Fixed Assets. Management is confident of recovery of cost incurred, hence no provision is considered necessary.

15. a) Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.

b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

16. Effect of changes in Accounting Policies:

a) Tariff Regulations, 2009 issued by the CERC provides that the balance depreciable value of the each of the existing stations as on 1st April, 2009 shall be worked out by deducting the cumulative depreciation including the Advance Against Depreciation (AAD) as admitted by the CERC up to 31st March 2009 from the gross depreciable value of the assets thereby merging AAD with depreciation for tariff recovery. Under the said Tariff Regulations, the CERC also has notified the revised rates of depreciation and removed the provision for AAD.

In view of the change in CERC Tariff Regulations, 2009, the Company revised its accounting policy no. L.2 and the amount of AAD required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been assessed station-wise and wherever an excess has been determined as on 1st April 2009, the same amounting to **₹ 311.47 crore** has been recognised as sales during the year. In addition, **₹ 5.30 crore** has been recognised as sales during the year out of AAD consequent to this change.

b) Claims on the Company for price variation which were hitherto accounted for on acceptance. During the year, unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts. Consequently, profit for the year is lower by **₹ 1.99 crore**, fixed assets are higher by **₹ 334.44 crore** and current liabilities are higher by **₹ 336.43 crore.**

17. Revenue grants recognised during the year is **Rs.1.71 crore** (previous year ₹ 0.86 crore).

18. **Disclosure as per Accounting Standard (AS) 15**:

General description of various defined 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 **₹ 159.70 crore** (Previous year ₹ 98.50 crore) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. 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.

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 taken over employees from erstwhile State Government Power Utility.

These 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 retired employee and the 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.

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 taken over employees from erstwhile State Government Power Utility at another station.

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. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. 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 profit and loss account, balance sheet are as under:

(Figures given in { } are for previous year)

i) **Expenses recognised in Profit & Loss Account**

₹ crore

	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Current Service Cost	49.60 {50.30}	8.30 {7.70}	34.00 {39.70}	5.00 {5.40}
Past Service Cost	- {415.30}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	78.60 {37.90}	16.00 {12.40}	48.80 {36.30}	9.40 {7.10}
Expected return on plan assets	(43.00) {(37.50)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(39.30) {20.10}	11.80 {21.10}	34.60 {111.70}	36.10 {16.50}
Expenses recognised in the Profit & Loss Account	45.90 {486.10}	36.10 {41.20}	117.40 {187.70}	50.50 {29.00}

ii) **The amount recognised in the Balance Sheet**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2010	1072.70 {1,047.40}	245.70 {214.30}	588.90 {651.50}	167.50 {125.50}
Fair value of plan assets as at 31.03.2010	992.50 {539.90}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	80.20 {507.50}	245.70 {214.30}	588.90 {651.50}	167.50 {125.50}

iii) **Changes in the present value of the defined benefit obligations:**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.04.2009	1,047.40 {540.40}	214.30 {176.00}	651.50 {518.50}	125.50 {101.70}
Interest cost	78.60 {37.90}	16.00 {12.40}	48.80 {36.30}	9.40 {7.10}
Current Service Cost	49.60 {50.30}	8.30 {7.70}	34.00 {39.70}	5.00 {5.40}
Past Service Cost	- {415.30}	- {-}	- {-}	- {-}
Benefits paid	(89.00) {(21.60)}	(4.70) {(2.90)}	(180.00) {(54.70)}	(8.50) {(5.20)}
Net actuarial (gain)/ loss on obligation	(13.90) {25.10}	11.80 {21.10}	34.60 {111.70}	36.10 {16.50}
Present value of the defined benefit obligation as at 31.03.2010	1,072.70 {1,047.40}	245.70 {214.30}	588.90 {651.50}	167.50 {125.50}

iv) **Changes in the fair value of plan assets:**

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.4.2009	539.90 {465.90}	- {-}	- {-}	- {-}
Expected return on plan assets	43.00 {37.50}	- {-}	- {-}	- {-}
Contributions by employer	473.20 {51.30}	- {-}	- {-}	- {-}
Benefit paid	(89.00) {(19.80)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	(25.40) {5.00}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2010	992.50 {539.90}	- {-}	- {-}	- {-}

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	5.00	3.90
Present value of obligation	42.50	33.80

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **₹ 3.40 crore (credit)** (previous year debit of ₹ 1.80 crore) for the year have been made on the basis of actuarial valuation at the year end and credited to the Profit & Loss Account.

19. The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) credited to the Profit & Loss Account is **₹ 18.91 crore** (previous year debit of ₹ 24.36 crore).

ii) The amount of exchange differences (net) credited to the carrying amount of fixed assets and Capital work-in-progress is ₹ 1,183.61 crore {previous year ₹ 1,165.51 crore (debit)}.

20 Borrowing costs capitalised during the year are **₹ 1,684.87 crore** (previous year ₹ 1,335.59 crore).

21. Segment information:

a) Business Segment:

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					
	Generation		Others		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**47,749.89**	42,273.88	**506.56**	387.44	**48,256.45**	42,661.32
Internal consumption of electricity	**55.14**	51.38	-	-	**55.14**	51.38
Total	**47,805.03**	42,325.26	**506.56**	387.44	**48,311.59**	42,712.70
Segment Result #	**10,493.76**	9,023.17	**160.85**	128.11	**10,654.61**	9,151.28
Unallocated Corporate Interest and Other Income	-	-	-	-	**2,453.71**	3,073.55
Unallocated Corporate expenses, interest and finance charges	-	-	-	-	**2,059.21**	2,917.59
Profit before Tax	-	-			**11,049.11**	9,307.24
Income/Fringe Benefit Taxes (Net)	-	-			**2,211.46**	1,214.78
Profit after Tax	-	-			**8,837.65**	8,092.46
Other information						
Segment assets	**51,846.54**	44,871.07	**1,737.46**	1,010.79	**53,584.00**	45,881.86
Unallocated Corporate and other assets	-	-	-		**68,281.24**	65,146.07
Total assets	**51,846.54**	44,871.07	**1,737.46**	1,010.79	**121,865.24**	111,027.93
Segment liabilities	**8,106.63**	8,908.60	**1,401.23**	828.94	**9,507.86**	9,737.54
Unallocated Corporate and other liabilities	-	-	-	-	**49,450.19**	43,716.90
Total liabilities	**8,106.63**	8,908.60	**1,401.23**	828.94	**58,958.05**	53,454.44
Depreciation	**2,861.09**	2,467.50	**1.35**	0.68	**2,862.44**	2,468.18
Non-cash expenses other than depreciation	**10.92**	24.58	**1.41**	5.14	**12.33**	29.72
Capital expenditure	**13,188.89**	14,968.00	**135.52**	39.13	**13,324.41**	15,007.13

* Includes ₹ (-) **600.60 crore** (previous year ₹ 1,020.05 crore) for sales related to earlier years
# Generation segment result would have been **₹ 11,094.36 crore** (previous year ₹ 8,003.12 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.

22. **Related party disclosures**

a) Related parties:

i) Joint ventures:

Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd.

ii) Key Management Personnel:

A.NTPC Ltd.:

Shri R.S. Sharma	Chairman and Managing Director
Shri Chandan Roy	Director (Operations)
Shri R.K. Jain[1]	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (Human Resources)
Shri K.B. Dubey[2]	Director (Projects)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh[3]	Director (Projects)

1. Superannuated on 31st December 2009. 2. Superannuated on 31st July 2009. 3. W.e.f. 1st August 2009.

B. NTPC Alstom Power Services Private Ltd.

Shri R. N. Sen	Managing Director
Shri D. K. Sardana	Whole time Director

C. Utility Powertech Ltd.

Shri I.S. Paraswal	Chief Executive

b) Transactions with the related parties at a (i) above are as follows:

₹ crore

Particulars	**Current Year**	Previous Year
Transactions during the year		
• Contracts for Works/ Services for services received by the Company**:**		
- Utility Powertech Ltd.	**217.55**	185.32
- NTPC-Alstom Power Services Private Ltd.	**9.93**	35.45
• Deputation of Employees:		
- Utility Powertech Ltd.	**1.75**	1.33
- NTPC-Alstom Power Services Private Ltd	**4.46**	2.30
• Dividend Received:		
- Utility Powertech Ltd.	**0.30**	1.20
- NTPC-Alstom Power Services Private Ltd.	**0.60**	0.60
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**0.25**	1.70
- NTPC-Alstom Power Services Private Ltd	**1.64**	0.87
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**36.14**	28.04
- NTPC-Alstom Power Services Private Ltd	**14.68**	14.33
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.73**	0.54
- NTPC-Alstom Power Services Private Ltd	**1.81**	3.67

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **₹ 4.02 crore** (previous year ₹ 3.90 crore).

c) Remuneration to key management personnel for the year is **₹ 3.67 crore** (previous year ₹ 1.90 crore) and amount of dues outstanding to the Company as on 31st March 2010 are **₹ 0.11 crore (**previous year ₹ 0.40 crore).

