

CONSOLIDATED BALANCE SHEET AS AT

₹ Crore

Particulars	Note	31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	8,245.46	8,245.46
Reserves and surplus	3	73,848.52	79,084.26
		82,093.98	87,329.72
Deferred revenue	4	1,394.15	1,609.88
Minority interest		887.94	680.43
Non-current liabilities			
Long-term borrowings	5	93,362.92	75,542.30
Deferred tax liabilities (net)	6	1,265.61	1,239.31
Other long-term liabilities	7	3,481.85	3,081.58
Long-term provisions	8	1,143.37	896.80
		99,253.75	80,759.99
Current liabilities			
Short-term borrowings	5A	640.15	433.64
Trade payables	9	7,107.63	7,223.96
Other current liabilities	10	20,202.14	14,427.18
Short-term provisions	11	7,996.41	7,580.33
		35,946.33	29,665.11
TOTAL		219,576.15	200,045.13
ASSETS			
Non-current assets			
Goodwill on consolidation		0.62	0.62
Fixed assets			
Tangible assets			
Tangible assets	12	91,579.48	83,957.77
Intangible assets	12	272.92	249.59
Capital work-in-progress	13	67,524.31	53,819.15
Intangible assets under development	13A	30.38	5.81
Non-current investments			
Non-current investments	14	14.12	1,663.46
Long-term loans and advances			
Long-term loans and advances	15	16,631.62	14,157.35
Other non-current assets	15A	1,731.08	1,805.99
		177,784.53	155,659.74
Current assets			
Current investments	16	1,887.39	1,636.96
Inventories	17	7,972.46	5,988.48
Trade receivables	18	9,249.92	6,725.66
Cash and bank balances	19	14,251.61	17,050.67
Short-term loans and advances	20	2,456.70	3,230.15
Other current assets	21	5,973.54	9,753.47
		41,791.62	44,385.39
TOTAL		219,576.15	200,045.13
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

(A.K.Rastogi)
Company Secretary

(K.Biswal)
Director (Finance)

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

This is the Consolidated Balance Sheet referred to in our report of even date

For O. P. Bagla & Co
Chartered Accountants
Firm Reg. No. 000018N

For PSD & Associates
Chartered Accountants
Firm Reg. No. 004501C

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Neeraj Kumar Agarwal)
Partner
M No.094155

(Prakash Sharma)
Partner
M No.072332

(T.V.Balasubramanian)
Partner
M No.027251

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No. 109208W

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

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

(Manoj Agrawal)
Partner
M No.076918

(Anil Gaur)
Partner
M.No.017546

Place : New Delhi
Dated : 29th May 2015



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Particulars	Note	₹ Crore	
		31.03.2015	31.03.2014
Revenue			
Revenue from operations (gross)	22	81,367.02	79,648.12
Less: Electricity duty / Excise duty		744.98	697.49
Revenue from operations (net)		80,622.04	78,950.63
Other income	23	2,078.91	2,760.12
Total revenue		82,700.95	81,710.75
Expenses			
Fuel		51,461.12	47,790.26
Electricity purchased		2,082.64	2,189.97
Employee benefits expense	24	3,889.69	4,038.63
Cost of material and services		631.02	315.81
Changes in inventories of finished goods, work-in-progress		4.64	1.66
Finance costs	25	3,570.37	3,203.07
Depreciation and amortisation expense	12	5,564.61	4,769.99
Generation, administration & other expenses	26	5,358.87	4,903.75
Prior period items (net)	27	(318.22)	11.85
Total expenses		72,244.74	67,224.99
Profit before tax		10,456.21	14,485.76
Tax expense			
Current tax			
Current year		2,395.29	3,372.68
Earlier years		(1,952.99)	(438.09)
Deferred tax			
Current year		940.00	158.59
Earlier years		83.87	-
Less :Deferred asset for deferred tax liability		994.66	-
MAT credit recoverable		7.67	10.82
Total tax expense		463.84	3,082.36
Profit after tax		9,992.37	11,403.40
Less: Share of Profit /(loss)-Minority interest		6.03	(0.21)
Group profit after tax		9,986.34	11,403.61
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value of ₹ 10/- each)	45		
Basic & Diluted (₹)		12.11	13.83

The accompanying notes form an integral part of these financial statements.

There are no exceptional or extraordinary items in the above periods.

Total revenue, total expenses and profit after tax includes ₹ 4,779.76 crore (previous year ₹ 4,532.23 crore), ₹ 4,867.10 crore (previous year ₹ 4,062.44 crore) and (-) ₹ 244.16 crore (previous year ₹ 349.23 crore) respectively towards share of jointly controlled entities.

For and on behalf of the Board of Directors

(A.K.Rastogi)
Company Secretary

(K.Biswal)
Director (Finance)

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

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(Anil Gaur)
Partner
M.No.017546

Place : New Delhi
Dated : 29th May 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

	₹ Crore	
Particulars	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,456.21	14,485.76
Adjustment for:		
Depreciation/amortisation	5,564.61	4,769.99
Prior period depreciation/amortisation	15.62	3.73
Provisions	231.84	160.54
Deferred revenue on account of advance against depreciation	(283.35)	(16.06)
Deferred foreign currency fluctuation asset/liability	244.39	(215.77)
Deferred income from foreign currency fluctuation	(22.50)	516.36
Fly ash utilisation reserve fund	76.74	91.30
Exchange differences on translation of foreign currency cash and cash equivalents	(0.02)	(0.19)
Interest charges	3,528.57	3,164.29
Guarantee fee & other finance charges	41.80	38.78
Interest/income on term deposits/bonds/investment	(1,581.36)	(2,130.45)
Dividend income	(160.22)	(139.06)
Provisions written back	(187.14)	(200.86)
	7,468.98	6,042.60
Operating profit before working capital changes	17,925.19	20,528.36
Adjustment for:		
Trade receivables	(2,976.09)	(629.02)
Inventories	(1,677.83)	(1,154.24)
Trade payables, provisions and other liabilities	1,019.90	1,378.81
Loans & advances and other current assets	2,464.63	(906.42)
	(1,169.39)	(1,310.87)
Cash generated from operations	16,755.80	19,217.49
Direct taxes paid	(2,009.95)	(2,686.65)
Net cash from operating activities - A	14,745.85	16,530.84
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(19,177.24)	(18,948.45)
Purchase of investments	2.12	-
Sale of investments	1,636.96	1,622.46
Interest/income on term deposits/bonds/investments received	1,847.03	2,453.40
Income tax paid on interest income	(303.59)	(775.89)
Dividend received	160.22	139.06
Net cash used in investing activities - B	(15,834.50)	(15,509.42)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	25,450.85	14,523.70
Repayment of long term borrowings	(5,076.24)	(5,189.74)
Proceeds from short term borrowings	206.51	51.48
Grant received	20.00	20.32
Interest paid	(7,124.72)	(6,088.36)
Guarantee fee & other finance charges paid	(112.36)	(154.55)
Dividend paid (including bonus debentures)	(12,388.20)	(5,018.96)
Tax on dividend (including tax on bonus debentures)	(2,450.34)	(852.95)
Net cash used in financing activities - C	(1,474.50)	(2,709.06)
Exchange differences on translation of foreign currency cash and cash equivalents	0.02	0.19
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	(2,563.13)	(1,687.45)
Cash and cash equivalents at the beginning of the year (see Note 1 below)	17,050.67	18,738.12
Cash and cash equivalents at the end of the year (see Note 1 below)	14,487.54	17,050.67
NOTES:		
1. Cash and cash equivalents consist of cheques, drafts, stamps in hand, balances with banks and investments in liquid mutual funds. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note-16 and Note-19:		
Cash and cash equivalents	659.22	930.65
Deposits included in other bank balances	13,249.95	16,104.91
Investments in liquid mutual funds	9.33	-
Earmarked balances*	569.04	15.11
Cash and cash equivalents as restated	14,487.54	17,050.67
* Earmarked balances consist of:		
(a) Deposits towards redemption of bonds due for repayment within one year	100.00	-
(b) Balances with banks earmarked for fly ash utilisation reserve fund	193.77	-
(c) Unpaid dividend account balance	14.97	14.21
(d) Deposits as per court orders	24.64	-
(e) Unpaid interest/refund account balance - tax free bonds	0.30	0.52
(f) Deposits towards public deposit repayment reserve	0.08	-
(g) Balances with bank towards unpaid interest on public deposit	0.03	0.03
(h) Margin money kept with RBI earmarked for fixed deposits from public	-	0.02
(i) Deposited as security with government authorities	0.02	0.02
(j) Margin money with banks	8.63	0.31
(k) Investments in liquid mutual funds earmarked for fly ash utilisation reserve fund	226.60	-
	569.04	15.11
2. Reconciliation of cash and cash equivalents as restated		
(a) Cash and bank balances-Note-19	14,251.61	17,050.67
(b) Current investments (investments in liquid mutual funds)-Note-16	235.93	-
	14,487.54	17,050.67
3. Previous year figures have been regrouped/rearranged wherever considered necessary.		

(A.K.Rastogi)
Company Secretary

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Chartered Accountants
Firm Reg. No. 000018N
(Neeraj Kumar Agarwal)
Partner
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For V. Sankar Aiyar & Co.
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(M.S.Balachandran)
Partner
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For and on behalf of the Board of Directors

(K.Biswal)
Director (Finance)

This is the Consolidated Cash Flow Statement referred to in our report of even date

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(Anil Gaur)
Partner
M.No.017546

Place : New Delhi
Dated : 29th May 2015

Notes forming part of Consolidated Financial Statements

1. Significant accounting policies

A. Basis of preparation

These financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, 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. Fly ash utilisation reserve fund

Proceeds from sale of ash/ash products along-with income on investment of such proceeds are transferred to 'Fly ash utilisation reserve fund' in terms of provisions of gazette notification dated 3rd November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

E. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Capital expenditure on assets not owned by the Company relating to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter in the tangible assets. However, similar expenditure for community development is charged off to revenue.
5. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating 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.

F. Capital work-in-progress

1. Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
2. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
3. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

G. Oil and gas exploration costs

1. The Company follows 'Successful Efforts Method' for accounting of oil & gas exploration activities.
2. Cost of surveys and prospecting activities conducted in search of oil and gas is expensed off in the year in which it is incurred.
3. Acquisition and exploration costs are initially capitalized as 'Exploratory wells-in-progress' under Capital work-in-progress. Such exploratory wells in progress are capitalised in the year in which the producing property is created or written off in the year when determined to be dry/abandoned.

H. 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.

I. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Exchange differences arising from settlement/translation of foreign currency loans, deposits/liabilities relating to fixed assets/capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement/translation of long term foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.
5. Derivative contracts in the nature of forward contracts, options and swaps are entered into to hedge the currency and interest rate risk of foreign currency loans. Premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contracts. Exchange differences on such contracts, which relate to long-term foreign currency monetary items referred to in Policy I.3 are adjusted in the carrying cost of related assets. Other derivative contracts are marked-to-market at the Balance Sheet date and losses are recognised in the Statement of Profit and Loss. Gains arising on such contracts are not recognised, until realised, on grounds of prudence.

Notes forming part of Consolidated Financial Statements

J. Borrowing costs

Borrowing costs attributable to the qualifying fixed assets during construction/exploration, renovation and modernisation are capitalised. Such borrowing costs are apportioned on the average balance of capital work-in-progress for the year. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. 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.

L. 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 & spares is ascertained on review and provided for.

M. Income recognition

1. Sales

- 1.1 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.
- 1.2 In the case of NTPC Vidyut Vyapar Nigam Ltd. (a wholly owned subsidiary) which is in the energy trading business, sale of energy is accounted for based on the rates agreed with the customers.
- 1.3 In the case of NTPC SAIL Power Company Pvt.Ltd. (50% JV), sale of energy in case of Captive Power Plants (CPP-II), which are not governed by the CERC, is accounted for based on the rates provided in the Power Purchase Agreement with SAIL.
- 1.4 In the case of NTPC BHEL Power Projects Pvt. Ltd. (50% JV), sales are recorded based on significant risks and rewards of ownership being transferred in favour of the customer. Sales include goods dispatched to customers by partial shipment. For construction contracts, revenue is recognized on percentage completion method based on the percentage of actual cost incurred up to the reporting date to the total estimated cost of contract. Further, if it is expected that a contract will make a loss, the estimated loss is provided for in the books of account, based on technical assessments.
- 1.5 In the case of Utility Powertech Ltd.(50% JV), income in respect of service contracts is recognized proportionate to value of work done / services rendered.
- 1.6 In the case of NTPC Alstom Power Services Pvt.Ltd. (50% JV), revenues are recognised on a percentage completion method measured by segmented portions of the contract achieved which coincides with the billing schedules agreed with the customers. The relevant cost is recognised in the financial statements in the year of recognition of revenues. Recognition of profit is adjusted to ensure that it does not exceed the estimated overall contract margin. Further, if it is expected that a contract will make a loss, the estimated loss is provided for in the books of account, based on technical assessments.
- 1.7 In the case of Transformers and Electricals Kerala Ltd. (44.60% JV), revenue in respect of sale of products is recognized when the goods are dispatched to the customers or when the invoices are raised but the goods are retained at own premises at the request of the customers to get their site ready for installation.
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. I is adjusted in depreciation.
4. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/payable.
5. Premium, discount and exchange differences in respect of forward exchange contracts and mark to market losses in respect of other derivative contracts referred to in accounting policy no. I.5 recoverable from/payable to the beneficiaries as per CERC Tariff Regulations, are recognised in sales.
6. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
7. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.
8. Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.
9. Scrap other than steel scrap is accounted for as and when sold.
10. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

N. Expenditure

1. Depreciation/amortisation

- 1.1 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 in accordance with Schedule II of the Companies Act, 2013.
In case of the Captive Power Plant-II (CPP-II) assets of NTPC SAIL Power Company Pvt.Ltd. (50% JV), which are not governed by CERC, depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets.

Notes forming part of Consolidated Financial Statements

1.2 Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business, is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013.

1.3 Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

a) Kutcha Roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 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	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year

1.4 Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.

1.5 Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

1.6 Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

1.7 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.

1.8 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.

1.9 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.

1.10 Capital expenditure on assets not owned by the company referred in policy E.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.

1.11 Leasehold land and buildings relating to generation of electricity business are fully amortised over lease period or life of the related plant whichever is lower following the rates and methodology notified by CERC Tariff Regulations. Leasehold land acquired on perpetual lease is not amortised.

In case of the Captive Power Plant -II (CPP-II) assets of NTPC SAIL Power Company Pvt.Ltd. (50% JV), which are not governed by CERC, leasehold lands other than acquired on perpetual lease are amortized over the lease period. Leasehold buildings are amortized over the lease period or 30 years, whichever is lower. Leasehold land and buildings, whose lease period is yet to be finalized, are amortized over a period of 30 years.

1.12 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.

2. Other expenditure

2.1 Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.

2.2 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.

2.3 Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

2.4 Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.

2.5 Transit and handling losses of coal as per Company's norms are included in cost of coal.

O. Employee benefits

Employee benefits inter-alia include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

1. Company's contributions paid/payable during the year to provident fund and pension fund is recognised in the Statement of Profit and Loss. The same is paid to funds administered through separate trusts.

2. Company's liability towards gratuity, leave benefits (including compensated absences), post retirement medical facility and other terminal benefits is determined by independent actuary, at year end using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.

Notes forming part of Consolidated Financial Statements

3. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.
- P. 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. N.1.1 or N.1.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.
- 1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.
- 2. Operating lease**
- Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.
- Q. Impairment**
- The carrying amount of cash generating units is reviewed at each Balance Sheet date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognised in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.
- R. 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.
- S. Segment reporting**
- The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.
- T. Cash flow statement**
- Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.
- U. Taxes on income**
- Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

2. Share capital

As at	₹ Crore	
	31.03.2015	31.03.2014
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)	<u>10,000.00</u>	<u>10,000.00</u>
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)	<u>8,245.46</u>	<u>8,245.46</u>

- a) During the year, the Company has neither issued nor 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, the Company has issued, out of the free reserves, 8.49% secured non-cumulative non-convertible redeemable taxable fully paid-up bonus debenture of ₹ 12.50 each for every fully paid-up equity share of par value of ₹ 10/-. Refer Note 3 (f).
- d) During the year ended 31st March 2015, the amount of per share dividend recognised as distribution to equity share holders is ₹ 2.50 (previous year ₹ 5.75).
- e) Details of shareholders holding more than 5% shares in the Company:

Particulars	31.03.2015		31.03.2014	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	618,06,14,980	74.96	618,40,98,300	75.00
- Life Insurance Corporation of India	81,75,85,952	9.92	70,67,78,072	8.57

