



**Schedule 1
CAPITAL**

	31.03.2006	Rs. million 31.03.2005
AUTHORISED		
10,000,000,000 equity shares of Rs.10/- each (Previous year 10,000,000,000 equity shares of Rs.10/- each)	100,000	100,000
ISSUED, SUBSCRIBED AND PAID-UP		
8,245,464,400 equity shares of Rs.10/- each fully paid-up (Previous year 8,245,464,400 equity shares of Rs.10/- each fully paid-up)	82,455	82,455

**Schedule 2
RESERVES AND SURPLUS**

Capital Reserve		
As per last Balance Sheet	1,279	1,259
Add : Additions during the year	29	22
Less : Adjustments during the year	-	2
	1,308	1,279
Share Premium Account		
As per last Balance Sheet	22,334	-
Add : Additions during the year	-	22,511
Less : Adjustment of share issue expenses during the year	53	177
	22,281	22,334
Bonds Redemption Reserve		
As per last Balance Sheet	6,405	4,071
Add : Transfer from Profit & Loss Account	2,926	2,351
Less : Write back during the year	16	17
	9,315	6,405
Foreign Project Reserve		
As per last Balance Sheet	2	4
Less : Write back during the year	2	2
*Rs. 81229/-	*	2
General Reserve		
As per last Balance Sheet	304,476	271,476
Add : Transfer from Profit & Loss Account	29,000	33,000
	333,476	304,476
Surplus, balance in Profit & Loss Account	752	812
Total	367,132	335,308

**Schedule 3
DEFERRED REVENUE - on account of Advance Against Depreciation**

As per last Balance Sheet	3,374	1,591
Add : Revenue deferred during the year	1,505	1,791
Less: Revenue recognised during the year	471	8
Total	4,408	3,374

Schedule 4 SECURED LOANS

	31.03.2006	Rs. million 31.03.2005
Bonds		
10.00% Secured Non-Convertible Taxable Bonds of Rs. 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6 th year and in annual instalments thereafter upto the end of 10 th year respectively from 5 th September 2001 (Twelfth Issue - Private Placement) ¹	5,000	5,000
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of Rs. 10,00,000/- each redeemable at par in ten equal annual instalments commencing from the end of 6 th year and upto the end of 15 th year respectively from 18 th April 2002 (Thirteenth Issue -Part A - Private Placement) ²	7,500	7,500
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of Rs. 10,00,000/- each with ten equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6 th year and in annual instalments thereafter upto the end of 15 th year respectively from 30 th April 2002 (Thirteenth Issue - Part B - Private Placement) ²	7,500	7,500
8.05% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each with two equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of 4 th and 5 th year respectively from 1 st August 2002 (Fourteenth Issue - Private Placement) ²	5,000	5,000
13.60% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 1,00,000/- each redeemable at par in three annual instalments of 30%, 30% and 40% commencing from 28 th September 2004 (Fifteenth Issue - Part C - Private Placement) ²	44	77
8.00% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 10 th April 2018 (Sixteenth Issue -Private Placement) ³	1,000	1,000
8.48% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 1 st May 2023 (Seventeenth Issue - Private Placement) ³	500	500
5.95% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of 6 th year and in annual instalments thereafter upto the end of 10 th year respectively from 15 th September 2003 (Eighteenth Issue - Private Placement) ⁴	5,000	5,000
7.50% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 12 th January 2019 (Nineteenth Issue - Private Placement) ⁵	500	500
7.552% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 23 rd September 2009 and ending on 23 rd March 2019 (Twentieth Issue - Private Placement) ⁶	5,000	-
7.7125% Secured Non-cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 2 nd August 2010 and ending on 2 nd February 2020 (Twenty first issue - Private Placement) ⁷	10,000	-
Loans and Advances from Banks		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year Rs.1,702 million , Previous year Rs.1,633 million) ⁸	10,274	12,319
Other Loans and Advances		
Obligations under finance lease (Due for repayment within one year Rs. 4 million , Previous Year Rs. 3 million) ⁹	9	11
TOTAL	57,327	44,407



Schedule 4 SECURED LOANS

Note:

- 1 Secured by (I) English mortgage 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 already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable Mortgage by deposit of title deeds of the immovable properties pertaining to Singrauli Super Thermal Power Station.
- 2 Secured by (I) English mortgage 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 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 pertaining to Singrauli Super Thermal Power Station by extension of charge already created.
- 3 Secured by (I) English mortgage of the office premises of the Company at Mumbai and (II) Equitable mortgage by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.
- 4 Secured by (I) English mortgage 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 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 pertaining to National Capital Power Station by extension of charge already created.
- 5 Secured by (I) English mortgage 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 already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.
- 6 Secured by (I) English mortgage of the office premises of the Company at Mumbai and (II) Equitable mortgage by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.
- 7 Secured by (I) English mortgage 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 as first charge, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.
- 8 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 hypothecated to them for working capital requirement.
- 9 Secured against fixed assets obtained under finance lease.

Schedule 5
UNSECURED LOANS

	<u>31.03.2006</u>	Rs. million <u>31.03.2005</u>
Fixed Deposits	778	4,159
(Due for repayment within one year Rs. 449 million , Previous year Rs. 3,337 million)		
Bonds		
7.55% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 23 rd September 2009 and ending on 23 rd March 2019 (Twentieth Issue - Private Placement - shown under Secured Loans in current year on creation of security).	-	5,000
Foreign Currency Bonds / Notes		
5.50 % Eurobonds due for repayment on 10 th March 2011	8,990	8,814
5.875 % Fixed Rate Notes due for repayment on 2 nd March 2016	13,485	-
Other Loans and Advances		
From Banks and Financial Institutions		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year Rs.181 million , Previous year Rs. Nil)	23,064	24,723
Other Foreign Currency Term Loans (Due for repayment within one year Rs.1,584 million , Previous year Rs.1,667 million)	10,272	7,885
Rupee Term Loans (Due for repayment within one year Rs.8,963 million , Previous year Rs.7,618 million)	87,821	75,339
From Others		
Loans from Government of India (Due for repayment within one year Rs.156 million , Previous year Rs.315 million)	236	551
TOTAL	<u>144,646</u>	<u>126,471</u>

Schedule 6
FIXED ASSETS

Rs. million

	Gross Block			As at 31.03.2006	Depreciation			Net Block		
	As at 1.04.2005	Additions	Deductions/ Adjustments		As at 1.04.2005	For the Year	Deductions/ Adjustments	Upto 31.03.2006	As at 31.03.2006	As at 31.3.2005
TANGIBLE ASSETS										
Land :										
(including development)										
Freehold	9,977	99	(364)	10,440	-	-	-	-	10,440	9,977
Leasehold	1,855	600	(117)	2,572	279	44	(9)	332	2,240	1,576
Roads,bridges, culverts & helipads	3,626	149	2	3,773	608	63	1	670	3,103	3,018
Building :										
Freehold										
Main plant	16,301	416	(41)	16,758	7,973	535	(7)	8,515	8,243	8,328
Others	14,466	653	(19)	15,138	3,686	389	5	4,070	11,068	10,780
Leasehold	469	-	-	469	108	16	-	124	345	361
Temporary erection	188	15	-	203	185	12	-	197	6	3
Water Supply, drainage & sewerage system	4,963	33	11	4,985	1,231	251	4	1,478	3,507	3,732
MGR track and signalling system	6,344	16	(25)	6,385	4,232	268	(4)	4,504	1,881	2,112
Railway Siding	2,365	10	(3)	2,378	556	113	1	668	1,710	1,809
Earth Dam Reservoir	1,481	-	11	1,470	269	69	-	338	1,132	1,212
Plant and machinery	358,736	26,694	616	384,814	182,222	19,268	42	201,448	183,366	176,514
Furniture, fixtures & other office equipment	3,117	199	9	3,307	2,072	120	11	2,181	1,126	1,045
EDP, WP machines and SATCOM equipment	2,185	185	44	2,326	1,589	141	33	1,697	629	596
Vehicles including speedboats	98	4	7	95	81	3	7	77	18	17
Construction equipment	944	90	21	1,013	582	51	21	612	401	362
Electrical Installations	1,796	90	(40)	1,926	900	79	3	976	950	896
Communication Equipments	590	34	1	623	321	20	1	340	283	269
Hospital Equipments	195	8	1	202	118	8	1	125	77	77
Laboratory and workshop equipments	119	7	-	126	93	2	-	95	31	26
Leased assets - Vehicles	14	1	-	15	3	4	-	7	8	11
Capital expenditure on assets not owned by the Company	1,101	73	(46)	1,220	757	197	-	954	266	344
Assets of Government	28	-	-	28	-	-	-	-	28	28
Less:Grants from Government	28	-	-	28	-	-	-	-	28	28
Assets held for disposal valued at net book value or net realisable value whichever is less	31	-	17	14	-	-	-	-	14	31
INTANGIBLE ASSETS										
Land - Right of Use	7	-	(6)	13	-	-	-	-	13	7
Software	94	36	(1)	131	49	44	-	93	38	45
Total	431,062	29,412	78	460,396	207,914	21,697	110	229,501	230,895	223,148
Previous year	400,281	29,588	(1,193)	431,062	187,736	20,258	80	207,914	223,148	212,545