23. **Disclosure regarding 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

		31.3.2010	31.3.2009
a)	Obligations towards minimum lease payments		
	• Not later than one year	**0.73**	0.64
	• Later than one year and not later than five years	**0.87**	1.34
	• Later than five years	**-**	-
	Total	**1.60**	1.98
b)	Present value of (a) above		
	• Not later than one year	**0.52**	0.45
	• Later than one year and not later than five years	**0.86**	1.14
	• Later than five years	**-**	-
	Total	**1.38**	1.59
c)	Finance Charges	**0.22**	0.39

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. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include **₹ 74.35 crore** (previous year ₹ 33.00 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 shown as Rent in – Generation, Administration and Other Expenses.

24. **Earning 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)	**8,837.65**	8,092.46
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earning per share (Basic and Diluted)- in ₹	**10.72**	9.81
Face value per share (₹)	**10/-**	10/-

25. The item-wise details of deferred tax liability (net) are as under:

₹ crore

	31.3.2010	31.03.2009
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**4,260.62**	7,022.20
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**966.78**	1,531.74
ii) Disallowed u/s 43B of the Income Tax Act,1961	**207.41**	338.55
	1,174.19	1,870.29
Deferred tax liability (net)	**3,086.77**	5,151.91

During the year, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries of the parent as at 31st March 2009 amounting to **₹ 5,134.95 crore** have been reviewed and restated to **₹ 2,494.25 crore.**

In terms of Regulation 39, CERC Tariff Regulations, 2009, the Company has determined the amount of the deferred tax liability (net) materialised during the year pertaining to the period up to 31st March 2009 by identifying the major changes in the elements of deferred tax liability/asset, as recoverable from the beneficiaries. Accordingly, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2010 works out to **₹ 3,086.77 crore** and **₹ 2,857.21 crore** respectively.

The net increase during the year in the deferred tax liability is **₹ 229.61 crore** (previous year decrease ₹ 452.40 crore) has been debited to Profit & Loss Account.

26. Research and development expenditure charged to revenue during the year is **Rs.20.56 crore** (previous year Rs.8.10 crore).

27. **Foreign currency exposure not hedged by a derivative instrument or otherwise:**

₹ crore

Sl. No	Particulars	Currencies	**31.3.2010**	31.3.2009
a.	Borrowings, including interest accrued but not due thereon.	USD JPY Others	**7,052.16** **2,911.30** **422.53**	7,461.24 3,233.88 472.73
b.	Sundry creditors/deposits and retention money	USD EURO Others	**967.91** **354.54** **36.40**	690.40 123.70 99.74
c.	Sundry debtor and Bank balances	USD EURO	**39.70** **-**	11.94 30.99
d.	Unexecuted amount of contracts remaining to be executed	USD EURO Others	**4,312.05** **4,030.95** **89.48**	4,381.82 4,026.99 58.73

28. As required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006, the parent Company has carried out the assessment of impairment of assets based on such assessment, there has been no impairment loss during year.

29. The pre-commissioning expenses during the year amounting to **₹ 253.28 crore** (previous year ₹ 168.87 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **₹ 240.57 crore** (previous year ₹ 160.98 crore) resulting in a net pre-commissioning expenditure of **₹ 12.71 crore** (previous year ₹ 7.89 crore).

30. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2010 is **₹ 37,786.00 crore** (previous year ₹ 64,731.50 crore) which include an amount of **₹ 3,989.50 crore** (previous year ₹ 3,693.66 crore) in respect of jointly controlled entities.

31. **Contingent Liabilities:**

1. 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 **₹ 3,879.83 crore** (previous year ₹ 4,662.26 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 contract 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 **₹ 1,786.30 crore** (previous year ₹ 1,551.47 crore) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **₹ 1,306.18 crore** (previous year ₹ 1,258.45 crore) has been estimated. This includes amount of **₹ 255.82 crore** (previous year ₹ 255.82 crore) billed by the Coal supplier on account of MPGATSV tax up to 31st July 2007 which is subject matter of dispute before Hon'ble Supreme Court.

In respect of (i) and (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 **₹ 428.90 crore** (previous year ₹ 275.02 crore).

2. Disputed Income Tax/Sales Tax/Excise demands

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **₹ 2,299.93 crore** (previous year ₹ 68.18 crore) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimated possible reimbursement of **₹ 1,793.37 crore** (previous year ₹ 0.78 crore).

3. Others

Other contingent liabilities amount to **₹ 309.05 crore** (previous year ₹ 184.20 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 **₹ 59.90 crore** (Previous year ₹ 73.70 crore) share of jointly controlled entities.

32. During the year, 'Further Public Offer' of 412,273,220 equity shares of ₹ 10/- each of the Company through an offer for sale by the President of India, acting through the Ministry of Power, GOI was made through the alternate book building process. Consequently, shareholding of the GOI reduced to 84.50% from 89.50%.

33. For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

34. Figures have been rounded off to nearest rupees in crore.

35. Previous year figures have been regrouped /rearranged wherever necessary.

OTHER NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2008-09 - CONSOLIDATED

1. **BASIS OF CONSOLIDATION**

1.1 The consolidated financial statements relate to NTPC Ltd. (The Company), its Subsidiaries and interest in Joint Ventures.

a) **Basis of Accounting:**

i) The financial statements of the subsidiary companies in the consolidation are drawn up to the same reporting date as of the company.

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 the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest has 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 of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to the accounts.

(iv)The difference between the cost of investment in the investment in the joint venture and the share of net assets at the time of acquisition of shares in the joint venture is identified in the financial statements as goodwill or capital reserve as the case may be.

1.2 The Subsidiary and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.3.2009	31.3.2008
Subsidiary Companies:		
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)	**100**	100
NTPC Hydro Ltd.	**100**	100
Pipavav Power Development Company Ltd.	**100**	100
NTPC Vidyut Vyapar Nigam Ltd.	**100**	100
Kanti Bijlee Utpadan Nigam Ltd. (Formerly known as Vaishali Power Generation Company Ltd.	**51**	51
Bharatiya Rail Bijlee Company Limited	**74**	74

Joint Venture Companies:	Proportion (%) of Shareholding as on	
	31.03.2009	**31.03.2008**
Utility Powertech Ltd.	**50**	50
NTPC - Alstom Power Services Private Ltd.	**50**	50
NTPC-SAIL Power Company Private Ltd.	**50**	50
NTPC-Tamilnadu Energy Company Ltd.	**50**	50
Ratanagiri Gas & Power Private Limited *	**28.33**	28.33
Aravali Power Company Private Ltd.	**50**	50
NTPC-SCCL Global Ventures Private Ltd.	**50**	50
Meja Urja Nigam Private Ltd.	**50**	-
NTPC - BHEL Power Projects Private Ltd.	**50**	-
BF - NTPC Energy Systems Ltd.	**49**	-
Nabinagar Power Generating Company Private Ltd.	**50**	-
National Power Exchange Ltd.*	**16.67**	-

** The financials statements are un-audited.*

All the above Companies are incorporated in India.

During the year, the company reviewed the applicability of the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' and AS 27 to 'Financial Reporting of Interests in Joint Ventures' to the investment made in PTC India Ltd. The company is of the view that provisions of these Standards are not applicable to investment in PTC India Ltd. and the same has been excluded from the disclosures during the year.

1.3 Meja Urja Nigam Limited was incorporated on 2nd April 2008, in which 50% shares are held by NTPC Ltd. and 50 % shares are held by Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd.

1.4 NTPC-BHEL Power Projects Pvt. Ltd. was incorporated on 28th April 2008, in which 50% shares are held by NTPC Ltd. and 50 % shares are held by BHEL.

1.5 BF-NTPC Energy Systems Ltd. was incorporated on 19th June 2008, in which 49% shares are held by NTPC Ltd. and 51 % shares are held by Bharat Forge Ltd.

1.6 Nabinagar Power Generating Company Pvt. Ltd. was incorporated on 9th September 2008, in which 50% shares are held by NTPC Ltd. and 50 % shares are held by Bihar State electricity Board.

1.7 National Power Exchange Ltd. was incorporated on 11th December 2008, in which 50% shares held by NTPC Ltd., Power Finance Corporation Ltd. and NHPC Ltd. in equal proportion and 50 % shares are held by Tata Consultancy Services Ltd.

1.8 **Joint Venture Operations:** The Company along-with M/s Geopetrol International Inc. and M/s Canoro Resources Ltd., (the consortium) has been allotted with an oil and gas block in the State of Arunachal Pradesh. The consortium has entered into a Production Sharing Contract (PSC) with GOI for exploration and production of oil and gas. The Company is a non-operator and has 40% share in expenses, income, assets and liabilities with a minimum work programme commitment of **₹ 63.59 crore** (previous year ₹ 56.26 crore) as per the PSC.

The other two consortium partners viz. M/s Geopetrol International Inc. and M/s Canoro Resources Ltd. each initially had 30 % participating interest in the Block. M/s Canoro Resources Ltd. had off-loaded 50% of their participating interest to M/s Brownstone Ventures Inc. which was approved by GOI in December 2007 and the consequent amendment to the PSC has been executed on 2nd December 2008.