Notes forming part of Consolidated Financial Statements

3. Reserves and surplus

	₹ Crore	
As at	31.03.2015	31.03.2014
Capital reserve		
As per last financial statements	400.97	408.97
Add : Transfer from surplus	0.12	4.98
Grants received during the year	20.00	20.32
Less : Adjustments during the year	23.49	33.30
	<u>397.60</u>	<u>400.97</u>
Securities premium account		
As per last financial statements	2,228.34	2,228.11
Add : Received during the year	-	0.23
	<u>2,228.34</u>	<u>2,228.34</u>
Foreign currency translation reserve	0.76	0.15
Debt service reserve		
As per last financial statements	244.01	81.84
Add : Transfer from surplus	3.41	162.17
	<u>247.42</u>	<u>244.01</u>
Self insurance reserve		
As per last financial statements	21.80	50.11
Less : Transfer to surplus	-	27.49
Adjustments during the year	(21.57)	0.82
	<u>43.37</u>	<u>21.80</u>
Bonds/Debentures redemption reserve		
As per last financial statements	2,764.91	2,535.33
Add : Transfer from surplus	1,156.19	576.08
Less : Transfer to surplus	296.50	346.50
	<u>3,624.60</u>	<u>2,764.91</u>
Fly ash utilisation reserve fund		
As per last financial statements	326.23	234.93
Add : Transfer from		
- Revenue from operations	115.11	122.55
- Other income	21.08	17.01
Less : Utilised during the year		
- Capital expenditure	12.72	0.49
- Employee benefits expense	20.33	5.73
- Other administration expenses	26.37	42.04
	<u>403.00</u>	<u>326.23</u>
Corporate social responsibility (CSR) reserve		
As per last financial statements	-	-
Add : Transfer from surplus	78.92	-
	<u>78.92</u>	<u>-</u>
General reserve		
As per last financial statements	71,965.83	66,958.67
Add : Transfer from surplus	7,020.16	5,012.08
Less : Issue of bonus debentures	10,306.83	-
Dividend distribution tax on bonus debentures	2,060.76	-
Adjustments during the year	455.57	4.92
	<u>66,162.83</u>	<u>71,965.83</u>
Surplus		
As per last financial statements	1,132.02	732.87
Add : Profit for the year as per Statement of Profit and Loss	9,986.34	11,403.61
Transfer from bonds/debentures redemption reserve	296.50	346.50
Transfer from self insurance reserve	-	27.49
Less : Transfer to bonds/debentures redemption reserve	1,156.19	576.08
Transfer to capital reserve	0.12	4.98
Transfer to CSR reserve	78.92	-
Transfer to fly ash utilisation reserve fund	-	17.01
Transfer to debt service reserve	3.41	162.17
Transfer to general reserve	7,020.16	5,012.08
Dividend paid	618.42	3,300.69
Tax on dividend paid	136.17	560.96
Proposed dividend	1,442.96	1,491.07
Tax on proposed dividend	296.83	253.41
Net surplus	<u>661.68</u>	<u>1,132.02</u>
Total #	<u>73,848.52</u>	<u>79,084.26</u>

Includes ₹ 69.73 crore (previous year ₹ 758.91 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

- a) (i) Pursuant to gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved. Proceeds from sale of ash/ash products along-with income on investment of such proceeds are transferred to 'Fly ash utilisation reserve fund' in terms of provisions of above notification. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.
- (ii) Sale of fly ash and ash products generated at the power stations of the Company was carried out till 31st December 2014 by M/s NVVN Ltd., a wholly owned subsidiary of the Company. As per the decision of the Board of Directors of the Company such sales are directly made by the Company w.e.f 1st January 2015.
- (iii) The above fly ash utilisation reserve fund also includes ₹ 1.83 crore of M/s Aravali Power Company Private Ltd. and ₹ 0.03 crore of M/s NTPC SAIL Power Company Private Ltd., joint ventures of the Company, pursuant to above notification of MOEF.
- b) Capital reserve includes an amount of ₹ 237.86 crore (previous year ₹ 241.33 crore) relating to grant received from GOI through Government of Bihar for renovation and modernisation of Kanti Bijlee Utpadan Nigam Ltd.
- c) Debt service reserve has been created as per the loan agreement equivalent to two quarters' interest and principal repayment in respect of Aravali Power Company Pvt. Ltd..
- d) Self insurance reserve has been created by Ratnagiri Gas & Power Private Ltd. to cover machinery break-down for which no insurance cover agreement has been entered.
- e) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, the Central Public Sector Enterprises are required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Keeping in view the above, an amount of ₹ 78.92 crore has been appropriated to CSR reserve from surplus during the year.
- f) During the year, the Company, out of free reserves issued one 8.49 % secured non-cumulative non-convertible redeemable taxable fully paid-up debenture of ₹ 12.50 by way of bonus for each fully paid-up equity share of par value ₹ 10/-. The debenture amount of ₹ 10,306.83 crore and dividend distribution tax thereon of ₹ 2,060.76 crore has been debited to general reserve.
- g) During the year, the Company has paid interim dividend of ₹ 0.75 (previous year ₹ 4.00) per equity share of par value ₹ 10/- each for the year 2014-15. Further, the Company has proposed final dividend of ₹ 1.75 (previous year ₹ 1.75) per equity share of par value ₹ 10/- each for the year 2014-15. Thus, the total dividend (including interim dividend) for the financial year 2014-15 is ₹ 2.50 (previous year ₹ 5.75) per equity share of par value ₹ 10/- each.
- h) In line with the provisions of Schedule-II to the Companies Act, 2013, the Company revised accounting policies related to depreciation. Consequently, ₹ 3.58 crore (net of deferred tax of ₹ 1.89 crore) has been adjusted from the opening balance of general reserve where the remaining useful life of assets is Nil as at 1st April 2014.
- i) During the previous year, an amount of ₹ 112.05 crore was reported by M/s Ratnagiri Gas & Power Pvt. Ltd., a Joint Venture of the Company, as profit after tax in their un-audited accounts, considered for consolidation of NTPC Group. Subsequently, the audited accounts of the Company reported a loss of ₹1,486.47 crore. The consequential impact, in proportion to the Company's share holding in the joint venture, amounting to ₹ 466.56 crore has been included in the adjustments to the general reserve during the current year.

4. Deferred revenue

As at	₹ Crore	
	31.03.2015	31.03.2014
On account of advance against depreciation	409.20	692.55
On account of income from foreign currency fluctuation	984.95	917.33
Total #	1,394.15	1,609.88

Includes ₹ Nil (previous year ₹ Nil) share of jointly controlled entities.

- a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholders' funds and liabilities.
- b) The balance of AAD as at 31st March 2014 was reviewed considering the accounting policy no. M.2 (Note 1) and excess of depreciation charged in the books over the depreciation recovered in tariff, amounting to ₹ 208.32 crore has been recognised as prior period sales (Note 27).
- c) In line with significant accounting policy no. M.2 (Note 1), an amount of ₹ 75.03 crore (previous year ₹ 16.05 crore) has been recognized during the year from the AAD and included in energy sales (Note 22).
- d) Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of fixed assets, which is recoverable from the customers in future years as provided in accounting policy no. M.3 (Note 1). This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from shareholder's funds and liabilities.

Notes forming part of Consolidated Financial Statements

5. Long-term borrowings

As at	31.03.2015	31.03.2014
₹ Crore		
Bonds/Debentures		
Secured		
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 th March 2034 (Fifty first issue C - Private Placement) ⁱⁱⁱ . Secured during the current year.	320.00	320.00
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 th December 2033 (Fiftieth issue - Public Issue - Series 3A) ^{vii}	312.03	312.03
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 th December 2033 (Fiftieth issue - Public Issue - Series 3B) ^{vii}	399.97	399.97
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 th March 2029 (Fifty first issue B - Private Placement) ⁱⁱⁱ . Secured during the current year.	105.00	105.00
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 th December 2028 (Fiftieth issue - Public Issue - Series 2A) ^{vii}	249.95	249.95
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 th December 2028 (Fiftieth issue - Public Issue - Series 2B) ^{vii}	91.39	91.39
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on on 29 th September 2024 (Fifty third issue - Private Placement) ^x	1,000.00	-
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 th March 2024 (Fifty second issue - Private Placement) ⁱⁱⁱ . Secured during the current year.	750.00	750.00
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4 th March 2024 (Fifty first issue A - Private Placement) ⁱⁱⁱ . Secured during the current year.	75.00	75.00
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 th December 2023 (Fiftieth issue - Public Issue - Series 1A) ^{vii}	488.02	488.02
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 th December 2023 (Fiftieth issue - Public Issue - Series 1B) ^{vii}	208.64	208.64
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11 th year and in annual installments thereafter upto the end of 15 th year respectively commencing from 04 th May 2023 and ending on 04 th May 2027 (Forty fourth issue - Private Placement) ^{vii}	500.00	500.00
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 1 st May 2023 (Seventeenth issue - Private Placement) ⁱ	50.00	50.00
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 th April 2023 (Forty ninth issue - Private Placement) ^{vii}	200.00	200.00
8.49% Secured non-cumulative non-convertible redeemable taxable fully paid-up bonus debentures of ₹ 12.50 each redeemable at par in three annual installments of ₹ 2.50, ₹ 5.00 and ₹ 5.00 at the end of 8 th year, 9 th year and 10 th year on 25 th March 2023, 25 th March 2024 and 25 th March 2025 respectively (Fifty fourth issue -Bonus Debentures) ^x - (refer note 5 d)	10,306.83	-
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7 th March 2023 (Forty eighth issue - Private Placement) ^{vii} . Secured during the current year.	300.00	300.00
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11 th year and in annual installments thereafter upto the end of 15 th year respectively commencing from 25 th January 2023 and ending on 25 th 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 4 th October 2022 (Forty seventh issue - Private Placement) ^{vii}	390.00	390.00
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19 th 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 31 st 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 9 th 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 6 th November 2019 and ending on 6 th November 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 5 th 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 4 th 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 12 th January 2019 (Nineteenth issue - Private Placement) ⁱⁱⁱ	50.00	50.00
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 21 st 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 20 th July 2018 and ending on 20 th July 2032 (Forty sixth issue - Private Placement) ^{vii}	75.00	75.00
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 16 th May 2018 and ending on 16 th May 2032 (Forty fifth issue - Private Placement) ^{vii}	75.00	75.00
8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 10 th 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 2 nd March 2018 and ending on 2 nd 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 23 rd December 2017 and ending on 23 rd 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 29 th July 2017 and ending on 29 th July 2031 (Fortieth issue - Private Placement) ⁱⁱⁱ	75.00	75.00

Notes forming part of Consolidated Financial Statements

₹ Crore

As at	31.03.2015	31.03.2014
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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 9 th June 2017 and ending on 9 th 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 22 nd March 2017 and ending on 22 nd 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 15 th December 2016 and ending on 15 th 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 15 th September 2016 and ending on 15 th 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 10 th June 2016 and ending on 10 th 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 6 th year and in annual installments thereafter upto the end of 20 th year respectively commencing from 25 th March 2016 and ending on 25 th March 2030 (Thirty second issue - Private Placement) ⁱⁱⁱ	98.00	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 4 th June 2012 and ending on 4 th December 2018 (Twenty fifth issue - Private Placement) ⁱⁱⁱ	214.00	285.50
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 4 th June 2012 and ending on 4 th December 2018 (Twenty sixth issue - Private Placement) ⁱⁱⁱ	214.00	285.50
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 9 th September 2011 and ending on 9 th March 2021 (Twenty fourth issue - Private Placement) ^{iv}	250.00	300.00
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 5 th August 2011 and ending on 5 th February 2021 (Twenty third issue - Private Placement) ^{iv}	250.00	300.00
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 2 nd July 2011 and ending on 2 nd January 2021 (Twenty second issue - Private Placement) ^{iv}	250.00	300.00
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 2 nd August 2010 and ending on 2 nd February 2020 (Twenty first issue - Private Placement) ^v	400.00	500.00
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 23 rd September 2009 and ending on 23 rd March 2019 (Twentieth Issue - Private Placement) ^{vi}	150.00	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 6 th year and in annual installments thereafter upto the end of 15 th year respectively from 30 th April 2002 (Thirteenth issue - Part B - Private Placement) ^{viii}	150.00	225.00
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 6 th year and upto the end of 15 th year respectively from 18 th April 2002 (Thirteenth issue -Part A - Private Placement) ^{viii}	150.00	225.00
	23,017.83	12,311.00
Foreign currency notes		
Unsecured		
4.375 % Fixed rate notes due for repayment on 26 th November 2024	3,159.50	-
4.750 % Fixed rate notes due for repayment on 3 rd October 2022	3,159.50	3,030.50
5.625 % Fixed rate notes due for repayment on 14 th July 2021	3,159.50	3,030.50
5.875 % Fixed rate notes due for repayment on 2 nd March 2016	-	1,818.30
Term loans		
From Banks		
Secured		
Rupee loans ^{xi}	8,024.13	3,399.34
Foreign currency loans ^{xii}	237.92	-
Unsecured		
Foreign currency loans	8,362.55	6,290.80
Rupee loans	20,835.85	18,905.07
From Others		
Secured		
Rupee loans ^{xi}	6,545.28	9,708.46
Unsecured		
Foreign currency loans (guaranteed by GOI)	2,035.26	2,456.03
Other foreign currency loans	2,815.56	2,026.88
Rupee loans	11,941.90	12,503.04
Deposits		
Unsecured		
Fixed deposits	-	0.09
Long term maturities of finance lease obligations		
Unsecured	68.14	62.29
Total#	93,362.92	75,542.30

#Includes ₹ 9,937.76 crore (previous year ₹ 9,082.32 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

a) Details of terms of repayment and rate of interest

₹ Crore

Particulars	Non current portion		Current portion		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Term loans						
Secured						
Rupee loans - Banks	8,024.13	3,399.34	308.83	310.00	8,332.96	3,709.34
Rupee loans - Others	6,545.28	9,708.46	261.33	395.34	6,806.61	10,103.80
Foreign currency loans - Banks	237.92	-	-	-	237.92	-
	14,807.33	13,107.80	570.16	705.34	15,377.49	13,813.14
Unsecured						
Foreign currency loans (guaranteed by GOI) - Others	2,035.26	2,456.03	154.61	173.40	2,189.87	2,629.43
Foreign currency loans - Banks	8,362.55	6,290.80	281.82	257.84	8,644.37	6,548.64
Other foreign currency loans - Others	2,815.56	2,026.88	406.02	393.67	3,221.58	2,420.55
Rupee loans - Banks	20,835.85	18,905.07	2,545.98	1,764.06	23,381.83	20,669.13
Rupee loans - Others	11,941.90	12,503.04	1,794.64	1,591.23	13,736.54	14,094.27
	45,991.12	42,181.82	5,183.07	4,180.20	51,174.19	46,362.02
Fixed deposits (unsecured)	-	0.09	-	0.43	-	0.52

- i) Secured rupee term loan from banks carry interest linked to SBI base rate or fixed interest rate ranging from 8% to 11.25% p.a., with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly/half-yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of four to fifteen years after a moratorium period of six months from the COD or three to five years from the date of the loan agreement.
 - ii) Secured rupee term loan from others carry interest linked to SBI base rate, SBI Advance Rate, rate notified by the lender for category 'A' public sector undertaking, AAA bond yield rates plus agreed margin or fixed interest rate ranging from 7.71% to 13.00% p.a., with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly/half-yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of four to fifteen years after a moratorium period of six months from the COD or three to five years from the date of the loan agreement.
 - iii) Secured foreign currency term loan facility has been tied up with SBI, Tokyo by one of the joint venture companies during the year which carries interest rate ranging from 3.00% to 5.17% linked to LIBOR with half yearly rests. The loan is repayable in twenty four half-yearly installments commencing from 28th September 2017.
 - 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 23 to 32 semi annual installments as of 31st March 2015.
 - v) Unsecured foreign currency loans - Banks include loans of ₹ 642.54 crore (previous year ₹ 589.81 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ 8,001.83 crore (previous year ₹ 5,958.83 crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 24 semiannual instalments as of 31st March 2015, commencing after moratorium period if any, as per the terms of the respective loan agreements.
 - vi) Unsecured foreign currency loans - Others include loans of ₹ 2,516.58 crore (previous year ₹ 1,424.92 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a. and loans of ₹ 705.00 crore (previous year ₹ 995.63 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR. These loans are repayable in 4 to 22 semiannual installments as of 31st March 2015, commencing after moratorium period if any, as per the terms of the respective loan agreements.
 - vii) Unsecured rupee term loans carry interest rate ranging from 7.00% p.a. to 12.40% p.a. with monthly/half-yearly rests. These loans are repayable in quarterly/half-yearly/yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of seven to ten years after a moratorium period of six months to six years.
- b) The finance lease obligations are repayable in installments as per the terms of the lease agreement over a period of seven years.
 - c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year except that M/s Ratnagiri Gas & Power Pvt. Ltd, a Joint Venture Companies in which the Company has 28.91% share has defaulted in payment of principal and interest amounting to ₹ 405.87 crore and ₹ 579.71 crore respectively as at the end of the year for a period varying from 31 to 533 days.
 - d) During the year, the Company out of free reserves issued one 8.49% secured non-cumulative non-convertible redeemable taxable fully paid-up debenture of ₹ 12.50 by way of bonus for each fully paid-up equity share of par value of ₹ 10/- amounting to ₹ 10,306.83 crore. (Refer Note 3 f). An amount of ₹ 5,650.00 crore has been utilized till 31st March 2015 for the purpose mentioned in the Scheme of Arrangement.
 - e) The non current portion of fixed deposits has been repaid during the year in compliance to the provisions of the Companies Act, 2013.

Details of securities

- I Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.
- II Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.