Deduction/Adjustments from Gross Block includes

Disposal/Retirement of assets	344	598
Cost adjustments	(41)	483
Assets capitalised with retrospective effect / Write back of excess capitalisation	(816)	(1,172)
Depreciation on construction equipment capitalised as IEDC	6	1
Others	585	(1,103)

Current Year

Previous Year

Deduction/Adjustments from Depreciation includes

Disposal/Retirement of assets
Assets capitalised with retrospective effect / Write back of excess capitalisation
Depreciation on construction equipment capitalised as IEDC
Others

Current YearRs. million
Previous Year

235	395
(171)	(305)
6	1
40	(11)

Depreciation for the the year is allocated as given below:-

Charged to Profit & Loss account
Adjustment in Cost of Coal / Fuel oil
Transferred to Incidental Expenditure during Construction (Schedule 26)

20,477	19,584
1,104	567
116	107
21,697	20,258

Schedule 7**CAPITAL WORK-IN-PROGRESS**

	As at		Deductions &		As at
	1.04.2005	Additions	Adjustments	Capitalised	31.03.2006
Development of land	1,254	635	13	-	1,876
Roads, bridges, culverts & helipads	153	255	(91)	149	350
Piling and foundation	1,028	890	-	-	1,918
Buildings :					
Main plant	2,968	1,306	1,123	416	2,735
Others	1,018	1,303	43	651	1,627
Temporary erection	3	20	-	6	17
Water supply, drainage and sewerage system	51	146	4	31	162
Hydraulic works, Barrages, Dams, Tunnels, and Power Channel	4,005	2,471	-	-	6,476
MGR track and signalling system	48	1,348	17	16	1,363
Railway siding	15	102	-	10	107
Earth dam reservoir	136	416	-	-	552
Plant and machinery :					
On own account	305	332	394	2	241
On supply-cum-erection contract	54,316	54,050	(1,238)	26,326	83,278
Furniture, fixtures and other office equipment	11	83	(8)	43	59
EDP/WP Machines & SATCOM equipment	13	24	3	25	9
Construction Equipments	-	5	-	-	5
Electrical installations	123	236	47	85	227
Communication equipment	19	9	1	20	7
Intangible assets - software	4	4	-	5	3
Capital expenditure on assets not owned by the company	170	168	7	73	258
Exploratory Wells-in-Progress (* Rs.55,900/-)	-	*	-	-	*
Development of Coal Mines	-	31	-	-	31
	65,640	63,834	315	27,858	101,301
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	411	72	44	-	439
Difference in exchange on foreign currency loans	2	175	93	-	84
Expenditure towards diversion of forest land	882	145	-	-	1,027
Pre-commissioning expenses (net)	198	585	548	-	235
Incidental expenditure during construction	53	6,574	2	-	6,625
Less: Allocated to Capital Work-in-Progress	-	5,583	-	-	5,583
	67,186	65,802	1,002	27,858	104,128
Less: Provision for unserviceable works	123	6	-	-	129
Total	67,063	65,796	1,002	27,858	103,999
Previous Year	56,413	39,669	774	28,245	67,063



Schedule 8

CONSTRUCTION STORES AND ADVANCES

		Rs. million
	<u>31.03.2006</u>	<u>31.03.2005</u>
CONSTRUCTION STORES *		
(At cost)		
Steel	3,066	3,452
Cement	85	96
Others	9,113	6,978
	<u>12,264</u>	<u>10,526</u>
Less: Provision for shortage	5	5
	<u>12,259</u>	<u>10,521</u>
ADVANCES FOR CAPITAL EXPENDITURE		
Secured	228	49
Unsecured, considered good		
Covered by bank guarantees	15,777	17,333
Others	4,077	4,286
Considered doubtful	74	66
	<u>20,156</u>	<u>21,734</u>
Less: Provision for bad & doubtful advances	74	66
	<u>20,082</u>	<u>21,668</u>
Total	<u>32,341</u>	<u>32,189</u>
	<u>9,473</u>	<u>7,453</u>

*includes material in transit, under inspection and with contractors

Schedule 9
INVESTMENTS

	Number of shares/bonds/ securities	Face value per share/bond/ security	31.03.2006	Rs. million 31.03.2005
	Current Year/ (Previous Year)	Current Year/ (Previous Year) (Rs.)		
I. LONG TERM (Trade - unless otherwise specified)				
A) Quoted				
a) Government of India Dated Securities (Non-Trade)	45500000 (45500000)	100 (100)	5,084	5,102
(Includes Rs. NIL as balance of unutilised monies raised by issue of shares, previous year Rs.5,102 million)				
Less:- Amortisation of Premium				
			413	-
			4,671	5,102
b) Trust Securities (#)				
6.60% UTI - ARS NCB Tax Free Bonds, 2009	321746 (2171332)	100 (100)	34	230
6.75% UTI - NCB Tax Free Bonds, 2008	- (110481)	- (100)	-	11
c) Bonds (#)				
7.75% IRFC Non Taxable Bonds (Series XXVII), 2011	14 (135)	1000000 (1000000)	16	160
8.50% Housing and Urban Development Corporation Limited (HUDCO) Gujarat Punar Nirman Tax-Free Bonds Series 1A, 2007	18 (177)	500000 (500000)	10	98
10.40% Power Finance Corporation Ltd. Unsecured Tax-Free Bonds 1998 (Series I), 2008	117 (872)	100000 (100000)	14	105
4.75% Nuclear Power Corporation of India Ltd. Secured Non-Convertible Bonds (LOA), Series XXIV, 2019	- (7)	- (1000000)	-	7
10.40% Nuclear Power Corporation of India Ltd. Tax-Free Secured Non Convertible Bonds, Series XI A2, 2007	- (1771)	- (100000)	-	198
10.50% Nuclear Power Corporation of India Ltd. Tax-Free Secured Redeemable Non-Convertible Bonds, Series XII (LOA), 2013	- (138)	- (100000)	-	15
9.50% National Textile Corporation Limited Tax-Free Non Convertible Bonds, 2006	445 (3436)	100000 (100000)	49	377
5.00% NABARD Unsecured, Non-Convertible Tax-Free Bonds, Series IV G, 2008	2639 (15597)	10000 (10000)	27	158
8.25% Nuclear Power Corporation of India Ltd. Tax-Free Secured Redeemable NCB SR-15 (LOA), 2016	24 (1561)	100000 (100000)	3	172
8.20% Nuclear Power Corporation of India Ltd. Tax- Free Secured Redeemable NCB SR-18 (LOA), 2012 (*Rs.1,07,296/-)	1 (1113)	100000 (100000)	*	119
5.15 % Non Priority Sector Tax-Free Housing and Urban Development Corporation Limited (HUDCO) Bonds Series XXXIV, 2014	14 (286)	1000000 (1000000)	14	286
d) Equity Shares in Joint Venture Company				
PTC India Ltd.	12000000 (12000000)	10 (10)	120	120
Sub Total (A)			4,958	7,158

