

## CONSOLIDATED BALANCE SHEET AS AT

Particulars	Note	31.03.2014	31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	8,245.46	8,245.46
Reserves and surplus	3	78,758.03	72,995.49
		<b>87,003.49</b>	<b>81,240.95</b>
<b>Deferred revenue</b>	4	<b>1,609.88</b>	1,244.05
<b>Fly ash utilisation fund</b>		<b>326.23</b>	234.93
<b>Minority interest</b>		<b>680.43</b>	644.81
<b>Non-current liabilities</b>			
Long-term borrowings	5	75,542.30	64,587.72
Deferred tax liabilities (net)	6	1,239.31	1,080.72
Other long-term liabilities	7	3,081.58	2,217.66
Long-term provisions	8	896.80	761.20
		<b>80,759.99</b>	<b>68,647.30</b>
<b>Current liabilities</b>			
Short-term borrowings	5A	433.64	382.16
Trade payables	9	7,427.70	5,862.29
Other current liabilities	10	14,223.44	13,165.07
Short-term provisions	11	7,575.13	7,289.02
		<b>29,659.91</b>	<b>26,698.54</b>
<b>TOTAL</b>		<b>200,039.93</b>	<b>178,710.58</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill on consolidation		0.62	0.62
<b>Fixed assets</b>			
Tangible assets	12	83,957.77	71,578.34
Intangible assets	12	249.59	253.75
Capital work-in-progress	13	53,819.15	46,553.36
Intangible assets under development	13	5.81	1.28
Non-current investments	14	1,663.46	3,300.42
Long-term loans and advances	15	14,151.11	11,058.61
Other non-current assets	15A	1,805.99	1,503.91
		<b>155,653.50</b>	<b>134,250.29</b>
<b>Current assets</b>			
Current investments	16	1,636.96	1,622.46
Inventories	17	5,988.48	4,575.78
Trade receivables	18	6,725.66	6,096.15
Cash and bank balances	19	17,050.67	18,738.12
Short-term loans and advances	20	3,231.19	1,718.34
Other current assets	21	9,753.47	11,709.44
		<b>44,386.43</b>	<b>44,460.29</b>
<b>TOTAL</b>		<b>200,039.93</b>	<b>178,710.58</b>

Significant accounting policies

1

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

For and on behalf of the Board of Directors

(A.K. Rastogi)  
Company Secretary

(K. Biswal)  
Director (Finance)

(Dr. Arup Roy Choudhury)  
Chairman & Managing Director

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

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

For K. K. Soni & Co.  
Chartered Accountants  
Firm Reg. No. 000947N

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

(Neeraj Kumar Agarwal)  
Partner  
M No. 094155

(Abhinav Aggarwal)  
Partner  
M No. 517358

(G. Shankar)  
Partner  
M No. 024042

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

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

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

(Ajay Gupta)  
Partner  
M No. 090104

(Monika Agrawal)  
Partner  
M No. 093769

(Pawan K. Goel)  
Partner  
M.No. 072209

Place : New Delhi  
Dated : 15<sup>th</sup> May 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

₹ Crore

Particulars	Note	31.03.2014	31.03.2013
<b>Revenue</b>			
Revenue from operations (gross)	22	79,619.15	72,669.65
Less: Electricity duty / Excise duty		697.49	571.56
Revenue from operations (net)		78,921.66	72,098.09
Other income	23	2,777.44	3,181.16
<b>Total revenue</b>		<b>81,699.10</b>	<b>75,279.25</b>
<b>Expenses</b>			
Fuel		47,790.26	42,827.77
Electricity purchased		2,189.97	2,673.49
Employee benefits expense	24	4,055.95	3,607.22
Cost of material and services		317.47	312.24
Finance costs	25	3,203.07	2,480.54
Depreciation and amortisation expense	12	4,769.99	3,823.22
Generation, administration & other expenses	26	4,874.78	4,545.89
Prior period items (net)	27	11.85	(33.78)
<b>Total expenses</b>		<b>67,213.34</b>	<b>60,236.59</b>
<b>Profit before tax and exceptional items</b>		<b>14,485.76</b>	<b>15,042.66</b>
Exceptional items		-	1,568.29
<b>Profit before tax</b>		<b>14,485.76</b>	<b>16,610.95</b>
<b>Tax expense</b>			
Current tax			
Current year		3,372.68	3,905.82
Earlier years		(438.09)	(162.01)
Deferred tax			
Current year		158.59	316.23
Less : MAT credit recoverable		10.82	35.31
<b>Total tax expense</b>		<b>3,082.36</b>	<b>4,024.73</b>
<b>Profit after tax</b>		<b>11,403.40</b>	<b>12,586.22</b>
Less: Share of Profit/(loss)-Minority interest		(0.21)	(4.56)
<b>Group profit after tax</b>		<b>11,403.61</b>	<b>12,590.78</b>
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value of ₹ 10/- each)	45		
Basic & Diluted (₹)		<b>13.83</b>	15.27

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

There are no extraordinary items in the above periods.

Total revenue, total expenses and profit after tax includes ₹ 4,532.23 crore (previous year ₹ 3,653.98 crore), ₹ 4,062.44 crore (previous year ₹ 3,492.62 crore) and ₹ 349.23 crore (previous year ₹ 75.35 crore) respectively towards share of jointly controlled entities.

For and on behalf of the Board of Directors

(A.K. Rastogi)  
Company Secretary

(K. Biswal)  
Director (Finance)

(Dr. Arup Roy Choudhury)  
Chairman & Managing Director

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

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

(Neeraj Kumar Agarwal)  
Partner  
M No. 094155

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

(Ajay Gupta)  
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(G. Shankar)  
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For A. R. & Co.  
Chartered Accountants  
Firm Reg. No. 002744C

(Pawan K. Goel)  
Partner  
M.No. 072209

Place : New Delhi  
Dated : 15<sup>th</sup> May 2014

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED**

₹ Crore

Particulars	31.03.2014	31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	14,485.76	16,610.95
Adjustment for:		
Depreciation/amortisation	4,769.99	3,823.22
Prior period depreciation/amortisation	3.73	3.93
Provisions	160.54	272.33
Deferred revenue on account of advance against depreciation	(16.06)	(9.87)
Deferred foreign currency fluctuation asset/liability	(215.77)	238.75
Deferred income from foreign currency fluctuation	516.36	79.56
Exchange differences on translation of foreign currency cash and cash equivalents	(0.19)	-
Interest charges	3,164.29	2,457.80
Guarantee fee & other finance charges	38.78	22.74
Interest/income on term deposits/bonds/investment	(2,130.45)	(2,475.64)
Dividend income	(139.06)	(217.79)
Provisions written back	(200.86)	(908.53)
<b>Operating profit before working capital changes</b>	<b>5,951.30</b>	<b>3,286.50</b>
Adjustment for:	<b>20,437.06</b>	<b>19,897.45</b>
Trade receivables	(629.02)	1,417.14
Inventories	(1,154.24)	(186.21)
Trade payables, provisions and other liabilities	1,408.65	1,778.39
Loans & advances and other current assets	(906.42)	(3,419.44)
<b>Cash generated from operations</b>	<b>(1,281.03)</b>	<b>(410.12)</b>
Direct taxes paid	<b>19,156.03</b>	<b>19,487.33</b>
<b>Net cash from operating activities - A</b>	<b>(2,686.65)</b>	<b>(2,979.54)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>16,469.38</b>	<b>16,507.79</b>
Purchase of fixed assets	(18,948.45)	(20,405.74)
Purchase of investments	(11,426.58)	(17,955.00)
Sale of investments	13,049.04	19,583.83
Interest/income on term deposits/bonds/investments received	2,453.40	2,474.48
Income tax paid on interest income	(775.89)	(760.53)
Dividend received	139.06	217.79
<b>Net cash used in investing activities - B</b>	<b>(15,509.42)</b>	<b>(16,845.17)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	14,523.70	14,381.51
Repayment of long term borrowings	(5,189.74)	(4,603.31)
Proceeds from short term borrowings	51.48	232.00
Grant received/ Fly ash utilisation fund, etc.	81.78	162.85
Interest paid	(6,088.36)	(4,922.38)
Guarantee fee & other finance charges paid	(154.55)	(139.40)
Dividend paid	(5,018.96)	(3,550.10)
Tax on dividend	(852.95)	(573.06)
<b>Net cash from financing activities - C</b>	<b>(2,647.60)</b>	<b>988.11</b>
<b>Exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>0.19</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C+D)</b>	<b>(1,687.45)</b>	<b>650.73</b>
<b>Cash and cash equivalents at the beginning of the year (see Note 1 below)</b>	<b>18,738.12</b>	<b>18,087.39</b>
<b>Cash and cash equivalents at the end of the year (see Note 1 below)</b>	<b>17,050.67</b>	<b>18,738.12</b>
<b>NOTES</b>		
1. Cash and cash equivalents consist of cheques, drafts, stamps on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 19:		
Cash and cash equivalents	930.65	553.54
Deposits included in other bank balances	16,104.94	18,110.68
Other bank balances-Others*	15.08	73.90
Cash and cash equivalents as restated (Note-19-Cash and bank balances)	17,050.67	18,738.12
* Amounts which are not available for use towards:		
1) Unpaid dividend account balance	14.21	15.67
2) Unpaid refund account balance	0.52	-
3) Out of margin money kept with RBI earmarked for fixed deposits from public	0.02	1.77
4) Deposited as security with government authorities	0.02	0.01
5) Margin money with banks	0.31	56.45
	15.08	73.90
2. Previous year figures have been regrouped/rearranged wherever considered necessary.		

 (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

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

 For O. P. Bagla & Co.  
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 (Pawan K. Goel)  
 Partner  
 M.No. 072209

 Place : New Delhi  
 Dated : 15<sup>th</sup> May 2014

## Notes forming part of Consolidated Financial Statements

### 1. Significant accounting policies

#### A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006, read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs, provisions of the Companies Act, 1956, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

#### B. Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

#### C. Grants-in-aid

1. Grants-in-aid received from the Central Government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.
2. Where the ownership of the assets acquired out of the grants vests with the government, the grants are adjusted in the carrying cost of such assets.
3. Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

#### D. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Capital expenditure on assets not owned by the Company relating to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter in the tangible assets. However, similar expenditure for community development is charged off to revenue.
5. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
6. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
7. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

#### E. Capital work-in-progress

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

#### F. Oil and gas exploration costs

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

#### G. Development of coal mines

Expenditure on exploration and development of new coal deposits is capitalized as 'Development of coal mines' under capital work-in-progress till the mines project is brought to revenue account.

#### H. Foreign currency transactions

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

## Notes forming part of Consolidated Financial Statements

### I. Borrowing costs

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

### J. Investments

1. Current investments are valued at lower of cost and fair value determined on an individual investment basis.
2. Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
3. Premium paid on long term investments is amortised over the period remaining to maturity.

### K. Inventories

1. Inventories are valued at the lower of, cost determined on weighted average basis and net realizable value.
2. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

### L. Income recognition

1. Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted.
2. Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.
3. Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as per accounting policy no. H is adjusted in depreciation.
4. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/payable.
5. Premium, discount and exchange differences in respect of forward exchange contracts and mark to market losses in respect of other derivative contracts referred to in accounting policy no. H.5 recoverable from/payable to the beneficiaries as per CERC Tariff Regulations, are recognised in sales.
6. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
7. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.
8. Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.
9. Scrap other than steel scrap is accounted for as and when sold.
10. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

### M. Expenditure

#### a) Depreciation/amortisation

1. Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2009 in accordance with Section 616 (c) of the Companies Act, 1956.
2. Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business, is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956.
3. Depreciation on the following assets is provided based on their estimated useful life:

a) Kutcha Roads	2 years
b) Enabling works	
- residential buildings including their internal electrification.	15 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	5 years
d) Photocopiers and fax machines	5 years
e) Water coolers and refrigerators	12 years

4. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
5. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
6. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

## Notes forming part of Consolidated Financial Statements

7. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.
8. Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.
9. Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery.
10. Capital expenditure on assets not owned by the company referred in policy D.4 is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use.
11. Leasehold land and buildings relating to generation of electricity business are fully amortised over lease period or life of the related plant whichever is lower following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.
12. Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of balance useful life of the project. Other leasehold land acquired for mining business is amortised over the lease period or balance life of the project whichever is less.

### b) Other expenditure

13. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research & development are charged to revenue in the year incurred.
14. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
15. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
16. Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
17. Transit and handling losses of coal as per Company's norms are included in cost of coal.

### N. Employee benefits

Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

1. Company's contributions paid/payable during the year to provident fund and pension fund is recognised in the statement of profit and loss. The same is paid to funds administered through separate trusts.
2. Company's liability towards gratuity, leave benefits (including compensated absences), post retirement medical facility and other terminal benefits is determined by independent actuary, at year end using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of profit and loss. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.
3. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

### O. Leases

#### 1. Finance lease

- 1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.
- 1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. M.a.1 or M.a.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.
- 1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

#### 2. Operating lease

Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.

### P. Impairment

The carrying amount of cash generating units is reviewed at each balance sheet date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognised in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

### Q. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

### R. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

### S. Taxes on income

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

## Notes forming part of Consolidated Financial Statements

### 2. Share capital

	31.03.2014	31.03.2013
<b>As at</b>		₹ Crore
<b>Equity share capital</b>		
<b>Authorised</b>		
10,00,00,00,000 shares of par value ₹10/- each (previous year)		
10,00,00,00,000 shares of par value ₹10/- each)	<u>10,000.00</u>	<u>10,000.00</u>
<b>Issued, subscribed and fully paid-up</b>		
8,24,54,64,400 shares of par value ₹10/- each (previous year)		
8,24,54,64,400 shares of par value ₹10/- each)	<u>8,245.46</u>	<u>8,245.46</u>

a) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31.03.2014		31.03.2013	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	618,40,98,300	75.00	618,40,98,300	75.00
- Life Insurance Corporation of India	70,67,78,072	8.57	63,12,94,191	7.66

### 3. Reserves and surplus

	31.03.2014	31.03.2013
<b>As at</b>		₹ Crore
<b>Capital reserve</b>		
As per last financial statements	408.97	391.33
Add : Transfer from surplus	4.98	0.97
Add : Grants received during the year	20.32	41.24
Less : Adjustments during the year	33.30	24.57
	<u>400.97</u>	<u>408.97</u>
<b>Securities premium account</b>		
As per last financial statements	2,228.11	2,228.11
Add : Received during the year	0.23	-
	<u>2,228.34</u>	<u>2,228.11</u>
<b>Foreign currency translation reserve</b>	0.15	(0.41)
<b>Debt service reserve</b>		
As per last financial statements	81.84	-
Add : Transfer from surplus	162.17	81.84
	<u>244.01</u>	<u>81.84</u>
<b>Self insurance reserve</b>		
As per last financial statements	50.11	50.11
Less : Transfer to surplus	27.49	-
Less : Adjustments during the year	0.82	-
	<u>21.80</u>	<u>50.11</u>
<b>Bonds redemption reserve</b>		
As per last financial statements	2,535.33	2,389.04
Add : Transfer from surplus	576.08	492.79
Less : Transfer to surplus	346.50	346.50
	<u>2,764.91</u>	<u>2,535.33</u>
<b>General reserve</b>		
As per last financial statements	66,958.67	60,339.89
Add : Transfer from surplus	5,012.08	6,643.18
Less: Adjustments during the year	4.92	24.40
	<u>71,965.83</u>	<u>66,958.67</u>



## Notes forming part of Consolidated Financial Statements

	₹ Crore	
As at	31.03.2014	31.03.2013
<b>Surplus</b>		
As per last financial statements	<b>732.87</b>	632.70
Add: Profit for the year as per Statement of Profit and Loss	<b>11,403.61</b>	12,590.78
Transfer from bond redemption reserve	<b>346.50</b>	346.50
Transfer from self insurance reserve	<b>27.49</b>	-
Less: Transfer to bond redemption reserve	<b>576.08</b>	492.79
Transfer to capital reserve	<b>4.98</b>	0.97
Transfer to fly ash utilisation fund	<b>17.01</b>	12.06
Transfer to debt service reserve	<b>162.17</b>	81.84
Transfer to general reserve	<b>5,012.08</b>	6,643.18
Dividend paid	<b>3,300.69</b>	3,094.07
Tax on dividend paid	<b>560.96</b>	501.94
Proposed dividend	<b>1,491.07</b>	1,718.27
Tax on proposed dividend	<b>253.41</b>	291.99
Net surplus	<b>1,132.02</b>	732.87
<b>Total #</b>	<b>78,758.03</b>	72,995.49

# Includes ₹ 758.91 crore (previous year ₹ 475.25 crore) share of jointly controlled entities.

- Addition to Securities premium account represents premium received on issue of tax free bonds through private placement.
- 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..
- 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.
- Capital reserve includes an amount of ₹ 241.33 crore (previous year ₹ 251.62 crore) relating to grant received from GOI through Government of Bihar for renovation and modernisation of Kanti Bijlee Utpadan Nigam Ltd.