Notes forming part of Consolidated Financial Statements

- III Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.
- IV Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.
- V Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.
- VI Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.
- VII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.
- VIII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Singrauli Super Thermal Power Station by extension of charge already created.
- IX Secured by English mortgage of the immovable properties pertaining to Solapur Super Thermal Power Project on first charge basis.
- X Secured by Equitable mortgage of the immovable properties pertaining to Barh Super Thermal Power Project on first charge basis.
- XI (i) Secured by equitable mortgage of present and future immovable property and hypothecation of moveable fixed assets of Bhilai Expansion Project (CPP - III) belonging to M/s NTPC SAIL Power Company Pvt.Ltd.
- (ii) Secured by equitable mortgage of present and future immovable property and hypothecation of moveable fixed assets of CPP-II at Rourkela, Durgapur and Bhilai belonging to M/s NTPC SAIL Power Company Pvt.Ltd.
- (iii) Secured by first charge by way of hypothecation of all moveable assets of Indira Gandhi Super Thermal Power Project (3 X 500 MW) Coal Based Thermal Power Project at Jhajjar Distt. in state of Haryana belonging to M/s Aravali Power Company Pvt.Ltd. (APCPL), comprising its movable plant and machinery, machinery spares, tools and accessories, furniture & fixture, vehicles and all other movable assets, present and future, including intangible assets, goodwill, uncalled capital, revenue and receivable of the project except for specified receivables on which first charge would be ceded to working capital lenders present and future; and
Secured by first charge by way of mortgage by deposit of title deed of lands (approx 2049.11 acres) and other immovable properties of Indira Gandhi Super Thermal Power Project (3 x 500 MW) coal based thermal power project at jhajjar district in State of Haryana together with buildings and structure erected/ constructed/ standing thereon and all plant and machinery, and equipment attached to the earth or permanently fastened to the earth comprised therein, in respect of which M/s APCPL, as a owner seized and possessed of and otherwise well and fully entitled to, both present and future assets; and
First charge by way of assignment or creation of charge on all rights, title, interest, benefit, claim and demand whatsoever of M/s APCPL regarding project document, letter of credit, guarantees, performance bond and all insurance contracts / proceeds duly consented by the relevant counter parties; and
Power Finance Corporation Ltd. has ceded first paripassu charge to the extent of ₹1,325.00 crore on the moveable assets, revenue and receivables in favour of the working capital lenders.
- (iv) Secured by equitable mortgage/ hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4*250) MW of Bhartiya Rail Bijlee Company Ltd., a subsidiary company, as first charge, ranking pari passu with charge already created with PFC for 60% of total debts and balance 40% with REC.
- (v) Secured by equitable mortgage/hypothecation of all the present and future fixed assets and moveable assets of power plant and associated LNG facilities at village Anjanwel, Guhagar, Distt. Ratnagiri of M/s Ratnagiri Gas & Power Pvt.Ltd.
- (vi) Secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land, in respect of loan from consortium led by SBI for Kanti Bijlee Utpadan Nigam Ltd. expansion project. The security will rank pari-passu with all term lenders of the project. The charge has been created in favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor of security trustee has been executed for 877.18 acres of land.
- (vii) Secured by Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Meja Thermal Power Project. Deed of Hypothecation for all present and future movable assets of Meja Urja Nigam Private Limited has also been executed with the Security Trustee and the Indenture of Mortgage with the Security Trustee has been registered with appropriate authority.
- (viii) Secured by a first priority charge on all assets of the Nabinagar Power Generating Company Pvt.Ltd., present and future, movable and immovable through a deed of hypothecation and simple mortgage of 2,500 acres of land.
- (ix) Secured by first charge on all movable and immovable, present and future assets of the NTPC Tamilnadu Energy Company Ltd.
- (x) Secured by first charge by way of hypothecation in favour of the Power Finance Corporation Ltd. of all the moveable assets of the project (save and except book debts) including moveable property, machinery spares, tools and accessories, fuel stock, spares and material at project both present and future of M/s National High Power Test Laboratory Pvt. Ltd.
- XII Security cover mentioned at sl. no. I to XI is above 100% of the debt securities outstanding.

5A. Short-term borrowings

	₹ Crore	
As at	31.03.2015	31.03.2014
Loans repayable on demand		
From Banks		
Secured		
Cash Credit	640.15	433.64
Total #	640.15	433.64

Includes ₹ 491.63 crore (previous year ₹ 361.01 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

- Includes cash credit secured by hypothecation of stock in trade, book debts of Stage-I of M/s Kanti Bijlee Utpadan Nigam Ltd. with floating rate of interest linked to the bank's base rate.
- Includes borrowings secured by way of first pari-passu charge along with Power Finance Corporation Ltd. on the fixed assets, revenue and receivables of M/s Aravali Power Company Pvt. Ltd.. Rate of interest is applicable at the base rate of the respective banks.
- Includes cash credit secured by pari-passu charge on spares, present and future stock of coal and fuel at various places of M/s NTPC Tamilnadu Energy Company Limited and Debtors with floating rate of interest linked to bank's base rate.
- There has been no default in payment of principal and interest as at the end of the year.

6. Deferred tax liabilities (net)

	₹ Crore		
	As at 01.04.2014	Additions /(Adjustments) during the year	As at 31.03.2015
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,912.65	1,184.98	8,097.63
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	777.56	(64.57)	712.99
Disallowances u/s 43B of the Income Tax Act, 1961	393.13	70.87	464.00
	<u>5,741.96</u>	<u>1,178.68</u>	<u>6,920.64</u>
Less: Deferred asset for deferred tax liability	4,502.65	1,152.38	5,655.03
Total #	<u>1,239.31</u>	<u>26.30</u>	<u>1,265.61</u>

Includes ₹ 268.68 crore (previous year ₹ 187.26 crore) share of jointly controlled entities.

- The net increase during the year in the deferred tax liability of ₹ 29.21 crore (previous year increase of ₹ 158.59 crore) has been debited to Statement of Profit and Loss. Further, an amount of ₹ 2.91 crore has been credited to general reserve.
- Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.
- CERC Regulations, 2014 provide for recovery of deferred tax liability as on 31st March 2009 from the beneficiaries. Accordingly, deferred tax liability as on 31st March 2009 is recoverable on materialisation from the beneficiaries. For the period commencing 1st April 2014, Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Deferred asset for deferred tax liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax.

7. Other long-term liabilities

	₹ Crore	
As at	31.03.2015	31.03.2014
Trade payables	9.22	6.00
Deferred foreign currency fluctuation liability	259.90	151.99
Other liabilities		
Payable for capital expenditure	3,179.44	2,853.96
Others	33.29	69.63
Total #	<u>3,481.85</u>	<u>3,081.58</u>

Includes ₹ 204.06 crore (previous year ₹ 156.35 crore) share of jointly controlled entities.

- In line with accounting policy no.M.4 (Note 1) deferred foreign currency fluctuation liability to the extent of ₹ 107.91 crore (previous year ₹ 16.39 crore) has been made during the year.
- Other liabilities - Others include deposits received from contractors, customers and other parties.

8. Long-term provisions

	₹ Crore	
As at	31.03.2015	31.03.2014
Provision for		
Employee benefits	1,131.24	886.71
Contractual obligations	12.13	10.09
Total #	<u>1,143.37</u>	<u>896.80</u>

Includes ₹ 27.66 crore (previous year ₹ 17.44 crore) share of jointly controlled entities.

- Disclosure as per AS 15 on 'Employee Benefits' has been made in Note-40.
- Disclosure as per AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note-48.

9. Trade payables

	₹ Crore	
As at	31.03.2015	31.03.2014
For goods and services#	7,107.63	7,223.96

Includes ₹ 556.41 crore (previous year ₹ 287.98 crore) share of jointly controlled entities.

10. Other current liabilities

	₹ Crore	
As at	31.03.2015	31.03.2014
Current maturities of long term borrowings		
Bonds-Secured	600.00	593.00
5.875% Foreign currency fixed rates note-Unsecured	1,895.70	-
From Banks		
Secured		
Rupee term loans	308.83	310.00
Unsecured		
Foreign currency loans	281.82	257.84

Notes forming part of Consolidated Financial Statements

	₹ Crore	
As at	31.03.2015	31.03.2014
Rupee term loans	2,545.98	1,764.06
From Others		
Secured		
Rupee term loans	261.33	395.34
Unsecured		
Foreign currency loans (guaranteed by GOI)	154.61	173.40
Other foreign currency loans	406.02	393.67
Rupee term loans	1794.64	1591.93
Fixed deposits	-	0.43
	8,248.93	5,478.97
Current maturities of finance lease obligations-Secured	-	0.07
Interest accrued but not due on borrowings	835.80	811.80
Interest accrued and due on borrowings	167.59	47.87
Unpaid dividends	14.97	14.21
Unpaid matured deposits and interest accrued thereon	0.21	0.22
Unpaid matured bonds and interest accrued thereon	0.72	0.58
Unpaid bond refund money-Tax free bonds	0.16	0.52
Book overdraft	546.01	3.07
Advances from customers and others	600.51	508.10
Payable for capital expenditure	7,581.86	5,279.85
Derivative MTM Liability	4.59	-
Other payables		
Tax deducted at source and other statutory dues	320.98	255.49
Deposits from contractors and others	764.01	952.28
Gratuity obligations	0.32	30.10
Payable to employees	331.54	288.68
Others	783.94	755.37
Total #	20,202.14	14,427.18

Includes ₹ 2,151.13 crore (previous year ₹ 1,640.00 crore) share of jointly controlled entities.

- Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in Note 5.
- Interest accrued and due on borrowings pertains to M/s Ratnagiri Gas & Power Private Limited, a joint Venture of the Company.
- Unpaid dividends, matured deposits, bonds and interest include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/other securities or are on hold pending legal formalities etc. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred.
- Payable for capital expenditure includes liabilities of ₹ 142.92 crore (previous year ₹ 165.11 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.
- The Company had obtained exemption from the Ministry of Corporate Affairs (MCA), GOI in respect of applicability of Section 58A of Companies Act, 1956 in respect of public deposits, for the employees rehabilitation scheme deposits obtained from dependants of employees who die or suffer permanent total disability. Consequent upon enactment of the Companies Act, 2013, the Company has applied to the MCA for continuation of above exemption, which is still awaited. The Company has been advised that the exemption earlier granted shall hold good.
- Other payables - Others include amount payable to hospitals, retired employees, parties for stale cheques, etc.

11. Short-term provisions

	₹ Crore	
As at	31.03.2015	31.03.2014
Provision for		
Employee benefits	1,186.50	1,088.52
Proposed dividend	1,442.96	1,491.06
Tax on proposed dividend	300.83	253.41
Obligations incidental to land acquisition	3,244.70	3,001.72
Tariff adjustment	1,263.75	1,293.69
Others	557.67	451.93
Total #	7,996.41	7,580.33

Includes ₹ 92.98 crore (previous year ₹ 146.50 crore) share of jointly controlled entities.

- Disclosure as per AS 15 on 'Employee Benefits' has been made in Note 40.
- Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note 48.
- The Company aggrieved over many of the issues as considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. Towards the above and other anticipated tariff adjustments, provision of ₹ 150.22 crore (previous year ₹ 122.96 crore) has been made during the year and in respect of some of the stations, an amount of ₹ 180.16 crore (previous year ₹ 162.56 crore) has been written back.
- Provision for Others include ₹ 58.64 crore (previous year ₹ 53.64 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, ₹ 440.35 crore (previous year ₹ 378.52 crore) towards provision for litigation cases and ₹ 6.06 crore (previous year ₹ 6.17 crore) towards provision for shortage in fixed assets pending investigation, provision for current tax of ₹ 24.05 crore (previous year ₹ 5.20 crore) and provision for custome duty of ₹ 23.13 crore (previous year ₹ 23.13 crore).

Notes forming part of Consolidated Financial Statements

12. Tangible assets

	Gross Block			Depreciation/Amortisation				Net Block		₹ Crore
	As at 01.04.2014	Additions	Deduction/ Adjustment	As at 31.03.2015	Upto 01.04.2014	For the year	Deduction/ Adjustment	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
	Land									
(including development expenses)										
Freehold	6,959.12	411.14	(349.18)	7,719.44	-	-	-	-	7,719.44	6,959.12
Leasehold	2,439.33	645.07	(155.55)	3,239.95	444.40	60.84	(12.03)	517.27	2,722.68	1,994.93
Roads, bridges, culverts & helipads	741.71	103.49	(77.40)	922.60	234.05	31.51	(0.15)	265.71	656.89	507.66
Buildings										
Freehold										
Main plant	5,419.18	458.93	66.25	5,811.86	1,550.73	158.87	25.66	1,683.94	4,127.92	3,868.45
Others	2,932.72	405.19	(158.72)	3,496.63	1,104.12	127.32	(22.46)	1,253.90	2,242.73	1,828.60
Leasehold	51.59	-	(0.01)	51.60	29.64	1.89	0.03	31.50	20.10	21.95
Temporary erection	40.95	6.11	1.76	45.30	37.03	7.00	1.42	42.61	2.69	3.92
Water supply, drainage & sewerage system	729.78	42.12	(6.83)	778.73	345.14	24.55	0.96	368.73	410.00	384.64
MGR track and signalling system	1,408.45	166.14	(4.25)	1,578.84	685.08	52.13	4.20	733.01	845.83	723.37
Railway siding	653.01	117.66	(44.39)	815.06	208.59	35.99	-	244.58	570.88	444.42
Earth dam reservoir	339.07	-	(1.84)	340.91	128.63	16.81	(0.01)	145.45	195.46	210.44
Plant and equipment										
Owned	106,916.81	7,321.76	(2,279.99)	116,518.56	41,053.20	5,164.07	535.04	45,682.23	70,836.33	65,863.61
Leased	60.00	-	-	60.00	1.06	3.17	-	4.23	55.77	58.94
Furniture and fixtures	482.15	39.87	3.46	518.56	272.34	21.27	3.72	289.89	228.67	209.81
Vehicles including speedboats										
Owned	12.02	2.44	0.42	14.04	5.70	0.97	0.26	6.41	7.63	6.32
Leased	0.59	-	0.59	-	0.54	0.04	0.58	-	-	0.05
Office equipment	182.82	26.81	2.57	207.06	87.88	14.51	0.57	101.82	105.24	94.94
EDP, WP machines and satcom equipment	413.43	43.92	13.08	444.27	291.43	40.50	6.42	325.51	118.76	122.00
Construction equipments	191.57	27.43	0.22	218.78	100.48	11.92	0.84	111.56	107.22	91.09
Electrical installations	464.86	36.19	(21.99)	523.04	183.01	20.15	-	203.16	319.88	281.85
Communication equipments	106.21	4.52	(0.01)	110.74	57.91	5.16	0.67	62.40	48.34	48.30
Hospital equipments	36.52	3.38	(0.02)	39.92	17.29	1.45	0.11	18.63	21.29	19.23
Laboratory and workshop equipments	62.67	13.12	(1.86)	77.65	17.77	3.27	(0.63)	21.67	55.98	44.90
Assets under 5 KM scheme of the GOI	99.80	12.43	(4.64)	116.87	20.67	25.44	-	46.11	70.76	79.13
Capital expenditure on assets not owned by the Company	259.49	2.12	(16.55)	278.16	169.39	19.38	-	188.77	89.39	90.10
Assets of Government	2.81	-	-	2.81	-	-	-	-	2.81	2.81
Less: Grants from Government	2.81	-	-	2.81	-	-	-	-	2.81	2.81
Assets for ash utilisation	4.58	12.72	-	17.30	-	-	-	-	17.30	4.58
Less: Adjusted from fly ash utilisation reserve fund	4.58	12.72	-	17.30	-	-	-	-	17.30	4.58
Total #	131,003.85	9,889.84	(3,034.88)	143,928.57	47,046.08	5,848.21	545.20	52,349.09	91,579.48	83,957.77
Previous year	113,425.80	13,377.52	(4,200.53)	131,003.85	41,847.46	5,429.88	231.26	47,046.08	83,957.77	71,578.34

Net block includes ₹ 11,911.66 crore (previous year ₹ 11,204.26 crore) share of jointly controlled entities.

- a) The conveyancing of the title to 10,059 acres of freehold land of value ₹ 2,006.16 crore (previous year 11,666 acres of value ₹ 2,614.90 crore), buildings & structures of value ₹ 50.43 crore (previous year ₹ 50.32 crore) and also execution of lease agreements for 13,844 acres of land of value ₹ 1,729.49 crore (previous year 11,071 acres, value ₹ 760.83 crore) in favour of the Company are awaiting completion of legal formalities.
- b) Leasehold land includes 2,748 acres valuing ₹ 606.83 crore (previous year 818 acres valuing ₹ 29.67 crore) acquired on perpetual lease and accordingly not amortised.
- c) Land does not include value of 33 acres (previous year 33 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 1,302 acres of value ₹ 72.55 crore (previous year 1,523 acres of value ₹ 173.82 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
- e) Land includes an amount of ₹ 179.65 crore (previous year ₹ 168.41 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.
- f) Possession of land measuring 98 acres (previous year 98 acres) consisting of 79 acres of freehold land (previous year 79 acres) and 19 acres of lease hold land (previous year 19 acres) of value ₹ 0.21 crore (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ 0.21 crore. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note -10 - 'Other Current Liabilities' -as other liabilities.
- g) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 29th September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ 6.24 crore (previous year ₹ 6.24 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.
During the year, ICAI has issued an exposure draft of AS-10 'Property, Plant & Equipment' which would replace the existing AS-10 'Accounting for Fixed Assets'. Para 9 of the said exposure draft and explanation thereto provides for capitalisation of such expenditure along-with the project cost. The final AS-10 'Property, Plant & Equipment' is yet to be issued by the Ministry of Corporate Affairs (MCA), GOI. Pending receipt of communication from the ICAI regarding the review of opinion & notification of the Revised AS-10 by the MCA, the Company continues to account for the said expenditure as per accounting policy no. E.4.
- i) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP), Government of India scheme.

Notes forming part of Consolidated Financial Statements

- 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) Refer Note 44 (a) (ii) regarding plant and equipment under finance lease.
- l) Refer Note 3 (a) regarding assets for ash utilisation.
- m) Deduction/adjustments from gross block and depreciation/amortisation for the year includes: ₹ Crore

	Gross Block		Depreciation/Amortisation	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Disposal of assets	12.02	9.33	9.75	7.34
Retirement of assets	582.82	284.52	437.86	207.79
Cost adjustments including exchange differences	(3,741.64)	(4,774.07)	(0.07)	-
Assets capitalised with retrospective effect/write back of excess capitalisation	(323.18)	(52.52)	(12.57)	(1.52)
Others	435.10	332.21	110.23*	17.65
	<u>(3,034.88)</u>	<u>(4,200.53)</u>	<u>545.20</u>	<u>231.26</u>

* Includes ₹ 5.47 crore (before adjustment of deferred tax) which has been adjusted from general reserve (refer Note 3 h).