Schedule 9
INVESTMENTS

	Number of shares/bonds/ securities	Face value per share/bond/ security	31.03.2006	Rs. million 31.03.2005
	Current Year/ (Previous Year)	Current Year/ (Previous Year) (Rs.)		
B) Unquoted				
a) Bonds				
i) 8.50 % Tax-Free State Government Special Bonds of the Government of (**)				
Andhra Pradesh	12606500 (12606500)	1000 (1000)	12,607	12,607
Assam	514640 (514640)	1000 (1000)	515	515
Bihar	18944000 (14666600)	1000 (1000)	18,944	14,667
Chattisgarh	4832200 (4832200)	1000 (1000)	4,832	4,832
Gujarat	8372400 (8372400)	1000 (1000)	8,372	8,372
Haryana	10750000 (10750000)	1000 (1000)	10,750	10,750
Himachal Pradesh	333880 (333880)	1000 (1000)	334	334
Jammu and Kashmir	3673600 (3673600)	1000 (1000)	3,674	3,674
Jharkhand	9601216 (6222716)	1000 (1000)	9,601	6,223
Karnataka	1966100 (1966100)	1000 (1000)	1,966	1,966
Kerala	10024000 (10024000)	1000 (1000)	10,024	10,024
Madhya Pradesh	8308400 (8308400)	1000 (1000)	8,308	8,308
Maharashtra	3814000 (3814000)	1000 (1000)	3,814	3,814
Orissa	11028740 (11028740)	1000 (1000)	11,029	11,029
Punjab	3462300 (3462300)	1000 (1000)	3,462	3,462
Rajasthan	2900000 (2900000)	1000 (1000)	2,900	2,900
Sikkim	341960 (341960)	1000 (1000)	342	342
Tamil Nadu	4650660 (4650660)	1000 (1000)	4,651	4,651
Uttar Pradesh	39899000 (39899000)	1000 (1000)	39,899	39,899
Uttaranchal	3996500 (3996500)	1000 (1000)	3,996	3,996
West Bengal	11742480 (11742480)	1000 (1000)	11,742	11,742

Schedule 9
INVESTMENTS

	Number of shares/bonds/ securities	Face value per share/bond/ security	31.03.2006	Rs. million 31.03.2005
	Current Year/ (Previous Year)	Current Year/ (Previous Year)		
		(Rs.)		
ii) Other Bonds				
12.50% Secured Non-Convertible Redeemable Western Electricity Supply Company (WESCO) Bonds, Series - I/2000, 2007	10300 (10300)	70000 (100000)	721	1,030
12.50% Secured Non-Convertible Redeemable North Eastern Electricity Supply Company (NESCO) Bonds, Series - I/2000, 2007	16700 (16700)	70000 (100000)	1,169	1,670
12.50% Secured Non-convertible Redeemable Southern Electricity Supply Company (SOUTHCO) Bonds, Series - I/2000, 2007	13000 (13000)	70000 (100000)	910	1,300
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003 , 03/02,2009	2660 (2660)	75000 (100000)	200	266
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003, 04-09/02,2009	19536 (19536)	87500 (100000)	1,709	1,953
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003 - 10/02,2009	5970 (5970)	100000 (100000)	597	597
10.00% Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003, 02/02 & 11/02,2009	- (6119)	- (100000)	-	612
7.90% Secured Non-Convertible Redeemable Tax free PSU Bonds (VIII issue) - North Eastern Electric Power Corporation Ltd. (NEEPCO) Bonds, 2010 [#]	5 (281)	1000000 (1000000)	5	295
8.75% IREDA (Tax-Free) Bonds (Series IX), 2008 [#]	5510 (42175)	1000 (1000)	6	46
6.00% IREDA (Tax-Free) Bonds (Series X), 2013 [#]	6612 (48235)	1000 (1000)	7	51
5.50% IREDA (Tax- Free) Bonds (Series XI), 2013 [#]	7348 (38445)	1000 (1000)	8	40
b) Equity Shares in Joint Venture Companies				
Utility Powertech Ltd.	1000000 (1000000)	10 (10)	10	10
NTPC-Alstom Power Services Private Ltd.	3000000 (3000000)	10 (10)	30	30
NTPC-SAIL Power Company Private Ltd.	58650050 (58650050)	10 (10)	587	587
Bhilai Electric Supply Company Private Ltd.	106600000 (56600000)	10 (10)	1,066	566
NTPC-Tamil Nadu Energy Company Ltd.	500000 (500000)	10 (10)	5	5
c) Equity Shares in Subsidiary Companies				
Pipavav Power Development Company Ltd.	370000 (365000)	10 (10)	4	4
NTPC Electric Supply Company Ltd. *(current year Rs. 8,09,100/- , previous year Rs.8,09,100/-)	80910 (80910)	10 (10)	*	*
NTPC Vidyut Vyapar Nigam Ltd.	20000000 (20000000)	10 (10)	200	200
NTPC Hydro Ltd.	10000000 (4562110)	10 (10)	100	46
d) Share application money pending allotment in :				
NTPC Hydro Ltd.			-	2
Ratnagiri Gas & Power Private Ltd.			5,000	-
e) Shares in Cooperative Societies			8	8
Sub Total (B)			184,096	173,417
Sub Total (I)			189,054	180,575



Schedule 9
INVESTMENTS

	Number of shares/bonds/ securities	Face value per share/bond/ security	31.03.2006	Rs. million 31.03.2005
	Current Year/ (Previous Year)	Current Year/ (Previous Year) (Rs.)		
II. CURRENT (Non - Trade - Quoted)				
Government of India Treasury Bills	40000000 (277902500)	100 (100)	3,837	27,079
Government of India Dated Securities	- (3177320)	- (100)	-	323
Sub Total (II)			3,837	27,402
Total (I + II)			192,891	207,977
Quoted Investments				
Book Value			8,795	34,560
Market Value			9,516	35,249
Unquoted Investments				
Book Value			184,096	173,417
During the year the following current investments were purchased and realised on maturity (at cost)				
Government of India				
Treasury bills			42,051	3,432
Dated Securities			70	-
(#) Development Surcharge Fund Investments				
(# #) Includes bonds of Rs.34,353 million (previous year Rs. 32,821 million) permitted for transfer/trading by Reserve Bank of India. Balance can be transferred/ traded subject to prior approval of Reserve Bank of India.				
B Shares in Co-operative societies (unquoted)				
			Rs.	Rs.
NTPC Employees Consumers and Thrift Co-operative Society Ltd. Korba	500 (500)	10 (10)	5,000	5,000
NTPC Employees Consumers and Thrift Cooperative Society Ltd. Ramagundam	250 (250)	10 (10)	2,500	2,500
NTPC Employees Consumers Cooperative Society Ltd. Farakka	500 (500)	10 (10)	5,000	5,000
NTPC Employees Consumers Cooperative Society Ltd. Vindhychal	108 (108)	25 (25)	2,700	2,700
NTPC Employees Consumers Cooperative Society Ltd. Anta	500 (500)	10 (10)	5,000	5,000
NTPC Employees Consumers Cooperative Society Ltd. Kawas	500 (500)	10 (10)	5,000	5,000
NTPC Employees Consumers Cooperative Society Ltd. Kaniha	250 (250)	20 (20)	5,000	5,000
			30,200	30,200

Schedule 10 INVENTORIES

	31.03.2006	Rs. million 31.03.2005
(Valuation as per Accounting Policy No. 9)		
Components and spares	12,894	11,904
Loose tools	42	41
Coal	7,476	3,115
Fuel Oil	887	823
Naphtha	690	645
Chemicals & consumables	759	670
Others	805	758
Steel Scrap	76	59
	23,629	18,015
Less: Provision for shortage	24	24
Provision for obsolete/ unserviceable items	200	172
Total	23,405	17,819
Inventories include stores in transit	666	684

Schedule 11 SUNDRY DEBTORS

Debts outstanding over six months		
Unsecured, considered good	656	7,866
Considered doubtful	8,363	8,360
	9,019	16,226
Other debts		
Unsecured, considered good	8,022	5,881
	17,041	22,107
Less: Provision for bad & doubtful debts	8,363	8,360
Total	8,678	13,747

Schedule 12 CASH & BANK BALANCES

Cash on hand (includes cheques, drafts, stamps on hand Rs.150 million , previous year Rs.1,566 million)	153	1,569
Remittances in transit	13	50
Balance with Reserve Bank of India earmarked for fixed deposits from public	308	308
Balances with scheduled banks (a)		
Current Account (b)	1,294	1,746
Term Deposit Account (c)(d)	82,887	57,050
Balance with other banks		
Call Deposit Account	59	60
West Merchant Bank Limited,London (maximum amount outstanding at any time during the year Rs.60 million , previous year Rs.60 million)		
Total	84,714	60,783

(a) Includes **Rs.1,00,007/-**(previous Year Rs.4,32,570/-) in respect of Development Surcharge.