#### 4. Deferred revenue

	₹ Crore	
As at	31.03.2014	31.03.2013
On account of advance against depreciation	<b>692.55</b>	708.60
On account of income from foreign currency fluctuation	<b>917.33</b>	535.45
<b>Total #</b>	<b>1,609.88</b>	1,244.05

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

- 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.
- In line with significant accounting policy no. L.2 (Note 1), an amount of ₹ 16.05 crore (previous year ₹ 9.87 crore) has been recognized during the year from the AAD and included in energy sales (Note 22).
- Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of fixed assets, which is recoverable from the customers in future years as provided in accounting policy no. L.3 (Note 1). This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from shareholder's funds and liabilities.



## Notes forming part of Consolidated Financial Statements

### 5. Long-term borrowings

As at	31.03.2014	31.03.2013
₹ Crore		
<b>Bonds</b>		
<b>Secured</b>		
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16 <sup>th</sup> December 2033 (Fiftieth Issue - Public Issue - Series 3A) <sup>vi</sup>	<b>312.03</b>	-
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 <sup>th</sup> December 2033 (Fiftieth Issue - Public Issue - Series 3B) <sup>vi</sup>	<b>399.97</b>	-
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 <sup>th</sup> December 2028 (Fiftieth Issue - Public Issue - Series 2A) <sup>vi</sup>	<b>249.95</b>	-
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 <sup>th</sup> December 2028 (Fiftieth Issue - Public Issue - Series 2B) <sup>vi</sup>	<b>91.39</b>	-
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 <sup>th</sup> December 2023 (Fiftieth Issue - Public Issue - Series 1A) <sup>vi</sup>	<b>488.02</b>	-
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16 <sup>th</sup> December 2023 (Fiftieth Issue - Public Issue - Series 1B) <sup>vi</sup>	<b>208.64</b>	-
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 <sup>th</sup> year and in annual installments thereafter upto the end of 15 <sup>th</sup> year respectively commencing from 04 <sup>th</sup> May 2023 and ending on 04 <sup>th</sup> May 2027 (Forty fourth issue - private placement) <sup>vii</sup>	<b>500.00</b>	500.00
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 1 <sup>st</sup> May 2023 (Seventeenth issue - private placement) <sup>vii</sup>	<b>50.00</b>	50.00
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 <sup>th</sup> April 2023 (Forty ninth issue - private placement) <sup>vii</sup>	<b>200.00</b>	-
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7 <sup>th</sup> March 2023 (Forty eighth issue - private placement) <sup>vii</sup> . Secured during the current year.	<b>300.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 15 <sup>th</sup> year respectively commencing from 25 <sup>th</sup> January 2023 and ending on 25 <sup>th</sup> January 2027 (Forty second issue - private placement) <sup>vii</sup>	<b>500.00</b>	500.00
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 <sup>th</sup> October 2022 (Forty seventh issue - private placement) <sup>vii</sup>	<b>390.00</b>	390.00
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19 <sup>th</sup> January 2021 (Thirty seventh issue - private placement) <sup>vii</sup>	<b>300.00</b>	300.00
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31 <sup>st</sup> March 2020 (Thirty third issue- private placement) <sup>vii</sup>	<b>195.00</b>	195.00
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 9 <sup>th</sup> March 2020 (Thirty first issue- private placement) <sup>vii</sup>	<b>500.00</b>	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 <sup>th</sup> Nov 2019 and ending on 6 <sup>th</sup> Nov 2023 (Twenty seventh issue - private placement) <sup>vii</sup>	<b>350.00</b>	350.00
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5 <sup>th</sup> May 2019 (Thirtieth issue - private placement) <sup>vii</sup>	<b>700.00</b>	700.00
8.65% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4 <sup>th</sup> February 2019 (Twenty ninth issue - private placement) <sup>vii</sup>	<b>550.00</b>	550.00
7.50% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 12 <sup>th</sup> January 2019 (Nineteenth issue - private placement) <sup>vii</sup>	<b>50.00</b>	50.00
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 21 <sup>st</sup> November 2018 (Twenty eighth issue - private placement) <sup>vii</sup>	<b>1,000.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 20 <sup>th</sup> July 2018 and ending on 20 <sup>th</sup> July 2032 (Forty sixth issue - private placement) <sup>vii</sup>	<b>75.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 16 <sup>th</sup> May 2018 and ending on 16 <sup>th</sup> May 2032 (Forty fifth issue - private placement) <sup>vii</sup>	<b>75.00</b>	75.00

**Notes forming part of Consolidated Financial Statements**

8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 10 <sup>th</sup> April 2018 (Sixteenth issue - private placement) <sup>ii</sup>	<b>100.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 2 <sup>nd</sup> March 2018 and ending on 2 <sup>nd</sup> March 2032 (Forty third issue - private placement) <sup>iii</sup>	<b>75.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 23 <sup>rd</sup> December 2017 and ending on 23 <sup>rd</sup> December 2031 (Forty first issue - private placement) <sup>iii</sup>	<b>75.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 29 <sup>th</sup> July 2017 and ending on 29 <sup>th</sup> July 2031 (Fortieth issue - private placement) <sup>iii</sup>	<b>75.00</b>	75.00
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 9 <sup>th</sup> June 2017 and ending on 9 <sup>th</sup> June 2031 (Thirty ninth issue - private placement) <sup>iii</sup>	<b>105.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 22 <sup>nd</sup> March 2017 and ending on 22 <sup>nd</sup> March 2031 (Thirty eighth issue - private placement) <sup>iii</sup>	<b>75.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 15 <sup>th</sup> December 2016 and ending on 15 <sup>th</sup> December 2030 (Thirty sixth issue - private placement) <sup>iii</sup>	<b>75.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 15 <sup>th</sup> September 2016 and ending on 15 <sup>th</sup> September 2030 (Thirty fifth issue - private placement) <sup>iii</sup>	<b>120.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 10 <sup>th</sup> June 2016 and ending on 10 <sup>th</sup> June 2030 (Thirty fourth issue - private placement) <sup>iii</sup>	<b>150.00</b>	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 <sup>th</sup> year and in annual installments thereafter upto the end of 20 <sup>th</sup> year respectively commencing from 25 <sup>th</sup> March 2016 and ending on 25 <sup>th</sup> March 2030 (Thirty second issue - private placement) <sup>iii</sup>	<b>105.00</b>	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 <sup>th</sup> June 2012 and ending on 4 <sup>th</sup> December 2018 (Twenty fifth issue - private placement) <sup>iii</sup>	<b>285.50</b>	357.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4 <sup>th</sup> June 2012 and ending on 4 <sup>th</sup> December 2018 (Twenty sixth issue - private placement) <sup>iii</sup>	<b>285.50</b>	357.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9 <sup>th</sup> September 2011 and ending on 9 <sup>th</sup> March 2021 (Twenty fourth issue - private placement) <sup>iv</sup>	<b>300.00</b>	350.00
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5 <sup>th</sup> August 2011 and ending on 5 <sup>th</sup> February 2021 (Twenty third issue - private placement) <sup>iv</sup>	<b>300.00</b>	350.00
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2 <sup>nd</sup> July 2011 and ending on 2 <sup>nd</sup> January 2021 (Twenty second issue - private placement) <sup>v</sup>	<b>300.00</b>	350.00
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2 <sup>nd</sup> August 2010 and ending on 2 <sup>nd</sup> February 2020 (Twenty first issue - private placement) <sup>v</sup>	<b>500.00</b>	600.00
7.552% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 23 <sup>rd</sup> September 2009 and ending on 23 <sup>rd</sup> March 2019 (Twentieth Issue - private placement) <sup>vi</sup>	<b>200.00</b>	250.00

**Notes forming part of Consolidated Financial Statements**

9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each with ten equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of the 6 <sup>th</sup> year and in annual installments thereafter upto the end of 15 <sup>th</sup> year respectively from 30 <sup>th</sup> April 2002 (Thirteenth issue - Part B - private placement) <sup>viii</sup>	<b>225.00</b>	300.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each redeemable at par in ten equal annual installments commencing from the end of 6 <sup>th</sup> year and upto the end of 15 <sup>th</sup> year respectively from 18 <sup>th</sup> April 2002 (Thirteenth issue -Part A - private placement) <sup>viii</sup>	<b>225.00</b>	300.00
<b>Unsecured*</b>		
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 <sup>th</sup> March 2034 (Fifty First Issue C - Private Placement)*	<b>320.00</b>	-
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4 <sup>th</sup> March 2029 (Fifty First Issue B - Private Placement)*	<b>105.00</b>	-
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24 <sup>th</sup> March 2024 (Fifty Second Issue - private placement)*	<b>750.00</b>	-
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4 <sup>th</sup> March 2024 (Fifty First Issue A - Private Placement)*	<b>75.00</b>	-
	<b>12,311.00</b>	9,704.00
<b>Foreign currency notes</b>		
<b>Unsecured</b>		
4.75 % Fixed rate notes due for repayment on 3 <sup>rd</sup> October 2022	<b>3,030.50</b>	2,745.50
5.625 % Fixed rate notes due for repayment on 14 <sup>th</sup> July 2021	<b>3,030.50</b>	2,745.50
5.875 % Fixed rate notes due for repayment on 2 <sup>nd</sup> March 2016	<b>1,818.30</b>	1,647.30
<b>Term loans</b>		
<b>From Banks</b>		
<b>Secured</b>		
Rupee loans <sup>ix</sup>	<b>3,399.34</b>	2,986.65
<b>Unsecured</b>		
Foreign currency loans	<b>6,290.80</b>	4,766.70
Rupee loans	<b>18,905.07</b>	13,919.18
<b>From Others</b>		
<b>Secured</b>		
Rupee loans <sup>ix</sup>	<b>9,708.46</b>	8,313.13
<b>Unsecured</b>		
Foreign currency loans (guaranteed by GOI)	<b>2,456.03</b>	2,604.09
Other foreign currency loans	<b>2,026.88</b>	1,864.55
Rupee loans	<b>12,503.04</b>	13,090.55
<b>Deposits</b>		
<b>Unsecured</b>		
Fixed deposits	<b>0.09</b>	0.52
<b>Others</b>		
<b>Unsecured</b>		
Bonds application money pending allotment	-	200.00
<b>Long term maturities of finance lease obligations</b>		
Secured	-	0.05
Unsecured	<b>62.29</b>	-
<b>Total<sup>#</sup></b>	<b>75,542.30</b>	<b>64,587.72</b>

# Includes ₹ **9,082.32 crore** (previous year ₹ 8,651.80 crore) share of jointly controlled entities.

\* Formalities for creation of security as per terms of bond issue are in progress.

## Notes forming part of Consolidated Financial Statements

### 5. Long-term borrowings

#### a) Details of terms of repayment and rate of interest

₹ Crore

Particulars	Non current portion		Current portion	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Term loans</b>				
Secured				
Rupee loans - Banks	3,399.34	2,986.65	310.00	192.87
Rupee loans - Others	9,708.46	8,313.13	395.34	357.82
Foreign currency loan (guaranteed by GOI) - Others	-	-	-	96.44
	<b>13,107.80</b>	11,299.78	<b>705.34</b>	647.13
Unsecured				
Foreign currency loans (guaranteed by GOI) - Others	2,456.03	2,604.09	173.40	171.73
Foreign currency loans - Banks	6,290.80	4,766.70	257.84	233.59
Other foreign currency loans - Others	2,026.88	1,864.55	393.67	576.19
Rupee loans - Banks	18,905.07	13,919.18	1,764.06	1,759.13
Rupee loans - Others	12,503.04	13,090.55	1,591.23	1,367.73
	<b>42,181.82</b>	36,245.07	<b>4,180.20</b>	4,108.37
<b>Fixed deposits (unsecured)</b>	<b>0.09</b>	0.52	<b>0.43</b>	0.11

- i) Secured rupee term loan from banks carry interest linked to SBI base rate or fixed interest rate ranging from 8% to 11.25% p.a., with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly/half-yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of four to fifteen years after a moratorium period of six months from the COD or three to five years from the date of the loan agreement.
  - ii) Secured rupee term loan from others carry interest linked to SBI base rate, SBI Advance Rate, rate notified by the lender for category 'A' public 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) Unsecured Foreign Currency Loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 25 to 34 semi annual installments as of 31<sup>st</sup> March 2014.
  - iv) Unsecured Foreign Currency Loans – Banks include loans of ₹ 589.81 crore (previous year ₹ 591.81 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ 5,958.83 crore (previous year ₹ 4,408.48 crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 24 semiannual instalments as of 31<sup>st</sup> March 2014, commencing after moratorium period if any, as per the terms of the respective loan agreements.
  - v) Unsecured Foreign Currency Loans – Others include loans of ₹ 1,424.92 crore (previous year ₹ 1,071.57 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a. and loans of ₹ 995.63 crore (previous year ₹ 1,277.60 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR. These loans are repayable in 6 to 24 semiannual installments as of 31<sup>st</sup> March 2014, commencing after moratorium period if any, as per the terms of the respective loan agreements.
  - vi) Unsecured rupee term loans carry interest rate ranging from 5.707 % p.a. to 12.40 % p.a. with monthly/quarterly/half-yearly rests. These loans are repayable in quarterly / half-yearly / yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of seven to fifteen years after a moratorium period of six months to five years.
  - vii) Unsecured fixed deposits carry interest ranging from 7.00% to 8.00% p.a. payable quarterly / monthly for non-cumulative schemes and on maturity in case of cumulative schemes compounded quarterly. As per the terms, deposits are repayable during a period of one to three years from the date of issue. However, same may be repaid earlier than their respective maturity in pursuance to applicable provisions and regulations of Companies Act, 2013.
- b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four to seven years.
  - c) During the year, the Company made public issue of ₹1,750 crore (Fiftieth issue - stated above) pursuant to Notification No.61/2013.F.No.178/37/2013-(ITA.I) dated 8<sup>th</sup> August 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GOI. The Company has utilised the issue proceeds as per the objects of the issue stated in the prospectus dated 25<sup>th</sup> November 2013 i.e funding of capital expenditure and refinancing for meeting the debt requirement in ongoing projects, including recoupment of expenditure already incurred.
  - d) There has been no default in repayment of any of the loans or interest thereon as at the end of the year except that one of the Joint Venture Companies in which the Company has 32.86% share has defaulted in payment of principal and interest amounting to ₹ 53.48 crore and ₹ 145.69 crore respectively as at the end of the year for a period varying from 30 to 198 days.