Based on the audited statement of accounts of the block, the Company's share of assets and liabilities as at 31st March 2009 and expenditure for the year ended on that date in respect of above joint venture operation has been accounted for as under:

₹ Crore

Item	**2008-09 (Audited)**	2007-08 (Audited)
Expenses	**8.66**	10.67
Fixed Assets including Capital work-in-progress	**3.47**	1.44
Other Assets	**5.39**	5.85
Current Liabilities	**0.30**	1.32

2. a) The conveyancing of the title to **11,374 acres** of freehold land of value **₹ 546.43 crore** (previous year 10,288 acres of value ₹ 356.33 crore) and buildings & structures valued at **₹ 113.70 crore** (previous year ₹ 78.14 crore), as also execution of lease agreements for **9,444 acres** of value **₹ 275.45 crore** (previous year 9,121 acres of value ₹ 177.00 crore) in favour of the Company are awaiting completion of legal formalities.

b) 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.

c) Land includes **1,223 acres** of value **₹ 11.03 crore** (previous year 1,334 acres of value ₹ 11.31 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

d) Land includes an amount of **₹ 124.26 crore** (previous year ₹ 159.04 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

e) The cost of right of use of land for laying pipelines amounting to **₹ 1.28 crore** (previous year ₹ 1.28 crore) is included under intangible assets. The right of use is perpetual in nature and accordingly not amortised.

3. a) The Central Electricity Regulatory Commission (CERC) has notified by Regulations in March 2004, the terms and conditions for determination of tariff applicable with effect from 1st April 2004 for a period of five years. The CERC has issued final tariff orders for all the stations/units except for two stations (four units), where sales of **₹ 1,317.23 crore**, for the current year (previous year ₹ 1,502.75 crore) have been recognised based on provisional tariff orders issued by CERC.

b) In respect of stations/units where the CERC had issued final tariff orders applicable from 1st April 2004, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed an appeal with the Appellate Tribunal for Electricity (ATE). The ATE has disposed off the appeal favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC has filed an appeal with the Hon'ble Supreme Court of India on some of the issues decided by the ATE which is pending and is yet to issue the revised tariff orders for the balance issues in respect of some of the stations as per the directions of the ATE. Sales for the year in respect of these stations amounting to **₹ 37,066.11 crore** (previous year ₹ 30,701.32 crore) have been accounted for based on provisional tariff worked out by the Company as per the methodology and directions as decided by the ATE.

c) Sales in respect of one of the stations has been provisionally recognised at **₹ 1,440.17 crore** (previous year ₹ 1,307.44 crore) on the basis of principles enunciated under CERC Regulations, 2004, as against the billing of **₹ 1,456.94 crore** (previous year Rs 1,325.79 crore) as per tariff order issued by CERC, prior to the takeover of the station by the company.

d) Sales of **₹ 1020.04 crore** (previous year ₹ 1,133.57 crore) pertaining to previous years has been recognised based on the orders issued by CERC/ATE.

4. Depreciation has been charged at the rates specified in Schedule XIV of the Companies Act, 1956 except as stated in accounting policy no.M.1. Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, CERC has not notified the rates of depreciation. The Company has been advised that the Tariff Policy cannot override the provisions of the Companies Act, 1956 and it is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific

deviation contained in the Electricity Act, 2003 which could be said to have been saved by Section 616 of the Companies Act, 1956. The Company has also been advised that there is no such provision in the Electricity Act, 2003 either prescribing the rates of depreciation for the generating Company or otherwise empowering any authority for providing depreciation rates for accounting purposes in supersession of the provisions of the Companies Act, 1956.

5. Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to **₹ 115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.

6. The pay revision of the employees of the Company is due w.e.f 1st January 2007. Pending implementation of pay revision, provision for the year **₹ 534.23 crore** (previous year ₹ 409.42 crore) and up to the year **₹ 1,041.51 crore** (upto previous year 31st March 2008 ₹ 507.28 crore) has been made towards wage revision on an estimated basis having regard to the guidelines issued by Department of Public Enterprises, GOI. A sum of **₹ 314.18 crore** (previous year ₹ 144.42 crore) paid as adhoc advance towards pay revision is included in 'Loans and Advances'.

7. In accordance with the Uttar Pradesh Electricity Reforms (Transfer of Tanda Generation Undertaking) Scheme 2000, the assets for **₹ 607.00 crore** (previous year ₹ 607.00 crore) of Tanda Power Station of UP State Electricity Board (UPSEB) were handed over to the Company free from all encumbrances. However, the mortgage created by UPSEB on fixed assets in favour of Life Insurance Corporation of India (LIC) before the assets were taken over was not vacated. During the year, Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd (erstwhile UPSEB) has confirmed the repayment of loan to LIC and that the process of de-mortgage of fixed assets of Tanda Power Station is in progress.

8. The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **₹ 276.80 crore** (previous year ₹ 276.80 crore) out of which **₹ 269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of **₹ 7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.

9. Based on the opinions of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) received during the year, in respect of land in possession of the company, provision of **₹ 319.63 crore** has been made towards expenditure on resettlement & rehabilitation activities including the amount payable to the project affected persons (PAPs) towards land for land option, resettlement grant or other grants, providing community facilities and compensatory afforestation, greenbelt development & loss of environmental value etc. based on the Rehabilitation Action Plan (RAP) of the Company or as per the agreement with/demand letters/directions of the local authorities and the same is included in the cost of land.

10. Consequent to the issuance of the new Coal Distribution Policy by Ministry of Coal in October 2007, the Company and Coal India Ltd. (holding Company of the coal suppliers), revisited the Model Coal Supply Agreement (CSA) initialled in March 2007. The new CSA, which is in advance stage of finalisation, would be valid for 20 years with a provision for review after every 5 years. On finalisation, separate CSAs would be signed by each station with the respective subsidiaries of Coal India Ltd.

11. The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL, the Company has also paid entry tax and sales tax on transmission charges in respect of supplies made to various stations in the state of Uttar Pradesh. GAIL has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act.

In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL on settlement of these cases, the same will be passed on to respective beneficiaries.

12. a) Balances shown under advances, creditors and material lying with contractors and material issued on loan in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.

b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

13. Effect of changes in Accounting Policies:

a) I) Based on the opinions of the EAC of the ICAI, pronounced during the year, with regard to accounting of exchange differences arising from restatement/settlement of foreign currency monetary items, the following adjustments have been carried out:

(i) Exchange differences (gain) of **₹ 753.57 crore** in respect of foreign currency loans contracted before 1st April 2004, which were hitherto treated as borrowing cost and recognised in the Profit and Loss Account have been adjusted in the cost of related assets by debit to 'Prior Period Interest'. Due to the above adjustment, depreciation of **₹ 247.82 crore** pertaining to previous years has been written back through 'Prior Period Depreciation' and depreciation for the year is lower by **₹ 40.82 crore.**

(ii) Exchange differences (gain) of **₹ 9.88 crore** for the financial years 2004-05 to 2006-07 arising from restatement/settlement of foreign currency monetary items in respect of transactions entered into on or after 1st April 2004, which were hitherto treated as Incidental Expenditure During Construction (IEDC) at units under construction have been recognized in the Profit & Loss Account through 'Prior Period Interest/Exchange differences'. Due to the above adjustment, depreciation amounting to **₹ 0.24 crore** pertaining to previous years has been charged to 'Prior Period Depreciation' and depreciation for the year is higher by **₹ 0.51 crore.**

II) In line with the Central Government Gazette Notification No.193 dated 31st March 2009 amending Accounting Standard (AS) – 11 on 'The Effects of Changes in Foreign Exchange Rates', the Company has exercised the option to adjust with effect from the financial year 2007-08, the exchange differences arising from restatement/settlement of long term foreign currency monetary items relating to acquisition of depreciable capital assets in the cost of related assets and depreciate the same over the balance life of the asset. Accordingly, the Company adjusted exchange differences arising for the financial year 2007-08 and 2008-09 amounting to **₹ 15.19 crore** included in the cost of related assets, of this a sum of **₹ 0.23 crore** relating to the year 2007-08 has been credited to the General Reserve as per the transitional provisions in the aforesaid Notification. Consequently, depreciation for the year is higher by **₹ 2.99 crore**.

III) Consequent to the change in the accounting policies as detailed in (I) and (II) above, the balance of **₹ 255.37 crore** as on 31st March 2008 in the 'Deferred Foreign Currency Fluctuation Liability' has been written back through 'Prior Period Sales'. In respect of operating stations, an amount of **₹ 208.05 crore** recoverable from the beneficiaries in future years as per CERC Regulations corresponding to exchange differences recognised in the Profit & Loss Account for the periods up to 31st March 2008 has been recognised as 'Deferred Foreign Currency Fluctuation Asset' through 'Prior Period Sales'. Similarly, **₹ 414.43 crore** to be passed on to the beneficiaries in future years corresponding to exchange differences adjusted in the cost of related assets up to 31st March 2008 has been recognised as 'Deferred Foreign Currency Fluctuation Liability' by debit to 'Deferred Expenditure from Foreign Currency Fluctuation'. Due to accounting of such exchange differences, corresponding decrease in depreciation amounting to **₹ 73.60 crore** has been credited to 'Deferred Expenditure from Foreign Currency Fluctuation' by debit to 'Prior Period Depreciation out of Deferred Expenses/Income from Foreign Currency Fluctuation'.