(b) Includes **Rs.44 million** of Unclaimed Dividend (previous year Rs.37 million)

(c) **Rs. 14 million** (previous year Rs.11 million) deposited as security with Government authorities/as per court orders.

(d) Includes **Rs.Nil** as balance of unutilised monies raised by issue of shares (previous year Rs.11,316 million).



Schedule 13
OTHER CURRENT ASSETS

	31.03.2006	Rs. million 31.03.2005
Interest accrued :		
Bonds	8,615	8,640
Development surcharge investments	6	59
Government of India Dated Securities	153	137
Term Deposits	1241	834
Others	103	65
Others Recoverables	43	29
Total	10,161	9,764

Schedule 14
LOANS AND ADVANCES

	31.03.2006	Rs. million 31.03.2005
LOANS		
Employees (including accrued interest)		
Secured	4,575	4,696
Unsecured, considered good	1,053	1,082
Considered doubtful	1	1
Government of India (for transfer of transmission systems)		
Unsecured, considered good	403	722
Loan to State Government in settlement of dues from customers		
Unsecured, considered good	9,573	9,573
Others		
Secured	500	500
Unsecured, considered good	4	206
ADVANCES		
(recoverable in cash or kind for value to be received)		
Subsidiary Companies		
Unsecured, considered good	238	146
Contractors & suppliers, including material issued on loan		
Secured	6	2
Unsecured, considered good	901	546
Considered doubtful	1	3
Employees (including imprest)		
Unsecured, considered good	77	68
Considered doubtful	1	1
Others		
Unsecured, considered good	494	765
Considered doubtful	289	21
	18,116	18,332
Claims recoverable		
Unsecured, considered good	965	1,012
Considered doubtful	40	40
Less: Provision for bad and doubtful loans, advances and claims	332	66
	18,789	19,318
DEPOSITS		
Deposits with customs, port trust and others (#)	870	691
Advance tax deposit & tax deducted at source	35,731	18,590
Less: Provision	25,103	11,606
	10,628	6,984
Total	30,287	26,993
(#) Sales Tax deposited under protest with sales tax authorities	196	122
Due from Directors & Officers of the Company		
Directors	1	1
Officers	438	353
Maximum Amount		
Directors	2	2
Officers	522	438

Schedule 15
CURRENT LIABILITIES

	31.03.2006	Rs. million 31.03.2005
Sundry Creditors		
For capital expenditure		
Other than Small Scale Industrial Undertakings	11,692	12,216
For goods and services		
Small Scale Industrial Undertakings	8	14
Others	13,049	11,578
Book overdraft	128	-
Deposits, retention money from contractors and others	11,289	9,473
Less: Investments held as security	109	113
	<u>36,057</u>	<u>33,168</u>
Advances from customers and others	9,886	14,431
Investor Education and Protection Fund shall be credited by		
Unpaid matured Bonds (*Rs.2,000/-)	*	1
Interest accrued on unpaid matured deposits/bonds (*Rs.3,10,366/-)	*	1
Other liabilities	977	2,999
Unclaimed dividend (#)	44	37
Interest Accrued but not due :		
Loans from Government of India	9	21
Foreign currency loans/bonds	362	300
Term loans in Indian currency	517	299
Bonds	1,173	967
Fixed deposits from public	77	82
Total	<u><u>49,102</u></u>	<u><u>52,306</u></u>

(#) No amount is due for payment to Investor Education and Protection Fund

Schedule 16
PROVISIONS

Fringe Benefit Tax		
Additions during the year	209	-
Less: Advance tax deposited	209	-
	<u>-</u>	<u>-</u>
Proposed dividend		
As per last balance sheet	9,895	10,823
Additions during the year	6,596	9,895
Amounts used during the year	9,895	10,823
	<u>6,596</u>	<u>9,895</u>
Tax on proposed dividend		
As per last balance sheet	1,388	1,387
Additions during the year	925	1,388
Amounts used during the year	1,388	1,387
	<u>925</u>	<u>1,388</u>
Retirement benefits		
As per last balance sheet	3,867	3,193
Additions during the year	1,279	1,095
Amounts used during the year	376	421
	<u>4,770</u>	<u>3,867</u>
Tariff adjustment		
As per last balance sheet	-	286
Additions during the year	-	-
Amounts reversed during the year	-	286
	<u>-</u>	<u>-</u>
Others		
As per last balance sheet	11	8
Additions during the year	1	4
Amounts written off during the year	3	-
Amounts reversed during the year	-	1
	<u>9</u>	<u>11</u>
Total	<u><u>12,300</u></u>	<u><u>15,161</u></u>



Schedule 17

CONTINGENT LIABILITIES

	31.03.2006	Rs. million 31.03.2005
Claims against the Company not acknowledged as debt in respect of:		
Capital works	7,153	7,084
Land compensation cases	3,166	5,508
Others	6,902	5,802
Disputed Income Tax demand *	11,269	11
Disputed Sales Tax demand	189	197
Letters of Credit other than for capital expenditure	2,951	1,008
Others	32	58
Total	31,662	19,668

* Possible reimbursement **Rs.6,662 million** (Previous year Nil)

Schedule 18

SALES

	Current Year	Previous Year
Energy Sales (including Electricity Duty)	263,492	228,526
Less : Advance against Depreciation deferred	1,505	1,791
Add: Revenue recognised out of Advance against Depreciation	471	8
	262,458	226,743
Consultancy, project management and supervision fees (including turnkey construction projects)	452	333
Total	262,910	227,076

Schedule 19

PROVISIONS WRITTEN BACK

	Current Year	Previous Year
Doubtful debts	-	5,927
Doubtful advances and claims	5	5
Doubtful construction advances	1	3
Adjustment in tariff	-	286
Shortage in construction stores	2	1
Shortage in stores	9	9
Obsolescence in stores	6	2
Others	-	2
Total	23	6,235

Schedule 20

OTHER INCOME

Income from Long Term Investments

Trade

Dividend from Subsidiaries	30	6
Dividend from Joint Ventures	118	111
Interest		
Government Securities (8.5% tax free bonds issued by the State Governments)	16,877	13,949
Other Bonds (Gross) (Tax deducted at source Rs.161 million , Previous year Rs.195 million)	700	843

Non-Trade

Interest from Government of India Securities (Gross)	618	156
Less: Amortisation of premium	413	-

Income from Current Investments (Non-Trade)

Interest from Government of India Securities (Gross) (Tax deducted at source Nil)	14	6
Income on redemption of Government of India Treasury Bills	1,399	37