- n) The borrowing costs capitalised during the year ended 31st March 2015 is ₹ 3,810.43 crore (previous year ₹ 3,158.17 crore). The Company capitalised the borrowing costs in the capital work-in-progress (CWIP). Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

	For the year ended		31 st March 2015		For the year ended		31 st March 2014	
	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	Exch. difference incl in fixed assets/ CWIP	Borrowing costs incl in fixed assets/ CWIP	Exch. difference incl in fixed assets/ CWIP	Borrowing costs incl in fixed assets/ CWIP
Buildings								
Main plant	(16.90)	248.64	5.90	197.64				
Others	(1.71)	60.66	0.92	65.20				
Hydraulic works, barrages, dams, tunnels and power channel	-	375.67	-	302.47				
MGR track and signalling system	-	21.94	0.03	19.18				
Railway siding	(1.39)	16.88	0.03	22.93				
Plant and equipment	46.27	2,556.96	1,152.13	2,244.18				
Others including pending allocation	322.21	529.68	723.73	306.57				
Total	348.48	3,810.43	1,882.74	3,158.17				

Intangible assets

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2014	Additions	Deduction/ Adjustment	As at 31.03.2015	Upto 01.04.2014	For the year	Deduction/ Adjustment	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
	Software	101.24	18.77	0.03	119.98	96.91	5.53	0.06	102.38	17.60
Right of Use- Land	50.36	5.95	(1.58)	57.89	8.05	2.96	(0.01)	11.02	46.87	42.31
- Others	237.67	-	(13.93)	251.60	34.72	10.21	(0.01)	44.94	206.66	202.95
Licence fee for technical collaboration	-	2.09	-	2.09	-	0.30	-	0.30	1.79	-
Total #	389.27	26.81	(15.48)	431.56	139.68	19.00	0.04	158.64	272.92	249.59
Previous year	377.35	7.95	(3.97)	389.27	123.60	15.89	(0.19)	139.68	249.59	253.75

Net block includes ₹ 10.63 crore (previous year ₹ 8.54 crore) share of jointly controlled entities.

- a) The right of use of land & others are amortized over the period of legal right to use or life of the related plant, whichever is less.
- b) Right to use-land includes ₹ 52.01 crore (previous year ₹ 44.49 crore) and right to use-others includes ₹ 248.08 crore (previous year ₹ 234.15 crore) which are amortised over a period of more than ten years considering the useful life of these assets as per the related agreements / arrangements.
- c) Cost of acquisition of the right for drawl of water amounting to ₹ 248.08 crore (previous year ₹ 234.15 crore) and right of use of CW channel amounting to ₹ 3.52 crore (previous year ₹ 3.52 crore) are included under intangible assets - Right of use - Others.
- d) Deduction/adjustments from gross block and amortisation for the year includes:

	Gross Block		Amortisation	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Cost adjustments	(15.51)	(3.28)	-	-
Assets capitalised with retrospective effect/write back of excess capitalisation	-	(0.67)	-	(0.17)
Others	0.03	(0.02)	0.04	(0.02)
	<u>(15.48)</u>	<u>(3.97)</u>	<u>0.04</u>	<u>(0.19)</u>

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2015	31.03.2014
Charged to Statement of Profit and Loss	5,564.61	4,769.99
Allocated to the fuel cost	306.15	266.41
Transferred to expenditure during construction period (net) - Note 28	84.71	273.56
Transferred to development of coal mines	1.86	1.33
Adjustment with deferred income/expense from deferred foreign currency fluctuation	(90.12)	134.48
	<u>5,867.21</u>	<u>5,445.77</u>

Notes forming part of Consolidated Financial Statements

13. Capital work-in-progress

	₹ Crore				
	As at 01.04.2014	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2015
Development of land	814.81	306.35	156.86	0.30	964.00
Roads, bridges, culverts & helipads	159.25	112.73	43.37	101.73	126.88
Piling and foundation	826.33	33.98	218.80	-	641.51
Buildings					
Main plant	2,993.77	1,353.12	111.52	440.78	3,794.59
Others	937.95	741.49	(19.19)	402.74	1,295.89
Temporary erection	33.11	35.36	6.52	5.96	55.99
Water supply, drainage and sewerage system	65.40	33.94	(16.82)	40.48	75.68
Hydraulic works, barrages, dams, tunnels and power channel	4,755.86	528.18	15.07	-	5,268.97
MGR track and signalling system	348.45	156.39	9.42	166.13	329.29
Railway siding	301.33	290.23	70.11	117.66	403.79
Earth dam reservoir	50.23	29.93	1.77	-	78.39
Plant and equipment	34,407.75	19,994.82	1,392.52	7,304.65	45,705.40
Furniture and fixtures	19.61	25.91	(1.53)	23.88	23.17
Vehicles	0.20	-	(0.01)	0.21	-
Office equipment	3.70	3.06	0.10	5.00	1.66
EDP/WP machines & satcom equipment	2.13	8.21	0.16	7.05	3.13
Construction equipments	0.53	3.66	0.46	1.70	2.03
Electrical installations	241.19	271.24	10.98	26.80	474.65
Communication equipments	2.08	1.88	0.79	0.87	2.30
Hospital equipments	0.34	0.13	-	0.34	0.13
Laboratory and workshop equipments	0.37	0.24	0.17	0.38	0.06
Assets under 5 KM scheme of the GOI	12.49	5.29	5.35	12.43	-
Capital expenditure on assets not owned by the company	58.03	33.66	10.96	2.13	78.60
Development of coal mines	636.53	449.96	-	-	1,086.49
	46,671.44	24,419.76	2,017.38	8,661.22	60,412.60
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	396.19	39.31	20.23	-	415.27
Difference in exchange on foreign currency loans	1,500.25	320.56	289.46	-	1,531.35
Pre-commissioning expenses (net)	138.16	283.47	366.88	-	54.75
Expenditure during construction period (net)	629.48	4,881.82 *	93.04	-	5,418.26
Less: Allocated to related works	-	4,678.54	-	-	4,678.54
	49,335.52	25,266.38	2,786.99	8,661.22	63,153.69
Less: Provision for unserviceable works	69.23	41.95	5.18	-	106.00
Construction stores (net of provision)	4,552.86	(76.24)	-	-	4,476.62
Total #	53,819.15	25,148.19	2,781.81	8,661.22	67,524.31
Previous year	46,553.36	21,682.40	2,967.16	11,449.45	53,819.15

Includes ₹ 3,813.72 crore (previous year ₹ 2,944.28 crore) share of jointly controlled entities.

* Brought from expenditure during construction period (net) - Note 28

- Construction stores are net of provision for shortages pending investigation amounting to ₹ 5.68 crore (previous year ₹ 1.21 crore).
- Pre-commissioning expenses for the year amount to ₹ 326.53 crore (previous year ₹ 436.68 crore) and after adjustment of pre-commissioning sales of ₹ 58.09 crore (previous year ₹ 37.65 crore) resulted in net pre-commissioning expenditure of ₹ 268.44 crore (previous year ₹ 399.03 crore).
- Additions to the development of coal mines includes expenditure during construction period (net) of ₹ 153.90 crore (previous year ₹ 260.37 crore).
- Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP), Government of India scheme.

13A. Intangible Assets Under Development

	₹ Crore				
	As at 01.04.2014	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2015
Software	2.54	5.19	(2.56)	10.19	0.10
License fee for technical collaboration	1.34	0.75	-	2.09	-
Exploratory wells-in-progress	9.57	30.15	1.80	-	37.92
	13.45	36.09	(0.76)	12.28	38.02
Less: Provision for unserviceable works	7.64	-	-	-	7.64
Total #	5.81	36.09	(0.76)	12.28	30.38
Previous year	1.28	4.46	(0.07)	-	5.81

Includes ₹ Nil (previous year ₹ 3.88 crore) share of jointly controlled entities.

Notes forming part of Consolidated Financial Statements

14. Non-current Investments

₹ Crore

As at			31.03.2015	31.03.2014
	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)		
Long term-Trade				
Equity instruments (fully paid up-unless otherwise stated)				
Quoted				
PTC India Ltd.	12000000 (12000000)	10 (10)	12.00	12.00
			12.00	12.00
Cooperative societies				
Bonds (fully paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of Andhra Pradesh				
	-	-	-	126.07
Assam	(1260650)	(1000)	-	5.15
Bihar	(51464)	(1000)	-	189.44
Chattisgarh	(1894400)	(1000)	-	48.32
Gujarat	(483220)	(1000)	-	83.72
Haryana	(837240)	(1000)	-	107.50
Himachal Pradesh	(1075000)	(1000)	-	3.34
Jammu and Kashmir	(33388)	(1000)	-	36.74
Jharkhand	(367360)	(1000)	-	96.01
Kerala	(960136)	(1000)	-	100.24
Madhya Pradesh	(1002400)	(1000)	-	83.08
Maharashtra	(830840)	(1000)	-	38.14
Orissa	(381400)	(1000)	-	110.29
Punjab	(1102874)	(1000)	-	34.62
Rajasthan	(346230)	(1000)	-	29.00
Sikkim	(290000)	(1000)	-	3.42
Uttar Pradesh	(34196)	(1000)	-	398.99
Uttaranchal	(3989900)	(1000)	-	39.97
West Bengal	(399650)	(1000)	-	117.42
	(1174248)	(1000)	-	1,651.46
Non-Trade Investment (at cost) in Shares			2.12	-
Total#			14.12	1,663.46
# Share of jointly controlled entities is ₹2.12 crore (previous year Nil).				
Quoted investments				
Book value			12.00	12.00
Market value			97.08	81.36
Unquoted investments				
Book value			2.12	1,651.46

Investments have been valued considering the accounting policy no. K (Note1).

* Equity shares of ₹ 30,200/- (previous year ₹ 30,200/-) held in various employee co-operative societies.

Notes forming part of Consolidated Financial Statements

15. Long-term loans and advances (Considered good, unless otherwise stated)

As at	31.03.2015	31.03.2014
₹ Crore		
Capital Advances		
Secured	19.65	21.49
Unsecured		
Covered by bank guarantee	4,702.24	5,266.24
Others	3,779.29	4,380.64
Considered doubtful	2.06	2.59
Less: Allowance for bad & doubtful advances	2.06	2.59
	8,501.18	9,668.37
Security deposits (unsecured)	162.73	147.05
Loans		
Related parties		
Unsecured	-	0.01
Employees (including accrued interest)		
Secured	409.24	405.97
Unsecured	139.60	144.58
Loan to state government in settlement of dues from customers (unsecured)	47.86	143.59
Others		
Secured	35.00	40.00
Unsecured	0.60	0.59
Considered Doubtful	-	0.22
Less: Allowance for bad & doubtful loans	-	0.22
	632.30	734.74
Advances		
Unsecured		
Contractors & Suppliers	2,286.56	623.78
Others	4.04	3.66
	2,290.60	627.44
Advance tax deposit & tax deducted at source	12,232.11	9,932.14
Less: Provision for current tax	7,281.71	7,039.14
	4,950.40	2,893.00
MAT credit recoverable	94.07	86.20
Cenvat Credit / Service tax recoverable	0.34	0.55
Total #	16,631.62	14,157.35

Includes ₹ 703.24 crore (previous year ₹ 906.21 crore) share of jointly controlled entities.

- a) Capital advances include ₹ 268.72 crore (previous year ₹ 252.22 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) Capital advances include advances to related parties of ₹ 8.98 crore (previous year ₹ 0.02 crore).
- c) Other loans (secured) represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).
- d) Advances to contractors & suppliers include payments to Railways under Customer funding model as per policy on 'Participative model for rail-connectivity and capacity augmentation projects' issued by Ministry of Railways, GOI. As per the policy, the railway projects agreed between the company and Railways will be constructed, maintained and operated by Railways and ownership of the line and its operations & maintenance will always remain with them. Railways will pay upto 7% of the amount invested through freight rebate on freight volumes every year till the funds provided by the Company are recovered with interest at a rate equal to the prevailing rate of dividend payable by Railways to General exchequer at the time of signing of the agreement, which is pending as at 31st March 2015.

15A. Other non-current assets

As at	31.03.2015	31.03.2014
₹ Crore		
Long term trade receivables		
Unsecured, considered good	32.96	11.67
Deferred foreign currency fluctuation asset	1,231.84	1,368.32
Claims recoverable	466.28	426.00
Total #	1,731.08	1,805.99

Includes ₹ 34.31 crore (previous year ₹ 13.36 crore) share of jointly controlled entities.

- a) In line with accounting policy no. M.3 & M.4 (Note 1), deferred foreign currency fluctuation asset has been accounted and (-) ₹ 110.15 crore (previous year (-) ₹ 257.31 crore) being exchange fluctuations on account of foreign currency loans has been recognised as energy sales in Note 22.
- b) Claims recoverable represents the cost incurred upto 31st March 2015 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power (MOP), GOI. This includes ₹ 214.34 crore (previous year ₹ 176.22 crore) in respect of arbitration awards 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.

Notes forming part of Consolidated Financial Statements

16. Current investments

As at			31.03.2015	31.03.2014
	Number of bonds/ securities Current year/ (previous year)	Face value per bond/ security Current year/ (previous year) (₹)		₹ Crore
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	960136 (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	290000 (145000)	"1000 (1000)"	29.00	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
			1,651.46	1,636.96
Investment in mutual funds (unquoted)				
UTI Liquid Cash Plan - IP - Direct - DDR*			151.36	-
IDBI Liquid Fund - Direct - DDR*			75.24	-
Reliance liquid fund-Treasury plan-Direct daily dividend option			7.57	-
Reliance liquid fund-Treasury plan-Direct daily dividend option			0.75	-
Birla sunlife cash plus - Daily dividend - Direct plan - Reinvestment			1.01	-
			235.93	-
Total#			1,887.39	1,636.96
# Share of jointly controlled entities is ₹9.33 crore (previous year Nil).				
Unquoted investments				
Book value				
			1,887.39	1,636.96

* Investments out of fly ash utilization reserve fund.

- a) Investments have been valued considering the accounting policy no.K (Note 1).
b) The above investments are unquoted and hence market value is not applicable.

Notes forming part of Consolidated Financial Statements

17. Inventories

	₹ Crore	
As at	31.03.2015	31.03.2014
Coal	4,011.52	2,185.29
Fuel oil	361.21	371.89
Naphtha	139.81	166.82
Stores and spares	2,902.13	2,783.86
Chemicals & consumables	70.30	68.08
Loose tools	7.81	7.20
Steel Scrap	25.48	28.16
Others	541.44	450.25
	8,059.70	6,061.55
Less: Provision for shortages	5.52	2.26
Provision for obsolete/ unserviceable items/ diminution in value of surplus inventory	81.72	70.81
Total #	7,972.46	5,988.48
# Includes ₹ 491.27 crore (previous year ₹ 594.41 crore) share of jointly controlled entities.		
Inventories include material-in-transit		
Coal	471.73	164.99
Stores and spares	40.89	47.78
Chemicals & consumables	0.38	0.83
Loose tools	0.04	0.27
Others	0.84	4.35
	513.88	218.22

a) Inventory items, other than steel scrap have been valued considering the accounting policy no. L.1 (Note 1). Steel scrap has been valued at estimated realisable value.

b) Inventories-Others include steel, cement, ash bricks etc.

18. Trade Receivables

	₹ Crore	
As at	31.03.2015	31.03.2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	463.32	455.33
Considered doubtful	95.03	0.03
	558.35	455.36
Others		
Unsecured, considered good	8,786.60	6,270.33
Considered doubtful	0.77	-
	8,787.37	6,270.33
Less: Allowance for bad and doubtful receivables	95.80	0.03
Total #	9,249.92	6,725.66
# Includes ₹ 1,014.78 crore (previous year ₹ 1,177.30 crore) share of jointly controlled entities.		

19. Cash and bank balances

	₹ Crore	
As at	31.03.2015	31.03.2014
Cash & cash equivalents		
Balances with banks		
Current accounts	289.22	164.63
Cash credit accounts	7.01	0.66
Deposits with original maturity of upto three months	272.38	667.97
Cheques & drafts on hand	59.68	66.52
Balance with Reserve Bank of India	30.80	30.79
Others (cash/stamps on hand)	0.13	0.08
	659.22	930.65
Other bank balances		
Deposits with original maturity of more than three months ^(a)	13,249.95	16,104.91
Earmarked balances with banks ^(b)	342.44	15.11
Total #	14,251.61	17,050.67
# Includes ₹ 367.94 crore (previous year ₹ 419.57 crore) share of jointly controlled entities.		
a) Includes deposits with original maturity of more than twelve months from the date of deposit amounting to ₹ 2,750.23 crore (previous year ₹ 6.07 crore).		
b) Earmarked balances with banks consist of:		
Deposits with original maturity of more than three months and maturing before 31 st March 2016 towards redemption of bonds due for repayment within one year.	100.00	-
Deposits with original maturity of more than three months and maturing before 31 st March 2016 - fly ash utilisation reserve fund*	193.77	-
Deposits with original maturity of more than three months and maturing before 31 st March 2016 - towards public deposit repayment reserve	0.08	-
Unpaid dividend account balance	14.97	14.21
Deposits with original maturity upto three months - as per court orders	12.21	-
Deposits with original maturity more than three months and maturing before 31 st March 2016- as per court orders	12.43	-
Unpaid interest/refund account balance - tax free bonds	0.30	0.52
Towards unpaid interest on public deposit	0.03	0.03
Margin money kept with RBI earmarked for fixed deposits from public	-	0.02
Security with government authorities	0.02	0.02
Margin money with banks	8.63	0.31
	342.44	15.11

*Refer Note 3 regarding fly ash utilisation reserve fund.

Notes forming part of Consolidated Financial Statements

20. Short-term loans and advances (Considered good, unless otherwise stated)

As at	31.03.2015	31.03.2014
₹ Crore		
Loans		
Related parties		
Unsecured	0.01	0.09
Employees (including accrued interest)		
Secured	77.29	77.93
Unsecured	95.60	95.49
Considered doubtful	0.02	-
Loan to state government in settlement of dues from customers-Unsecured	95.73	95.73
Others		
Secured	5.00	10.00
Unsecured	0.01	0.06
Less: Allowance for bad & doubtful loans	0.02	-
	273.64	279.30
Advances		
Related parties		
Unsecured	3.78	1.83
Employees		
Unsecured	12.17	10.86
Considered doubtful	0.03	0.03
Contractors & suppliers		
Unsecured	1,216.21	1,908.91
Considered doubtful	1.61	2.33
Others		
Unsecured	191.29	132.70
Considered doubtful	1.01	1.03
Less: Allowance for bad & doubtful advances	2.65	3.39
	1,423.45	2,054.30
Security deposits (unsecured)	759.61	896.55
Total #	2,456.70	3,230.15

Includes ₹ 237.13 crore (previous year ₹ 200.87 crore) share of jointly controlled entities.

a) Other loans (secured) represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

b) Other advances include prepaid expenses amounting to ₹ 69.55 crore (previous year ₹ 64.92 crore).

c) Security deposits (unsecured) include ₹ 224.15 crore (previous year ₹ 211.92 crore) towards sales tax deposited with sales/commercial tax authorities, ₹ 306.30 crore (previous year ₹ 308.73 crore) deposited with Courts and ₹ 160.97 crore (₹ 143.80 crore) deposited with LIC for making annuity payments to the land oustees.