In case of projects under construction, 'Deferred Foreign Currency Fluctuation Asset/Liability' has been created corresponding to exchange differences recognised in the statement of Profit & Loss Account which are admissible for inclusion in capital cost for tariff determination as per CERC Regulations, relating to prior years **₹ 25.05 crore** and current year **₹ 26.83 crore.**

As a result, net profit for the year is lower by **₹ 63.89 crore.**

b) Expenses common to operation and construction activities were hitherto allocated to Profit & Loss Account and Incidental Expenditure during Construction in proportion of sales to annual capital outlay in the case of Corporate Office and sales to accretion to capital work-in-progress in the case of projects. Consequent upon the withdrawal of Guidance Note on 'Treatment of Expenditure during Construction Period' by the ICAI, the Company has identified and allocated on a systematic basis the administration and general overhead expenses attributable to construction of fixed assets at the corporate office and construction projects and included the same in capital work-in-progress. Due to this, profit for the year and fixed assets/capital work-in-progress are lower by **₹ 74.24 crore.**

14. The Company has progressively implemented SAP-ERP System w.e.f. 1st June 2007. As a result, the valuation of inventory items has undergone a change from monthly weighted average to moving weighted average at the units where ERP system has been implemented during the year. Due to the above change, impact on profit for the year if any, is not ascertainable.

15. Revenue Grants recognised during the year is **₹ 0.86 crore** (previous year ₹ 2.20 crore).

16. **Disclosure as per Accounting Standard (AS) 15**:

General description of various defined 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. The contribution to the fund for the year is recognised as expense and is charged to the Profit & Loss Account. 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.

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** (previous year ₹ 0.04 crore), on superannuation, resignation, termination, disablement or on death.

The Company has a scheme of pension at one of the stations in respect of taken over employees from erstwhile State Government Power Utility. These 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 retired employee and the 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.

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 taken over employees from erstwhile State Government Power Utility at another station.

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. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. 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 profit and loss account, balance sheet are as under:

(Figures given in { } represents previous year)

i) Expenses recognised in Profit & Loss Account

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	49.60 {40.70}	7.70 {6.80}	39.10 {31.30}	5.40 {42.30}
Past Service Cost	414.40 (-)	- {-}	- {-}	- {-}
Interest cost on benefit obligation	37.60 {36.80}	12.30 {11.60}	36.10 {31.30}	7.10 {7.20}
Expected return on plan assets	(37.10) {(35.30)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	19.20 {15.00}	21.20 {14.30}	111.10 {107.10}	16.50 {(37.20)}
Expenses recognised in the Profit & Loss A/c	483.70 {57.20)	41.20 {32.70}	186.30 {169.70}	29.00 {12.30}

ii) The amount recognised in the Balance Sheet

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.3.2009 (i)	1,040.90 {536.10}	213.30 {175.00}	647.90 {516.00}	125.50 {101.70}
Fair value of plan assets as at 31.3.2009 (ii)	536.40 {462.30}	- {-}	- {-}	- {-}
Difference (ii) – (i)	(504.50) {(73.80)}	(213.30) {(175.00)}	(647.90) {(516.00)}	(125.50) {(101.70)}
Net asset /(liability) recognised in the Balance Sheet	(504.50) {(73.80)}	(213.30) {(175.00)}	(647.90) {(516.00)}	(125.50) {(101.70)}

iii) Changes in the present value of the defined benefit obligations:

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.4.2008	536.10 {459.90}	175.00 {145.20}	516.00 {391.60}	101.70 {89.60}
Interest cost	37.60 {36.80}	12.30 {11.60}	36.10 {31.30}	7.10 {7.20}
Current Service Cost	49.60 {40.70}	7.70 {6.80}	39.10 {31.40}	5.40 {42.30}
Past Service Cost	414.40 (-)	- {-}	- {-}	- {-}
Benefits paid	(21.10) {(16.70)}	(2.90) {(2.90)}	(54.40) {(45.40)}	(5.20) {(0.20)}
Net actuarial (gain)/ loss on obligation	24.30 {15.40}	21.20 {14.30}	111.10 {107.10}	16.50 {(37.20)}
Present value of the defined benefit obligation as at 31.3.2009	1,040.90 {536.10}	213.30 {175.00)	647.90 {516.00}	125.50 {101.70}

iv) Changes in the fair value of plan assets:

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.4.2008	462.30 {441.50}	- {-}	- {-}	- {-}
Expected return on plan assets	37.10 {35.30}	- {-}	- {-}	- {-}
Contributions by employer	51.20 {0.60}	- {-}	- {-}	- {-}
Benefit paid	(19.30) {(15.50)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	5.10 {0.40}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.3.2009	536.40 {462.30}	- {-}	- {-}	- {-}

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	3.20	2.60
Present value of obligation	39.80	31.90

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **₹ 1.60 crore** (previous year ₹ 3.40 crore) for the year have been made on the basis of actuarial valuation at the year end and charged to the profit & loss account.

G. Details of the Plan Asset

The details of the plan assets at cost as on 31st March are as follows:

₹ crore

		2009	2008
i)	State Government securities	**93.80**	90.30
ii)	Central Government securities	**182.40**	164.30
iii)	Corporate Bonds/ debentures	**223.60**	182.50
iv)	RBI Special Deposit	**24.00**	24.00
	Total	**523.80**	461.10

H. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

i)	Method used	Projected Unit Credit Method
ii)	Discount rate	7.00 %
iii)	Expected rate of return on assets - Gratuity	8.00 %
	- Pension	9.00 %
iv)	Future salary increase	4.50 %

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.

I. Actual return on Plan Assets **₹ 42.30 crore** (Previous year ₹ 35.70 crore).

17. The effect of foreign exchange fluctuation during the year is as under:

(i) The amount of exchange differences (net) debited to the Profit & Loss Account is **₹ 24.36 crore** (previous year credit of ₹ 10.60 crore).

(ii) The amount of exchange differences debited to the carrying amount of fixed assets and Capital work-in-progress is **₹ 1,165.51 crore** (previous year credit of ₹ 23.40 crore).

18 Borrowing costs capitalised during the year is **₹ 1,335.59 crore** (previous year ₹ 668.51 crore).

19. Segment information:

a) Business Segment: 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					
	Generation		**Others**		**Total**	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees*	**42,273.88**	37,378.36	**1,971.39**	1,256.67	**44245.27**	38,635.03
Internal Consumption of Electricity	**51.38**	40.87	**-**	-	**51.38**	40.87
Total	**42,325.26**	37,419.23	**1,971.39**	1,256.67	**44,296.65**	38,675.90
Segment Result#	**9,023.17**	9,175.35	**128.11**	61.67	**9,151.28**	9,237.02
Unallocated Corporate Interest and Other Income	**-**	-	-	-	**3,073.55**	2,798.84
Unallocated Corporate expenses, interest and finance charges	**-**	-	-	-	**2,917.59**	1,684.87
Income Taxes (Net)	**-**	-	-	-	**1,214.78**	2,881.07
Profit after Tax	**-**	-	-	-	**8,092.46**	7,469.92
Segment assets	**44,871.07**	34,556.90	**1,010.79**	549.20	**4,5881.86**	35,106.10
Unallocated Corporate and other assets	-	-	-		**65,146.07**	58,447.20
Total assets	**44,871.07**	34,556.90	**1,010.79**	549.20	**111,027.93**	93,553.30
Segment liabilities	**8,908.60**	6,467.10	**828.94**	418.00	**9,737.54**	6,885.10
Unallocated Corporate and other liabilities					**43,716.90**	33,681.10
Total liabilities	**8,908.60**	6,467.10	**828.94**	418.00	**53,454.44**	40,566.20
Depreciation	**2467.50**	2,188.50	**0.68**	0.60	**2,468.18**	2,189.10
Non-cash expenses other than Depreciation	**24.58**	6.30	**5.14**	0.40	**29.72**	6.70
Capital Expenditure	**14,968.00**	9,670.10	**39.13**	16.80	**15,007.13**	9,686.90

* Includes **₹ 1,020.04 crore** (previous year ₹ 1,133.57 crore) for sales related to earlier years

Segment result would have been **₹ 8,003.13 crore** (previous year ₹ 8,041.78 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.

20 Related party disclosures

a) Related parties:

Key Management Personnel:

A.NTPC Ltd.