Income from Others

Interest (Gross) (Tax deducted at source Rs.1,159 million , Previous year Rs.76 million)		
Loan to State Government in settlement of dues from customers	814	595
Public Deposit Account with Government of India	-	3,573
Indian banks	4,780	1,065
Foreign banks	3	2
Employees' loans	237	259
Others	107	152
Interest on Income Tax refunds	1,151	-
Less: Refundable to customers	1,151	-
	-	-
Surcharge on late payment from customers	384	2,460
Hire charges for equipment	14	24
Profit on disposal of fixed assets	41	37
Miscellaneous income	1,012	1,313
	26,735	24,588
Less: Income transferred to Incidental expenditure during construction-Schedule 26	657	1,059
Total	26,078	23,529

Schedule 21

EMPLOYEES' REMUNERATION AND BENEFITS

Salaries, wages, bonus, allowances & benefits	8,582	7,584
Contribution to provident and other funds	986	854
Welfare expenses	1,807	1,726
	11,375	10,164
Less: Adjusted in fuel cost	522	205
Transferred to Development of Coal Mines	12	-
Transferred to incidental expenditure during construction - Schedule 26	1,157	1,136
Total	9,684	8,823



Schedule 22
GENERATION, ADMINISTRATION & OTHER EXPENSES

	Current Year	Rs. million <u>Previous Year</u>
Power charges	542	436
Less: Recovered from contractors & employees	71	<u>72</u>
	471	364
Water charges	553	442
Stores consumed	204	179
Rent	108	78
Less: Recoveries	60	<u>48</u>
	48	30
Repairs & Maintenance		
Buildings	559	568
Plant & Machinery		
Power stations	7043	6,229
Construction equipment	8	<u>20</u>
	7,051	6,249
Others	264	273
Insurance	559	765
Rates and taxes	131	164
Water Cess & Environment Protection Cess	257	252
Training & Recruitment expenses	307	260
Less: Fees for training and application	23	<u>25</u>
	284	235
Communication expenses	197	171
Travelling Expenses	930	818
Tender expenses	81	72
Less: Receipt from sale of tenders	9	<u>10</u>
	72	62
Payment to Auditors	20	10
Advertisement and publicity	68	57
Security expenses	1002	893
Entertainment expenses	74	59
Expenses for guest house	57	51
Less: Recoveries	10	<u>9</u>
	47	42
Education expenses	113	120
Brokerage & commission	7	9
Donations	4	97
Community development and welfare expenses	167	72
Less: Grants-in-aid	7	<u>-</u>
	160	72
Ash utilisation & marketing expenses	67	79
Less: Sale of ash products	1	<u>9</u>
	66	70
Books and periodicals	30	31
Professional charges and consultancy fees	239	177
Legal Expenses	34	79
EDP hire and other charges	68	67
Printing and stationery	74	74
Miscellaneous expenses	556	505
Stores written off	2	3
Claims/Advances written off	-	2
Survey & Investigation expenses written off	13	4
Loss on disposal/write-off of fixed assets	88	199
Loss on maturity of current Investments	6	<u>-</u>
	14,251	13,142
Less: Adjusted in cost of fuel	782	409
Transferred to Development of Coal Mines	19	-
Transferred to incidental expenditure during construction - Schedule 26	729	<u>671</u>
Total	12,721	<u>12,062</u>
Stores consumption included in repairs and maintenance	4,453	3,870

Schedule 23
PROVISIONS

	Current Year	Rs. million Previous Year
Doubtful debts	3	-
Doubtful advances and claims	292	30
Doubtful advances for construction	9	-
Shortage in stores	9	7
Obsolescence in stores	34	27
Shortage in construction stores	3	2
Unserviceable capital work-in-progress	6	4
Others	1	5
Total	357	75

Schedule 24
INTEREST AND FINANCE CHARGES

	Current Year	Previous Year
Interest on :		
Bonds	3,301	2,814
Loans from Government of India	54	99
Foreign Currency Term Loans	1,155	1,282
Rupee Term loans	6,388	4,959
Public deposits	131	378
Foreign currency Bonds/Notes	694	624
Others	129	152
Exchange differences regarded as adjustment to interest costs	(2,469)	(568)
	9,383	9,740
Finance Charges :		
Bonds servicing & public deposit expenses	18	13
Guarantee Fee	405	443
Management Fee	-	85
Commitment charges/ Exposure premium	99	1,069
Rebate under Scheme for Settlement of SEB dues	8,047	6,813
Rebate to customers	4,244	3,828
Reimbursement of L.C.charges on Sales Realisation	57	13
Bank Charges	8	8
Bond Issue Expenses	2	5
Exchange differences	123	6
Foreign currency Bonds/ Notes issue expenses	98	-
Others	58	32
	13,159	12,315
	22,542	22,055
Less: Interest and Finance charges capitalised by transfer to incidental expenditure during construction - Schedule 26	4,910	5,100
Total	17,632	16,955



Schedule 25

PRIOR PERIOD INCOME/EXPENDITURE (NET)

	Current Year	Rs. million <u>Previous Year</u>
INCOME		
Sales	35	1,080
Others	4	<u>22</u>
	39	<u>1,102</u>
EXPENDITURE		
Salary, wages, bonus, allowances & benefits	3	(8)
Repairs and Maintenance	86	20
Depreciation	171	305
Interest	2,197	888
Advertisement and publicity	-	1
Professional consultancy charges	-	12
Rates & Taxes	64	(1)
Power charges	-	(27)
Insurance	(6)	-
Rent	12	-
Fuel	-	(201)
Others	34	14
	2,561	<u>1,003</u>
	2,522	(99)
Less: Incidental expenditure during construction - Schedule 26	34	3
Total	2,488	<u>(102)</u>

Schedule 26

INCIDENTAL EXPENDITURE DURING CONSTRUCTION



	<u>Current Year</u>	Rs. million <u>Previous Year</u>
A. Employees remuneration and other benefits		
Salaries, wages, allowances and benefits	876	887
Contribution to provident and other funds	110	86
Welfare expenses	171	163
Total (A)	<u>1,157</u>	<u>1,136</u>
B. Other Expenses		
Power charges	149	103
Less: Recovered from contractors & employees	<u>13</u>	<u>10</u>
	136	93
Water charges	3	-
Rent	25	17
Repairs & maintenance		
Buildings	24	49
Construction equipment	1	11
Others	<u>36</u>	<u>31</u>
	61	91
Insurance	5	4
Rates and taxes	16	30
Communication expenses	32	28
Travelling expenses	138	125
Tender expenses	24	27
Less: Income from sale of tenders	<u>1</u>	<u>2</u>
	23	25
Payment to Auditors	2	2
Advertisement and publicity	14	12
Security expenses	84	63
Entertainment expenses	13	1
Guest house expenses	4	3
Education expenses	-	1
Books and periodicals	3	4
Community development expenses	7	4
Professional charges and consultancy fee	33	37
Legal expenses	3	3
EDP Hire and other charges	9	9
Printing and stationery	11	10
Miscellaneous expenses	<u>107</u>	<u>109</u>
Total (B)	<u>729</u>	<u>671</u>
Depreciation (C)	<u>116</u>	<u>107</u>
Total (A+B+C)	<u>2,002</u>	<u>1,914</u>



D. Interest and Finance Charges

Interest on

Bonds

Foreign Currency Term Loans

Rupee Term loans

Foreign currency Bonds/Notes

Finance Charges

Guarantee Fee

Commitment charges

Management fee / arrangers fees

Exchange differences

Foreign currency Bonds/Notes issue expenses

Others

Total (D)

E. Less Other Income

Interest from

Indian Banks

Employees

Government of India Securities out of unutilised monies raised by issue of shares

Less: Amortisation of premium

Others

Hire Charges

Sale of scrap

Miscellaneous income

Total (E)

F. Prior Period Adjustments

G. Income / Fringe Benefit Tax

GRAND TOTAL (A+B+C+D-E+F+G)