## Notes forming part of Consolidated Financial Statements

### Details of securities

- I Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.
- II Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.
- III Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.
- IV Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.
- V Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.
- VI Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.
- VII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.
- VIII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Singrauli Super Thermal Power Station by extension of charge already created.
- IX
  - (i) Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Bhilai Expansion Project (CPP - III) belonging to Joint Venture entity.
  - (ii) Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of CPP-II at Rourkela, Durgapur, Bhilai & Corporate office belonging to Joint Venture entity.
  - (iii) Secured by first charge by way of hypothecation of all moveable assets of Indira Gandhi Super Thermal Power Project (3 X 500 MW) Coal Based Thermal Power Project at Jhajjar Distt. in state of Haryana belonging to Joint Venture entity, comprising its movable plant and machinery, machinery spares, tools and accessories, furniture & fixture, vehicles and all other movable assets, present and future, including intangible assets, goodwill, uncalled capital, revenue and receivable of the project except for specified receivables on which first charge would be ceded to working capital lenders present and future and  
 Secured by first charge by way of mortgage by deposit of title deed of lands (approx 2049.11 acres) and other immovable properties of Indira Gandhi Super Thermal Power Project (3 x 500 MW) coal based thermal power project at jhajjar district in State of Haryana together with buildings and structure erected / constructed / standing thereon and all plant and machinery, and equipment attached to the earth or permanently fastened to the earth comprised therein, in respect of which the Joint venture entity, as a owner seized and possessed of and otherwise well and fully entitled to, both present and future assets.
  - (iv) Secured by equitable mortgage / hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4\*250) MW of Bharitiya Rail Bijilee Company Ltd., a subsidiary company, as first charge, ranking pari passu with charge already created with PFC for 60% of total debts and balance 40% with REC.
  - (v) Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Power Plant and associated LNG facilities at village Anjanwel, Guhagar, Distt. Ratnagiri belonging to Joint Venture entity.
  - (vi) Secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land, in respect of loan from consortium led by SBI for Kanti Bijilee Utpadan Nigam Ltd. expansion project. The security will rank pari-pasu with all term lenders of the project. The charge has been created in favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor of security trustee has been executed for 594.84 acres out of 987.93 acres.

## Notes forming part of Consolidated Financial Statements

- (vii) Secured by Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Meja Thermal Power Project. Deed of Hypothecation for all present and future movable assets of Meja Urja Nigam Private Limited has also been executed with the Security Trustee and the Indenture of Mortgage with the Security Trustee has been registered with appropriate authority.
- (viii) Secured by a first priority charge on all assets of the Nabinagar Power Generating Company Pvt.Ltd., present and future, movable and immovable through a deed of hypothecation and simple mortgage of land.
- (ix) Secured by first charge on all movable and immovable, present and future assets of the NTPC Tamilnadu Energy Company Ltd.
- X Security cover mentioned at sl. no. I to IX is above 100% of the debt securities outstanding.

### 5A. Short-term borrowings

	₹ Crore	
As at	31.03.2014	31.03.2013
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
Cash Credit	433.64	382.16
<b>Total #</b>	<u>433.64</u>	<u>382.16</u>

# Includes ₹ 361.01 crore (previous year ₹ 347.12 crore) share of jointly controlled entities.

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

### 6. Deferred tax liabilities (net)

	₹ Crore		
	As at 01.04.2013	Additions/ (Adjustments) during the year	As at 31.03.2014
Deferred tax liability			
Difference of book depreciation and tax depreciation	6,519.89	392.76	6,912.65
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	789.64	(12.08)	777.56
Disallowances u/s 43B of the Income Tax Act, 1961	334.13	59.00	393.13
	<u>5,396.12</u>	<u>345.84</u>	<u>5,741.96</u>
Less: Recoverable from beneficiaries	4,315.40	187.25	4,502.65
<b>Total #</b>	<u>1,080.72</u>	<u>158.59</u>	<u>1,239.31</u>

# Includes ₹ 187.26 crore (previous year ₹ 183.23 crore) share of jointly controlled entities.

- a) The net increase during the year in the deferred tax liability of ₹ 158.59 crore (previous year ₹ 316.23 crore) has been debited to Statement of Profit and Loss.
- b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.



## Notes forming part of Consolidated Financial Statements

### 7. Other long-term liabilities

	₹ Crore	
As at	31.03.2014	31.03.2013
Trade payables	6.00	6.83
Deferred foreign currency fluctuation liability	151.99	135.60
Other liabilities		
Payable for capital expenditure	2,853.96	2,070.39
Others	69.63	4.84
<b>Total #</b>	<b>3,081.58</b>	<b>2,217.66</b>

# Includes ₹ 156.35 crore (previous year ₹ 21.36 crore) share of jointly controlled entities.

- a) In line with accounting policy no.L.3 (Note 1) deferred foreign currency fluctuation liability to the extent of ₹ 16.39 crore (previous year ₹ 1.17 crore) has been made during the year.
- b) Other liabilities - Others include deposits received from contractors, customers and other parties.

### 8. Long-term provisions

	₹ Crore	
As at	31.03.2014	31.03.2013
Provision for		
Employee benefits	886.71	752.48
Contractual obligations	10.09	8.72
<b>Total #</b>	<b>896.80</b>	<b>761.20</b>

# Includes ₹ 17.44 crore (previous year ₹ 21.26 crore) share of jointly controlled entities.

- a) Disclosure required by AS 15 on 'Employee Benefits' has been made in Note-40.
- b) Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note-48.

### 9. Trade payables

	₹ Crore	
As at	31.03.2014	31.03.2013
For goods and services#	7,427.70	5,862.29

# Includes ₹ 287.98 crore (previous year ₹ 237.30 crore) share of jointly controlled entities.



## Notes forming part of Consolidated Financial Statements

### 10. Other current liabilities

As at	31.03.2014	31.03.2013
		₹ Crore
Current maturities of long term borrowings		
Bonds-Secured	593.00	693.00
From Banks		
Secured		
Rupee term loans	310.00	192.87
Unsecured		
Foreign currency loans	257.84	233.59
Rupee term loans	1,764.06	1,759.13
From Others		
Secured		
Rupee term loans	395.34	357.82
Foreign currency loan (guaranteed by GOI)	-	96.44
Unsecured		
Foreign currency loans (guaranteed by GOI)	173.40	171.73
Other foreign currency loans	393.67	576.19
Rupee term loans	1591.23	1367.73
Fixed deposits	0.43	0.11
	<b>5,478.97</b>	5,448.61
Current maturities of finance lease obligations-Secured	0.07	0.29
Interest accrued but not due on borrowings	811.80	670.55
Interest accrued and due on borrowings	47.87	-
Unpaid dividends	14.21	15.67
Unpaid matured deposits and interest accrued thereon	0.22	0.20
Unpaid matured bonds and interest accrued thereon	0.58	0.59
Unpaid bond refund money-Tax free bonds	0.52	-
Book overdraft	3.07	20.88
Advances from customers and others	508.10	424.50
Payable for capital expenditure	5,279.85	4,218.05
Other payables		
Tax deducted at source and other statutory dues	255.49	195.45
Deposits from contractors and others	952.28	1,264.91
Gratuity obligations	30.10	93.12
Payable to employees	288.68	468.81
Others	551.63	343.44
<b>Total #</b>	<b>14,223.44</b>	<b>13,165.07</b>

# Includes ₹ 1,640.00 crore (previous year ₹ 1,490.20 crore) share of jointly controlled entities.

- Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term borrowings indicated above are disclosed in Note 5.
- Interest accrued and due on borrowings pertains to one of the Joint Venture Companies. Refer Note 5 d).
- Unpaid dividends, matured deposits and bonds including the interest accrued thereon include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/ fixed deposits or are on hold pending legal formalities etc. Out of the above, no amount is due for payment to investor education and protection fund.
- Payable for capital expenditure includes liabilities of ₹ 165.11 crore (previous year ₹ 378.77 crore) towards an equipment supplier pending evaluation of performance and guarantee test results of steam/turbine generators at some of the stations. Pending settlement, liquidated damages recoverable for shortfall in performance of these equipments, if any, have not been recognised.
- Other payables - Others include amount payable to hospitals, retired employees etc.

## Notes forming part of Consolidated Financial Statements

### 11. Short-term provisions

As at	31.03.2014	31.03.2013
Provision for		
Employee benefits	1,088.52	1,429.83
Proposed dividend	1,491.06	1,718.27
Tax on proposed dividend	253.41	291.99
Obligations incidental to land acquisition	3,001.72	2,228.72
Tariff adjustment	1,293.69	1,333.29
Shortage in fixed assets pending investigation	6.17	1.09
Others	440.56	285.83
<b>Total #</b>	<b>7,575.13</b>	<b>7,289.02</b>

# Includes ₹ 146.50 crore (previous year ₹ 155.18 crore) share of jointly controlled entities.

- a) Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 40.
- b) Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note 48.
- c) The Company aggrieved over many of the issues as considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. Towards the above and other anticipated tariff adjustments, provision of ₹ 122.96 crore (previous year ₹ 166.35 crore) has been made during the year and in respect of some of the stations, an amount of ₹ 162.56 crore (previous year ₹ 63.11 crore) has been written back.
- d) Other provisions include ₹ 53.64 crore (previous year ₹ 46.27 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 31 C (ii)] and ₹ 378.52 crore (previous year ₹ 200.84 crore) towards provision for litigation cases.

## Notes forming part of Consolidated Financial Statements

### 12. Tangible assets

₹ Crore

	Gross Block			As at 31.03.2014	Depreciation / Amortisation			Net Block		
	As at	Deductions /	As at		Upto	For	Deductions /	Upto	As at	As at
	01.04.2013	Additions			Adjustments	01.04.2013	the year	Adjustments	31.03.2014	
Land										
(including development expenses)										
Freehold	5,203.64	761.20	(994.28)	<b>6,959.12</b>	-	-	-	-	<b>6,959.12</b>	5,203.64
Leasehold	1,529.13	838.46	(71.74)	<b>2,439.33</b>	173.86	268.38	(2.16)	<b>444.40</b>	<b>1,994.93</b>	1,355.27
Roads, bridges, culverts & helipads	638.27	92.51	(10.93)	<b>741.71</b>	206.89	27.24	0.08	<b>234.05</b>	<b>507.66</b>	431.38
Buildings										
Freehold										
Main plant	5,087.31	313.51	(18.36)	<b>5,419.18</b>	1,396.68	157.04	2.99	<b>1,550.73</b>	<b>3,868.45</b>	3,690.63
Others	2,636.65	255.71	(40.36)	<b>2,932.72</b>	990.20	111.28	(2.64)	<b>1,104.12</b>	<b>1,828.60</b>	1,646.45
Leasehold	51.61	-	0.02	<b>51.59</b>	27.74	1.90	-	<b>29.64</b>	<b>21.95</b>	23.87
Temporary erection	38.17	2.89	0.11	<b>40.95</b>	35.35	1.88	0.20	<b>37.03</b>	<b>3.92</b>	2.82
Water supply, drainage & sewerage system	688.82	37.05	(3.91)	<b>729.78</b>	322.15	23.08	0.09	<b>345.14</b>	<b>384.64</b>	366.67
MGR track and signalling system	1,355.56	33.52	(19.37)	<b>1,408.45</b>	635.88	49.20	-	<b>685.08</b>	<b>723.37</b>	719.68
Railway siding	497.71	153.38	(1.92)	<b>653.01</b>	179.73	28.92	0.06	<b>208.59</b>	<b>444.42</b>	317.98
Earth dam reservoir	337.19	0.16	(1.72)	<b>339.07</b>	111.84	16.79	-	<b>128.63</b>	<b>210.44</b>	225.35
Plant and equipment										
Owned	93,336.04	10,538.42	(3,042.35)	<b>106,916.81</b>	36,654.71	4,609.21	210.72	<b>41,053.20</b>	<b>65,863.61</b>	56,681.33
Leased	-	60.00	-	<b>60.00</b>	-	1.06	-	<b>1.06</b>	<b>58.94</b>	-
Furniture and fixtures	444.02	40.01	1.88	<b>482.15</b>	254.85	19.04	1.55	<b>272.34</b>	<b>209.81</b>	189.17
Vehicles including speedboats										
Owned	11.61	1.95	1.54	<b>12.02</b>	6.08	0.82	1.20	<b>5.70</b>	<b>6.32</b>	5.53
Leased	2.33	-	1.74	<b>0.59</b>	2.02	0.22	1.70	<b>0.54</b>	<b>0.05</b>	0.31
Office equipment	164.09	21.43	2.70	<b>182.82</b>	79.21	10.98	2.31	<b>87.88</b>	<b>94.94</b>	84.88
EDP, WP machines and satcom equipment	402.62	24.42	13.61	<b>413.43</b>	275.47	28.18	12.22	<b>291.43</b>	<b>122.00</b>	127.15
Construction equipments	175.36	14.11	(2.10)	<b>191.57</b>	90.77	11.18	1.47	<b>100.48</b>	<b>91.09</b>	84.59
Electrical installations	415.99	42.26	(6.61)	<b>464.86</b>	166.43	17.08	0.50	<b>183.01</b>	<b>281.85</b>	249.56
Communication equipments	98.34	7.63	(0.24)	<b>106.21</b>	53.47	5.15	0.71	<b>57.91</b>	<b>48.30</b>	44.87
Hospital equipments	32.51	4.37	0.36	<b>36.52</b>	16.27	1.24	0.22	<b>17.29</b>	<b>19.23</b>	16.24
Laboratory and workshop equipments	53.00	9.55	(0.12)	<b>62.67</b>	15.28	2.53	0.04	<b>17.77</b>	<b>44.90</b>	37.72
Assets under 5 KM scheme of the GOI	0.53	86.24	(13.03)	<b>99.80</b>	0.01	20.66	-	<b>20.67</b>	<b>79.13</b>	0.52
Capital expenditure on assets not owned by the Company	225.30	38.74	4.55	<b>259.49</b>	152.57	16.82	-	<b>169.39</b>	<b>90.10</b>	72.73
Assets of Government	2.81	-	-	<b>2.81</b>	-	-	-	-	<b>2.81</b>	2.81
Less: Grants from Government	2.81	-	-	<b>2.81</b>	-	-	-	-	<b>2.81</b>	2.81
Assets created from fly ash utilisation fund	-	0.49	(4.09)	<b>4.58</b>	-	-	-	-	<b>4.58</b>	-
Less: set off against fly ash utilisation fund	-	0.49	(4.09)	<b>4.58</b>	-	-	-	-	<b>4.58</b>	-
<b>Total #</b>	<b>113,425.80</b>	<b>13,377.52</b>	<b>(4,200.53)</b>	<b>131,003.85</b>	<b>41,847.46</b>	<b>5,429.88</b>	<b>231.26</b>	<b>47,046.08</b>	<b>83,957.77</b>	<b>71,578.34</b>
Previous year	88,553.19	22,624.73	(2,247.88)	113,425.80	37,639.72	4,323.29	115.55	41,847.46	71,578.34	50,913.47