Shri T. Sankaralingam	Chairman and Managing Director [1]
Shri R.S. Sharma	Chairman and Managing Director [2]
Shri Chandan Roy	Director (Operations)
Shri R.K. Jain	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (Human Resources)
Shri K.B. Dubey	Director (Projects)
Shri I.J. Kapoor	Director (Commercial) [3]

B. NTPC Alsthom Power Services Ltd.

Shri. K.K.Seth	Managing Director [4]
Shri.R.N.Sen	Managing Director
Shri.D.K.Sardana	Whole time Director [5]
Shri . Rakesh Amol	Whole time Director[6]

C. Utility Powertech Ltd.

Shri.I.S.Paraswal	Chief Executive

1. Superannuated on 30th April 2008
2. Director (Commercial) from 1st April 2008 to 30th April 2008 and assumed charge as Chairman and Managing Director w.e.f 1st May 2008.
3. W.e.f 26th December 2008
4. Upto 31st January,2008
5. Ceased to be Director w.e.f. 6th November ,2008
6. W.e.f.6th November, 2008

b) Remuneration to key management personnel is **₹ 1.90 crore** (previous year ₹ 1.50 crore) and amount of dues outstanding to the Company as on 31st March 2008 are **₹ 0.40 crore (**previous year ₹ 0.10 crore).

21 Disclosure regarding 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

		31.03.2009	31.03.2008
a)	Outstanding balance of minimum lease payments		
	• Not later than one year	**0.64**	0.39
	• Later than one year and not later than five years	**1.34**	0.49
	Total	**1.98**	0.88
b)	Present value of (a) above		
	• Not later than one year	**0.45**	0.32
	• Later than one year and not later than five years	**1.14**	0.41
	Total	**1.59**	0.73
c)	Finance Charges	**0.39**	0.15

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. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include **₹ 33.03 crore** (previous year ₹ 24.50 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 shown as Rent in – Generation, Administration and Other expenses.

22 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)	**8,092.46**	7,469.92
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earnings per share (Basic and Diluted) ₹	**9.81**	9.06
Face value per share (₹)	**10/-**	10/-

23 The item-wise details of deferred tax liability (net) are as under:

₹ crore

	31.03.2009	31.03.2008
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**7,022.20**	7,108.80
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**1,531.74**	1,223.74
ii) Disallowed u/s 43B of the Income Tax Act,1961	**338.55**	280.80
	1,870.29	1,504.54
Deferred tax liability (net)	**5,151.91**	5,604.26

The net decrease in the deferred tax liability of **₹ 452.40 crore** (previous year increase ₹ 151.60 crore) and the same is recoverable / payable from the customers, on becoming part of the current tax.

24 Research and Development expenditure charged to revenue during the year is **₹ 8.10 crore** (previous year ₹ 6.18 crore).

25. Foreign currency exposure not hedged by a derivative instrument or otherwise:

Sl. No	Particulars	Currencies	Amount (₹ Crore)	
			31.03.2009	31.03.2008
a.	Borrowings, including interest accrued but not due thereon.	USD JPY Others	**7,461.24** **3,233.88** **472.73**	5,307.63 2,551.94 64.94
b.	Sundry creditors/deposits and retention monies	USD EURO Others	**690.41** **123.70** **99.74**	642.48 162.00 91.37
c.	Sundry debtor and Bank balances	GBP USD EURO	**-** **11.94** **30.99**	10.15 5.10 30.51
d.	Unexecuted amount of contracts remaining to be executed	USD EURO Others	**4,381.82** **4,026.99** **58.73**	3,184.17 1,599.41 214.66

26 The pre-commissioning expenses during the year amounting to **₹ 168.87 crore** (previous year ₹ 175.00 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **₹160.98 crore** (previous year ₹ 72.10 crore) resulting in a net pre-commissioning expenditure of **₹ 7.89 crore** (previous year ₹ 102.90 crore).

27 Estimated amount of contracts remaining to be executed on capital account and not provided for is **₹ 64,731.50 crore** (previous year ₹ 29,476.60 crore) which include an amount of **₹ 3,693.60 crore**

(previous year ₹ 3,125.60 crore) in respect of jointly controlled entities.

28 **Contingent Liabilities:**

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works
Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for **₹ 4,662.26 crore** (previous year ₹ 1,125.46 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 contract for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources 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 **₹ 1,551.47 crore** (previous year ₹ 1,046.53 crore) has been estimated.

(iii) Others
In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **₹ 1,258.45 crore** (previous year ₹ 1,292.30 crore) has been estimated. This includes amount of Rs 255.82 crore billed by the Coal supplier on account of MPGATSV tax up to 31st July 2007 which is subject matter of dispute before Supreme Court.

In respect of (i) and (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 **₹ 275.02 crore** (previous year ₹ 344.30 crore).

2. Disputed Income Tax/Sales Tax/Service Tax / Excise demands

Demand made against the company by Central/State Tax Authorities amounting to **₹ 140.10 crore** (previous year ₹ 1,554.20 crore) are disputed by the Company and contested before various Appellate Authorities. In such cases, the company estimated possible reimbursement of **₹ 13.10 crore** (previous year ₹ 1,006.29 crore).

3. Others

Unexpired Letters of credit other than for capital expenditure amount to **₹ 143.20 crore** (previous year ₹ 248.10 crore) and other contingent liabilities amount to ₹ **184.20 crore** (previous year ₹ 31.50 crore). In such cases, the company estimated possible reimbursement of **₹ Nil** (previous year ₹ 1.70 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 **₹ 73.70 crore** (Previous year ₹ 73.60 crore) share of jointly controlled entities.

29 For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

30 Figures have been rounded off to nearest rupees in crore.

31 Previous year figures have been regrouped/rearranged wherever necessary.

ANNEXURE - VI

Statement of Accounting Ratios - Consolidated

₹ Crore

Description	As at/ For the year ended 31.03.2013	As at/ For the year ended 31.03.2012	As at/ For the year ended 31.03.2011	As at/ For the year ended 31.03.2010	As at/ For the year ended 31.03.2009
Basic and diluted Earning per Share (₹) (Net profit after tax/Weighted average number of shares outstanding during the year)	15.27	11.90	11.34	10.72	9.81
(i) Net profit after tax	12,590.78	9,812.79	9,353.40	8,837.68	8,092.56
(ii) Weighted average number of shares outstanding during the year	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400
Return on Net Worth (%) (Net profit after tax/Net Worth X 100)	15.50	13.21	13.68	14.11	14.10
(i) Net profit after tax	12,590.78	9,812.79	9,353.40	8,837.68	8,092.56
(ii) Net worth (Shareholders' Fund)	81,240.95	74,275.81	68,384.56	62,617.28	57,407.66
Net Asset Value Per Share (₹) (Net Worth/Number of shares at the end of the year)	98.53	90.08	82.94	75.94	69.62
(i) Net worth (Shareholders' Fund)	81,240.95	74,275.81	68,384.56	62,617.28	57,407.66
(ii) Number of shares at the end of the year	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400
Debt to Equity Ratio (Total debt outstanding/Net Worth)	0.87	0.81	0.74	0.71	0.68
(i) Total Debt Ourtstanding	70,418.78	59,804.09	50,754.83	44,148.53	38,822.64
(ii) Net worth (Shareholders' Fund)	81,240.95	74,275.81	68,384.56	62,617.28	57,407.66

ANNEXURE - VII

Statement of Dividend - Consolidated

₹ Crore

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Share Capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Amount of Dividend					
Interim Dividend	3,094.07	2,887.92	2,473.63	2,473.63	2,308.72
Final Dividend	1,718.27	473.29	662.18	675.53	665.04
Total	**4,812.34**	**3,361.21**	**3,135.81**	**3,149.16**	**2,973.76**
Rate of Dividend (%)	58.36	40.76	38.03	38.19	36.07
Corporate Dividend Tax	793.93	542.19	518.49	532.43	504.49

ANNEXURE - VIII

Capitalisation Statement - Consolidated

₹ Crore

Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Debts					
Long Term	64,587.72	54,851.94	47,059.57	40,004.95	35,958.28
Short Term	382.16	150.16	39.40	12.09	1.50
Current Maturities of Long Term Debt	5,448.90	4,801.99	3,655.86	4,131.49	2,862.86
Total Debts (A)	**70,418.78**	**59,804.09**	**50,754.83**	**44,148.53**	**38,822.64**
Shareholders' Fund					
Share Capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves & Surplus	72,995.49	66,030.35	60,139.10	54,371.82	49,162.20
Total Shareholders' Fund (B)	**81,240.95**	**74,275.81**	**68,384.56**	**62,617.28**	**57,407.66**
Debt to Equity Ratio (A/B)	0.87	0.81	0.74	0.71	0.68

ANNEXURE B – CREDIT RATING

I C R A Limited
An Associate of Moody's Investors Service

Ref: D/RAT/2013-14/N3/3

Date: November 8, 2013

Ms. Sangeeta Bhatia
G M (Finance – Budget)
NTPC Limited
Core-7, SCOPE Complex
Lodhi Road
New Delhi – 110 003

Madam,

Re: ICRA Rating for Public issue of Tax Free Bond of Rs. 1750 crore out of proposed Rs. 3000 crore Long Term Bond Programme of NTPC Limited

This is with reference to your letter dated November 1, 2013 requesting for the revalidation of the rating assigned to the aforesaid Bonds Programme of NTPC Limited.