21. Other Current Assets

As at	31.03.2015	31.03.2014
₹ Crore		
Interest accrued on		
Bonds	105.28	174.24
Term deposits	424.31	621.02
Others	38.71	48.46
	568.30	843.72
Claims recoverable		
Unsecured, considered good	2,130.34	1,743.50
Considered doubtful	13.40	13.77
Less: Allowance for doubtful claims	13.40	13.77
	2,130.34	1,743.50
Unbilled revenue	3,243.52	7,148.37
Assets held for disposal	2.19	2.68
Hedging cost recoverable	4.59	-
Others	24.60	15.20
Total #	5,973.54	9,753.47

Includes ₹ 420.51 crore (previous year ₹ 247.59 crore) share of jointly controlled entities.

a) Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

b) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ 7,072.92 crore (previous year ₹ 7,550.01 crore) billed to the beneficiaries after 31st March for energy sales, sale of goods and services.

22. Revenue from operations (gross)

For the year ended	31.03.2015	31.03.2014
₹ Crore		
Energy sales (including electricity duty)	79,818.95	78,618.65
Consultancy, project management and supervision fee	467.10	410.86
Sale of goods (including excise duty)	354.16	118.95
Regasification charges -LNG	48.74	27.73
	80,688.95	79,176.19
Sale of fly ash/ash products	115.11	119.66
Less: Transferred to fly ash utilisation reserve fund [refer note 3 a]	115.11	119.66
	-	-
Energy internally consumed	90.92	87.08
Other operating revenues		
Interest from beneficiaries	332.82	131.48
Recognized from deferred foreign currency fluctuation liability	3.12	1.56
Rebate on energy purchase	38.38	34.18

Notes forming part of Consolidated Financial Statements

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Others	25.69	16.77
Provisions written back		
Tariff adjustments	180.16	162.56
Others	6.98	38.30
	<u>187.14</u>	<u>200.86</u>
Total#	<u>81,367.02</u>	<u>79,648.12</u>

Includes ₹4,796.14 crore (previous year ₹4,556.46 crore) share of jointly controlled entities.

- The CERC notified the Tariff Regulations, 2014 in February 2014 (Regulations, 2014). Pending issue of provisional/final tariff orders w.e.f. 1st April 2014 for all the stations, beneficiaries are billed in accordance with the tariff approved and applicable as on 31st March 2014 as provided in the Regulations 2014. The amount provisionally billed for the year ended 31st March 2015 is ₹ 76,952.89 crore (previous year ₹ 68,704.03 crore).
- The Company has filed a petition before the Hon'ble High Court of Delhi contesting certain provisions of the Regulations, 2014. Pending issue of provisional/final tariff orders under Regulations, 2014 by the CERC and disposal of the petition, sales have been provisionally recognised at ₹ 73,133.81 crore for the year ended 31st March 2015 (previous year ₹69,596.12 crore).
Pending disposal of the aforesaid petition, energy charges included in sales, in respect of the coal based stations, for the period upto July 2014 have been recognized based on the GCV 'as received at boiler end' and thereafter the GCV 'as received at the secondary crusher'.
- Sales include ₹679.62 crore for the year ended 31st March 2015 (previous year ₹ 2,086.82 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).
- Sales include (-) ₹1,399.42 crore for the year ended 31st March 2015 (previous year (-) ₹ 269.99 crore) on account of income-tax payable to the beneficiaries as per Regulations, 2004. Sales also include ₹ 113.96 crore for the year ended 31st March 2015 (previous year ₹ 77.02 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2014.
- Energy sales include sale of energy by M/s NVVN Ltd. amounting to ₹ 2,116.09 crore (previous year ₹ 2,223.77 crore)
- Electricity duty on energy sales amounting to ₹ 740.41 crore (previous year ₹ 691.04 crore) has been reduced from sales in the Statement of Profit and Loss.
- Revenue from operations include ₹ 90.92 crore (previous year ₹ 87.08 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges in Note 26.
- CERC Regulations provides that where after the triuing-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 ₹ 332.82 crore (previous year ₹ 131.48 crore) has been accounted as 'Interest from beneficiaries'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 26.
- Provisions written back - Others include provision for doubtful loans, advances, claims, debts and provision for shortage/obsolescence in stores, shortage in fixed assets, and unservicable CWIP.

23. Other Income

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Interest from		
Long-term investments - Government securities (8.5% tax free bonds)	245.04	382.95
Others		
Loan to state government in settlement of dues from customers (8.5% tax free)	18.31	26.44
Loan to employees	31.78	31.20
Contractors	61.95	55.70
Deposits with banks / Reserve Bank of India	1,317.36	1,689.38
Deposits with banks out of fly ash utilisation reserve fund	21.76	-
Less : Transferred to fly ash utilisation reserve fund [refer Note 3]	<u>21.76</u>	<u>-</u>
	-	-
Income tax refunds	48.59	155.20
Less : Refundable to beneficiaries	<u>36.40</u>	<u>80.53</u>
	12.19	74.67
Others	21.93	9.12
Dividend from		
Long-term investments in		
Joint ventures	-	71.98
Equity instruments	2.40	1.92
Current investments in		
Mutual funds	157.82	65.16
Current investments in mutual funds out of fly ash utilisation reserve fund	1.60	-
Less : Transferred to fly ash utilisation reserve fund [refer Note3]	<u>1.60</u>	<u>-</u>
	-	-
Other non-operating income		
Surcharge received from beneficiaries	54.20	92.61
Hire charges for equipment	4.04	3.14
Net gain in foreign currency transactions & translations	136.64	51.65
Sale of scrap	82.98	85.60
Liquidated damages recovered	10.91	12.89
Profit on redemption of current investments	-	28.53
Net gain on sale of current investments	0.65	3.15
Miscellaneous income	140.17	180.36
Profit on disposal of fixed assets	4.54	12.86
	<u>2,302.91</u>	<u>2,879.31</u>
Less: Transferred to expenditure during construction period (net)-Note 28	97.60	60.38
Transferred to development of coal mines	5.62	7.16
Transferred to deferred foreign currency fluctuation asset/liability	<u>120.78</u>	<u>51.65</u>
Total#	<u>2,078.91</u>	<u>2,760.12</u>

Includes ₹ 58.39 crore (previous year ₹ 48.17 crore) share of jointly controlled entities.

- Interest from others includes interest on advance to APIC for drawal of water and deposits with LIC towards annuity to the land losers.
- Miscellaneous income includes income from township recoveries and receipts towards insurance claims.
- The presentation of dividend from investments in Joint Ventures has been reviewed during the year considering the provisions of AS-27 and the same for the year amounting to ₹ 90.61 crore has been eliminated.

Notes forming part of Consolidated Financial Statements

24. Employee Benefits Expense

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Salaries and wages	3,758.44	3,556.61
Contribution to provident and other funds	526.04	1,013.77
Staff welfare expenses	597.76	466.36
	<u>4,882.24</u>	<u>5,036.74</u>
Less: Allocated to fuel cost	215.78	245.73
Transferred to fly ash utilisation reserve fund [refer Note 3]	20.33	21.21
Transferred to development of coal mines	38.53	41.10
Reimbursements for employees on deputation	25.76	17.32
Transferred to expenditure during construction period (net)- Note 28	692.15	672.75
Total #	<u>3,889.69</u>	<u>4,038.63</u>

Includes ₹ 169.31 crore (previous year ₹ 170.63 crore) share of jointly controlled entities.

- a) Disclosures as per AS 15 in respect of provision made towards various employee benefits are made in Note 40.
- b) Salaries and wages include special allowance paid by the Company to eligible employees serving in difficult and far flung areas w.e.f. 26th November 2008. As per the Office Memorandum dated 26th November 2008 of DPE relating to revision of pay scales w.e.f. 1st January 2007, special allowance can be paid to such employees upto 10% of basic pay as approved by concerned administrative ministry. In line with the office memorandum dated 22nd June 2010 of DPE, Board of Directors has approved the Special Allowance (Difficult and Far Flung Areas) to eligible employees. The approval of MOP for the same is awaited.

25. Finance Cost

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Interest on		
Bonds	1,182.58	961.67
Foreign currency term loans	244.61	253.96
Rupee term loans	5,234.59	4,427.22
Public deposits	0.03	0.05
Foreign currency bonds/notes	542.72	521.77
Cash credit	48.16	38.08
Others	15.75	26.86
	<u>7,268.44</u>	<u>6,229.61</u>
Other borrowing costs		
Guarantee fee	31.55	33.97
Management/arrangers fee	40.48	16.41
Foreign currency bonds/notes expenses	17.28	1.07
Others	23.05	103.10
	<u>112.36</u>	<u>154.55</u>
	<u>7,380.80</u>	<u>6,384.16</u>
Less : Transferred to expenditure during construction period (net)-Note 28	3,722.60	3,103.05
Transferred to development of coal mines	87.83	78.04
Total#	<u>3,570.37</u>	<u>3,203.07</u>

Includes ₹ 816.77 crore (previous year ₹ 794.06 crore) share of jointly controlled entities.

Other borrowing costs - Others include bond issue & service expenses, commitment charges, exposure premium, upfront fee and insurance premium & legal expenses on foreign currency loans.

26. Generation, administration & other expenses

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Power charges	250.05	340.33
Less: Recovered from contractors & employees	25.12	20.47
	<u>224.93</u>	<u>319.86</u>
Water Charges	511.13	471.59
Stores consumed	55.03	52.02
Rent	47.09	40.35
Less: Recoveries	9.58	8.07
	<u>37.51</u>	<u>32.28</u>
Load dispatch centre charges	38.04	146.11
Repairs & maintenance		
Buildings	201.63	197.57
Plant & machinery	2,199.97	2,024.64
Others	150.05	133.31
Insurance	138.79	130.75
Interest to beneficiaries	98.61	59.80
Rates and taxes	55.61	42.44
Water cess & environment protection cess	36.15	38.58
Training & recruitment expenses	27.32	29.67
Less: Receipts	1.44	3.30
	<u>25.88</u>	<u>26.37</u>

Notes forming part of Consolidated Financial Statements

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Communication expenses	47.92	47.90
Travelling expenses	222.79	214.27
Tender expenses	41.55	33.85
Less: Receipt from sale of tenders	3.30	3.32
	38.25	30.53
Payment to auditors	4.37	3.64
Advertisement and publicity	20.88	15.37
Security expenses	472.18	406.69
Entertainment expenses	24.19	15.64
Expenses for guest house	26.13	24.14
Less: Recoveries	3.04	2.88
	23.09	21.26
Education expenses	36.39	38.09
Community development and welfare expenses	113.83	75.91
Less: Grants-in-aid	-	0.93
	113.83	74.98
Donation	-	0.22
Ash utilisation & marketing expenses	12.69	11.92
Directors sitting fee	0.49	0.47
Professional charges and consultancy fees	46.76	159.25
Legal expenses	40.53	32.53
EDP hire and other charges	19.38	18.48
Printing and stationery	13.60	14.94
Oil & gas exploration expenses	29.63	3.41
Hiring of Vehicles	84.04	75.47
Rebate to customers & reimbursement of LC charges on sales realisation	655.20	621.12
Net loss in foreign currency transactions & translations	6.39	22.57
Cost of hedging	8.95	1.89
Horticulture expenses	31.29	26.46
Hire charges of helicopter/aircraft	12.63	12.74
Hire charges of construction equipments	9.44	10.86
Transport vehicle running expenses	7.89	8.78
Miscellaneous expenses	91.89	80.74
Loss on disposal/write-off of fixed assets	147.22	75.51
	5,995.24	5,721.05
Less: Allocated to fuel cost	352.53	312.03
Transferred to fly ash utilisation fund	26.37	23.67
Transferred to development of coal mines	19.05	129.63
Transferred to deferred foreign currency fluctuation asset/liability	6.22	6.84
Hedging cost recoverable from beneficiaries	4.59	-
Transferred to expenditure during construction period(net) - Note 28	459.45	505.67
	5,127.03	4,743.21
Provisions for		
Tariff adjustments	150.22	122.96
Obsolescence in stores	14.19	10.36
Unserviceable capital works	41.95	6.63
Unfinished minimum work programme for oil and gas exploration	5.00	7.36
Others	20.48	13.23
	231.84	160.54
Total #	5,358.87	4,903.75
# Includes ₹ 326.78 crore (previous year ₹ 311.00 crore) share of jointly controlled entities.		
a) Spares consumption included in repairs and maintenance	1,140.10	1,112.67
b) Details in respect of payment to auditors:		
As auditor		
Audit fee	1.39	1.27
Tax audit fee	0.46	0.40
Limited review	0.70	0.62
In other capacity		
Other services (certification fee)	0.59	0.58
Reimbursement of expenses	0.82	0.44
Reimbursement of service tax	0.41	0.33
Total	4.37	3.64

- c) CERC Regulations provides that where after the true-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 by the Company amounting to ₹ 98.11 crore (previous year ₹ 59.37 crore) has been accounted and disclosed as 'Interest to beneficiaries'.
- d) Miscellaneous expenses include expenditure on books & periodicals, operating expenses of DG sets, brokerage & commission, bank charges, furnishing expenses etc.
- e) Provisions-Others include provision for doubtful loans, advances, claims, debts and provision for shortage/obsolescence in stores, shortage in fixed assets and arbitration cases.

Notes forming part of Consolidated Financial Statements

27. Prior period items (Net)

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
Revenue		
Sales	208.32	0.41
Others	(9.56)	0.96
	<u>198.76</u>	<u>1.37</u>
Expenditure		
Employee benefits expense	0.37	(0.94)
Finance costs		
Interest	(132.29)	-
Depreciation and amortisation	15.62	3.73
Generation, administration and other expenses		
Repairs and maintenance	4.22	1.35
Others	12.58	7.90
	<u>(99.50)</u>	<u>12.04</u>
Net expenditure/(revenue)	(298.26)	10.67
Less: Transferred to expenditure during construction period (net)-Note 28	20.51	(1.21)
Transferred to deferred foreign currency fluctuation asset/liability	(0.55)	-
Transferred to development of coal mines	-	0.03
Total #	(318.22)	11.85

Includes ₹ 4.68 crore (previous year (-) ₹ 0.99 crore) share of jointly controlled entities.

- In line with the accounting policy on advance against depreciation, excess of depreciation charged in the books over the depreciation recovered in tariff, amounting to ₹ 208.32 crore upto 31st March 2014 has been recognised as prior period sales.
- During the year, the EAC of the ICAI has opined, on a reference by the Company, that interest paid/payable on land compensation till final award of the Court should be considered as a component of purchase/acquisition price of land since such interest is the result of the process of acquisition of land as per the Act. Any interest beyond the final award of the court should be treated as revenue expenditure and charged to the Statement of Profit and Loss. Accordingly, interest on land compensation amounting to ₹ 132.86 crore charged to Statement of Profit & Loss in previous years has been reversed and treated as cost of land by credit to prior period interest.

28. Expenditure During Construction Period (Net)

	₹ Crore	
For the year ended	31.03.2015	31.03.2014
A. Employee benefits expense		
Salaries and wages	561.19	509.64
Contribution to provident and other funds	79.67	118.89
Staff welfare expenses	51.29	44.22
Total (A)	692.15	672.75
B. Finance costs		
Interest on		
Bonds	623.58	426.37
Foreign currency term loans	102.14	107.68
Rupee term loans	2,705.23	2,146.12
Foreign currency bonds/notes	221.09	284.19
Others	-	22.92
Other borrowing costs		
Foreign currency bonds/notes expenses	16.41	1.07
Management/arrangers/upfront fee	47.51	16.41
Others	6.64	98.29
Total (B)	3,722.60	3,103.05
C. Depreciation and amortisation	84.71	273.56
D. Generation, administration & other expenses		
Power charges	147.06	247.61
Less: Recovered from contractors & employees	3.04	2.22
	<u>144.02</u>	<u>245.39</u>
Water charges	4.50	1.76
Rent	8.15	7.58
Repairs & maintenance		
Buildings	10.72	7.86
Plant and machinery	1.85	3.68
Others	42.23	30.76
	<u>54.80</u>	<u>42.30</u>
Insurance	1.89	1.67
Rates and taxes	8.98	2.94
Communication expenses	6.76	6.85
Travelling expenses	48.71	42.77

Notes forming part of Consolidated Financial Statements

For the year ended	₹ Crore	
	31.03.2015	31.03.2014
Tender expenses	11.50	7.76
Payment to auditors	0.07	0.06
Advertisement and publicity	1.56	2.70
Security expenses	72.50	58.07
Entertainment expenses	5.55	2.95
Expenses for guest house	5.19	5.24
Professional charges and consultancy fee	13.52	9.35
Legal expenses	7.07	6.06
EDP hire and other charges	2.09	1.54
Printing and stationery	2.18	1.84
Miscellaneous expenses	60.41	58.84
Total (D)	459.45	505.67
E. Less: Other income		
Interest from contractors	47.20	41.25
Interest others	16.34	3.79
Hire charges for equipment	1.82	2.99
Sale of scrap	1.09	0.33
Miscellaneous income	31.15	12.02
Total (E)	97.60	60.38
F. Prior period items (net)	20.51	(1.21)
Grand total (A+B+C+D-E+F) #	4,881.82*	4,493.44

* Carried to capital work-in-progress - (Note 13)

Includes ₹ 366.44 crore (previous year ₹ 537.14 crore) share of jointly controlled entities.

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

30. Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.

31. BASIS OF CONSOLIDATION

A. The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Ventures, together referred to as 'Group'.

a) Basis of Accounting:

- 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.
- 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' as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles.

b) Principles of consolidation:

The consolidated financial statements have been prepared as per the following principles:

- 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. Minority interest has been separately disclosed.
- 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.
- 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 significant accounting policies.
- 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.
- Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders.