Current Year

Rs. million

Previous Year

865

650

67

2

3,210

2,738

396

520

-

1,069

11

-

88

85

118

-

98

-

57

36

4,910

5,100

285

287

21

21

532

156

368

-

164

156

56

330

8

6

1

-

122

259

657

1,059

34

3

285

-

6,574

5,958

Schedule 27

NOTES ON ACCOUNTS

1. The name of the Company has changed from "National Thermal Power Corporation Limited" to "NTPC Limited" with effect from 28th October, 2005.
2. a) The conveyancing of the title to **5,665 acres** of freehold land of value **Rs. 2,571 million** (previous year 7,157 acres, value Rs. 3,126 million) and execution of lease agreements for **6,873 acres** of value **Rs. 849 million** (previous year 6,940 acres, value Rs. 733 million) in favour of the Company are awaiting completion of legal formalities.
 - b) Land shown in the books does not include cost of **1,148 acres** (previous year 1,148 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities. Land includes **345 acres** of value **Rs.28 million** (previous year 345 acres value Rs.28 million) not in possession of the Company.
 - c) Land includes amount of **Rs. 1,206 million** (previous year Rs. 1,128 million) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.
 - d) The cost of Right of Use of land for laying pipelines amounting to **Rs.13 million** (previous year Rs.7 million) is included under intangible assets.
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. Pending final determination of tariff for the period 1st April 2004 onwards, CERC has directed by notification that on provisional basis, the annual fixed charges as applicable on 31st March 2004 shall be billed at target availability and variable charges based on norms of operation notified in Regulations, 2004. The amount billed for the year on this basis is **Rs. 268,301 million** (previous year Rs.230,663 million). Since the amount billed is subject to adjustment with effect from 1st April 2004, pending final determination of the tariff by CERC, sales amounting to **Rs. 257,179 million** (previous year Rs.221,380 million) for the year have been provisionally recognised on the basis of principles enunciated by the CERC in Regulations, 2004.

Further, **Rs. 603 million** pertaining to previous year has been recognised in sales due to revision in the amounts provisionally billed based on orders of the CERC/Appellate Tribunal for Electricity.

 - b) CERC has issued orders in December 2000 with respect to the tariff norms, principles and Availability Based Tariff (ABT). The company filed an appeal against the orders of CERC before the Delhi High Court which has since been transferred to the Appellate Tribunal for Electricity. Pending disposal of the appeal, CERC has notified by regulations, the terms and conditions for determination of tariff, effective from 1st April 2001 to 31st March 2004. CERC issued final tariff orders based on above regulations in respect of all the stations up to 31st March, 2004 except for Rihand STPS Stage-I. During the year in respect of Rihand STPS Stage-I, an amount of **Rs. 101 million** has been accounted for in sales (reduction of Rs.39 million in the previous year) in line with above regulations and principles followed in the final tariff orders issued for other stations of the company.

In case of stations for which final tariff orders have been issued by the CERC for the period up to 31st March, 2004, sales for the said period amounting to **Rs. 2,282 million** (previous year Rs.2,768 million) has been accounted for during the year. Based on the orders of CERC admitting the additional capital expenditure for some of the stations for the period 2001-04 and the principles enunciated therein, **Rs. 536 million** (previous year Rs.474 million) has been provisionally accounted as sales during the year which is to be billed on issuance of station specific tariff orders by CERC.
4. Depreciation has been charged at the rates specified in Schedule XIV of the Companies Act,1956 except as stated in accounting policy No.10.2.1. The 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 tariffs 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 Sec.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.
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 Badarpur Thermal Power Station for the years 1986-87 to 2004-05 amounting to **Rs. 1,155 million** (previous year Rs. 1,174 million) being balance receivable in terms of the management contract with the GOI has not been recognised.
6. CERC notification dated 26th March,2001 in respect of tariff norms for the period 2001-04 directed to collect Development Surcharge from beneficiaries. Subsequently, CERC vide its order dated 9th November 2004 directed that the amount collected and invested in instruments corresponding to the amount contributed by each of the state utilities with interest shall be transferred in the name of concerned utility at the latter's expense. The company paid/adjusted the same as per CERC directions and the outstanding balance yet to be transferred as on 31st March, 2006 is as under:

(Rs. Million)

Sl. No.	Description of the Account	Schedule No.	31.03.2006	31.03.2005
1	Investment in different tax-free bonds	9	193	2367
2	Bank balance in Current Account	12	*	**
3	Interest accrued on Sl. No. 1	13	6	59
	Total		199	2426

*Rs.1,00,007/- **Rs.4,32,570/-

7. Pursuant to the Government of India Scheme for Settlement of Dues of State Electricity Boards (Scheme), Governments of Jharkhand and Bihar issued notifications during December 2005 for issue of 8.5% Tax-Free special bonds with effect from 1st October 2001 for Rs.3,378 million and Rs. 4,277 million respectively towards outstanding dues. Accordingly, Investment of Rs. 7,655 million, interest income on the bonds amounting to Rs.2,928 million, rebate of Rs.1,198 million payable to State Electricity Boards/Successor Entities under the Scheme have been recognised, including Rs.2,278 million towards interest and Rs.892 million towards rebate pertaining to the period upto 31st March, 2005.
8. In accordance with the Uttar Pradesh Electricity Reforms (Transfer of Tanda Generation Undertaking) Scheme 2000, the assets for **Rs.6,070 million** (previous Year Rs.6,070 million) of Tanda Power Station of UP State Electricity Board (UPSEB) were handed over to the Company free from all encumbrances. However, the charge created by UPSEB in favour of Life Insurance Corporation of India (LIC) before the assets were taken over is still to be vacated by LIC.
9. The company has provided Rs.3,401 million in previous years in respect of amounts reimbursable to Government of India (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 Talcher Super Thermal Power Project Stage-II based upon the details provided by the contractors. During the year, Rs.2678 million was paid on receipt of procedural details from the GOI for depositing the amount. The balance provision has been revised to Rs.91 million on the basis of additional information received from the contractors, and the difference of Rs.632 million was adjusted against the related assets. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.
10. The Company has raised Rs.26,840 million through public issue of shares in 2004-05. The entire proceeds of the issue, net of issue expenses, were utilised for part financing the capital expenditure on the specified projects.
11. Out of Rs.109 million accounted as recoverable from the Government of India (GOI) towards its share of expenses for the initial public issue of shares made in the previous year, the GOI has approved payment of Rs.56 million. Consequently, an amount of Rs.53 million has been adjusted against the Share Premium Account.
12. a) Balances shown under advances, creditors and material lying with contractors/ fabricators 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. Effects of change in Accounting Policies
 - a) Exchange differences on foreign currency loans contracted before 1st April, 2000 for acquisition of fixed assets within India were hitherto adjusted in the carrying cost of related fixed assets. In line with the opinion received from the Institute of Chartered Accountants of India during the year, the Company has treated such exchange differences to the extent regarded as adjustment to interest cost as 'borrowing costs' w.e.f. 1st April 2000. Consequently, during the current year there has been decrease in Interest and Finance charges by **Rs. 1,364 million**, increase in Depreciation by **Rs.166 million**, Prior period adjustment of **Rs.1,986 million** and decrease in the Profit by **Rs.788 million**.
 - b) In pursuance of Accounting Policy No.8.3, **Rs.413 million** has been amortised during the year out of the premium paid on long term investments which was hitherto not being done. As a result profit for the year is lower by **Rs.45 million** and Capital Work-In-Progress is higher by **Rs.368 million**.
 - c) Expenses by way of repairs and maintenance, depreciation, employee cost and insurance charges relating to the coal handling system used for bringing coal to its present location and condition at the power stations have been considered for valuation of the coal during the year which was hitherto not being done. The total expenses incurred under these items during the year are **Rs.1,090 million**. Due to inclusion of the above expenses, the closing stock of coal and profit for the year is more by **Rs.82 million**.
14. 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 **Rs. 2 million** (previous year credit, Rs.9 million).
 - ii) The amount of exchange differences debited to the carrying amount of fixed assets and Capital Work-in-Progress is **Rs.317 million** (previous year credit, Rs.145 million).
15. Revenue Grants recognised during the year in respect of expenditure incurred in the previous years amount to **Rs.1 million** (previous year Nil) .
16. Borrowing costs capitalised during the year are **Rs. 4,785 million** (previous year Rs.5,100 million).
17. Segment information
 - a) Business Segments: The Company's principal business is generation and sale of bulk power to SEBs/State 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.