We confirm that the **"[ICRA]AAA(stable)" rating (pronounced ICRA Triple A)** on the long term scale, assigned to the captioned Bonds programme of your company and last communicated to you vide our letter dated July 16, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our rationale issued in May 2013 and letter Ref: D/RAT/2013-14/N3/1 dated May 31, 2013.

With kind regards,
For ICRA Limited

Sabyasachi Majumdar
Senior Vice President
ICRA Limited

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002
Tel. : + 91 - 124 - 4545300
Fax : + 91 - 124 - 4050424
website www.icra.in
email info@icraindia.com
Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

I C R A Limited
An Associate of Moody's Investors Service

Ref: D/RAT/2013-14/N3/2

Date: July 16, 2013

Mr. A.K. Singhal
Director- Finance
NTPC Limited
Core-7, SCOPE Complex
Lodhi Road
New Delhi – 110 003

Dear Sir,

Re: ICRA rating for Rs 3000 crore Bonds Programme of NTPC Limited

This is with reference to your letter dated July 15, 2013 requesting for the revalidation of the rating assigned to the aforesaid Bonds Programme of NTPC Limited.

We confirm that the **"[ICRA]AAA" rating (pronounced ICRA Triple A) with a Stable outlook** on the long term scale, assigned to the captioned Bonds programme of your company and last communicated to you vide our letter dated May 31, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: D/RAT/2013-14/N3/1 dated May 31, 2013.

With kind regards,
For ICRA Limited

Sabyasachi Majumdar
Senior Vice President
ICRA Limited

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

Tel. : + 91 - 124 - 4545300
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website : www.icra.in
email : info@icraindia.com

Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

I C R A Limited
An Associate of Moody's Investors Service

Ref: D/RAT/2013-14/N3/1

Date: May 31, 2013

Mr. A.K. Singhal
Director- Finance
National Thermal Power Corporation Limited
Core-7, SCOPE Complex
Lodhi Road
New Delhi – 110 003

Dear Sir,

Re: ICRA Credit Rating for Rs 3000 crore bonds programme of NTPC Limited

Please refer to your Rating Requisition dated May 16, 2013 and the subsequent Rating Agreement of May 31, 2013 for carrying out the rating of the aforesaid Bond Programme. The Rating Committee of ICRA, after due consideration, has assigned a rating of "**[ICRA]AAA**" (pronounced as ICRA Triple A) on the long term scale to the captioned Bond Programme. The outlook on the long term scale is 'Stable'. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. In any of your publicity material or other document wherever you are using our above rating, it should be stated as **"[ICRA]AAA(stable)".** We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as confirmation about the use of the assigned rating. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

Building No. 8, 2nd Floor
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You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

Sabyasachi Majumdar
(Senior Vice President)

Vardhman C. Rai
(Analyst)

NTPC Limited

Instrument Details	Amount in Rs. Crore^	Rating Action
		May 2013
Bonds Programme	3000.00	[ICRA]AAA (stable); *assigned*

ICRA has assigned the rating of [ICRA]AAA (pronounced ICRA triple A) on a long term scale to Rs. 3000.00 crore bonds progamme of NTPC Limited. The outlook on the long term rating is „Stable'.

ICRA's rating action factors in NTPC's dominant position in the Indian power sector, its strategic importance to Government of India for achieving the targeted capacity addition programme under the central sector, its diversified customer base, and its cost competitiveness arising out of superior operational efficiencies along with proximity of most of its coal-based plants to pit heads. This coupled with the cost plus nature of tariffs has resulted in healthy and stable profitability indicators. The rating also factors in NTPC's strong financial position as reflected in low gearing and healthy coverage indicators. NTPC's cash collections have continued to remain strong since 2003-04 (as a result of tripartite agreement for settlement of SEB dues and the resultant payment discipline) and it has been receiving its dues within the stipulated 60 days period specified in the aforesaid agreement. Sustainability of the collection performance, going forward, remains an issue if sectoral reforms (including the recent tariff hikes) do not result in a fundamental improvement in the financial position of the state power utilities. In this context, ICRA has noted improved timeliness in tariff filings and issuance of tariff orders in the recent past- for instance tariff hikes have been approved for 23 states by SERCs for FY 2012-13 and for another seven states for FY 2013-14 while tariff filings for FY 2013-14 have been done for most of the balance states. ICRA also notes the stated intention of the state governments to reverse the growing losses in power distribution and debt restructuring scheme of utilities. Timely assessment of such losses and speedy initiation of measures for reducing these losses including inter-alia technical and commercial loss reduction measures and timely tariff revisions would be critical for improving the sectors financial viability, hence reducing counter party credit risks of entities serving the power sector, including gencos like NTPC.

ICRA has taken note of shortages in fuel availability (both gas and coal) which has impacted PLFs during FY 2013. ICRA also notes that fuel supply agreements (FSAs) are yet to be signed with CIL for plants with commissioning dates post March 2009 to March 2015. Nonetheless, ICRA has derived comfort from the company's existing FSAs with CIL for the plants operational till March 2009, which assure it of significant volumes of domestic coal, the company's ability to source fairly large quantities of coal from overseas suppliers, and likelihood of supplies commencing in the near term from its ongoing captive mine development programme.

NTPC has substantial expansion plans which are likely to be funded with a debt: equity ratio of 70:30 which may result in a higher gearing compared to the present debt equity ratio of 0.72 times (As on 31st March 2013). However, the company's debt servicing ability is expected to remain strong, given the cost plus tariff structure and tariff competitiveness of its existing power plants. While a few of NTPC's ongoing projects have seen some slippages in terms of project execution, this is unlikely to have a significant impact on the debt servicing capabilities given the strong cash flows from a large basket of operational power plants.

Going forward, NTPC's ability to ensure fuel security for its substantial expansion projects as well as sustenance of the strong collection performance will remain key rating drivers.

^ 100 lakh = 1 crore = 10 million

Company Profile

NTPC was incorporated in 1975 as a thermal generation company and is currently India's largest power generating entity. NTPC's total installed capacity stood at 35,820 MW as on 31st March 2013. In addition, its joint venture (JV) partners operate another 5,364 MW. In 2012-13, NTPC group generated 249.48 billion units, accounting for 27.4% of the total power generated in India. NTPC has been accorded the status of "Maharatna", which gives it considerable operating flexibility. While continuing with its core business of coal and gas based thermal generation, NTPC has recently diversified (in some cases through JVs), into related activities like consulting, hydro-power development, power trading, coal mining, and exploration for oil and gas.

NTPC reported total income from operations of Rs. 62,052.23 crore and profit after tax (PAT) of Rs. 9,223.73 crore for FY 2011-12 and total income from operations of Rs. 65,673.93 crore and profit after tax (PAT) of Rs. 12,619.39 crore for FY 2012-13.

May 2013

For further details please contact:
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Hyderabad **Mr. M.S.K. Aditya** Mobile: **9963953777** Email: adityamsk@icraindia.com 301, CONCOURSE, 3rd Floor, No. 7-1-58, Ameerpet, Hyderabad 500 016. Tel: +91-40-9373 5061 /7951 Fax: +91-40- 9373 5159	

CONFIDENTIAL

Ref: VK/NTPCL/SN/26294
November 08, 2013

Mrs. Sangeeta Bhatia
General Manager (Finance – Budget)
NTPC Ltd.
NTPC Bhawan, SCOPE Complex
Core-7, Institutional Area, Lodi Road
New Delhi-110003
Tel: (011) 2436 9121
Fax: (011) 2436 1665

Dear Mrs. Bhatia,

Re: CRISIL Rating for the Rs. 30.0 billion Non-Convertible Debenture Programme of NTPC Ltd.

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our letter dated June 3, 2013 bearing Ref. No.VK/CGS/NTPCLTD/JUN13/90014.

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Billion)	Rating Outstanding
1	Non-Convertible Debenture Programme	30.0	CRISIL AAA

As per our Rating Agreement, CRISIL would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. Additionally, the rating lists in its publications such as RatingScan and BLR Connect are also updated to reflect the latest ratings outstanding. CRISIL reserves the right to suspend, withdraw, or revise the rating assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

Should you require any clarifications, please feel free to get in touch with us.
With warm regards,
Yours sincerely,

Manish Kumar Gupta
Director–Corporate & Infrastructure Ratings

Vaibhav Kapoor
Associate Director–Corporate & Infrastructure Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 – 09.

CONFIDENTIAL

VK/CGS/NTPCLTD/JUN13/90014

June 03, 2013

Ms. Sangeeta Bhatia
General Manager Finance
NTPC Limited
NTPC Bhawan
SCOPE Complex Core-7
7, Institutional Area, Lodhi Road
New Delhi - 110003
Tel 011 24369121

Dear Mr. Bhatia,

Re: CRISIL Rating for the Rs. 30 Billion Non-Convertible Debenture Programme of NTPC Limited

We refer to your request for a rating for the captioned Debt Programme.