# Netblock includes ₹ 11,204.26 crore (previous year ₹ 8,270.35 crore) share of jointly controlled entities.

- The conveyancing of the title to **11,666 acres** of freehold land of value ₹ **2,614.90 crore** (previous year 12,211 acres of value ₹ 1,788.36 crore), buildings & structures of value ₹ **61.27 crore** (previous year ₹ 136.74 crore) and also execution of lease agreements for **11,071 acres** of land of value ₹ **749.88 crore** (previous year 10,703 acres, value ₹ 476.70 crore) in favour of the Company are awaiting completion of legal formalities.
- Leasehold land includes **818 acres** valuing ₹ **29.67 crore** (previous year 2,002 acres valuing ₹ 642.07 crore) acquired on perpetual lease and accordingly not amortised.
- Land does not include value of **33 acres** (previous year 1,181 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.
- Land includes **1,523 acres** of value ₹ **173.82 crore** (previous year 1,233 acres of value ₹ 14.99 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
- Land includes an amount of ₹ **168.41 crore** (previous year ₹ 152.48 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

## Notes forming part of Consolidated Financial Statements

- f) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of freehold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value ₹ **0.21 crore** (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ **0.21 crore**. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note -10 - 'Other Current Liabilities -as other liabilities'.
- g) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22<sup>nd</sup> September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ **6.24 crore** (previous year ₹ 6.20 crore) has been charged to the Statement of Profit & Loss.
- h) During the year, the accounting of 'Expenditure towards diversion of forest land' disclosed under Capital Work-in-progress (Note-13) was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 233.70 crore has been classified as Tangible Assets-Leasehold land and amortised from the effective date of commencement of lease.
- i) The Company has received an opinion from the EAC of the ICAI on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the Statement of Profit & Loss as and when incurred. The Company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication from ICAI regarding the review, existing treatment has been continued as per the relevant accounting policy.
- j) Assets under 5 KM scheme of the GOI represent expenditure on electrification of villages within 5 KM periphery of the generation plants of the Company in terms of Ministry of Power (MOP), Government of India scheme.
- k) From the accounting periods commencing on or after 7<sup>th</sup> December 2006, the Company adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items relating to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.
- l) Refer Note 44 (a) (ii) regarding plant and equipment under finance lease.
- m) The borrowing costs capitalised during the year ended 31<sup>st</sup> March 2014 is ₹ **3,158.17 crore** (previous year ₹ 2,718.48 crore). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

	For the year ended 31 <sup>st</sup> March 2014		For the year ended 31 <sup>st</sup> March 2013	
	Exch. difference incl. in fixed assets/ CWIP	Borrowing costs incl. in fixed assets/ CWIP	Exch. difference incl. in fixed assets/ CWIP	Borrowing costs incl. in fixed assets/ CWIP
Buildings				
Main plant	5.90	197.64	2.15	165.89
Others	0.92	65.20	0.18	33.92
Hydraulic works, barrages, dams, tunnels and power channel	-	302.47	-	194.24
MGR track and signalling system	0.03	19.18	-	12.82
Railway siding	0.03	22.93	0.03	18.42
Plant and equipment	1,152.13	2,244.18	655.55	1,906.36
Others including pending allocation	723.73	306.57	398.10	386.83
<b>Total</b>	<b>1,882.74</b>	<b>3,158.17</b>	<b>1,056.01</b>	<b>2,718.48</b>

**Notes forming part of Consolidated Financial Statements**
**Intangible assets**

₹ Crore

	Gross Block			As at 31.03.2014	Amortisation			Net Block		As at 31.03.2013
	As at	Deductions/ Adjustments	As at		Upto	For	Deductions/ Adjustments	Upto	As at	
	01.04.2013				Additions	01.04.2013	the year	Adjustments	31.03.2014	
Software	98.44	2.78	(0.02)	<b>101.24</b>	93.50	3.41	-	<b>96.91</b>	<b>4.33</b>	4.94
Right of Use- Land	49.06	5.17	3.87	<b>50.36</b>	4.89	2.97	(0.19)	<b>8.05</b>	<b>42.31</b>	44.17
- Others	<u>229.85</u>	-	<u>(7.82)</u>	<b>237.67</b>	<u>25.21</u>	<u>9.51</u>	-	<b>34.72</b>	<b>202.95</b>	204.64
<b>Total #</b>	<b>377.35</b>	<b>7.95</b>	<b>(3.97)</b>	<b>389.27</b>	<b>123.60</b>	<b>15.89</b>	<b>(0.19)</b>	<b>139.68</b>	<b>249.59</b>	<b>253.75</b>
Previous year	326.24	44.53	(6.58)	377.35	108.84	14.53	(0.23)	123.60	253.75	217.40

# Net block includes ₹ 8.54 crore (previous year ₹ 5.01 crore) share of jointly controlled entities.

- 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.
- Right to use – land includes ₹ 44.49 crore (previous year ₹ 43.18 crore) and right to use-others includes ₹ 234.15 crore (previous year ₹ 226.33 crore) which are amortised over a period of more than ten years considering the useful life of these assets as per the related agreements / arrangements.
- During the year, the accounting of 'Expenditure towards diversion of forest land' disclosed under Capital Work-in-progress ( Note-13) was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 0.31 crore has been classified as Intangible Assets-Right of use-Land and amortised from the effective date of diversion.
- Cost of acquisition of the right for drawl of water amounting to ₹ 234.15 crore (previous year ₹ 226.33 crore) is included under intangible assets – Right of use - Others.

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

₹ Crore

	31.03.2014	31.03.2013
Charged to Statement of Profit and Loss	<b>4,769.99</b>	3,823.22
Allocated to the fuel cost	<b>266.41</b>	216.33
Transferred to expenditure during construction period (net) - Note 28	<b>273.56</b>	41.37
Transferred to development of coal mines	<b>1.33</b>	1.20
Adjustment with deferred income/expense from deferred foreign currency fluctuation	<b>134.48</b>	255.70
	<b>5,445.77</b>	4,337.82

**13. Capital work-in-progress**

₹ Crore

	As at 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2014
Development of land	579.25	302.56	67.00	-	<b>814.81</b>
Roads, bridges, culverts & helipads	89.10	122.99	(39.67)	92.51	<b>159.25</b>
Piling and foundation	901.27	95.88	170.82	-	<b>826.33</b>
Buildings					
Main plant	2,078.87	1,358.43	130.02	313.51	<b>2,993.77</b>
Others	735.41	490.59	32.34	255.71	<b>937.95</b>
Temporary erection	6.85	39.66	10.51	2.89	<b>33.11</b>
Water supply, drainage and sewerage system	64.43	43.89	7.04	35.88	<b>65.40</b>
Hydraulic works, barrages, dams, tunnels and power channel	4,096.10	753.09	93.33	-	<b>4,755.86</b>
MGR track and signalling system	317.05	94.91	29.99	33.52	<b>348.45</b>
Railway siding	367.15	169.23	81.67	153.38	<b>301.33</b>
Earth dam reservoir	50.53	5.47	5.61	0.16	<b>50.23</b>

**Notes forming part of Consolidated Financial Statements**

₹ Crore

	As at 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2014
Plant and equipment	31,632.21	14,779.41	1,630.17	10,373.70	<b>34,407.75</b>
Furniture and fixtures	11.99	23.70	(2.67)	18.75	<b>19.61</b>
Vehicles	0.64	0.21	0.41	0.24	<b>0.20</b>
Office equipment	3.32	6.07	1.69	4.00	<b>3.70</b>
EDP/WP machines & satcom equipment	4.31	1.82	0.17	3.83	<b>2.13</b>
Construction equipments	0.11	0.43	0.01	-	<b>0.53</b>
Electrical installations	152.51	126.83	(1.25)	39.40	<b>241.19</b>
Communication equipments	3.08	1.84	1.32	1.52	<b>2.08</b>
Hospital equipments	0.15	0.34	-	0.15	<b>0.34</b>
Laboratory and workshop equipments	0.16	0.37	0.02	0.14	<b>0.37</b>
Assets under 5 KM scheme of the GOI	58.23	40.79	0.28	86.25	<b>12.49</b>
Capital expenditure on assets not owned by the company	33.26	55.53	(3.15)	33.91	<b>58.03</b>
Exploratory wells-in-progress	7.64	-	7.64	-	-
Development of coal mines	376.16	260.37	-	-	<b>636.53</b>
	<u>41,569.78</u>	<u>18,774.41</u>	<u>2,223.30</u>	<u>11,449.45</u>	<b>46,671.44</b>
<b>Expenditure pending allocation</b>					
Survey, investigation, consultancy and supervision charges	335.55	88.04	27.40	-	<b>396.19</b>
Difference in exchange on foreign currency loans	851.36	947.50	298.61	-	<b>1,500.25</b>
Expenditure towards diversion of forest land	234.00	-	234.00	-	-
Pre-commissioning expenses (net)	100.39	399.03	361.26	-	<b>138.16</b>
Expenditure during construction period (net)	632.24	4,493.44 *	(168.57)	-	<b>5,294.25</b>
Less: Allocated to related works	-	4,664.77	-	-	<b>4,664.77</b>
	<u>43,723.32</u>	<u>20,037.65</u>	<u>2,976.00</u>	<u>11,449.45</u>	<b>49,335.52</b>
Less: Provision for unserviceable works	71.44	6.63	8.84	-	<b>69.23</b>
<b>Construction stores (net of provision)</b>	<u>2,901.48</u>	<u>1,651.38</u>	<u>-</u>	<u>-</u>	<b>4,552.86</b>
<b>Total #</b>	<u>46,553.36</u>	<u>21,682.40</u>	<u>2,967.16</u>	<u>11,449.45</u>	<b>53,819.15</b>
Previous year	50,396.99	16,375.87	(21.53)	20,241.03	<b>46,553.36</b>

# Includes ₹ 2,944.28 crore (previous year ₹ 5,242.45 crore) share of jointly controlled entities.

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

- Construction stores are net of provision for shortages pending investigation amounting to ₹ 0.27 crore (previous year ₹ 0.63 crore).
- Pre-commissioning expenses for the year amount to ₹ 436.68 crore (previous year ₹ 672.32 crore) and after adjustment of pre-commissioning sales of ₹ 37.65 crore (previous year ₹ 300.68 crore) resulted in net pre-commissioning expenditure of ₹ 399.03 crore (previous year ₹ 371.64 crore).
- Additions to the development of coal mines includes expenditure during construction period of ₹ 260.37 crore (previous year ₹ 96.42 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.
- During the year, the accounting of 'Expenditure towards diversion of forest land' was reviewed considering the status of lease agreements entered with various state authorities. Consequently, an amount of ₹ 233.70 crore has been classified as Tangible Assets-Leasehold land and an amount of ₹ 0.31 crore has been classified under Intangible Assets-Right of use-Land, in Note 12.

**Intangible Assets Under Development**

₹ Crore

	As at 01.04.2013	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2014
Software	1.28	2.55	1.29	-	<b>2.54</b>
License fee for technical colabration	-	-	(1.34)	-	<b>1.34</b>
Exploratory wells-in-progress	-	1.91	(7.66)	-	<b>9.57</b>
	<u>1.28</u>	<u>4.46</u>	<u>(7.71)</u>	<u>-</u>	<b>13.45</b>
Less: Provision for unserviceable works	-	-	(7.64)	-	<b>7.64</b>
<b>Total #</b>	<u>1.28</u>	<u>4.46</u>	<u>(0.07)</u>	<u>-</u>	<b>5.81</b>
Previous year	1.27	0.05	0.04	-	1.28

# Includes ₹ 3.88 crore (previous year ₹ 1.28 crore) share of jointly controlled entities.

**Notes forming part of Consolidated Financial Statements**
**14. Non-current Investment**

As at			₹ Crore	31.03.2013
	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)	31.03.2014	31.03.2013
<b>Long term - Trade</b>				
<b>Equity instruments (fully paid up - unless otherwise stated)</b>				
<b>Quoted</b>				
PTC India Ltd.	12000000 (12000000)	10 (10)	<b>12.00</b>	12.00
			<b>12.00</b>	12.00
Cooperative societies			*	*
<b>Bonds (fully paid up)</b>				
<b>Unquoted</b>				
8.50 % Tax-Free State Government Special Bonds of the Government of Andhra Pradesh	1260650 (9521300)	1000 (1000)	<b>126.07</b>	252.13
Assam	51464 (102928)	1000 (1000)	<b>5.15</b>	10.29
Bihar	1894400 (3788800)	1000 (1000)	<b>189.44</b>	378.88
Chattisgarh	483220 (966440)	1000 (1000)	<b>48.32</b>	96.64
Gujarat	837240 (1674480)	1000 (1000)	<b>83.72</b>	167.45
Haryana	1075000 (2150000)	1000 (1000)	<b>107.50</b>	215.00
Himachal Pradesh	33388 (66776)	1000 (1000)	<b>3.34</b>	6.68
Jammu and Kashmir	367360 (734720)	1000 (1000)	<b>36.74</b>	73.47
Jharkhand	960136 (1920256)	1000 (1000)	<b>96.01</b>	192.03
Kerala	1002400 (2004800)	1000 (1000)	<b>100.24</b>	200.48
Madhya Pradesh	830840 (1661680)	1000 (1000)	<b>83.08</b>	166.17
Maharashtra	381400 (762800)	1000 (1000)	<b>38.14</b>	76.28
Orissa	1102874 (2205748)	1000 (1000)	<b>110.29</b>	220.57
Punjab	346230 (692460)	1000 (1000)	<b>34.62</b>	69.25
Rajasthan	290000 (435000)	1000 (1000)	<b>29.00</b>	43.50
Sikkim	34196 (68392)	1000 (1000)	<b>3.42</b>	6.84
Uttar Pradesh	3989900 (7979800)	1000 (1000)	<b>398.99</b>	797.98
Uttaranchal	399650 (799300)	1000 (1000)	<b>39.97</b>	79.93
West Bengal	1174248 (2348496)	1000 (1000)	<b>117.42</b>	234.85
			<b>1,651.46</b>	3,288.42
<b>Total#</b>			<b>1,663.46</b>	3,300.42
# Share of jointly controlled entities is Nil (previous year Nil).				
<b>Quoted investments</b>				
Book value			<b>12.00</b>	12.00
Market value			<b>81.36</b>	71.94
<b>Unquoted investments</b>				
Book value			<b>1,651.46</b>	3,288.42