B. The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2015	31.03.2014
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 Vidyut Vyapar Nigam Ltd.	100.00	100.00
3. Kanti Bijlee Utpadan Nigam Ltd.	65.00	65.00
4. Bhartiya Rail Bijlee Company Ltd.	74.00	74.00
Joint Venture Companies:		
A. Incorporated in India		
1. Utility Powertech Ltd.	50.00	50.00
2. NTPC - Alstom Power Services Private Ltd.	50.00	50.00

Notes forming part of Consolidated Financial Statements

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2015	31.03.2014
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.*	28.91	32.86
6. Aravali Power Company Private Ltd.	50.00	50.00
7. NTPC-SCCL Global Ventures Private Ltd.* (refer note below) ⁵	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. (refer note below) ⁵⁵	49.00	49.00
11. Nabinagar Power Generating Company Private Ltd.	50.00	50.00
12. National Power Exchange Ltd. * (refer note below) ⁵⁵⁵	16.67	16.67
13. International Coal Ventures Private. Ltd. * (refer note below) ⁵⁵⁵⁵	0.27	14.28
14. National High Power Test Laboratory Private Ltd.	21.63	20.00
15. Transformers & Electricals Kerala Ltd. *	44.60	44.60
16. Energy Efficiency Services Ltd. *	25.00	25.00
17. CIL NTPC Urja Private Ltd. *	50.00	50.00
18. Anushakti Vidyut Nigam Ltd.	49.00	49.00
19. Pan-Asian Renewables Private Ltd.* (refer note below) ⁵⁵⁵⁵⁵	50.00	50.00
B. Incorporated outside India		
1. Trincomalee Power Company Ltd.* (incorporated in Sri Lanka)	50.00	50.00
2. Bangladesh -India Friendship Power Company Private Ltd.* (incorporated in Bangladesh)	50.00	50.00

*The financial statements are un-audited and certified by the management of respective companies and have been considered for Consolidated Financial Statements of the Group. The figures appearing in their respective financial statements may change upon completion of their audit.

⁵The Board of Directors of NTPC Limited in its meeting held on 25th March 2015 has accorded in principle approval for withdrawal from NTPC SCCL Global Ventures Pvt. Ltd.

⁵⁵The Board of Directors of NTPC Limited in its meeting held on 19th June 2014 has accorded in principle approval for withdrawal from BF-NTPC Energy Systems Ltd.

⁵⁵⁵The Board of Directors of NTPC Limited in its meeting held on 7th November 2012 has accorded in principle approval for withdrawal from National Power Exchange Ltd (NPEX). In the meeting of Group of Promoters (GOP) held on 21st March 2014, GOP recommended for voluntary winding up of NPEX and the same has been adopted by the Board of NPEX in its meeting held on 21st March 2014. Winding up of the Company is underway.

⁵⁵⁵⁵The Board of Directors of NTPC Limited in its meeting held on 27th January 2012 has accorded in principle approval for withdrawal from International Coal Ventures Private Limited. Approval of GOI for the same is awaited, subsequent to which, the process of withdrawal shall commence.

⁵⁵⁵⁵⁵The Board of Directors of NTPC Limited in its meeting held on 31st October 2014 approved the proposal for voluntary winding up of Pan-Asian Renewables Private Limited. Accordingly a liquidator has been appointed for dissolution of the Company. The liquidation process is underway.

- C. i) The Company along-with some public sector undertakings has entered into Production Sharing Contracts (PSCs) with GOI for three oil 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.

In the case of AN-DWN-2009/13, Gujarat State Petroleum Corporation Ltd. (GSPC) submitted notice for withdrawal from the block subsequent to completion of Minimum Work Program (MWP) and M/s Oil & Natural Gas Corporation Ltd. (ONGC) decided to acquire 10% PI of GSPC. The Company alongwith consortium partners has decided to relinquish the block AN-DWN-2009/13 and ONGC (the operator) has submitted an application to Directorate General of Hydrocarbons (DGH) in this regard.

Based on the un-audited statement of the accounts for the above blocks forwarded by M/s ONGC, the operator, the Company's share in respect of assets and liabilities as at 31st March 2015 and expenditure for the year are given below:

Item	₹ Crore	
	2014-15 (Un-audited)	2013-14 (Un-audited)
Expenses	29.67	2.94
Assets	0.62	1.89
Liabilities	2.41	2.96
Capital commitments (Unfinished MWP)	92.54	65.76

The exploration activities in block KG-OSN-2009/4 were suspended w.e.f. 11.01.2012 due to non-clearance by the Ministry of Defence, GOI. Subsequently, DGH vide letter dated 29th April 2013 has informed ONGC that the block is cleared conditionally wherein block area is segregated between No Go zone, High-risk zone and Permitted zone. As the permitted area is only 38% of the total block area the consortium has submitted proposal to DGH for downward revision of MWP of initial exploration period.

- 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 ₹ 58.64 crore from ₹ 53.64 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 (-) ₹ 0.77 crore for the year 2014-15 (previous year ₹ 0.01 crore) 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 2015 and expenditure for the year is as under:

Notes forming part of Consolidated Financial Statements

₹ Crore

Item	2014-15 (Un-audited)	2013-14 (Un-audited)
Expenses	(0.77)	0.01
Assets	9.19	14.47
Liabilities	1.82	2.32
Contingent liabilities	57.43	50.71

- D. The company is of the view that the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' and AS 27- 'Financial Reporting of Interests in Joint Ventures' are not applicable to the investment made in PTC India Ltd. and the same has been accounted for as per the provisions of AS-13- 'Accounting for Investments' in the consolidated financial statements.
32. 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.
33. In accordance with the principles approved by the Board of Directors of the Company, the dispute with coal suppliers on account of GCV has been settled. Accordingly, against the total disputed billed amount of ₹ 2,578.74 crore (previous year ₹ 4,102.87 crore) as at 31st March 2014, during the year the Company has paid ₹ 1,773.51 crore and provided ₹ 25.48 crore and remaining amount of ₹ 779.75 crore is settled. Sales corresponding to energy charges recoverable for the amounts paid/provided as above have been recognized on settlement.
34. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.
35. The environmental clearance ("clearance") granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's project was challenged before the National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MoEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgment of the NGT and for referring the matter to the Expert Appraisal Committee ("Committee") for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Aggregate cost incurred on the project upto 31st March 2015 is ₹ 8,732.44 crore (previous year ₹ 4,455.73 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.
36. The Company is executing a hydro power project in the state of Uttarakhand, where all the clearances were accorded. A case was filed in Hon'ble Supreme Court of India after the natural disaster in Uttarakhand in June 2013 to review whether the various existing and ongoing hydro projects have contributed to environmental degradation. Hon'ble Supreme Court of India on 7th May 2014, ordered that no further construction shall be undertaken in the projects under consideration until further orders, which included the hydro project of the Company. In the proceedings, Hon'ble Supreme Court is examining to allow few projects which have all clearances which includes the project of the Company where the work has been stopped. Aggregate cost incurred on the project upto 31st March 2015 is ₹ 154.57 crore (previous year ₹ 145.46 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.
37. **Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies'**
During the year, following changes in accounting policies have been made:
a) Policy A 'Basis of preparation' has been modified considering the provisions of the Companies Act, 2013.
b) "The Company has revised the accounting policy nos. N.1.1, N.1.2 & N.1.3 regarding depreciation in alignment with Schedule-II to the Companies Act, 2013 which has become applicable from 1st April 2014. Consequently, profit for the year ended 31st March 2015 is lower by ₹ 14.97 crore and fixed assets as at 31st March 2015 are lower by ₹ 20.44 crore. Further, an amount of ₹ 3.58 crore (net of deferred tax of ₹ 1.89 crore) has been recognized in the opening balance of the retained earnings where the remaining useful life of such assets is Nil as at 1st April 2014 in line with the provisions of Schedule-II to the Companies Act, 2013."
c) Policy N.1.11 regarding depreciation on leasehold land and buildings has been modified to cover all the tariff regulations of CERC viz. for thermal, hydro and renewable energy sources.
d) Policy S 'Segment reporting' has been added for improved disclosures.
e) Policies M.1.2 to M.1.7 have been added and Policies N.1.1 & N.1.11 have been modified to give more clarity and for improved disclosures.
There is no impact on the accounts due to the changes at sl.no. (a) (c), (d) & (e) above.
38. **Disclosure as per Accounting Standard - 11 on 'Effects of Changes in Foreign Exchange Rates'**
The effect of foreign exchange fluctuation during the year is as under:"
i) The amount of exchange differences (net) credited to the Statement of Profit & Loss is ₹ 15.56 crore (previous year debit of ₹ 15.73 crore).
ii) The amount of exchange differences (net) debited to the carrying amount of Fixed Assets is ₹ 348.48 crore (previous year debit of ₹ 1,882.74 crore).
39. **Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'**
Revenue grants recognised during the year is ₹ Nil crore (previous year ₹ 0.93 crore). "
40. **Disclosure as per Accounting Standard - 15 on 'Employee Benefits'**
General description of various employee benefit schemes are as under:

1. Defined Contribution Plans

A. Provident Fund

Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ 238.96 crore (previous year ₹ 238.30 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 obligations are as under:

₹ Crore

Particulars	31.03.2015	31.03.2014
Obligations at the end of the year	6,143.59	5,463.94
Fair value of plan assets at the end of the year	6,197.85	5,515.53

B. Pension

The defined contribution pension scheme of the Company for its employees which is effective from 1st January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, PRMF or any other retirement benefits. The contribution of ₹ 225.39 crore (previous year ₹ 641.03 crore including ₹ 346.56 crore for the periods from 1st January 2007 to 31st March 2013) to the funds for the year is recognized as an expense and charged to the Statement of Profit & Loss.

Notes forming part of Consolidated Financial Statements

2. Defined Benefit Plans

A. Gratuity & Pension

(a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death.

(b) The Company has pension schemes at two of its stations in respect of employees taken over from erstwhile state government power utilities.

The existing schemes stated at (a) and one of the power stations at (b) above are funded by the Company and are managed by separate trusts. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation. The Company's best estimate of the contribution towards gratuity/pension for the financial year 2015-16 is ₹ 28.64 crore.

B. 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.

C. Terminal Benefits

Terminal benefits include baggage allowance for settlement at home town for employees & dependents and farewell gift to the superannuating employees. Further, the Company also provides for pension in respect of employees taken over from erstwhile State Government Power Utility at another station referred at 2.A.(b) above. The liability for the same is recognised on the basis of actuarial valuation.

D. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 240 days (HPL). However, total amount of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

The above mentioned schemes (B, C and D) 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 is as under:

(Figures given in { } are for previous year)

i) Expenses recognised in Statement of Profit & Loss

	₹ Crore			
	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	70.90 {70.40}	17.98 {15.60}	57.26 {55.04}	7.34 {6.14}
Past Service Cost	- {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	130.20 {115.60}	47.80 {36.24}	80.10 {68.93}	26.60 {21.81}
Expected return on plan assets	(111.23) {(100.89)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(88.76) {(18.74)}	125.59 {73.97}	150.41 {181.89}	32.82 {26.49}
Less: Expenses transferred to capital work-in-progress	(1.59) {3.81}	6.46 {4.46}	14.84 {13.17}	- {-}
Expenses recognised in the Statement of Profit & Loss	2.70 {62.56}	184.91 {121.35}	272.93 {292.69}	66.76 {54.44}

ii) The amount recognised in the Balance Sheet

	₹ Crore			
	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2015	1,554.28 {1,531.56}	730.48 {562.04}	1,018.04 {942.20}	363.66 {312.98}
Fair value of plan assets as at 31.03.2015	1,458.96 {1,391.67}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	95.32 {139.89}	730.48 {562.04}	1,018.04 {942.20}	363.66 {312.98}

iii) Changes in the present value of the defined benefit obligations:

	₹ Crore			
	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2014	1,531.56 {1,445.04}	562.04 {452.95}	942.21 {861.74}	312.98 {272.39}
Interest cost	130.33 {115.60}	47.80 {36.24}	80.20 {68.93}	26.60 {21.81}
Current Service Cost	70.90 {70.40}	17.98 {15.60}	57.26 {55.04}	7.34 {6.14}
Benefits paid	(113.87) {(95.27)}	(22.93) {(16.72)}	(212.05) {(225.40)}	(16.08) {(13.84)}
Net actuarial (gain)/ loss on obligation	(64.64) {(4.21)}	125.59 {73.97}	150.42 {181.89}	32.82 {26.48}
Present value of the defined benefit obligation as at 31.03.2015	1,554.28 {1,531.56}	730.48 {562.04}	1,018.04 {942.20}	363.66 {312.98}

Notes forming part of Consolidated Financial Statements

iv) Changes in the fair value of plan assets:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2014	1391.67 {1,263.85}	- {-}	- {-}	- {-}
Expected return on plan assets	111.37 {100.89}	- {-}	- {-}	- {-}
Contributions by employer	39.93 {102.08}	- {-}	- {-}	- {-}
Benefits paid	(108.13) {(89.67)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	24.12 {14.52}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2015	1,458.96 {1,391.67}	- {-}	- {-}	- {-}

v) Other disclosures:

₹ Crore

Gratuity & pension	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as at	1,554.28	1,531.33	1,444.88	1,298.47	1,193.00
Fair value of plan assets as at	1,458.96	1,391.68	1,263.86	1,169.93	1,039.20
Surplus/(Deficit)	(95.32)	(139.65)	(181.02)	(128.54)	(153.80)
Experience adjustment on plan liabilities (loss)/gain	61.86	3.19	(50.07)	(19.58)	(58.60)
Experience adjustment on plan assets (loss)/gain	24.24	14.52	9.44	12.39	5.76
PRMF	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as at	730.48	562.02	452.93	371.11	313.06
Experience adjustment on plan liabilities (loss)/gain	(123.79)	(73.98)	(19.60)	(30.73)	(33.28)
Leave	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as at	1018.04	941.73	861.46	745.82	656.75
Experience adjustment on plan liabilities (loss)/gain	(151.26)	(181.31)	(179.16)	(90.71)	(88.59)
Terminal Benefits	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as at	363.66	312.97	272.38	229.82	192.67
Experience adjustment on plan liabilities (loss)/gain	(34.85)	(26.37)	(25.45)	(24.43)	(23.91)

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	18.04	(14.23)
Present value of obligation	105.11	(91.55)

E. Details of the Plan Assets

The details of the plan assets at cost are:

₹ Crore

	31.03.2015	31.03.2014
i) State government securities	0.30	399.15
ii) Central government securities	92.90	322.97
iii) Corporate bonds/debentures	274.58	510.21
iv) Money market instruments	2.50	5.62
v) Investment with insurance companies	1,051.92	95.88
vi) Fixed deposits with banks	11.48	7.09
Total (excluding interest accrued)	1,433.68	1,340.92

The amounts included in the value of plan assets in respect of the reporting enterprise's own financial instruments is Nil (previous year ₹ 25.00 crore).

F. Actual return on plan assets ₹ 134.56 crore (previous year ₹ 114.66 crore).

G. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to ₹ 28.76 crore (previous year ₹ 3.48 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.

H. Actuarial Assumptions

Principal assumptions used for actuarial valuation for the year ended are:

	31.03.2015	31.03.2014
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	7.50%	7.00%
iv) Annual increase in costs	6.00%	6.50%
v) Future salary increase	6.00%	6.50%

Notes forming part of Consolidated Financial Statements

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.

41. Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'

Borrowing costs capitalised during the year are ₹ 3,810.43 crore (previous year ₹ 3,158.17 crore).

42. Disclosure as per Accounting Standard - 17 on 'Segment Reporting'

Segment information:

a) Business Segments

The Group's principal business is generation and sale of bulk power to State Power Utilities. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.

b) Segment Revenue and Expense

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as Segment Expenses.

c) Segment Assets and Liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Capital work-in-progress and capital advances are included in unallocated corporate and other assets. Segment liabilities include operating liabilities and provisions.

₹ Crore

	Business Segments				Total	
	Generation		Others		Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Segment revenue						
Sale of energy/consultancy, project management and supervision fees *	76,969.57	75,703.99	3,044.17	2,801.37	80,013.74	78,505.36
Other income	948.73	785.69	36.75	110.40	985.48	896.09
Unallocated corporate and other income					1,701.73	2,309.30
Total	77,918.30	76,489.68	3,080.92	2,911.77	82,700.95	81,710.75
Segment result #	13,366.13	16,284.75	37.77	82.83	13,403.90	16,367.58
Unallocated corporate interest and other income					1,701.73	2,309.30
Unallocated corporate expenses, interest and finance charges					4,649.42	4,191.12
Profit before tax					10,456.21	14,485.76
Income tax (net)					463.84	3,082.36
Profit after tax					9,992.37	11,403.40
Other information						
Segment assets	117,091.25	102,887.26	5,222.98	4,143.41	122,314.23	107,030.67
Unallocated corporate and other assets					97,261.92	93,014.46
Total assets	117,091.25	102,887.26	5,222.98	4,143.41	219,576.15	200,045.13
Segment liabilities	16,325.12	15,931.93	2,827.80	2,079.11	19,152.92	18,011.04
Unallocated corporate and other liabilities					118,329.25	94,704.37
Total liabilities	16,325.12	15,931.93	2,827.80	2,079.11	137,482.17	112,715.41
Depreciation (including prior period)	5,536.29	4,736.33	5.56	2.98	5,541.85	4,739.31
Non-cash expenses other than depreciation	224.02	137.62	6.28	7.37	230.30	144.99
Capital expenditure	24,732.46	25,474.76	1,058.87	807.09	25,791.33	26,281.85

* Includes (-) ₹ 719.80 crore (previous year ₹ 1,816.83 crore) for sales related to earlier years.

Generation segment result would have been ₹ 14,085.93 crore (previous year ₹ 14,467.92 crore) without including the sales related to earlier years.

d) The operations of the Group are mainly carried out within the country and therefore, geographical segments are inapplicable.

43. Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

a) Related parties:

i) Joint ventures:

Utility Powertech Ltd., NTPC-Alstom Power Services Private Ltd., BF-NTPC Energy Systems Ltd., National Power Exchange Ltd., Pan-Asian Renewables Private Ltd., Trincomalee Power Company Ltd. and Bangladesh -India Friendship Power Company Private Ltd.

ii) Key Management Personnel:

Shri Arup Roy Choudhury	Chairman and Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri A.K.Jha	Director (Technical)
Shri U.P.Pani	Director (Human Resources)

Notes forming part of Consolidated Financial Statements

Shri S.C.Pandey Director (Projects)
 Shri K.Biswal Director (Finance)
 Shri K.K.Sharma Director (Operations)¹
 Shri N.N.Misra Director (Operations)²

1. W.e.f. 1st November 2014 2. Superannuated on 31st October 2014

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.	522.02	439.74
- NTPC-Alstom Power Services Private Ltd.	30.82	0.94
- National Power Exchange Ltd.	-	0.36
• Contracts for works/services for services provided by the Company:		
- Utility Powertech Ltd.	0.02	-
- Trincomalee Power Company Ltd.	1.16	0.20
• Deputation of Employees:		
- Utility Powertech Ltd.	0.39	0.25
- NTPC-Alstom Power Services Private Ltd.	0.77	0.85
- Trincomalee Power Company Ltd.	1.77	0.96
- Pan-Asian Renewables Private Ltd.	0.35	0.33
- Bangladesh-India Friendship Power Company Private Ltd.	3.10	1.34
ii) Dividend Received:		
- Utility Powertech Ltd.	7.00	5.50
- NTPC-Alstom Power Services Private Ltd.	0.47	0.30
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	0.19	0.17
- NTPC-Alstom Power Services Private Ltd.	17.96	0.04
- National Power Exchange Ltd.	-	0.14
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	81.27	69.49
- NTPC-Alstom Power Services Private Ltd.	8.18	6.52
v) Amount recoverable for contracts for works/services provided:		
- Utility Powertech Ltd.	0.01	-
- BF-NTPC Ltd.	0.12	0.12
- Trincomalee Power Company Ltd.	1.62	0.55
vi) Amount payable for contracts for works/services provided:		
- Trincomalee Power Company Ltd.	0.92	-
vii) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	0.10	0.10
- NTPC-Alstom Power Services Private Ltd.	0.53	0.66
- Trincomalee Power Company Ltd.	1.90	1.12
- Pan-Asian Renewables Private Ltd.	0.04	-
- Bangladesh-India Friendship Power Company Private Ltd.	4.44	1.34
viii) Equity contributions made:		
- Pan-Asian Renewables Private Ltd.	-	1.00
- Trincomalee Power Company Ltd.	2.54	-
- Bangladesh-India Friendship Power Company Private Ltd.	25.31	6.12

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ 7.67 crore (previous year ₹ 6.36 crore).

c) Remuneration to key management personnel for the year is ₹ 3.49 crore (previous year ₹ 4.09 crore) and amount of dues outstanding to the Company as at 31st March 2015 are ₹ Nil (previous year ₹ 0.03 crore).

₹ Crore		
Managerial remuneration to Key management personnel	Current year	Previous year
Shri Arup Roy Choudhury	0.50	0.52
Shri I.J. Kapoor	0.56	0.59
Shri A.K.Jha	0.48	0.56
Shri U.P.Pani	0.43	0.37
Shri S.C.Pandey	0.37	0.21
Shri K.Biswal	0.35	0.10
Shri K.K.Sharma	0.16	-
Shri N.N.Misra	0.64	0.52
Shri B.P.Singh	-	0.58
Shri A.K. Singhal	-	0.64
Total	3.49	4.09

Notes forming part of Consolidated Financial Statements

44. Disclosure as per Accounting Standard - 19 on 'Leases'

a) Finance leases

- (i) During previous years, the Company took on lease certain vehicles and had option to purchase them as per the terms of the lease agreements. As at 31st March 2015, there are no vehicles on lease.
- (ii) The Company has entered into an agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility shall be constructed in two phases of which Phase I has been completed and is under operation. Fair value of the entire facility is ₹ 90 crore and the assets and liability in respect of Phase-I have been recognised at ₹ 60 crore based on technical assessment. The minimum lease payments shall start on completion of Phase-II of the facility. Amounts payable for the coal transported through Phase-I of the facility are disclosed as contingent rent.

	31.03.2015	31.03.2014
₹ Crore		
a) Obligations towards minimum lease payments		
· Not later than one year	15.45	12.02
· Later than one year and not later than five years	82.41	82.41
· Later than five years	46.36	49.79
Total	144.22	144.22
b) Present value of (a) above		
· Not later than one year	7.83	5.27
· Later than one year and not later than five years	52.31	45.81
· Later than five years	39.51	38.92
Total	99.65	90.00
c) Finance charges	44.57	54.22
d) Contingent rent for the year	5.16	2.01

b) Operating leases

The Group's other significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 24 - Employee benefits expense includes ₹ 47.05 crore (previous year ₹ 73.11 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Note 26 - 'Generation, administration and other expenses'. Further, the Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges is included in 'Hire charges of helicopter/aircraft' in Note 26.

45. Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'

The elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

	Current Year	Previous Year
Group profit after tax used as numerator - ₹ crore	9,986.34	11,403.61
Weighted average number of equity shares used as denominator	8,245,464,400	8,245,464,400
Earning per share (Basic and Diluted) - ₹	12.11	13.83
Nominal value per share - ₹	10/-	10/-

46. Disclosure as per Accounting Standard - 26 on 'Intangible Assets'

Research expenditure charged to revenue during the year is ₹ 97.56 crore (previous year ₹ 98.52 crore).

47. Disclosure as per Accounting Standard - 28 on 'Impairment of Assets'

As required by Accounting Standard (AS) 28 'Impairment of Assets', an assessment of impairment of assets was carried out by the Company and based on such assessment, there has been no impairment loss during the year.

48. Disclosure as per Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	Balance as at 01.04.2014	Additions during the year	Payments during the year	Reversal / adjustments during the year	Balance as at 31.03.2015
₹ Crore					
Long Term Provisions (Note-8)					
Contractual Obligations	10.09	14.77	6.58	6.15	12.13
Short Term Provisions (Note-11)					
Provision for obligations incidental to land acquisition	3,001.72	903.75	275.64	385.13	3,244.70
Provision for tariff adjustment	1,293.69	150.22	-	180.16	1,263.75
Others	451.93	129.30	3.36	20.20	557.67
Total	4,757.43	1,198.04	285.58	591.64	5,078.25

Notes forming part of Consolidated Financial Statements

49. Corporate Social Responsibility Expenses (CSR)

During the year, an amount of ₹ 207.43 crore has been spent on CSR activities in accordance with Section 135 of the Companies Act, 2013 and rules thereto. Further, an amount of ₹ 78.92 crore has been appropriated to CSR Reserve from surplus during the year. Also refer Note 3.

50. Disclosure as per Schedule III to the Companies Act, 2013

Name of the entity	Net assets i.e. total assets minus total liabilities as at 31.03.2015		Share in profit or loss for the year 2014-15	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
1	2	3	4	5
A. Parent NTPC Ltd.	89.81%	74530.02	101.82%	10174.25
B. Subsidiaries				
Indian				
1. NTPC Electricity Supply Company Ltd.	0.05%	41.75	0.01%	1.27
2. NTPC Vidyut Vyapar Nigam Ltd.	0.25%	205.89	0.44%	43.60
3. Kanti Bijlee Utpadan Nigam Ltd.	1.07%	884.27	0.11%	11.21
4. Bhartiya Rail Bijlee Company Ltd.	1.41%	1,172.02	0.00%	(0.03)
Minority interests in all subsidiaries	1.07%	887.94	0.06%	6.03
C. Joint Ventures				
Indian				
1. Utility Powertech Ltd.	0.03%	27.16	0.12%	11.61
2. NTPC Alstom Power Services Private Ltd.	0.01%	11.34	0.01%	1.31
3. NTPC SAIL Power Company Private Ltd.	0.99%	821.19	1.14%	113.70
4. NTPC Tamilnadu Energy Company Ltd.	1.50%	1,243.25	-0.43%	(43.39)
5. Ratnagiri Gas & Power Private Ltd.	0.32%	262.12	-4.06%	(405.24)
6. Aravali Power Company Private Ltd.	1.98%	1,643.80	0.90%	89.92
7. NTPC SCCL Global Ventures Private Ltd.	0.00%	0.05	0.00%	-
8. Meja Urja Nigam Private Ltd.	0.65%	539.99	0.00%	(0.03)
9. NTPC- BHEL Power Projects Private Ltd.	0.08%	66.33	0.01%	0.84
10. BF-NTPC Energy Systems Ltd.	0.00%	2.46	0.00%	(0.15)
11. Nabinagar Power Generating Company Private Ltd.	0.62%	510.49	0.00%	-
12. National Power Exchange Ltd.	0.00%	1.14	0.00%	0.02
13. International Coal Ventures Private Ltd.	0.00%	2.30	0.00%	-
14. National High Power Test Laboratory Private Ltd.	0.03%	23.40	0.00%	-
15. Transformers & Electricals Kerala Ltd.	0.05%	38.33	-0.15%	(14.69)
16. Energy Efficiency Services Ltd.	0.03%	28.73	0.03%	2.59
17. CIL NTPC Urja Private Ltd.	0.00%	0.01	-	-
18. Anushakti Vidyut Nigam Ltd.	0.00%	0.01	0.00%	-
19. Pan-Asian Renewables Private Ltd.	0.00%	0.20	0.00%	(0.42)
20. Kinesco Power&Utilities Private Ltd.(a 50% Joint Venture of wholly owned subsidiary NTPC Electric Supply Company Ltd.)	0.00%	0.60	0.00%	0.20
Foreign				
1. Trincomalee Power Company Ltd. (incorporated in Sri Lanka)	0.01%	5.10	0.00%	(0.23)
2. Bangladesh-India Friendship Power Company Private Ltd. (incorporated in Bangladesh)	0.04%	32.03	0.00%	-
Total		82,981.92		9,992.37

51. Foreign currency exposure

a) Hedged by a derivative instrument

The derivative contracts outstanding as at 31st March 2015 are as under:

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Currency & Interest Rate Swap	JPY	14.96	19.23	7.89	11.38
Principal Only Swap	EUR	1.00	-	68.56	-

MTM loss on the above contract as at 31st March 2015 is as under:

Particulars	Amount (₹ Crore)	
	31.03.2015	31.03.2014
Currency & Interest Rate Swap	1.15	-
Principal Only Swap	3.44	-

The derivative contracts entered into by the Company are for hedging currency and/or interest rate risk on foreign currency loans.

Notes forming part of Consolidated Financial Statements

b) Not hedged by a derivative instrument or otherwise

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Borrowings, including interest accrued but not due thereon.	USD	342.19	260.54	21,622.72	15,791.13
	JPY	5,197.55	4,560.37	2,740.41	2,697.46
	EURO	19.69	13.67	1,350.02	1,143.00
Trade payables/deposits and retention monies	USD	39.51	24.79	2,494.81	1,502.52
	EURO	11.97	11.33	819.95	947.64
	Others	148.73	92.17	95.37	74.67
Trade receivables and Bank balances	USD	1.77	0.02	111.48	1.33
	Others	309.47	0.84	468.99	0.54
Unexecuted amount of contracts remaining to be executed	USD	80.92	125.02	5,112.87	7,577.46
	EURO	62.12	79.61	4,256.46	6,658.58
	Others	1,520.26	1,656.34	919.62	1,176.68

52. 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 have lodged claims for ₹ 8,127.22 crore (previous year ₹ 4,290.45 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 as being not admissible in terms of the provisions of the respective contracts.

Various options are being pursued under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/courts which are yet to be settled. Against such cases, contingent liability of ₹ 314.30 crore (previous year ₹ 395.16 crore) has been estimated.

(iii) Fuel Suppliers

Pending resolution of the issues with fuel companies, an amount of ₹ 567.22 crore (previous year ₹ 647.33 crore) towards surface transportation charges, customs duty on service margin on imported coal, etc. has been estimated as contingent liability.

(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, non agriculture land assessment tax, water royalty etc. and by others, contingent liability of ₹ 896.34 crore (previous year ₹ 1,088.23 crore) has been estimated.

(v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of ₹ 1,172.56 crore (previous year ₹ 994.83 crore) relating to the hydro power project stated in Note 15 A (b) - Other non-current assets, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement by way of recovery through tariff as per Regulations is ₹ 423.36 crore (previous year ₹ 637.82 crore).

(b) Disputed Tax Matters

Disputed Income Tax/Sales Tax/Excise and other tax matters pending before various Appellate Authorities amount to ₹ 5,259.48 crore (previous year ₹ 2,595.87 crore). Many of these matters were disposed off in favour of the respective companies but are disputed before higher authorities by the concerned departments. In respect of disputed tax matters, possible reimbursement of ₹ 2,430.71 crore (previous year ₹ 852.52 crore) is estimated.

(c) Others

Other contingent liabilities amount to ₹ 914.22 crore (previous year ₹ 513.70 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 ₹ 600.02 crore (previous year ₹ 247.25 crore) share of jointly controlled entities.

53. Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2015 is ₹ 65,787.51 crore (previous year ₹ 76,636.90 crore) which includes an amount of ₹ 6,113.95 crore (previous year ₹ 9,905.90 crore) in respect of jointly controlled entities.
- Company's commitment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 31 C.
- Group's commitment in respect of lease agreements has been disclosed in Note 44.
- Company's commitment towards the minimum work programme in respect of oil exploration activity of Cambay Block (100% owned by the company) is ₹ 140.27 crore (USD 22.41 million) (previous year ₹ 198.21 crore, USD 32.98 million).
- Company's commitment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 31 C.

Notes forming part of Consolidated Financial Statements

54. Other Disclosures as per Schedule III of the Companies Act, 2013

₹ Crore

Particulars	Current year	Previous year
a) Value of imports calculated on CIF basis:		
Capital goods	3,058.85	2,524.85
Spare parts	85.65	140.24
b) Expenditure in foreign currency:		
Professional and consultancy fee	12.87	39.18
Interest	821.59	775.72
Others	51.25	67.17
c) Value of components, stores and spare parts consumed (including fuel):	Current year	Previous year
	%age	Amount
Imported	17.05	8,849.03
Indigenous	82.95	43,053.02
		Current year
		Previous year
d) Earnings in foreign exchange:		
Professional & consultancy fee		2.94
Others		3.08
		461.03
		227.70

55. Some of the Subsidiaries and Joint Venture Companies followed different accounting policies from that of the Company and the impact of the same is not material.
56. Statement containing salient features of the financial statements of Subsidiaries/Joint Ventures of NTPC Ltd. pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, in form AOC I is attached.

For and on behalf of the Board of Directors

(A.K.Rastogi)
Company Secretary

(K.Biswal)
Director (Finance)

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

These are the notes referred to in Balance Sheet and Statement of Profit & Loss

For O. P. Bagla & Co.
Chartered Accountants
Firm Reg. No. 000018N

For PSD & Associates
Chartered Accountants
Firm Reg. No. 004501C

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Neeraj Kumar Agarwal)
Partner
M No.094155

(Prakash Sharma)
Partner
M No.072332

(T.V.Balasubramanian)
Partner
M No.027251

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No. 109208W

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

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

(Manoj Agrawal)
Partner
M No.076918

(Anil Gaur)
Partner
M.No.017546

Place : New Delhi
Dated : 29th May 2015

Notes forming part of Consolidated Financial Statements

FORM NO. AOC.1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures of NTPC Ltd.

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Amount in ₹ crore)

1.	Sl. No.	1	2	3	4
2.	Name of the Subsidiary	NTPC Electric Supply Company Ltd.	NTPC Vidyut Vyapar Nigam Ltd.	Kanti Bijlee Utpadan Nigam Ltd.	Bhartiya Rail Bijlee Company Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (1.04.2014 -31.03.2015)	Same as that of Holding Company (1.04.2014 -31.03.2015)	Same as that of Holding Company (1.04.2014 -31.03.2015)	Same as that of Holding Company (1.04.2014 -31.03.2015)
4.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	NA	NA
5.	Share capital	0.08	20.00	1,000.00	1,584.61
6.	Reserves & surplus	41.66	185.90	360.42	(0.80)
7.	Total assets	644.94	1,166.22	3,827.87	5,237.45
8.	Total liabilities	603.20	960.32	2,467.45	3,653.64
9.	Investments	-	-	-	-
10.	Turnover	16.86	3,873.60	459.98	-
11.	Profit before taxation	1.60	66.48	45.15	(0.04)
12.	Provision for taxation	0.34	22.87	27.91	-
13.	Profit after taxation	1.26	43.61	17.24	(0.04)
14.	Proposed dividend	-	-	-	-
15.	% of Shareholding	100%	100%	65%	74%

Notes:

1.	Subsidiaries which are yet to commence operations.	Bhartiya Rail Bijlee Company Ltd.
2.	Subsidiaries which have been liquidated or sold during the year.	Nil

Notes forming part of Consolidated Financial Statements

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013

Sl. No.	Name of Joint Ventures	Utility Powertech Ltd.	NTPC - ALSTOM Power Services Pvt. Ltd.	NTPC - SAIL Power Company Pvt. Ltd.	NTPC - Tamilnadu Energy Company Ltd.	Ratmagiri Gas and Power Pvt. Ltd.	Aravali Power Company Pvt. Ltd.	NTPC-SCCL Global Ventures Pvt. Ltd.	Meja Urja Nigam Pvt. Ltd.	NTPC-BHEL Power Projects Pvt. Ltd.	BF-NTPC Energy Systems Ltd.	Nabinagar Power Generating Co. Pvt. Ltd.	National Power Exchange Ltd.
	Latest Audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2015	31.03.2014
1.	Shares of Joint Ventures held by the Company on the year end as at 31.03.2015												
-	Number	2,000,000	3,000,000	490,950,050	1,325,606,112	974,308,300	1,257,508,200	50,000	412,459,800	50,000,000	5,880,000	511,125,000	2,188,325
-	Amount of Investment in Joint Venture (₹ crore)	1.00	3.00	490.25	1,325.61	974.30	1,278.85	0.05	541.35	50.00	5.88	511.13	2.19
-	Extent of Holding (%)	50.00%	50.00%	50.00%	50.00%	28.91%	50.00%	50.00%	50.00%	50.00%	49.00%	50.00%	16.67%
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	Reason why the Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	97.16	11.34	821.20	1,243.25	262.12	1,692.47	0.05	411.06	66.33	2.46	510.49	1.14
6.	Profit/ Loss for the year												
i	Considered for Consolidation (₹ crore)	11.61	1.31	113.71	(43.39)	(405.24)	89.92	-	(0.03)	0.84	(0.15)	-	0.02
ii	Not Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes forming part of Consolidated Financial Statements