CRISIL has, after due consideration, assigned **"CRISIL AAA"** (pronounced "CRISIL triple A rating") rating to the captioned Debt Programme. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Manish Gupta
Director – Corporate & Infrastructure Ratings

Vaibhav Kapoor
Associate Director – Corporate & Infrastructure Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

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Details of the Rs. 30 Billion Non-Convertible Debenture Programme of NTPC Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt programme, please send us a copy of it.

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the issuers / subscribers / users / transmitters / distributors of this product. CRISIL Ratings' rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Rating Rationale

June 03, 2013
Mumbai

NTPC Limited

'CRISIL AAA' assigned to NCD issue

Total Bank Loan Facilities Rated	Rs.600.77 Billion
Long-Term Rating	CRISIL AAA (Reaffirmed)
Short-Term Rating	CRISIL A1+ (Reaffirmed)

(Refer to Annexure 1 for details on facilities)

Rs.30 Billion Non-Convertible Debentures	CRISIL AAA (Assigned)
Rs.2 Billion Non-Convertible Debentures	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond	CRISIL AAA (Reaffirmed)
Rs.10 Billion Bond	CRISIL AAA (Reaffirmed)
Rs.20 Billion Bond Issue (Series XXVII,XVIII & XIX)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XXVI)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XXV)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XXIV)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XXIII)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XXII)	CRISIL AAA (Reaffirmed)
Rs.10 Billion Bond Issue (Series XXI)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XX)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XVIII)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XIV)	CRISIL AAA (Reaffirmed)
Rs.15 Billion Bond Issue (Series XIII)	CRISIL AAA (Reaffirmed)
Rs.5 Billion Bond Issue (Series XII)	CRISIL AAA (Reaffirmed)
Rs.23.45 Billion Bond Issue	CRISIL AAA (Reaffirmed)
Rs.20 Billion Bond Issue	CRISIL AAA (Reaffirmed)
Rs.10 Billion Bond Issue	CRISIL AAA (Reaffirmed)
Rs.23.60 billion Bonds	CRISIL AAA (Reaffirmed)
Fixed Deposits	FAAA (Reaffirmed)
Rs.2.5 Billion Commercial Paper	CRISIL A1+ (Reaffirmed)

CRISIL has assigned its **'CRISIL AAA'** rating to NTPC Ltd's (NTPC's) issue of Rs.30-billion non-convertible debentures, while reaffirming its ratings on the other bank facilities, debt and fixed deposit programmes at 'CRISIL AAA/FAAA/CRISIL A1+'.

CRISIL's ratings on NTPC's bank facilities, debt and fixed deposit programmes continue to be driven by NTPC's dominant position in India's regulated power generation sector, strong business and financial risk profiles, and strategic importance to the Government of India (GoI), which holds a 75 per cent equity stake in the company. These rating strengths are partially offset by the weak credit risk profile of NTPC's customers and the company's exposure to systemic risk of fuel shortage in India.

NTPC is India's largest power generation company with around 18 per cent of the country's installed power generation capacity as on March 31, 2013; the company accounts for more than 25 per cent of the power generated in India. NTPC has strong business and financial risk profiles and superior project execution skills. Moreover, the tariff structure ensures recovery of all fixed expenses, including debt-servicing charges and provides for fixed return on equity, based on achievement of performance benchmarks mandated by the regulator. Its fixed costs are recovered at 85 per cent of plant availability, leading to profitability that is above industry levels. In 2012-13(refers to financial year, April 1 to March 31), NTPC's coal- and gas-based plants reported plant availability factor of around 88 per cent and 93 per cent, respectively. CRISIL expects NTPC's volumes and cash flows to continue to grow, driven by the ongoing capacity expansion and superior operating efficiency. The company's collection efficiency has consistently been at 98 to 100 per cent over the

past eight years despite deterioration in the credit profiles of state power utilities (SPUs).

A low gearing, strong profitability, comfortable debt protection ratios, and robust liquidity, continue to mark NTPC's financial risk profile. The company has maintained a comfortable consolidated gearing of around 0.85 times, and a net profit margin of 15 to 20 per cent, over the past three years. CRISIL believes that NTPC's gearing will remain at similar levels, despite large, debt-funded capital expenditure (capex) plans, because of large accretion to reserves. NTPC will fund its capex plans within the funding mix stipulated by the regulator. NTPC's financial risk profile is also supported by robust liquidity; the company had cash balance of Rs.187.4 billion as on March 31, 2013 at the consolidated level.

GoI has granted the 'Maharatna' status to NTPC. In the past, GoI had provided NTPC with need-based financial support in the form of guarantees for foreign currency borrowings; CRISIL believes that GoI will extend its support if needed.

However, the credit risk profiles of NTPC's customers (SPUs) are weak. The repayment performance of SPUs remains a key rating sensitivity factor for NTPC's credit risk profile. The systemic shortage of fuel faced by the country and its impact on the operating performance and consequently the credit risk profile of NTPC will continue to be monitored by CRISIL.

About the Company

NTPC was incorporated in 1975. As on March 31, 2013, the NTPC group had an installed capacity of 41,184 megawatts (MW), including capacity owned by NTPC's subsidiaries and joint venture companies. The company enjoys GoI's 'Maharatna' status. After an offer for sale in February 2013, GoI's shareholding in NTPC reduced to 75 per cent from 84.5 per cent.

NTPC reported a consolidated net profit of Rs.125.86 billion on net sales of Rs.679.53 billion for 2012-13, against Rs.98.1 billion and Rs.649.58 billion, respectively, for the previous year.

Annexure 1 - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (RS. Million)**	**Rating**	**Facility**	**Amount (RS. Million)**	**Rating**
Bank Guarantee	12000	CRISIL A1+	Bank Guarantee	12000	CRISIL A1+
Cash Credit	2000	CRISIL AAA	Cash Credit	2000	CRISIL AAA
Letter of Credit	21000	CRISIL A1+	Letter of Credit	21000	CRISIL A1+
Long-Term Loan	476568.4	CRISIL AAA	Long-Term Loan	476568.4	CRISIL AAA
Proposed Long-Term Bank Loan Facility	89204.1	CRISIL AAA	Proposed Long-Term Bank Loan Facility	89204.1	CRISIL AAA
Total	600772.5	--	Total	600772.5	--

Media Contacts	Analytical Contacts	Customer Service Helpdesk
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Note:
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About CRISIL LIMITED

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

About CRISIL Ratings

CRISIL Ratings is India's leading rating agency. We pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we have a leadership position. We have rated over 60,000 entities, by far the largest number in India. We are a full-service rating agency. We rate the entire range of debt instruments: bank loans, certificates of deposit, commercial paper, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds, and partial guarantees. CRISIL sets the standards in every aspect of the credit rating business. We have instituted several innovations in India including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We pioneered a globally unique and affordable rating service for Small and Medium Enterprises (SMEs).This has significantly expanded the market for ratings and is improving SMEs' access to affordable finance. We have an active outreach programme with issuers, investors and regulators to maintain a high level of transparency regarding our rating criteria and to disseminate our analytical insights and knowledge.

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Last updated: May, 2013

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CRISIL has revised its rating symbols and definitions with effect from July 11, 2011, to comply with the SEBI circular, 'Standardisation of Rating Symbols and Definitions'. The revised rating symbols carry the prefix, 'CRISIL'. The rating symbols for short-term instruments have been revised to 'CRISIL A1', 'CRISIL A2', 'CRISIL A3', 'CRISIL A4', and 'CRISIL D' from the earlier 'P1', 'P2', 'P3', 'P4', and 'P5', respectively. The revision in the rating symbols and definitions is not to be construed as a change in the ratings. For details on revised rating symbols and definitions, please refer to the document, 'Revision of Rating Symbols and Definitions', at the link, **http://www.crisil.com/ratings/credit-rating-scale.html**

ANNEXURE C – CONSENT FROM THE BOND TRUSTEE

ITCL
IL&FS Trust Company Limited

Ref. No.: 2157

Date: November 14, 2013

NTPC Limited
NTPC Bhawan
SCOPE Complex
7, Institutional Area
Lodhi Road
New Delhi 110 003

Re: Proposed public issue of tax free, secured, redeemable, non-convertible bonds in the nature of debentures having tax benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended ("Bonds") in financial year 2013-2014 ("Issue") by NTPC Limited pursuant to the notification no. 61/2013 F.No.178/37/2013-(ITA.1) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India

We, the undersigned, do hereby consent to act as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and our name and the following details being inserted as Debenture Trustee to the Issue in the draft prospectus (hereinafter referred to as "**Draft Prospectus**") to be filed with BSE Limited and/or National Stock Exchange of India Limited (hereinafter referred to as "**Relevant Stock Exchanges**") for the purpose of receiving public comments and Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"), and the prospectus (hereinafter referred to as "**Prospectus**") which the Company intends to file with the SEBI, the Registrar of Companies, National Capital Territory of Delhi and Haryana (hereinafter referred to as "**RoC**") and Relevant Stock Exchanges, in respect of the proposed Issue of Bonds and all related advertisements, and subsequent communications sent to the holders of Bonds pursuant to the Issue.