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

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



## Notes forming part of Consolidated Financial Statements

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

	₹ Crore	
As at	31.03.2014	31.03.2013
<b>Capital advances</b>		
Secured	26.56	62.90
Unsecured		
Covered by Bank Guarantee	5,266.24	4,725.28
Others	4,374.53	3,281.30
Considered doubtful	2.59	2.54
Less: Allowance for bad & doubtful advances	2.59	2.54
	9,667.33	8,069.48
<b>Security deposits (unsecured)</b>	147.05	93.86
<b>Loans</b>		
Related parties		
Unsecured	0.01	0.03
Employees (including accrued interest)		
Secured	405.97	400.27
Unsecured	144.58	144.14
Loan to state government in settlement of dues from customers (unsecured)	143.59	239.31
Others		
Secured	40.00	14.29
Unsecured	0.59	-
Doubtful	0.22	-
Less: Allowance for bad & doubtful loans	0.22	-
	734.74	798.04
<b>Advances</b>		
Unsecured		
Contractors & Suppliers, including material issued on loan	623.78	92.18
Others	2.03	0.18
	625.81	92.36
Advance tax deposit & tax deducted at source	9,932.14	11,932.58
Less: Provision for current tax	7,044.34	10,036.37
	2,887.80	1,896.21
MAT credit recoverable	86.20	106.72
Cenvat Credit / Service tax recoverable	2.18	1.94
<b>Total #</b>	14,151.11	11,058.61

# Includes ₹ 906.21 crore (previous year ₹ 926.65 crore) share of jointly controlled entities.

- a) Capital advances include ₹ 252.22 crore (previous year ₹ 226.27 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted in the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.
- b) Other loans (secured) represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

### 15A. Other non-current assets

	₹ Crore	
As at	31.03.2014	31.03.2013
Long term trade receivables		
Unsecured, considered good	11.67	9.33
Deferred foreign currency fluctuation asset	1,368.32	1,136.16
Claims recoverable	426.00	358.42
<b>Total #</b>	1,805.99	1,503.91

# Includes ₹ 13.36 crore (previous year ₹ 10.53 crore) share of jointly controlled entities.

- a) In line with accounting policy no.L.3 (Note 1), deferred foreign currency fluctuation asset has been accounted and (-) ₹ 257.31 crore (previous year (-) ₹ 296.96 crore) being exchange fluctuations on account of foreign currency loans has been recognised as energy sales in Note 22.
- b) Claims recoverable represents the cost incurred upto 31<sup>st</sup> March 2014 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power, GOI. This includes ₹ 176.22 crore (previous year ₹ 109.65 crore) in respect of arbitration awards challenged/being challenged by the Company before High Court. In the event the High Court grants relief to the Company, the amount would be adjusted against Short Term Provisions - Others (Note 11). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary. Also refer Note 21(c).

**Notes forming part of Consolidated Financial Statements**
**16. Current investments**

₹ Crore

As at			31.03.2014	31.03.2013
	Number of bonds/ securities Current year/ (previous year)	Face value per bond/ security Current year/ (previous year) (₹)		
<b>Trade</b>				
<b>Current maturities of long term investments</b>				
<b>Bonds (fully-paid up)</b>				
<b>Unquoted</b>				
<b>8.50 % Tax-Free State Government Special Bonds of the Government of</b>				
Andhra Pradesh	1260650 (1260650)	1000 (1000)	<b>126.07</b>	126.07
Assam	51464 (51464)	1000 (1000)	<b>5.15</b>	5.15
Bihar	1894400 (1894400)	1000 (1000)	<b>189.44</b>	189.44
Chattisgarh	483220 (483220)	1000 (1000)	<b>48.32</b>	48.32
Gujarat	837240 (837240)	1000 (1000)	<b>83.73</b>	83.73
Haryana	1075000 (1075000)	1000 (1000)	<b>107.50</b>	107.50
Himachal Pradesh	33388 (33388)	1000 (1000)	<b>3.34</b>	3.34
Jammu and Kashmir	367360 (367360)	1000 (1000)	<b>36.74</b>	36.74
Jharkhand	960120 (960120)	1000 (1000)	<b>96.01</b>	96.01
Kerala	1002400 (1002400)	1000 (1000)	<b>100.24</b>	100.24
Madhya Pradesh	830840 (830840)	1000 (1000)	<b>83.08</b>	83.08
Maharashtra	381400 (381400)	1000 (1000)	<b>38.14</b>	38.14
Orissa	1102874 (1102874)	1000 (1000)	<b>110.29</b>	110.29
Punjab	346230 (346230)	1000 (1000)	<b>34.62</b>	34.62
Rajasthan	145000 (-)	1000 (-)	<b>14.50</b>	-
Sikkim	34196 (34196)	1000 (1000)	<b>3.42</b>	3.42
Uttar Pradesh	3989900 (3989900)	1000 (1000)	<b>398.99</b>	398.99
Uttaranchal	399650 (399650)	1000 (1000)	<b>39.96</b>	39.96
West Bengal	1174248 (1174248)	1000 (1000)	<b>117.42</b>	117.42
<b>Total#</b>			<b>1,636.96</b>	1,622.46
#	Share of jointly controlled entities is <b>Nil</b> (previous year Nil).			
<b>Unquoted investments</b>				
Book value			<b>1,636.96</b>	1,622.46

a) Investments have been valued considering the accounting policy no. J (Note 1).

b) The above investments are unquoted and hence market value is not applicable.

## Notes forming part of Consolidated Financial Statements

### 17. Inventories

	₹ Crore	
As at	31.03.2014	31.03.2013
Coal	2,185.29	1,039.74
Fuel oil	371.89	400.27
Naphtha	166.82	146.77
Stores and spares	2,783.86	2,440.60
Chemicals & consumables	68.08	76.96
Loose tools	7.20	6.76
Steel Scrap	28.16	25.89
Others	450.25	503.86
	6,061.55	4,640.85
Less: Provision for shortages	2.26	2.56
Provision for obsolete/ unserviceable items / diminution in value of surplus inventory	70.81	62.51
<b>Total #</b>	<b>5,988.48</b>	<b>4,575.78</b>
# Includes ₹ 594.41 crore (previous year ₹ 495.57 crore) share of jointly controlled entities.		
Inventories include material-in-transit, valued at cost		
Coal	164.99	79.71
Stores and spares	47.78	31.56
Chemicals & consumables	0.83	0.62
Loose tools	0.27	0.05
Others	4.35	2.75
	218.22	114.69

- a) Inventory items, other than steel scrap have been valued considering the accounting policy no. K.1 (Note 1). Steel scrap has been valued at estimated realisable value.
- b) Inventories-Others include steel, cement, ash bricks etc.

### 18. Trade Receivables

	₹ Crore	
As at	31.03.2014	31.03.2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	455.33	204.12
Considered doubtful	0.03	0.03
Less: Allowance for bad & doubtful receivables	0.03	0.03
	455.33	204.12
Others- Unsecured, considered good	6,270.33	5,892.03
<b>Total #</b>	<b>6,725.66</b>	<b>6,096.15</b>

# Includes ₹ 1,177.30 crore (previous year ₹ 517.53 crore) share of jointly controlled entities.

### 19. Cash and bank balances

	₹ Crore	
As at	31.03.2014	31.03.2013
Cash & cash equivalents		
Balances with banks		
Current accounts	165.29	389.91
Deposits with original maturity of upto three months	667.97	59.53
Cheques & drafts on hand	66.52	74.98
Balance with Reserve Bank of India	30.79	29.03
Others (stamps on hand)	0.08	0.09
	930.65	553.54
Other bank balances		
Deposits with original maturity of more than three months <sup>(a)</sup>	16,104.94	18,110.68
Others*	15.08	73.90
<b>Total #</b>	<b>17,050.67</b>	<b>18,738.12</b>

# Includes ₹ 419.57 crore (previous year ₹ 533.54 crore) share of jointly controlled entities.

## Notes forming part of Consolidated Financial Statements

As at	31.03.2014	31.03.2013
a) Includes bank deposits with original maturity of more than twelve months amounting to ₹ 6.07 crore (previous year ₹ 0.02 crore).		
* Not available for use to the Company and include:		
Unpaid dividend account balance	14.21	15.67
Unpaid refund account balance	0.52	-
Balance with Reserve Bank of India <sup>##</sup>	0.02	1.77
Security with government authorities	0.02	0.01
Margin money with banks	0.31	56.45
	<b>15.08</b>	<b>73.90</b>

<sup>##</sup> Out of margin money kept with Reserve Bank of India in terms of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975 for fixed deposits from public.

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

As at	31.03.2014	31.03.2013
<b>Loans</b>		
Related parties		
Unsecured	0.09	0.04
Employees(including accrued interest)		
Secured	77.93	76.92
Unsecured	95.49	91.68
Loan to state government in settlement of dues from customers-Unsecured	95.73	95.73
Others		
Secured	10.00	35.71
Unsecured	0.06	-
	<b>279.30</b>	<b>300.08</b>
<b>Advances</b>		
Related parties		
Unsecured	3.54	4.08
Employees		
Unsecured	10.86	9.21
Considered doubtful	0.03	0.11
Contractors & suppliers, including material issued on loan		
Secured	-	6.71
Unsecured	1,908.24	605.88
Considered doubtful	2.33	1.53
Others		
Unsecured	132.70	131.95
Considered doubtful	1.03	1.03
Less: Allowance for bad & doubtful advances	3.39	2.67
	<b>2,055.34</b>	<b>757.83</b>
<b>Security deposits (Unsecured)</b>	<b>896.55</b>	<b>660.43</b>
<b>Total #</b>	<b>3,231.19</b>	<b>1,718.34</b>

# Includes ₹ 200.87 crore (previous year ₹ 107.42 crore) share of jointly controlled entities.

- Other loans (secured) represent loan given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).
- Other advances mainly represent prepaid expenses amounting to ₹ 64.92 crore (previous year ₹ 57.89 crore).
- Security deposit (unsecured) includes ₹ 211.92 crore (previous year ₹ 200.35 crore) sales tax deposited under protest with sales tax authorities.

## Notes forming part of Consolidated Financial Statements

### 21. Other current assets

	₹ Crore	
As at	31.03.2014	31.03.2013
Interest accrued on		
Bonds	174.24	243.19
Term deposits	621.02	875.02
Others	48.46	23.98
	<b>843.72</b>	1,142.19
Claims recoverable		
Unsecured, considered good	1,743.50	4,423.59
Considered doubtful	13.77	13.05
Less: Allowance for doubtful claims	13.77	13.05
	<b>1,743.50</b>	4,423.59
Unbilled revenue	7,148.37	6,127.57
Assets held for disposal	2.68	3.01
Others	15.20	13.08
<b>Total #</b>	<b>9,753.47</b>	11,709.44

# Includes ₹ 247.59 crore (previous year ₹ 285.44 crore) share of jointly controlled entities.

- Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.
- Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ 7,550.01 crore (previous year ₹ 6,508.72 crore) billed to the beneficiaries after 31<sup>st</sup> March for energy sales, sale of goods and services.
- Claims recoverable are net of the first phase amount of ₹ 536.30 crore, received from the GOI in September 2013 towards the cost incurred in respect of one of the hydro power projects which has been discontinued on the advice of Ministry of Power, GOI. Balance amount of ₹ 496.00 crore recoverable from the GOI is disclosed in Note 15A (b).

### 22. Revenue from operations (gross)

	₹ Crore	
For the year ended	31.03.2014	31.03.2013
Energy sales (including electricity duty)	78,618.65	70,654.25
Consultancy, project management and supervision fee (including turnkey construction projects)	451.51	401.67
Sale of goods (including excise duty)	78.30	126.69
	<b>79,148.46</b>	71,182.61
Energy internally consumed	87.08	93.17
Sale of fly ash and cenosphere [net of expenditure of ₹ 2.89 crore (previous year ₹ 2.34 crore)]	119.66	106.52
Less: Transferred to fly ash utilisation fund	119.66	106.52
	-	-
Other operating revenues		
Interest from customers	131.48	432.60
Recognized from deferred foreign currency fluctuation liability	1.56	3.52
Others	49.71	49.22
Provisions written back		
Tariff adjustment	162.56	63.11
Doubtful debts	-	840.67
Doubtful loans, advances and claims	0.06	0.33
Shortage in construction stores	0.80	1.12
Shortage in stores	1.49	0.71
Obsolescence in stores	2.26	1.30
Unserviceable capital works	1.21	0.90
Others	32.48	0.39
	<b>200.86</b>	908.53
<b>Total#</b>	<b>79,619.15</b>	72,669.65

# Includes ₹ 4,556.46 crore (previous year ₹ 3,642.66 crore) share of jointly controlled entities.

## Notes forming part of Consolidated Financial Statements

- a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, and First, Second and Third Amendments thereto in May 2011, June 2011 and December 2012 respectively (Regulations, 2009). In line with the Regulations, 2009, the CERC has issued provisional/final tariff orders w.e.f. 1<sup>st</sup> April 2009 for all the stations except for four stations. Beneficiaries are billed in accordance with the said provisional/final tariff orders except for four stations where it is done on provisional basis. The amount billed for the year ended 31<sup>st</sup> March 2014 on this basis is ₹ **68,704.03 crore** (previous year ₹ 61,794.68 crore).
- b) In respect of stations for which the CERC has issued final tariff orders under the Regulations, 2009 and Renewable Energy Regulations, 2009, sales have been recognised at ₹ **66,209.42 crore** for the year ended 31<sup>st</sup> March 2014 (previous year ₹ 61,650.23 crore) after truing up capital expenditure to arrive at the capacity charges. For other stations, pending determination of station-wise final tariff by the CERC, sales have been provisionally recognised at ₹ **3,386.70 crore** for the year ended 31<sup>st</sup> March 2014 (previous year ₹ 998.24 crore) on the basis of principles enunciated in the said Regulations, 2009 after truing-up capital expenditure to arrive at the capacity charges.
- c) Sales include ₹ **2,086.82 crore** for the year ended 31<sup>st</sup> March 2014 (previous year ₹ 1,241.90 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).
- d) Sales include (-) ₹ **269.99 crore** for the year ended 31<sup>st</sup> March 2014 (previous year ₹ 246.04 crore) on account of income-tax recoverable from the beneficiaries as per Regulations, 2004. Sales also include ₹ **77.02 crore** for the year ended 31<sup>st</sup> March 2014 (previous year ₹ 53.16 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2009.
- e) Electricity duty on energy sales amounting to ₹ **691.04 crore** (previous year ₹ 564.35 crore) has been reduced from sales in the statement of profit and loss.
- f) Revenue from operations include ₹ **87.08 crore** (previous year ₹ 93.17 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note 26).
- g) CERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **131.48 crore** (previous year ₹ 432.60 crore) has been accounted as 'Interest from customers'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to customers' (Note 26).