Rs. Million

	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	260,701*	225,069*	452	333	261,153	225,402
Internal Consumption of Electricity	276	248	-	-	276	248
Total	260,977	225,317	452	333	261,429	225,650
Segment Result	45,837#	49,467#	224	188	46,061	49,655
Unallocated Corporate Interest and Other Income					24,659	19,843
Unallocated Corporate Expenses, Interest and Finance Charges					10,496	8,716
Income Taxes (Net)					2,022	2,712
Profit after Tax					58,202	58,070
Other information						
Segment Assets	266,989	259,465	417	402	267,406	259,867
Unallocated Corporate and Other Assets					449,965	399,616
Total Assets	266,989	259,465	417	402	717,371	659,483
Segment liabilities	37,620	38,074	214	176	37,834	38,250
Unallocated Corporate and other liabilities					225,541	200,095
Total liabilities	37,620	38,074	214	176	263,375	238,345
Depreciation	20,320	19,438	1	1	20,321	19,439
Non-cash expenses other than Depreciation	355	67	-	-	355	67
Capital Expenditure	65,854	54,702	32	2	65,886	54,704

* Includes **Rs.3,522 million** (previous year Rs.3,689 million) for sales related to earlier years.

Segment result would have been **Rs. 42,315 million** (previous year Rs.45,778 million) 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.

18. Related party disclosures

a) Related parties:

i) List of joint ventures:

Utility Powertech Limited, NTPC-Alstom Power Services Private Ltd., PTC India Ltd.

ii) Key Management Personnel:

Shri C.P. Jain	Chairman and Managing Director ¹
Shri T. Sankaralingam	Director (Projects)
Shri K.K.Sinha	Director (Human Resources) ²
Shri P. Narasimharamulu	Director (Finance) ³
Shri Chandan Roy	Director (Operations)
Shri R.S.Sharma	Director (Commercial)
Shri R.K. Jain	Director (Technical) ⁴
Shri A.K.Singhal	Director (Finance) ⁵

1. Superannuated on 31st March 2006 2. Resigned w.e.f 27th June 2005 3. Superannuated on 31st July 2005 4. W.e.f. 5th May 2005
5. W.e.f. 1st August 2005

b) Transactions with the related parties at a (i) above are as follows :

(Rs. Million)

Particulars	Current Year	Previous Year
Contracts for Works/ Services for services received by the company		
• Transactions during the year	945	854
• Amount recoverable from related parties	42	6
• Amount payable to related parties	185	142
Contracts for Works/ Services for services provided by the company		
• Transactions during the year	15	10
• Amount recoverable from related parties	3	2
Dividend Received	28	21
Deputation of Employees		
• Transactions during the year	11	7
• Amount recoverable from the related parties	2	1

c) Remuneration to key management personnel is **Rs. 10 million** (previous year Rs. 8 million) and amount of dues outstanding to the company as on 31st March 2006 are **Rs.1 million** (previous year Rs.1 million).

19. 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:

Rs. million

		31.03.2006	31.03.2005
a)	Outstanding balance of minimum lease payments		
	• Not later than one year	4	4
	• Later than one year and not later than five years	6	9
	Total	10	13
b)	Present value of (a) above		
	• Not later than one year	4	3
	• Later than one year and not later than five years	5	8
	Total	9	11
c)	Finance Charges	1	2

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 **Rs. 184 million** (previous year Rs. 163 million) 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 Schedule 22 – Generation, Administration and other expenses. Miscellaneous income in Schedule 20 – Other Income, includes **Rs.1 million** (previous year Rs.1 million) towards sub-lease payments received/recoverable.

20. 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 (Rs. Million)	58,202	58,070
Weighted average number of equity shares used as denominator	8,245,464,400	7,997,576,085
Earning Per Share Basic and Diluted (Rupees)	7.06	7.26
Face value per share (Rupees)	10/-	10/-

21. Advances- due from subsidiaries

(Rs. Million)

Name of Subsidiary	Outstanding balance		Maximum amount	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005
NTPC Electric Supply Company Ltd	148	78	148	78
NTPC Vidyut Vyapar Nigam Ltd	10	5	16	24
Pipavav Power Development Company Ltd	61	61	61	61
NTPC Hydro Ltd	19	2	21	12
Total	238	146	246	175

22. The item-wise details of deferred tax liability (net) are as under:

(Rs. Million)

	31.03.2006	31.03.2005
Deferred tax liability		
i) Difference of Book depreciation and tax depreciation	62,656	57,109
Less: Deferred tax assets		
i) Provisions disallowed for tax purposes	9,336	5,199
ii) Disallowed u/s 43B of the Income Tax Act,1961	96	1,340
	9,432	6,539
Deferred Tax Liability (Net)	53,224	50,570

The net increase in the deferred tax liability of **Rs.2,654 million** (previous year decrease Rs.1,710 million) has been debited to Profit and Loss Account. However, the same is recoverable from customers.

23. Provision for current tax is after adjustment of refund amounting to **Rs.5,536 million** (previous year Rs.332 million) pertaining to previous years and consequent adjustment made in Income Tax recoverable is **Rs.5,090 million** (previous year Nil).

24. Research and Development expenditure charged to revenue during the year is **Rs. 58 million** (previous year Rs. 42 million).

25. Interest in joint ventures:

a) Joint venture entities:

Company	Proportion of ownership interest as on	
	31.03.2006	31.03.2005
Utility Powertech Limited	50%	50%
NTPC-Alstom Power Services Private Limited	50%	50%
PTC India Limited	8%	8%
NTPC-SAIL Power Company Private Limited	50%	50%
Bhilai Electric Supply Company Private Limited	50%	50%
NTPC-Tamilnadu Energy Company Limited	50%	50%
Ratnagiri Gas and Power Private Ltd.*	28.33%	NIL

*Shareholders' agreement is under execution

The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March, 2006 and income and expenses for the year in respect of joint venture entities based on audited accounts are given below:

(Rs. Million)

	31.03.2006	31.03.2005
A Assets		
• Long Term Assets	28,562	2,665
• Current Assets	2,376	1,846
Total	30,938	4,511
B Liabilities		
• Long Term Liabilities	22,824	2,148
• Current Liabilities and Provisions	1,725	881
Total	24,549	3,029
C Contingent Liabilities	6	1
D Capital Commitments	7,762	6,708
	Current Year	Previous Year
E Income	4,547	3,667
F Expenses	4,259	3,423

- b) Joint venture operations: During the year the Company alongwith M/s Geopetrol International Inc. and M/s Canoro Resources Ltd., has participated in bidding under the Government of India New Exploration Licensing Policy-V for exploration and production of oil and gas and has been allotted Block AA-ONN-2003/2 in the State of Arunachal Pradesh. The Company together with other consortium members entered into a Production Sharing Contract with the Government of India. The Company is a non-operator and has 40% share in expenses, income, assets and liabilities with a minimum work programme commitment of **Rs.621 million** (previous year Nil) as per the Production Sharing Contract.

The Company's share of assets and liabilities as at 31st March,2006 and expenditure for the period ended on that day in respect of the above joint venture operations has been accounted for based on unaudited statement of accounts submitted by the operator.

Rs.Million

Expenses	2
Fixed Assets (# Rs.32,117/-)	#
Other Assets (* Rs.61,180/-)	*
Current Liabilities	2

26. As required by Accounting Standard (AS-28) " Impairment of Assets" issued 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. i) During the year the Company reviewed the disclosure of contingent liabilities keeping in view the provisions of AS-29 'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India as under:
- As on 31st March, 2006 the estimated financial effect of claims for enhanced compensation for land pending before courts disclosed as contingent liability is based on judgment of the management, opinion of independent experts or experience of similar transactions. Such claims hitherto were disclosed based on the amounts claimed by the land losers, except to the extent the possibility of a liability was considered remote.
 - As on 31st March 2006 the estimated financial effect of claims for interest on amounts disputed, delayed payments etc. is based on the rate of interest claimed or 18%, whichever is lower, unless otherwise provided in any statute, agreement, order etc. Such claims were hitherto disclosed based on the rates demanded by the claimants.
- Consequently, contingent liabilities as at 31st March, 2006 are lower by **Rs.3,595 million**.
- ii) The outflow on account of the claims against the company not acknowledged as debts, and tax disputes is contingent upon the decision of the courts/other authorities and may differ from the amounts disclosed as contingent liability on the basis of estimates.