Name :	IL&FS Trust Company Limited
Address	The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051
Tel:	+91 22 26533908
Fax:	+ 91 22 2653 3297
E-mail:	itclcompliance officer@ilfsindia.com

Investor Grievance e-mail: investorgrievances.itcl@ilfsindia.com

Website: www.itclindia.com

ITCL
IL&FS Trust Company Limited

Contact Person: Senior Vice President

SEBI Registration Number: IND000000452

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter, the brief details of which are as follows:

Registration Number	IND000000452
Date of expiry of registration	-
Renewal of registration / if applied for renewal, date of application	-
Period up to which registration/ renewal fees has been paid	October 15, 2015
Any communication from SEBI, prohibiting us from acting as an intermediary in capital market issues	Nil
Any enquiry/investigation being conducted by SEBI	Nil

Copy of our SEBI registration certificate is attached hereto as **Annexure A**.

We confirm that we will immediately inform the Company and the Lead Managers of any change to the above information until the Bonds commence trading on the stock exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Bonds commence trading on the stock exchanges.

We hereby authorise you to deliver a copy of this letter of consent to the stock exchanges, the RoC and any other regulatory or statutory authority as required by law.

Yours faithfully,
For IL&FS Trust Company limited

Authorised Signatory

Encl: SEBI Registration Certificate [Annexure A]

Cc:

A.K. Capital Services Limited
30-39, Free Press House, 3rd Floor
Free Press Journal Marg
215, Nariman Point
Mumbai 400 021

ITCL
IL&FS Trust Company Limited

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate
Mumbai 400 020

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor
Plot No. C 27
G Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
India

SBI Capital Markets Limited
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Cuffe Parade
Mumbai 400 005

Amarchand & Mangaldas & Suresh A. Shroff & Co.
216, Amarchand Towers
Okhla Industrial Estate Phase - III
New Delhi 110 020, India

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000213

(विनियम 8)
(Regulation 8)

Regulation 8A

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF ~~REGISTRATION~~ PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IL & FS TRUST COMPANY LTD.
THE IL & FS FINANCIAL CENTRE
PLOT NO.C22, G-BLOCK
BANDRA KURLA COMPLEX
BANDRA (EAST)
MUMBAI 400 051

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000452**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) ~~Unless renewed, the certificate of registration is valid from~~ to

3) **This Certificate of Registration shall be valid for permanent unless suspended or cancelled by the Board.**

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : MUMBAI

दिनांक Date : OCTOBER 22, 2012

RUCHI CHOJER

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE D – STOCK MARKET DATA FOR OUR BONDS ON NSE

Ref. No. NSE/LIST/2013/217826-8 Date : October 4, 2013

The Company Secretary
NTPC Limited
NTPC Bhawan,
SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi - 110 001

Dear Sir/Madam,

Sub : Trade Statistics Report from 01-Apr-2008 to 30-Sep-2013 for the securities issued by NTPC Limited .

The details of the securities issued by you and traded on the Wholesale Debt Market segment of the Exchange from 01-Apr-2008 to 30-Sep-2013 are as follows:

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	04-JUL-2013	1	500	102.0187	102.0187
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	14-MAY-2009	2	1000	97.2986	97.2986
NTPC 8.73% 2023 (S-XLVIII)	PT	NTPC23	8.73%	28-MAR-2013	1	500	100	100
NTPC 8.73% 2023 (S-XLVIII)	PT	NTPC23	8.73%	21-MAR-2013	1	1000	100	100
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	22-FEB-2013	1	500	101.6512	101.6512
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	21-FEB-2013	1	500	101.1658	101.1658
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	12-AUG-2009	2	500	96.3374	96.3374
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	10-JUN-2009	1	2500	96.9697	96.9697
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	29-MAY-2009	1	500	101.6629	101.6629
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	22-MAY-2009	1	2500	102.1948	102.1948
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	15-MAR-2013	1	1000	100.6334	100.6334
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	15-MAR-2013	1	500	101.9087	101.9087
	PT	NTPC22	8.84%	27-NOV-2012	1	1000	99.95	99.95

This is a system generated report and does not require signature.

Sub : Trade Statistics Report from 01-Apr-2008 to 30-Sep-2013 for the securities issued by NTPC Limited .

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
NTPC 8.84% 2022 (S-XLVII)								
NTPC 9% 2025 (S-XLII) STRPP-C	PT	NTPC25	9%	13-APR-2012	1	374	98.7001	98.7001
NTPC 9% 2024 (S-XLII) STRPP-B	PT	NTPC24	9%	13-FEB-2012	1	500	100.6472	100.6472
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	17-AUG-2009	3	7500	96.4546	96.4015
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	14-AUG-2009	3	1000	96.3385	96.3385
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	25-JUN-2009	2	1500	96.9682	96.9682
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	12-MAY-2009	4	9500	99.9	96.8465
NTPC 8.80% 2023 (S-XLIX)	PT	NTPC23 A	8.80%	28-JUN-2013	2	3000	102.4954	102.3634
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	22-JUN-2012	1	500	98.216	98.216
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	22-MAY-2012	1	500	97.8892	97.8892
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	10-FEB-2012	1	1000	100.2049	100.2049
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	28-AUG-2009	1	500	100.7752	100.7752
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	06-FEB-2009	1	1000	98.396	98.396
NTPC 8.73% 2023 (S-XLVIII)	PT	NTPC23	8.73%	18-APR-2013	1	1000	101.5562	101.5562
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	18-MAR-2013	1	1500	100.6334	100.6334
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	25-FEB-2013	3	1700	100.7037	100.5122
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	19-OCT-2012	1	1000	100.25	100.25
NTPC 9% 2026 (S-XLII) STRPP-D	PT	NTPC26	9%	13-APR-2012	1	234	98.6524	98.6524
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	27-MAY-2009	1	1500	101.8631	101.8631

Sub : Trade Statistics Report from 01-Apr-2008 to 30-Sep-2013 for the securities issued by NTPC Limited .

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
NTPC 8.80% 2023 (S-XLIX)	PT	NTPC23 A	8.80%	03-SEP-2013	2	2000	95.8857	95.8857
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	02-SEP-2013	2	1500	95.458	95.458
NTPC 9% 2027 (S-XLII) STRPP-E	PT	NTPC27	9%	13-APR-2012	1	234	98.6086	98.6086
NTPC 5.95%2010(S-XVIII) PART-B	PT	NTPC10	5.95%	15-DEC-2009	1	1500	100.2145	100.2145
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	26-NOV-2009	1	1000	97.0151	97.0151
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	07-AUG-2009	2	2500	96.3358	96.3358
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	27-MAY-2009	1	500	96.972	96.972
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	25-MAY-2009	7	9000	97.91	96.7795
NTPC 10.00% 2011(S-XII)PART-E	PT	NTPC11	10.00%	19-MAY-2009	1	860	107.6203	107.6203
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	13-MAY-2009	1	1000	96.8462	96.8462
NTPC 8.73% 2023 (S-XLVIII)	PT	NTPC23	8.73%	25-JUL-2013	1	1000	96.0498	96.0498
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	25-JUN-2012	1	500	98.8701	98.8701
NTPC 9% 2024 (S-XLII) STRPP-B	PT	NTPC24	9%	13-APR-2012	1	734	98.7608	98.7608
NTPC 8.80% 2023 (S-XLIX)	PT	NTPC23 A	8.80%	05-SEP-2013	1	500	96.1857	96.1857
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	02-JUL-2013	1	1000	97.57	97.57
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	05-NOV-2012	2	3500	99.6818	99.6818
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	01-NOV-2012	1	1000	99.9736	99.9736
NTPC 8.84% 2022 (S-XLVII)	PT	NTPC22	8.84%	30-OCT-2012	1	500	100.2025	100.2025
	PT	NTPC19	7.89%	25-AUG-2009	1	2500	96.3414	

Sub : Trade Statistics Report from 01-Apr-2008 to 30-Sep-2013 for the securities issued by NTPC Limited .

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
NTPC 7.89% 2019 (S-XXX)								96.3414
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	20-JUL-2009	1	6000	97.1	97.1
NTPC 8.80% 2023 (S-XLIX)	PT	NTPC23 A	8.80%	29-MAY-2013	2	3500	105.5815	105.5815
NTPC 8.73% 2023 (S-XLVIII)	PT	NTPC23	8.73%	09-APR-2013	1	1000	100.3896	100.3896
NTPC 9% 2023 (S-XLII) STRPP-A	PT	NTPC23	9%	13-APR-2012	1	234	98.8177	98.8177
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	26-MAY-2010	1	400	96.7552	96.7552
NTPC 7.89% 2019 (S-XXX)	PT	NTPC19	7.89%	28-AUG-2009	1	1000	95.9658	95.9658
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	14-AUG-2009	1	2000	101.0985	101.0985
NTPC 8.65% 2019 (S-XXIX)	PT	NTPC19	8.65%	18-JUN-2009	1	1000	101.6485	101.6485
NTPC 8.80% 2023 (S-XLIX)	PT	NTPC23 A	8.80%	30-MAY-2013	1	1000	105.7875	105.7875