### 23. Other income

	₹ Crore	
For the year ended	31.03.2014	31.03.2013
<b>Interest from</b>		
Long-term investments - Government securities (8.5% tax free bonds)	<b>382.95</b>	520.86
Others		
Loan to state government in settlement of dues from customers (8.5% tax free)	<b>26.44</b>	34.58
Loan to employees	<b>31.20</b>	29.21
Contractors	<b>55.70</b>	43.84
Deposits with banks / Reserve Bank of India	<b>1,689.38</b>	1,920.20
Income tax refunds	<b>155.20</b>	39.48
Less : Refundable to customers	<b>80.53</b>	0.02
	<b>74.67</b>	39.46
Others	<b>9.12</b>	9.36
<b>Dividend from</b>		
Long-term investments in		
Joint ventures	<b>73.90</b>	103.66
Current investments in		
Mutual funds	<b>65.16</b>	114.13
<b>Other non-operating income</b>		
Surcharge received from customers	<b>92.61</b>	88.67
Hire charges for equipment	<b>3.14</b>	4.35
Net gain in foreign currency transactions & translations	<b>51.65</b>	28.12
Sale of scrap	<b>85.60</b>	89.06
Liquidated damages recovered	<b>12.89</b>	11.82
Profit on redemption of current investments	<b>28.53</b>	-
Net gain on sale of current investments	<b>3.15</b>	0.18
Miscellaneous income	<b>197.68</b>	228.45
Profit on disposal of fixed assets	<b>12.86</b>	4.76
	<b>2,896.63</b>	3,270.71
Less: Transferred to expenditure during construction period (net)-Note 28	<b>60.38</b>	53.35
Transferred to development of coal mines	<b>7.16</b>	8.30
Transferred to deferred foreign currency fluctuation asset/liability	<b>51.65</b>	27.90
<b>Total#</b>	<b>2,777.44</b>	3,181.16

# Includes ₹ **48.17 crore** (previous year ₹ 56.57 crore) share of jointly controlled entities.

Miscellaneous income includes income from township recoveries and receipts towards insurance claims.

## Notes forming part of Consolidated Financial Statements

### 24. Employee benefits expense

	₹ Crore	
For the year ended	31.03.2014	31.03.2013
Salaries and wages	3,556.61	3,549.75
Contribution to provident and other funds	1,013.77	566.81
Staff welfare expenses	466.36	373.11
	5,036.74	4,489.67
Less: Allocated to fuel cost	245.73	197.62
Transferred to fly ash utilisation fund	21.21	6.94
Transferred to development of coal mines	41.10	34.31
Transferred to expenditure during construction period (net)- Note 28	672.75	643.58
<b>Total #</b>	<b>4,055.95</b>	<b>3,607.92</b>

# Includes ₹ 170.63 crore (previous year ₹ 138.06 crore) share of jointly controlled entities.

- a) Disclosures required by AS 15 in respect of provision made towards various employee benefits are made in Note 40.
- b) Salary and wages include special allowance paid by the Company to eligible employees serving in difficult and far flung areas w.e.f. 26<sup>th</sup> November 2008. As per the Office Memorandum dated 26<sup>th</sup> November 2008 of DPE relating to revision of pay scales w.e.f 1<sup>st</sup> 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 22<sup>nd</sup> June 2010 of DPE, Board of Directors has approved the Special Allowance (Difficult and Far Flung Areas) to eligible employees. The approval of MOP for the same is awaited.
- c) During the year, a defined contribution pension scheme of the Company has been implemented effective from 1<sup>st</sup> January 2007. Employee benefits expense for the year include ₹ 346.56 crore as additional contribution for the period from 1<sup>st</sup> January 2007 to 31<sup>st</sup> March 2013.

### 25. Finance costs

	₹ Crore	
For the year ended	31.03.2014	31.03.2013
<b>Interest on</b>		
Bonds	961.67	900.87
Foreign currency term loans	253.96	235.33
Rupee term loans	4,460.84	3,833.62
Public deposits	0.05	0.16
Foreign currency bonds/notes	521.77	345.91
Cash credit	4.46	21.01
Others	26.86	73.22
	6,229.61	5,410.12
<b>Other borrowing costs</b>		
Bonds servicing & public deposit expenses	2.34	2.38
Guarantee fee	33.97	40.19
Management/arrangers fee	16.41	36.24
Up-front fee	0.01	23.87
Foreign currency bonds/notes expenses	1.07	6.05
Insurance premium on foreign currency loans	85.39	27.39
Bond issue expenses	10.60	0.37
Others	4.76	2.91
	154.55	139.40
<b>Exchange differences regarded as an adjustment to interest costs</b>	-	(350.21)
	6,384.16	5,199.31
Less: Transferred to expenditure during construction period (net)-Note 28	3,103.05	2,672.25
Transferred to development of coal mines	78.04	46.52
<b>Total#</b>	<b>3,203.07</b>	<b>2,480.54</b>

# Includes ₹ 794.06 crore (previous year ₹ 557.26 crore) share of jointly controlled entities.



## Notes forming part of Consolidated Financial Statements

### 26. Generation, administration & other expenses

	₹ Crore	
<b>For the year ended</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Power charges	<b>340.33</b>	204.31
Less: Recovered from contractors & employees	<b>20.47</b>	18.88
	<b>319.86</b>	185.43
Water charges	<b>471.59</b>	508.16
Stores consumed	<b>52.02</b>	49.90
Rent	<b>40.35</b>	37.16
Less: Recoveries	<b>8.07</b>	7.84
	<b>32.28</b>	29.32
Load dispatch centre charges	<b>146.11</b>	42.41
Repairs & maintenance		
Buildings	<b>197.57</b>	181.08
Plant & machinery	<b>2,024.64</b>	1,924.26
Others	<b>133.31</b>	113.35
Insurance	<b>130.75</b>	111.61
Interest to customers	<b>59.80</b>	5.72
Rates and taxes	<b>42.44</b>	38.11
Water cess & environment protection cess	<b>38.58</b>	35.82
Training & recruitment expenses	<b>29.67</b>	26.05
Less: Receipts	<b>3.30</b>	1.60
	<b>26.37</b>	24.45
Communication expenses	<b>47.90</b>	48.82
Travelling expenses	<b>214.27</b>	198.82
Tender expenses	<b>33.85</b>	24.52
Less: Receipt from sale of tenders	<b>3.32</b>	3.11
	<b>30.53</b>	21.41
Payment to auditors	<b>3.64</b>	3.29
Advertisement and publicity	<b>15.37</b>	13.92
Security expenses	<b>406.69</b>	357.79
Entertainment expenses	<b>15.64</b>	15.09
Expenses for guest house	<b>24.14</b>	21.26
Less: Recoveries	<b>2.88</b>	2.75
	<b>21.26</b>	18.51
Education expenses	<b>10.00</b>	9.41
Brokerage & commission	<b>3.22</b>	3.47
Community development and welfare expenses	<b>104.00</b>	86.96
Less: Grants-in-aid	<b>0.93</b>	0.39
	<b>103.07</b>	86.57
Donation	<b>0.22</b>	0.14
Ash utilisation & marketing expenses	<b>11.92</b>	10.93
Less: Sale of ash products	<b>-</b>	0.04
	<b>11.92</b>	10.89
Directors sitting fee	<b>0.47</b>	0.35
Books and periodicals	<b>3.02</b>	2.72
Professional charges and consultancy fees	<b>159.25</b>	41.14
Legal expenses	<b>32.53</b>	28.34
EDP hire and other charges	<b>18.48</b>	15.34
Printing and stationery	<b>14.94</b>	13.70
Oil & gas exploration expenses	<b>3.41</b>	8.78
Hiring of Vehicles	<b>75.47</b>	63.22
Rebate to customers	<b>590.61</b>	579.81
Reimbursement of L.C.charges on sales realisation	<b>1.54</b>	0.60
Bank charges	<b>8.43</b>	4.90
Net loss in foreign currency transactions & translations	<b>22.57</b>	6.11
Horticulture expenses	<b>26.46</b>	22.73
Hire charges of helicopter/aircraft	<b>12.74</b>	13.21
Hire charges of construction equipments	<b>10.86</b>	14.18

**Notes forming part of Consolidated Financial Statements**

₹ Crore

<b>For the year ended</b>	<b>31.03.2014</b>	31.03.2013
Transport vehicle running expenses	<b>8.78</b>	8.50
Miscellaneous expenses	<b>61.72</b>	54.27
Stores written off	<b>2.33</b>	0.14
Survey & investigation expenses written off	<b>3.91</b>	4.12
Loss on disposal/write-off of fixed assets	<b>75.51</b>	62.25
	<b>5,692.08</b>	4,982.16
Less: Allocated to fuel cost	<b>312.03</b>	285.83
Transferred to fly ash utilisation fund	<b>23.67</b>	11.27
Transferred to development of coal mines	<b>129.63</b>	13.62
Transferred to deferred foreign currency fluctuation asset/liability	<b>6.84</b>	2.30
Transferred to expenditure during construction period(net) - Note 28	<b>505.67</b>	395.58
	<b>4,714.24</b>	4,273.56
<b>Provisions for</b>		
Tariff adjustments	<b>122.96</b>	166.35
Doubtful loans, advances and claims	<b>1.84</b>	0.09
Shortage in stores	<b>1.34</b>	2.01
Obsolescence in stores	<b>10.36</b>	4.67
Shortage in construction stores	<b>1.12</b>	0.39
Unserviceable capital works	<b>6.63</b>	49.89
Unfinished minimum work programme for oil and gas exploration	<b>7.36</b>	5.08
Shortage in fixed assets	<b>5.44</b>	0.27
Arbitration cases	<b>2.15</b>	7.95
Others	<b>1.34</b>	35.63
	<b>160.54</b>	272.33
<b>Total #</b>	<b>4,874.78</b>	4,545.89
# Includes ₹ <b>311.00 crore</b> (previous year ₹ 256.79 crore) share of jointly controlled entities.		
a) Spares consumption included in repairs and maintenance	<b>1,112.67</b>	1,017.41
b) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ <b>59.37 crore</b> (previous year ₹ 5.72 crore) has been accounted and disclosed as 'Interest to customers'.		

**27. Prior period items (Net)**

₹ Crore

<b>For the year ended</b>	<b>31.03.2014</b>	31.03.2013
<b>Revenue</b>		
Sales	<b>0.41</b>	0.06
Others	<b>0.96</b>	8.58
	<b>1.37</b>	8.64
<b>Expenditure</b>		
Employee benefits expense	<b>(0.94)</b>	(5.13)
Finance costs		
Interest	-	(12.00)
Other borrowing costs	-	(7.91)
Depreciation and amortisation	<b>3.73</b>	3.93
Generation, administration and other expenses		
Repairs and maintenance	<b>1.35</b>	0.77
Others	<b>7.90</b>	(7.19)
	<b>12.04</b>	(27.53)
<b>Net Expenditure/(Revenue)</b>	<b>10.67</b>	(36.17)
Less: Transferred to expenditure during construction period (net)-Note 28	<b>(1.21)</b>	(3.11)
Transferred to deferred foreign currency fluctuation asset/liability	-	0.72
Transferred to development of coal mines	<b>0.03</b>	-
<b>Total #</b>	<b>11.85</b>	(33.78)
# Includes (-) ₹ <b>0.99 crore</b> (previous year ₹ 1.25 crore) share of jointly controlled entities.		

**Notes forming part of Consolidated Financial Statements**
**28. Expenditure during construction period (net)**

	₹ Crore	
For the year ended	31.03.2014	31.03.2013
<b>A. Employee benefits expense</b>		
Salaries and wages	509.64	561.24
Contribution to provident and other funds	118.89	45.45
Staff welfare expenses	44.22	36.89
<b>Total (A)</b>	<b>672.75</b>	<b>643.58</b>
<b>B. Finance costs</b>		
Interest on		
Bonds	426.37	390.47
Foreign currency term loans	107.68	94.88
Rupee term loans	2,146.12	2,032.61
Foreign currency bonds/notes	284.19	222.88
Others	22.92	20.19
Other borrowing costs		
Foreign currency bonds/notes expenses	1.07	5.54
Management/arrangers/upfront fee	16.41	60.11
Insurance premium on foreign currency loans	85.39	27.39
Others	12.90	3.43
Exchange differences regarded as an adjustment to interest costs	-	(185.25)
<b>Total (B)</b>	<b>3,103.05</b>	<b>2,672.25</b>
<b>C. Depreciation and amortisation</b>	<b>273.56</b>	<b>41.37</b>
<b>D. Generation, administration &amp; other expenses</b>		
Power charges	247.61	128.17
Less: Recovered from contractors & employees	2.22	1.92
	<b>245.39</b>	<b>126.25</b>
Water charges	1.76	11.19
Rent	7.58	5.85
Repairs & maintenance		
Buildings	7.86	9.25
Plant and machinery	3.68	0.97
Others	30.76	28.55
	<b>42.30</b>	<b>38.77</b>
Insurance	1.67	2.26
Rates and taxes	2.94	1.39
Communication expenses	6.85	7.61
Travelling expenses	42.77	40.49
Tender expenses	7.77	7.42
Less: Income from sale of tenders	0.01	0.10
	<b>7.76</b>	<b>7.32</b>
Payment to auditors	0.06	0.07
Advertisement and publicity	2.70	1.73
Security expenses	58.07	58.84
Entertainment expenses	2.95	2.77
Guest house expenses	5.24	5.33
Books and periodicals	0.88	0.93
Professional charges and consultancy fee	9.35	9.95
Legal expenses	6.06	5.55
EDP hire and other charges	1.54	1.54
Printing and stationery	1.84	1.61
Miscellaneous expenses	57.96	66.13
<b>Total (D)</b>	<b>505.67</b>	<b>395.58</b>
<b>E. Less: Other income</b>		
Hire charges for equipment	2.99	3.76
Sale of scrap	0.33	1.30
Interest from contractors	41.25	28.10
Interest others	3.79	6.32
Miscellaneous income	12.02	13.87
<b>Total (E)</b>	<b>60.38</b>	<b>53.35</b>
<b>F. Prior period items (net)</b>	<b>(1.21)</b>	<b>(3.11)</b>
<b>Grand total (A+B+C+D-E+F) #</b>	<b>4,493.44*</b>	<b>3,696.32</b>

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

# Includes ₹ 537.14 crore (previous year ₹ 470.36 crore) share of jointly controlled entities.

## Notes forming part of Consolidated Financial Statements

29. Previous year figures have been regrouped /rearranged wherever considered necessary.
30. Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.