28. Foreign currency exposure not hedged by a derivative instrument or otherwise:

Sl.No	Particulars	Currencies	Amount Rs. Million	
			31.03.2006	31.03.2005
a.	Borrowings, including interest accrued but not due thereon.	USD	36,977	20,348
		JPY	28,574	32,303
		Others	896	1,390
b.	Sundry creditors/deposits and retention monies	USD	4,729	3,450
		EURO	787	131
		Others	536	597
c.	Sundry debtor and Bank balances	GBP	59	60
		USD	6	-
d.	Unexecuted amount of contracts remaining to be executed	USD	44,044	51,185
		EURO	5,531	5,477
		Others	1,187	1,175

29. The pre-commissioning expenses during the year amounting to **Rs 1,312 million** (previous year Rs 1,191 million) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **Rs. 727 million** (previous year Rs. 583 million) resulting in a net pre-commissioning expenditure of **Rs. 585 million** (previous year Rs.608 million).

30. Payment to the Statutory Auditors (Schedule 22)

Rs. Million

	Current Year	Previous Year
Audit Fees	4	4
Tax audit Fees	2	1
Certification Fees	8	6
Reimbursements		
- Travelling Expenses	5	4
- Service Tax	1	1
	20	16
Less: Towards IPO certification included in Issue expenses	-	6
	20	10

31. List of Small Scale Industrial undertaking to whom payment is outstanding for more than 30 days as on 31st March, 2006, to the extent available to the Company, is as under:

Adarsh Engineering Works, Atlas Fasteners, Accurate Metal Industries, Aditya Air Products Pvt.Ltd, Avlani Engineering, Balaji Alum Industries, Bajrang Pharmaceuticals, Bhavesh Corporation, Balaji Industrial Products, Clean Filter Industries Pvt. Ltd., Central India Engineers, DASS & Sons, EDP Forms Pvt. Ltd., Flexer Rubber Pvt. Ltd., GEECO Enercon Pvt. Ltd., Gopal Steam Printing Works, Hivelm Industries, Insha Plastic Industries, IMECO Limited, Iyappan Engineering Ind. Pvt. Ltd., Jalan Engineering, Khera Instruments Pvt. Ltd., KPC Flexi Tubes, Kwaliti Tubes, Modi Gas Products, Poweraid (India) Pvt. Ltd., Prabhu Industries, Panja Valves, Precision Transmatic Dev., Rameswar Iron Foundry, Ray Enterprises, Rasvin Rubber Pvt. Ltd., Shree Vishnu Enterprises, Sudeep Industries Pvt. Ltd., SAP Industries, SPA Instruments (I) Pvt. Ltd., S.D. Instruments & Equipments, Steam & Mining Industries, Teletex Industrial Corpn., Technofab (India), Turbo Engineers (CBE), Upadhyay Valves Mfg., Udyogi Industries, Vishal Structure Fabricators.

32. Estimated amount of contracts remaining to be executed on capital account and not provided for is **Rs. 135,587 million** (previous year Rs.148,140 million).

33. Managerial remuneration paid/ payable to Directors

(Rs. Million)

	Current year	Previous year
Salaries & Allowances	8	6
Contribution to provident fund & other funds including gratuity & group insurance	1	1
Other benefits	1	1
Directors' fees	*	*

* **Rs.1,30,000/-** (previous year Rs.3,00,000/-)

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 Rs.780/- per month, as contained in the Ministry of Finance (BPE) Circular No.2 (18)/pc/64 dt.29.11.64, as amended.

	<u>Current year</u>	<u>Previous year</u>		
34. Licensed and Installed Capacities as at 31st March: (As certified by Management)				
Licensed Capacity - Not applicable				
Installed Capacity (MW Commercial units)	23,497	22,497		
Quantitative information in respect of Generation and Sale of Electricity (in MUs):				
a) Pre-commissioning period :				
Generation	1,091	839		
Sales	991	713		
b) Commercial period :				
Generation	169,789	158,271		
Sales	159,019	147,792		
c) Value of imports calculated on CIF basis (Rs. Million):				
Capital goods	6,380	822		
Spare parts	518	630		
d) Expenditure in foreign currency (Rs. Million):				
Professional and Consultancy fee	10	78		
Interest	1,849	1,906		
Others	2,618	12,083		
e) Value of Components, Stores and Spare parts consumed (Rs. Million):				
	%age	Amount	%age	Amount
Imported	1.07	1,809	0.37	527
Indigenous (including fuel)	98.93	166,795	99.63	140,695
f) Earnings in foreign exchange (Rs. Million):				
Professional & Consultancy fee		3		-
Interest		3		3
Others		1		2

35. Previous year figures have been regrouped/rearranged wherever necessary.

36. Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

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

 State Code:

5	5
---	---

Balance-sheet date

3	1	0	3	0	6
---	---	---	---	---	---

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

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

Bonus Issue

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

Rights Issue

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

Private Placement

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

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

7	7	0	5	9	4	2	4	7
---	---	---	---	---	---	---	---	---

Total Assets

7	7	0	5	9	4	2	4	7
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

Secured Loans

5	7	3	2	7	2	8	4
---	---	---	---	---	---	---	---

Deferred Tax Liability

5	3	2	2	4	0	0	0
---	---	---	---	---	---	---	---

Reserves & Surplus

3	6	7	1	3	1	5	5	0
---	---	---	---	---	---	---	---	---

Unsecured Loans

1	4	4	6	4	6	0	6	5
---	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

2	3	0	8	9	4	9	0	0
---	---	---	---	---	---	---	---	---

Net Current Assets

9	5	8	4	2	8	1	2
---	---	---	---	---	---	---	---

Accumulated Losses

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

Investments

1	9	2	8	9	1	3	7	0
---	---	---	---	---	---	---	---	---

Misc. Expenditure

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

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

2	6	1	1	5	2	7	1	7
---	---	---	---	---	---	---	---	---

Profit/Loss before tax

+	6	0	2	2	3	9	8	4
---	---	---	---	---	---	---	---	---

Earning per share in Rs

		7	.	0	6
--	--	---	---	---	---

Total Expenditure

2	2	4	8	1	8	3	9	9
---	---	---	---	---	---	---	---	---

Profit/Loss after tax

+	5	8	2	0	1	9	8	7
---	---	---	---	---	---	---	---	---

Dividend Rate %

2	8	.	0	0
---	---	---	---	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description:	Item Code No.
G E N E R A T I O N O F E L E C T R I C I T Y	N A
C O N S U L T A N C Y S E R V I C E S	N A
M A N A G E M E N T O F P O W E R S T A T I O N S	N A

For and on behalf of the Board of Directors

(A.K.RASTOGI)
Company Secretary

(A.K.SINGHAL)
Director (Finance)

(T.SANKARALINGAM)
Chairman & Managing Director

As per our report of even date

For Kalani & Co.
Chartered Accountants
(Vikas Gupta)
Partner
M No. 77076

For Amit Ray & Co.
Chartered Accountants
(Pradeep Mukherjee)
Partner
M No 70693

For Umamaheswara Rao & Co.
Chartered Accountants
(V.Umaheswara Rao)
Partner
M No. 2275

For S.N. Nanda & Co.
Chartered Accountants
(Gaurav Nanda)
Partner
M No 500417

For T.R. Chadha & Co.
Chartered Accountants
(Sanjay Gupta)
Partner
M No 87563

Place : New Delhi
Dated : 31st May 2006