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013

Sl. No.	Name of Joint Ventures	International Coal Ventures Pvt. Ltd.	National High Power Test Laboratory Pvt. Ltd.	Transformers & Electricals Kerala Ltd.	Energy Efficiency Services Ltd.	CIL NTPC Urja Pvt. Ltd.	Anushakti Vidhyut Nigam Ltd.	Pan-Asian Renewables Pvt. Ltd.	Trincomalee Power Company Ltd.	Bangladesh-India Friendship Power Company Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31.03.2014	31.03.2015	31.03.2014	31.03.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2014	30.06.2014
2.	Shares of Joint Ventures held by the Company on the year end as at 31.03.2015									
-	Number	1,400,000	23,900,000	19,163,438	22,500,000	25,000	49,000	1,500,000	2,036,061	2,000,000
-	Amount of Investment in Joint Venture (₹ crore)	1.40	23.90	31.34	22.50	0.08	0.05	1.50	9.26	31.43
-	Extent of Holding (%)	0.27%	21.63%	44.60%	25.00%	50.00%	49.00%	50.00%	50.00%	50.00%
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	Reason why the Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	1.40	23.40	38.33	28.73	(0.02)	0.01	0.19	5.10	16.02
6.	Profit/ Loss for the year									
i	Considered for Consolidation (₹ crore)	-	-	(14.69)	2.59	-	-	(0.42)	(0.23)	-
ii	Not Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes forming part of Consolidated Financial Statements

Notes:**A. Names of Joint Ventures which are yet to commence operations.**

- 1 NTPC-SCCL Global Ventures Private Ltd.
- 2 Meja Urja Nigam Private Ltd.
- 3 BF - NTPC Energy Systems Ltd.
- 4 Nabinagar Power Generating Company Private Ltd.
- 5 National Power Exchange Ltd.
- 6 International Coal Ventures Private. Ltd.
- 7 National High Power Test Laboratory Private Ltd.
- 8 CIL NTPC Urja Private Ltd.
- 9 Anushakti Vidyut Nigam Ltd.
- 10 Pan-Asian Renewables Private Ltd.
- 11 Trincomalee Power Company Ltd. (incorporated in Srilanka)
- 12 Bangladesh-India Friendship Power Company Private Ltd. (incorporated in Bangladesh)

B. Names of Associates or Joint Ventures which have been liquidated or sold during the year.

No Joint Venture or Associate has been liquidated or sold during the year. However, M/s National Power Exchange Ltd. and M/s Pan-Asian Renewables Pvt. Ltd are in the process of voluntary winding up.

(A.K.Rastogi) Company Secretary	For and on behalf of the Board of Directors (K.Biswal) Director (Finance)	(Dr. Arup Roy Choudhury) Chairman & Managing Director
For O. P. Bagla & Co. Chartered Accountants Firm Reg. No. 000018N	For PSD & Associates Chartered Accountants Firm Reg. No. 004501C	For PKF Sridhar & Santhanam LLP Chartered Accountants Firm Reg. No. 003990S/S200018
(Neeraj Kumar Agarwal) Partner M No.094155	(Prakash Sharma) Partner M No.072332	(T.V.Balasubramanian) Partner M No.027251
For V. Sankar Aiyar & Co. Chartered Accountants Firm Reg. No. 109208W	For Ramesh C. Agrawal & Co. Chartered Accountants Firm Reg. No. 001770C	For A.R. & Co. Chartered Accountants Firm Reg. No. 002744C
(M.S.Balachandran) Partner M No. 024282	(Manoj Agrawal) Partner M No.076918	(Anil Gaur) Partner M.No.017546

Place : New Delhi

Dated : 29th May 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NTPC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NTPC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note No 22 (b) in respect of accounting of sales on provisional basis and
- b) Note No 35 in respect of a project of the Holding Company where the matter is pending before the Hon'ble Supreme Court of India.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements / financial information of the following subsidiaries and jointly controlled entities whose financial statements / financial information reflect the details given below of assets as at 31st March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

(₹ in crore)

Name of the Companies	Assets	Total Revenues	Net Cash Flows
Subsidiaries:			
1) NTPC Electric Supply Company Ltd	644.94	23.64	(148.56)

Name of the Companies	Assets	Total Revenues	Net Cash Flows
2) NTPC Vidyut Vyapar Nigam Ltd.	1,166.21	3,887.97	(290.16)
3) Kanti Bijlee Utpadan Nigam Ltd	3,827.87	460.45	34.27
4) Bhartiya Rail Bijlee Company Ltd.	5,237.45	-	86.32
Total	10,876.47	4,372.06	(318.13)
Joint Ventures:			
1) Utility Powertech Ltd.	130.71	295.39	(2.47)
2) NTPC-Alstom Power Services Pvt. Ltd.	62.54	34.93	4.14
3) NTPC-SAIL Power Company Pvt. Ltd.	1,671.00	811.50	(20.10)
4) NTPC Tamilnadu Energy Company Ltd.	4,712.71	986.41	(17.83)
5) Aravali Power Company Pvt. Ltd.	4,907.60	2,225.70	3.55
6) Meja Urja Nigam Pvt. Ltd.	1,897.31	-	5.79
7) Anushakti Vidyut Nigam Ltd.	0.01	-	-
8) Nabinagar Power Generating Company Pvt. Ltd.	2,055.33	-	17.57
9) BF-NTPC Energy Systems Ltd.	2.94	-	-
10) National High Power Test Laboratory Pvt. Ltd	50.71	-	3.33
Total	15,490.86	4,353.93	(6.02)

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management upto 22nd May 2015 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of the following jointly controlled entities whose financial statements / financial information reflect the details given below of assets as at 31st March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

(₹ in crore)

Name of the Companies	Assets	Total Revenues	Net Cash Flows
Joint Ventures:			
1) Ratnagiri Gas & Power Pvt. Ltd.	2,968.78	52.54	(25.67)
2) NTPC-SCCL Global Venture Pvt. Ltd.	0.05	-	-
3) NTPC-BHEL Power Project Pvt. Ltd	375.98	296.26	(6.85)
4) National Power Exchange Ltd.	1.14	0.09	0.03
5) International Coal Venture Pvt. Ltd.	2.31	-	0.09
6) Transformers and Electricals Kerala Ltd.	59.81	59.03	(6.54)
7) Energy Efficiency Services Ltd.	78.94	17.58	1.19
8) CIL NTPC Urja Pvt. Ltd.	0.01	-	-
9) Pan-Asian Renewables Private Ltd.	0.27	0.04	(0.35)
10) Trincomalee Power Company Ltd.	7.78	0.29	(1.39)
11) Bangladesh India Friendship Power Company Pvt. Ltd.	40.53	-	3.09
12) KINESCO Power & Utilities Pvt. Ltd., a 50 % joint venture of NTPC Electric Supply Company Ltd., (a wholly owned subsidiary of NTPC Ltd.) with KINFRA, a statutory body of Government of Kerala	12.91	23.52	0.85
Total	3,548.51	449.35	(35.55)

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, its subsidiaries and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and jointly controlled companies incorporated in India, none of the directors of the Group companies, and its jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities. Refer Note 35, 36 and 52 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and jointly controlled companies incorporated in India.

For O. P. Bagla & Co.
Chartered Accountants
Firm Reg. No. 000018N

(Neeraj Kumar Agarwal)
Partner
M No.094155

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No. 109208W

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

For PSD & Associates
Chartered Accountants
Firm Reg. No. 004501C

(Prakash Sharma)
Partner
M No.072332

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

(Manoj Agrawal)
Partner
M No.076918

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(T.V.Balasubramanian)
Partner
M No.027251

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Anil Gaur)
Partner
M.No.017546

Place : New Delhi
Dated : 29th May 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of NTPC Limited on the consolidated financial statements as of and for the year ended March 31, 2015

- (i) (a) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, the Holding Company, its subsidiary and jointly controlled companies incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the respective Managements of the Holding Company, its subsidiary and jointly controlled companies incorporated in India according to a phased programme designed to cover all the items over a period of one to two years which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the respective Managements of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India during the year and no material discrepancies have been noticed on such verification.
- (ii) (a) The inventory has been physically verified by the respective Managements of the Holding Company, its subsidiary and jointly controlled companies incorporated in India during the year in respect of those companies which are holding inventory. In our opinion and based on the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company, its subsidiary and jointly controlled companies incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India.
- (c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company, its subsidiary and jointly controlled companies incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India as compared to the respective book records were not material.
- (iii) The Holding Company, its subsidiary and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- Therefore, the provisions of Clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Holding Company, its subsidiary and jointly controlled companies incorporated in India.
- (iv) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, there is an adequate internal control system commensurate with the size of the Holding Company, its subsidiary and jointly controlled companies incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from the public except for deposits obtained by the Holding Company from the dependants of employees who die or suffer permanent total disability for which the Company has applied to Ministry of Corporate Affairs, Government of India for continuation of the exemption earlier obtained in respect of applicability of Section 58 A of the Companies Act, 1956, which is still awaited. The Subsidiaries and jointly controlled companies incorporated in India have not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the accounts and records maintained by the Holding Company and based on the reports of the other auditors of the subsidiaries and jointly controlled companies incorporated in India pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained, wherever applicable. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the subsidiaries and jointly controlled companies incorporated in India, in our opinion, Holding company, its Subsidiaries and jointly controlled companies incorporated in India are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax,

service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities and there are no undisputed dues outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled companies incorporated in India, the following dues of income tax, sales tax, service tax, wealth-tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2015 which have not been deposited on account of a dispute:

Sl. No.	Name of Statute	Nature of dues	Forum where the dispute is pending	₹ Crore
1	Central Sales Tax and Sales Tax / VAT, Entry tax Acts of various states	Sales Tax/ VAT/ Entry Tax	Additional Commissioner of Sales Taxes	6.69
			Commissioner of Sales Tax	14.12
			High Court	232.78
			Sales/Trade Tax Tribunal	20.74
			Joint Commissioner (Appeal) Trade tax	1.16
			Additional Commissioner of Commercial Tax	5.59
			Commercial tax officer	76.28
2	Central Excise Act, 1944	Central Excise Duty/ Service Tax	Appellate Tribunal	1.00
			CESTAT & Appellate Tribunal of CEST	909.39
			Commissioner of service tax (appeal)	0.55
3	Income Tax Act, 1961	Income Tax	High Court	14.97
			Income Tax Appellate Tribunal	31.89
			Income Tax Officer	0.43
			Dy. Commissioner of Income tax	3.82
			CIT (Appeal)	46.40
			High Court	3.35
Total			Supreme Court	0.98
				1,370.14

- (c) According to the information and explanations given to us, the Holding Company, its subsidiary and jointly controlled companies incorporated in India have transferred the amounts to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and the rules made there under.
- (viii) As per the consolidated financial statements, there are no accumulated losses and no cash losses have been incurred during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled companies incorporated in India, in our opinion, Holding company, its Subsidiaries and jointly controlled companies incorporated in India have not defaulted in repayment of dues to financial institutions, banks or debenture holders. In case of M/s Ratnagiri Gas & Power Pvt. Ltd., a jointly controlled company in which the Company has 28.91% share, whose accounts are un-audited, has defaulted in payment of principal and interest amounting to ₹ 405.87 crore and ₹ 579.71 crore respectively as at the end of the year for a period varying from 76 to 533 days.
- (x) In our opinion, and based on the reports of the other auditors furnished to us and according to the information and explanations given to us, the Holding Company, its subsidiary and jointly controlled companies incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company, its subsidiary and jointly controlled companies.
- (xi) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled companies incorporated in India, in our opinion, Holding company, its Subsidiaries and jointly controlled companies incorporated in India the term loans have been applied for the purpose for which they were obtained.

- (xii) During the course of our examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and jointly controlled companies incorporated in India, noticed or reported during the year, nor we have been informed of any such case by the Management of the aforesaid Holding Company or reported in the audit reports of its subsidiaries and jointly controlled companies incorporated in India.

For O. P. Bagla & Co.
Chartered Accountants
Firm Reg. No. 000018N

(Neeraj Kumar Agarwal)
Partner
M No.094155

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No. 109208W

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

For PSD & Associates
Chartered Accountants
Firm Reg. No. 004501C

(Prakash Sharma)
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M No.072332

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

(Manoj Agrawal)
Partner
M No.076918

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(T.V.Balasubramanian)
Partner
M No.027251

For A.R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Anil Gaur)
Partner
M.No.017546

Place : New Delhi

Dated : 29th May 2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NTPC LIMITED FOR THE YEAR ENDED 31 MARCH 2015 AND MANAGEMENT REPLIES THEREON

Comment	Management Reply
<p>The preparation of Consolidated Financial Statements of NTPC Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2015.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the Consolidated Financial Statements of NTPC Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of NTPC Limited, Kanti Bijlee Utpadan Nigam Limited, Bhartiya Rail Bijlee Nigam Limited, Aravali Power Company Private Limited, NTPC Tamilnadu Energy Company Limited, Meja Urja Nigam Private Limited, Nabinagar Power Generating Company Private Limited, NTPC-SAIL Power Company Private Limited and National High Power Test Laboratory Private Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) read with Section 129(4) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the consolidated financial statements and the related Audit Report:</p> <p>Balance Sheet</p> <p>Fixed Assets</p> <p>Tangible Assets (Note No.12)</p> <p>Capital Expenditure on assets not owned by the Company (Net Block)- ₹ 89.39 crore</p> <p>Capital work-in-progress - (Note No.13)</p> <p>Capital Expenditure on assets not owned by the Company - ₹ 78.60 crore</p>	

As per provisions of AS-10 highlighted by the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) in their opinion of May 2010 reiterated in July 2011, the expenditure incurred on enabling assets not owned by the Company should be charged off to revenue in the accounting period in which such expenditure is incurred.

The Company, however, capitalized the expenditure incurred on assets not owned by the Company. The Company was requested (September 2014) by Audit, to revise its Accounting Policy in line with the opinion given by EAC of ICAI, if the decision of EAC on the review application of NTPC of October 2011 is not received till finalization of annual accounts of the Company for 2014-15. Though the decision of EAC of ICAI in the matter raised by the Company was not received till finalization of the accounts for 2014-15, the Company did not revise its Accounting Policy on enabling assets not owned by the Company in the current year.

The Company stated that based on their follow up, ICAI issued Exposure Draft of AS-10 which would replace the existing AS-10. The issue is being addressed in the revised AS-10. The reply is to be viewed against the fact that Revised AS-10 has not yet been notified and is likely to have prospective application. Therefore, booking of expenditure on enabling assets not owned by the Company under Tangible Assets and Capital work in progress up to March 2015 has resulted in understatement of "Expenses" by ₹ 167.99 crore and overstatement of "Tangible Assets" (Net block) by ₹ 89.39 crore as well as "Capital work in progress" by ₹ 78.60 crore. Consequently, profit for the year is also overstated by ₹ 167.99 crore.

ANNEXURE

List of subsidiaries, associate companies and jointly controlled entities of NTPC Limited whose financial statements for the year 2014-15 are not audited by the Comptroller and Auditor General of India

A. Subsidiaries incorporated in India

1. NTPC Vidyut Vyapar Nigam Limited
2. NTPC Electric Supply Company Limited

B. Joint Ventures incorporated in India

1. Ratnagiri Gas & Power Pvt. Ltd.
2. NTPC-SCCL Global Ventures Pvt. Ltd.
3. NTPC-BHEL Power Projects Pvt. Ltd.
4. Transformer & Electricals Kerala Ltd.
5. CIL NTPC Urja Pvt. Ltd.
6. Anushakti Vidyut Nigam Ltd.
7. International Coal Ventures Pvt. Ltd.
8. Energy Efficiency Services Ltd.
9. National Power Exchange Ltd.
10. Utility Powertech Ltd.
11. NTPC-Alstom Power Services Pvt. Ltd.
12. BF- NTPC Energy Systems Ltd.
13. Pan-Asian Renewables Pvt. Ltd.

C. Joint Ventures incorporated outside India

1. Trincomalee Power Company Ltd.
2. Bangladesh India Friendship Power Company Pvt. Ltd.

The Company is a Rate Regulated Entity. Accounting of capital expenditure on the assets not owned by the Company was being done by the Company considering the Guidance Note on 'Treatment of Expenditure during Construction Period' since long. With the withdrawal of the above guidance note, accounting of such expenditure is being done in line with the provisions of Para 9.1 and 10 of AS 10 on 'Accounting for Fixed Assets' which provides that expenditure on assets which is directly attributable to the construction of the power project should be capitalized.

The balances appearing under the head 'Capital expenditure on assets not owned by the company' in Tangible Assets and Capital Work-in-Progress represents expenditure incurred on roads, construction power lines, etc.

Expenditure incurred on these assets is directly attributable to the construction of the power projects without which the construction of projects of the Company would not be possible. In the opinion of the Management, such expenditure is necessary for bringing the asset to the location and condition necessary for it to be capable for operating in the manner intended by the management.

Accordingly, a reference has been made to the Expert Advisory Committee of the Institute of Chartered Accountants of India for review of its opinion which is still awaited. Pending disposal of the reference, the company has continued its existing practice of capitalization of such expenditure which has been followed consistently over the years. This has also been disclosed in Note No.12 (h) of the Consolidated Financial Statements.

For and on behalf of the
Comptroller & Auditor General of India

(Tanuja S.Mittal)

Principal Director of Commercial Audit & Ex-officio
Member, Audit Board – III, New Delhi

For and on behalf of the
Board of Directors

(Dr.Arup Roy Choudhury)

Chairman and Managing Director

Place : New Delhi
Dated: 27 July 2015

Place : New Delhi
Dated : 30 July,2015