### 31. BASIS OF CONSOLIDATION

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

#### a) Basis of Accounting:

- 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' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

#### b) Principles of consolidation:

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

- The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.
  - 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 notes to the accounts.
  - 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	
	31.03.2014	31.03.2013
<b>Subsidiary Companies:</b>		
1. NTPC Electric Supply Company Ltd.(including its 50% interest in KINESCO Power & Utilities Private Ltd. a joint venture with KINFRA, a statutory body of Government of Kerala)	100.00	100.00
2. NTPC Hydro Ltd. (refer note below) <sup>5</sup>	-	100.00
3. NTPC Vidyut Vyapar Nigam Ltd.*	100.00	100.00
4. Kanti Bijlee Utpadan Nigam Ltd.	65.00	65.00
5. Bhartiya Rail Bijlee Company Ltd.	74.00	74.00
<b>Joint Venture Companies:</b>		
<b>A. Incorporated in India</b>		
1. Utility Powertech Ltd.	50.00	50.00
2. NTPC - Alstom Power Services Private Ltd.	50.00	50.00
3. NTPC-SAIL Power Company Private Ltd.	50.00	50.00
4. NTPC-Tamilnadu Energy Company Ltd.	50.00	50.00
5. Ratnagiri Gas & Power Private Ltd. *	32.86	33.41
6. Aravali Power Company Private Ltd.	50.00	50.00
7. NTPC-SCCL Global Ventures Private Ltd.*	50.00	50.00
8. Meja Urja Nigam Private Ltd.	50.00	50.00
9. NTPC - BHEL Power Projects Private Ltd.*	50.00	50.00
10. BF - NTPC Energy Systems Ltd.*	49.00	49.00
11. Nabinagar Power Generating Company Private Ltd.	50.00	50.00

## Notes forming part of Consolidated Financial Statements

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2014	31.03.2013
12. National Power Exchange Ltd.* (refer note below) <sup>55</sup>	<b>16.67</b>	16.67
13. International Coal Ventures Private. Ltd.* (refer note below) <sup>555</sup>	<b>14.28</b>	14.28
14. National High Power Test Laboratory Private Ltd.*	<b>20.00</b>	20.00
15. Transformers & Electricals Kerala Ltd.*	<b>44.60</b>	44.60
16. Energy Efficiency Services Ltd. *	<b>25.00</b>	25.00
17. CIL NTPC Urja Private Ltd.*	<b>50.00</b>	50.00
18. Anushakti Vidyut Nigam Ltd.	<b>49.00</b>	49.00
19. Pan-Asian Renewables Private Ltd.*	<b>50.00</b>	50.00
<b>B. Incorporated outside India</b>		
1. Trincomalee Power Company Ltd.* (incorporated in Sri Lanka)	<b>50.00</b>	50.00
2. Bangladesh -India Friendship Power Company Private Ltd.* (incorporated in Bangladesh)	<b>50.00</b>	50.00

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

<sup>5</sup> Ministry of Corporate Affairs (MCA) has accorded approval for the Scheme of Amalgamation of NTPC Hydro Ltd. (NHL), a wholly owned subsidiary of NTPC Ltd. engaged in the business of setting up small hydro power projects, with NTPC Ltd. effective from 18<sup>th</sup> December 2013. As per the Scheme and order of MCA, all assets and liabilities of NHL have been transferred to and vested in the Company w.e.f 1<sup>st</sup> April 2013. The Company followed Pooling of Interests Method to reflect the amalgamation. Consequent to the amalgamation, the shares of NHL held by the Company were cancelled and all assets and liabilities of NHL became the assets and liabilities of the Company. Since NHL was a wholly owned subsidiary of the Company, no issue of shares or payment towards purchase consideration was made and no goodwill or capital reserve was recognised on amalgamation.

<sup>55</sup> The Board of Directors of NTPC Limited in its meeting held on 7<sup>th</sup> November 2012 has accorded in principle approval for withdrawal from National Power Exchange Ltd. (NPEX) (a joint venture of the Company). In the meeting of Group of Promoters (GOP) held on 21<sup>st</sup> March 2014, GOP recommended for voluntary winding of NPEX and the same has been adopted by the Board of NPEX in its meeting held on 21<sup>st</sup> March 2014. Winding up of the Company is yet to take place.

<sup>555</sup> The Board of Directors of NTPC Limited in its meeting held on 27<sup>th</sup> January 2012 has accorded in principle approval for withdrawal from International Coal Ventures Private Limited (a joint venture of the Company). Cabinet approval for the same is awaited, subsequent to which, the process of withdrawal shall commence.

- C. i) The Company along-with some public sector undertakings has entered into Production Sharing Contracts (PSCs) with GOI for three exploration blocks namely KG- OSN-2009/1, KG-OSN-2009/4 and AN-DWN-2009/13 under VIII round of New Exploration Licensing Policy (NELP VIII) with 10% participating interest (PI) in each of the blocks.

Based on the un-audited statement of the accounts for the above blocks forwarded by M/s Oil & Natural Gas Corporation Ltd. (ONGC), the operator, the Company's share in respect of assets and liabilities as at 31<sup>st</sup> March 2014 and expenditure for the year are given below:

₹ Crore

Item	2013-14 (Un-audited)	2012-13 (Un-audited)
Expenses	<b>2.94</b>	2.28
Assets	<b>1.89</b>	0.06
Liabilities	<b>2.96</b>	1.43
Capital Commitments (Unfinished MWP)	<b>65.76</b>	91.49

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 29<sup>th</sup> April 2013 has informed ONGC that the block is cleared conditionally wherein block area is segregated between No Go zone, High-risk zone and Permitted zone. As the permitted area is only 38% of the total block area, the consortium has submitted proposal to DGH for downward revision of MWP of initial exploration period.

In case of AN-DWN-2009/13, Gujarat State Petroleum Corporation (GSPC) has submitted notice for withdrawal from the block subsequent to completion of MWP and ONGC has decided to acquire 10% PI of GSPC.

- ii) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions & withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year provision in this respect has been updated to ₹ 53.64 crore from ₹ 46.27 crore along with interest in the previous year. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

## Notes forming part of Consolidated Financial Statements

The Company has accounted for expenditure of ₹ 0.01 crore for the year 2013-14 towards the establishment expenses of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities as at 31<sup>st</sup> March 2014 and expenditure for the year is as under:

Item	₹ Crore	
	2013-14 (Un-audited)	2012-13 (Un-audited)
Expenses	0.01	0.22
Assets	14.47	14.64
Liabilities	2.32	2.32
Contingent liabilities	50.71	41.42

- D. The company is of the view that the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' and AS 27- 'Financial Reporting of Interests in Joint Ventures' are not applicable to the investment made in PTC India Ltd. and the same is not included in the consolidated financial statements.
32. a) Some of the balances of trade/other payables and loans and advances are subject to confirmation/reconciliation. 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. Due to variation in the Gross Calorific Value (GCV) of coal supplied by coal companies and received at power stations, the Company w.e.f. October/November 2012 released payments on the basis of GCV measured at station end and the difference between the amount billed by the coal companies and the amounts admitted by the Company ("disputed billed amount") were disclosed as contingent liability with corresponding possible reimbursements from the beneficiaries. The issue was taken up with the coal companies directly and through the Ministry of Power and Ministry of Coal, Govt. of India for resolution. This resulted in incorporation of a provision for "Third party sample collection, preparation, testing and analysis," at the loading end in place of joint sampling in the Coal Supply Agreement (CSA), 2012 and amendment to CSA, 2009 which have since been signed with subsidiaries of Coal India Ltd.
- Based on the advice of Government of India, Board of Directors approved the modalities for extrapolation of the third party sample analysis results for the three month period starting October/November 2013 to the supplies during the past period from October/November 2012 till start of third party sampling. On this basis, settlement with some of the CIL subsidiaries has been reached and matter has been taken up with other CIL subsidiaries for early resolution. Following the principles approved by the Board, against the disputed billed amount of ₹ 4,102.87 crore, during the year the Company paid ₹ 1,438.69 crore and provided ₹ 1,440.39 crore. In respect of the balance disputed billed amount of ₹ 1,223.79 crore as at 31<sup>st</sup> March 2014, taking into account settlement already reached with some of the CIL Subsidiaries, an amount of ₹ 1,055.14 crore (previous year ₹ 2,531.10 crore) has been estimated as contingent liability with corresponding possible reimbursements from the beneficiaries (Refer Note 50 (a) (iii)) and remaining amount of ₹ 168.65 crore is considered as settled. Sales corresponding to variable charges recoverable for the amounts paid/provided as above have been recognized.
34. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.
35. The environmental clearance ('clearance') granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's projects was challenged before The National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MOEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgment of the NGT and for referring the matter to the Expert Appraisal Committee ('Committee') for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Aggregate cost incurred on the project upto 31<sup>st</sup> March 2014 is ₹ 4,455.73 crore (previous year ₹ 1,691.63 crore).
36. NTPC Vidut Vyapar Nigam Ltd. (NVVN) inter-alia is engaged in sale of fly ash & cenosphere which are given by the company free of cost. Pursuant to the gazette notification D.O.S.O 2804(E) dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF) GOI, the NVVN has created fly ash utilisation fund and a sum of ₹ 91.30 crore (previous year ₹ 107.96 crore) has been credited to the fund during the year after netting of related/allocable cost of ₹ 48.27 crore (previous year ₹ 20.60 crore) from the sale proceeds.
37. **"Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies'**  
During the year, following changes in accounting policies have been made:
- a) Policy A "Basis of Preparation" has been amended to reflect that the financial statements have been prepared inter alia, in accordance with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs and the Companies Act, 2013 (to the extent notified and applicable).
- b) Accounting of capital expenditure on assets not owned by the company for community development is disclosed in accounting policy D.4 instead of in M.a.10 for better presentation.
- c) Consequent to the revised guidance note on 'Accounting for Oil & Gas Producing Activities' issued by ICAI becoming effective from 1<sup>st</sup> April 2013, the policy to charge off exploratory wells-in-progress which have been found dry or not planned to be developed after two years from the date of completion of drilling has been modified and henceforth, such expenditure shall be charged off as and when the wells are determined to be dry/abandoned.

## Notes forming part of Consolidated Financial Statements

- d) Policy M.a.11 has been modified to state that leasehold land and buildings relating to generation of electricity business are fully amortised over the lease period or life of the related plant whichever is lower, to cover both hydro and thermal power plants.
- e) Policy H.5 and L.5 regarding accounting of derivative contracts and recovery of cost of hedging from the beneficiaries have been added consequent upon entering into derivative transactions for hedging as per the exchange risk management policy in the current year.
- f) In Policy N.1, contribution to pension fund has been included as an employee benefit following the implementation of a contributory pension scheme in the Company in the current year.
- g) Policy S "Taxes on Income" has been added for improved disclosures.

There is no impact on the accounts due to the above changes.

### 38. Disclosure as per Accounting Standard - 11 on 'Effects of Changes in Foreign Exchange Rates'

The effect of foreign exchange fluctuation during the year is as under:

- i) The amount of exchange differences (net) debited to the Statement of Profit & Loss is ₹ **15.73 crore** (previous year debit of ₹ 3.59 crore).
- ii) The amount of exchange differences (net) debited to the carrying amount of Fixed Assets is ₹ **1,882.74 crore** (previous year debit of ₹ 1,056.01 crore).

### 39. Disclosure as per Accounting Standard - 12 on 'Accounting for Government Grants'

Revenue grants recognised during the year is ₹ **0.93 crore** (previous year ₹ 0.39 crore).

### 40. Disclosure as per Accounting Standard - 15 on 'Employee Benefits'

General description of various employee benefit schemes are as under:

#### A. Provident Fund

Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ **238.30 crore** (previous year ₹ 213.69 crore) to the funds for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

₹ Crore

Particulars	31.03.2014	31.03.2013
Obligations at the end of the year	<b>5,463.94</b>	4,755.00
Fair value of plan assets at the end of the year	<b>5,515.53</b>	4,812.77

#### B. Gratuity & Pension

- (a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death.
- (b) The Company has pension schemes at two of its stations in respect of employees taken over from erstwhile state government power utilities.  
The existing schemes stated at (a) and one of the power stations at (b) above are funded by the Company and are managed by separate trusts. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation. The Company's best estimate of the contribution towards gratuity/pension for the financial year 2014-15 is ₹ 46.52 crore.
- (c) During the year, a defined contribution pension scheme of the Company has been implemented effective from 1<sup>st</sup> January 2007, for its employees. The scheme is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of Basic Pay and dearness allowance less employer's contribution towards provident fund, gratuity, PRMF or any other retirement benefits.

#### C. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which a retired employee and his / her spouse are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation.

#### D. Terminal Benefits

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

#### E. Leave

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

The above mentioned schemes (C, D and E) are unfunded and are recognised on the basis of actuarial valuation.



## Notes forming part of Consolidated Financial Statements

The summarised position of various defined benefits recognised in the Statement of Profit and Loss, Balance Sheet are as under:

(Figures given in { } are for previous year)

### i) Expenses recognised in Statement of Profit & Loss

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	70.40 {66.42}	15.60 {13.91}	55.04 {51.14}	6.14 {5.61}
Past Service Cost	- {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	115.60 {103.92}	36.24 {29.69}	68.93 {59.70}	21.81 {18.36}
Expected return on plan assets	(100.89) {(93.42)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(18.74) {48.29}	73.97 {51.09}	181.89 {185.46}	26.49 {30.21}
Expenses recognised in the Statement of Profit & Loss	66.37 {125.21}	125.81 {94.69}	305.86 {296.30}	54.44 {54.18}

### ii) The amount recognised in the Balance Sheet

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2014	1,531.56 {1,445.02}	562.04 {452.94}	942.20 {861.73}	312.98 {272.40}
Fair value of plan assets as at 31.03.2014	1,391.67 {1,263.83}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	139.89 {181.19}	562.04 {452.94}	942.20 {861.73}	312.98 {272.40}

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

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2013	1,445.04 {1,298.60}	452.95 {371.11}	861.74 {746.01}	272.39 {229.83}
Interest cost	115.60 {103.92}	36.24 {29.69}	68.93 {59.70}	21.81 {18.36}
Current Service Cost	70.40 {66.42}	15.60 {13.91}	55.04 {51.14}	6.14 {5.61}
Benefits paid	(95.27) {(81.65)}	(16.72) {(12.86)}	(225.40) {(180.58)}	(13.84) {(11.61)}
Net actuarial (gain)/ loss on obligation	(4.21) {5.73}	73.97 {51.09}	181.89 {185.46}	26.48 {30.21}
Present value of the defined benefit obligation as at 31.03.2014	1,531.56 {1,445.02}	562.04 {452.94}	942.20 {861.73}	312.98 {272.40}

### iv) Changes in the fair value of plan assets:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2013	1263.85 {1,169.90}	- {-}	- {-}	- {-}
Expected return on plan assets	100.89 {93.42}	- {-}	- {-}	- {-}
Contributions by employer	102.08 {68.05}	- {-}	- {-}	- {-}
Benefit paid	(89.67) {(76.98)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	14.52 {9.44}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2014	1,391.67 {1,263.83}	- {-}	- {-}	- {-}

## Notes forming part of Consolidated Financial Statements

- v) The effect of one percentage point increase/decrease in the medical cost of PRMF will be as under:

₹ Crore

Particulars	Increase by	Decrease by
Service and Interest cost	12.29	(5.62)
Present value of obligation	86.96	(71.67)

### F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to ₹ 3.48 crore (previous year ₹ 3.39 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit & Loss.

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

Borrowing costs capitalised during the year are ₹ 3,158.17 crore (previous year ₹ 2,718.48 crore).

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

##### Segment information:

##### a) Business Segments

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

##### b) Segment Revenue and Expense

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

##### c) Segment Assets and Liabilities

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

₹ Crore

	Business Segments				Total	
	Generation		Others		Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
<b>Segment revenue</b>						
Sale of energy/consultancy, project management and supervision fees *	75,703.99	67,470.22	2,801.37	3,277.53	78,505.36	70,747.75
Other income	785.69	1,710.14	81.43	37.57	867.12	1,747.71
Exceptional items	-	1,684.11	-	(115.82)	-	1,568.29
Unallocated corporate and other income					2,326.62	2,783.79
<b>Total</b>	<b>76,489.68</b>	<b>70,864.47</b>	<b>2,882.80</b>	<b>3,199.28</b>	<b>81,699.10</b>	<b>76,847.54</b>
<b>Segment result #</b>	<b>16,284.75</b>	<b>17,330.24</b>	<b>82.83</b>	<b>(54.48)</b>	<b>16,367.58</b>	<b>17,275.76</b>
Unallocated corporate interest and other income					2,326.62	2,783.79
Unallocated corporate expenses, interest and finance charges					4,208.44	3,448.60
Profit before tax					14,485.76	16,610.95
Income tax (net)					3,082.36	4,024.73
Profit after tax					11,403.40	12,586.22
<b>Other information</b>						
Segment assets	102,974.19	86,923.69	4,686.48	2,506.08	107,660.67	89,429.77
Unallocated corporate and other assets					92,379.26	89,280.81
<b>Total assets</b>	<b>102,974.19</b>	<b>86,923.69</b>	<b>4,686.48</b>	<b>2,506.08</b>	<b>200,039.93</b>	<b>178,710.58</b>
Segment liabilities	15,931.93	12,652.39	2,439.74	2,167.99	18,371.67	14,820.38
Unallocated corporate and other liabilities					94,664.77	82,649.25
<b>Total liabilities</b>	<b>15,931.93</b>	<b>12,652.39</b>	<b>2,439.74</b>	<b>2,167.99</b>	<b>113,036.44</b>	<b>97,469.63</b>
Depreciation (including prior period)	4,736.33	3,786.48	2.98	3.32	4,739.31	3,789.80
Non-cash expenses other than depreciation	137.62	169.63	7.37	5.08	144.99	174.71
Capital expenditure	25,474.76	23,494.47	807.09	615.17	26,281.85	24,109.64

\* Includes ₹ 1,816.83 crore (previous year ₹ 1,487.94 crore) for sales related to earlier years.

# Generation segment result would have been ₹ 14,467.92 crore (previous year ₹ 15,842.30 crore) without including the sales related to earlier years.

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

## Notes forming part of Consolidated Financial Statements

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

a) Related parties:

i) Joint ventures:

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

ii) Key Management Personnel:

Shri Arup Roy Choudhury	Chairman and Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (Human Resources)
Shri S.C. Pandey	Director (Projects) <sup>1</sup>
Shri K. Biswal	Director (Finance) <sup>2</sup>
Shri A.K. Singhal	Director (Finance) <sup>3</sup>
Shri B.P. Singh	Director (Projects) <sup>4</sup>

<sup>1</sup> W.e.f. 1<sup>st</sup> October 2013

<sup>2</sup> W.e.f. 9<sup>th</sup> December 2013

<sup>3</sup> Up to 8<sup>th</sup> October 2013

<sup>4</sup> Superannuated on 30<sup>th</sup> September 2013

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

₹ Crore

Particulars	Current Year	Previous Year
i) Transactions during the year		
• Contracts for works/services for services received by the Company:		
- Utility Powertech Ltd.	<b>439.74</b>	393.14
- NTPC-Alstom Power Services Private Ltd.	<b>0.94</b>	6.19
- National Power Exchange Ltd.	<b>0.36</b>	0.84
• Deputation of Employees:		
- Utility Powertech Ltd.	<b>0.25</b>	0.51
- NTPC-Alstom Power Services Private Ltd.	<b>0.85</b>	1.23
- Trincomalee Power Company Ltd.	<b>0.96</b>	0.82
- Pan-Asian Renewables Private Ltd.	<b>0.33</b>	-
- Bangladesh-India Friendship Power Company Private Ltd.	<b>1.34</b>	0.13
ii) Dividend Received:		
- Utility Powertech Ltd.	<b>5.50</b>	4.00
- NTPC-Alstom Power Services Private Ltd.	<b>0.30</b>	0.36
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	<b>0.17</b>	0.22
- NTPC-Alstom Power Services Private Ltd.	<b>0.04</b>	0.04
- National Power Exchange Ltd.	<b>0.14</b>	1.06
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	<b>69.49</b>	64.27
- NTPC-Alstom Power Services Private Ltd.	<b>6.52</b>	7.86
v) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	<b>0.10</b>	0.66
- NTPC-Alstom Power Services Private Ltd.	<b>0.66</b>	1.32
- Trincomalee Power Company Ltd.	<b>1.12</b>	0.97
- Bangladesh-India Friendship Power Company Private Ltd.	<b>1.34</b>	0.13
vi) Equity contributions made:		
- Pan-Asian Renewables Private Ltd.	<b>1.00</b>	-
- Bangladesh -India Friendship Power Company Private Ltd.	<b>6.12</b>	-

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **6.36 crore** (previous year ₹ 6.35 crore).

## Notes forming part of Consolidated Financial Statements

- c) Remuneration to key management personnel for the year is ₹ 4.09 crore (previous year ₹ 3.59 crore) and amount of dues outstanding to the Company as at 31<sup>st</sup> March 2014 are ₹ 0.03 crore (previous year ₹ 0.07 crore).

₹ Crore

Managerial remuneration to Key management personnel	31.03.2014	31.03.2013
Shri Arup Roy Choudhury	0.52	0.54
Shri I.J. Kapoor	0.59	0.45
Shri N.N. Misra	0.52	0.44
Shri A.K. Jha	0.56	0.26
Shri U.P. Pani	0.37	0.02
Shri S.C. Pandey	0.21	-
Shri K. Biswal	0.10	-
Shri.B.P. Singh	0.58	0.52
Shri A.K. Singhal	0.64	0.55
Shri D.K. Jain	-	0.38
Shri S.P. Singh	-	0.43
<b>Total</b>	<b>4.09</b>	<b>3.59</b>

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

##### a) Finance leases

- (i) The Group has taken on lease certain vehicles and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under:

₹ Crore

	31.03.2014	31.03.2013
<b>a) Obligations towards minimum lease payments</b>		
• Not later than one year	0.05	0.28
• Later than one year and not later than five years	-	0.09
• Later than five years	-	-
<b>Total</b>	<b>0.05</b>	<b>0.37</b>
<b>b) Present value of (a) above</b>		
• Not later than one year	0.05	0.26
• Later than one year and not later than five years	-	0.07
• Later than five years	-	-
<b>Total</b>	<b>0.05</b>	<b>0.33</b>
<b>c) Finance charges (* ₹16,979/-)</b>	<b>*</b>	<b>0.04</b>

- (ii) The Company has entered into an agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility shall be constructed in two phases of which Phase I has been completed and is under operation. Fair value of the entire facility is ₹ 90 crore and the assets and liability in respect of Phase-I have been recognised at ₹ 60 crore based on technical assessment. The minimum lease payments shall start on completion of Phase-II of the facility. Amounts payable for the coal transported through Phase-I of the facility are disclosed as contingent rent.

₹ Crore

	31.03.2014	31.03.2013
<b>a) Obligations towards minimum lease payments</b>		
• Not later than one year	12.02	-
• Later than one year and not later than five years	82.41	-
• Later than five years	49.79	-
<b>Total</b>	<b>144.22</b>	<b>-</b>
<b>b) Present value of (a) above</b>		
• Not later than one year	5.27	-
• Later than one year and not later than five years	45.81	-
• Later than five years	38.92	-
<b>Total</b>	<b>90.00</b>	<b>-</b>
<b>c) Finance charges</b>	<b>54.22</b>	<b>-</b>
<b>d) Contingent rent for the year</b>	<b>2.01</b>	<b>-</b>

## Notes forming part of Consolidated Financial Statements

### b) Operating leases

The Company's other significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note -24 - Employee benefits expense includes ₹ **73.11 crore** (previous year ₹ 83.80 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Note -26 – 'Generation, administration and other expenses'. Further, the Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges is included in 'Hire charges of helicopter / aircraft' (Note - 26).

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

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

	Current Year	Previous Year
Group profit after tax used as numerator - ₹ crore	11,403.61	12,590.78
Weighted average number of equity shares used as denominator	8,245,464,400	8,245,464,400
Earning per share (Basic and Diluted) - ₹	13.83	15.27
Nominal value per share - ₹	10/-	10/-

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

Research expenditure charged to revenue during the year is ₹ **98.52 crore** (previous year ₹ 91.85 crore).

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

As required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006, an assessment of impairment of assets was carried out and based on such assessment, there has been no impairment loss during the year.

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

₹ crore

Particulars	Balance as at 01.04.2013	Additions during the year	Payments during the year	Reversal / adjustments during the year	Balance as at 31.03.2014
<b>Long Term Provisions (Note-8)</b>					
Contractual Obligations	8.72	1.44	-	0.07	10.09
<b>Short Term Provisions (Note-11)</b>					
Provision for obligations incidental to land acquisition	2,228.72	1,710.84	392.88	544.96	3,001.72
Provision for tariff adjustment	1,333.29	122.96	-	162.56	1,293.69
Provision for shortage in fixed assets pending investigation	1.09	5.45	-	0.37	6.17
Others	285.83	193.99	-	39.26	440.56
<b>Total</b>	<b>3,857.65</b>	<b>2,034.68</b>	<b>392.88</b>	<b>747.22</b>	4,752.23

#### 49. Foreign currency exposure

##### a) Hedged by a derivative instrument

The derivative contracts outstanding as at 31<sup>st</sup> March 2014 are as under:

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Currency Interest Rate Swap	JPY	19.23	-	11.38	-

There is no MTM loss on the above contract as at 31<sup>st</sup> March 2014.

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

## Notes forming part of Consolidated Financial Statements

### b) Not hedged by a derivative instrument or otherwise

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Borrowings, including interest accrued but not due thereon.	USD	260.54	252.41	15,791.13	13,859.96
	JPY	4,560.37	4,904.08	2,697.46	2,872.81
	EURO	13.67	12.22	1,143.00	860.17
Trade payables/deposits and retention monies	USD	24.79	21.49	1,502.52	1,179.80
	EURO	11.33	9.83	947.64	691.99
	Others	92.17	35.76	74.67	23.98
Trade receivables and Bank balances	USD	0.02	0.01	1.33	0.78
	Others	0.84	0.50	0.54	0.30
Unexecuted amount of contracts remaining to be executed	USD	125.02	105.15	7,577.46	5,773.61
	EURO	79.61	87.49	6,658.58	6,161.41
	Others	1,656.34	1,472.40	1,176.68	999.89

### 50. Contingent Liabilities:

#### (a) Claims against the Group not acknowledged as debts in respect of:

##### (i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Group for ₹ 4,290.45 crore (previous year ₹ 4,031.12 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the respective companies as being not admissible in terms of the provisions of the respective contracts.

The Group is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

##### (ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/courts which are yet to be settled. Against such cases, contingent liability of ₹ 395.16 crore (previous year ₹ 748.99 crore) has been estimated.

##### (iii) Fuel Suppliers

Pending resolution of the issues with coal companies as disclosed in Note 33, the difference between the amount billed by the coal companies and payment released by the company amounts to ₹ 1,055.14 crore (previous year ₹ 2,531.10 crore).

Further, an amount of ₹ 647.33 crore (previous year ₹ 368.67 crore) towards surface transportation charges, customs duty on service margin on imported coal etc. has been disputed by the Company.

##### (iv) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, nala tax, water royalty etc. and by others, contingent liability of ₹ 1,088.23 crore (previous year ₹ 862.81 crore) has been estimated.

##### (v) Possible Reimbursement

The contingent liabilities referred to in (i) above, include an amount of ₹ 994.83 crore (previous year ₹ 961.24 crore) relating to the hydro power project stated in Note 15 A (b) - Other non-current assets, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement is by way of recovery through tariff as per Regulations, 2009 is ₹ 1,694.00 crore (previous year ₹ 2,792.06 crore).

#### (b) Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters pending before various Appellate Authorities amount to ₹ 2,595.87 crore (previous year ₹ 2,215.26 crore). Many of these matters were disposed off in favour of the Group but are disputed before higher authorities by the concerned departments. In such cases, the Group estimates possible reimbursement of ₹ 852.52 crore (previous year ₹ 827.34 crore).

#### (c) Others

Other contingent liabilities amount to ₹ 513.70 crore (previous year ₹ 376.57 crore).

Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

The contingent liabilities disclosed above include ₹ 247.25 crore (previous year ₹ 118.75 crore) share of jointly controlled entities.

## Notes forming part of Consolidated Financial Statements

### 51. Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31<sup>st</sup> March 2014 is ₹ **76,636.90 crore** (previous year ₹ 61,339.29 crore) which includes an amount of ₹ **9,905.90 crore** (previous year ₹ 6,803.66 crore) in respect of jointly controlled entities.
- 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 ₹ **198.21 crore (USD 32.98 million)** (previous year ₹ 183.45 crore, USD 33.73 million).

52. Some of the Subsidiaries and Joint Venture Companies followed different accounting policies from that of the Company and the impact of the same is not considered to be material. The proportion of the items to which different accounting policies have been followed are (a) Revenue: ₹ 2,412.72 crore (b) Depreciation: ₹ 1.86 crore.

For and on behalf of the Board of Directors

(A.K.Rastogi)  
Company Secretary

(K.Biswal)  
Director (Finance)

(Dr. Arup Roy Choudhury)  
Chairman & Managing Director

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

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

For K K Soni & Co.  
Chartered Accountants  
Firm Reg. No. 000947N

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

(Neeraj Kumar Agarwal)  
Partner  
M No.094155

(Abhinav Aggarwal)  
Partner  
M No.517358

(G.Shankar)  
Partner  
M No.024042

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

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

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

(Ajay Gupta)  
Partner  
M No. 090104

(Monika Agrawal)  
Partner  
M No.093769

(Pawan K. Goel)  
Partner  
M.No.072209

Place : New Delhi  
Dated : 15<sup>th</sup> May 2014



## Independent Auditors' Report on the Consolidated Financial Statements

**To**  
**The Board of Directors**  
**NTPC Limited**

We have audited the accompanying Consolidated Financial Statements of NTPC Limited (the "Company") and its Subsidiary and Joint Venture Companies (collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of the Subsidiary and the Joint Venture Companies.

The financial statements of the following Subsidiary and Joint Venture Companies have been audited by other auditors whose reports have been furnished to us upto 10th May 2014, and in our opinion, so far as it relates to the amounts included in respect of these companies are based solely on the report of these auditors. The details of the assets, revenue and net cash flows in respect of these Subsidiary and Joint Venture Companies to the extent to which they are reflected in the Consolidated Financial Statements are given below:

₹ Crore

Name of the Companies	Assets	Revenues	Net Cash Flows
<b>Subsidiaries:</b>			
1) NTPC Electric Supply Company Ltd (including its 50% interest in KINESCO Power & Utilities Pvt. Ltd., a joint venture with KINFRA, a statutory body of Government of Kerala, with assets ₹ 11.15 crore, revenues ₹ 20.19 crore and net cash flows (-) ₹ 0.06 crore)	731.12	59.08	(136.36)
2) Kanti Bijlee Utpadan Nigam Ltd	3,111.77	162.15	13.16
3) Bhartiya Rail Bijlee Company Ltd.	4,300.72	-	(7.19)
<b>Total</b>	<b>8,143.61</b>	<b>221.23</b>	<b>(130.39)</b>
<b>Joint Ventures:</b>			
1) Utility Power tech Ltd.	109.09	250.52	10.54
2) NTPC -Alstom Power Services Pvt. Ltd.	40.50	17.56	(0.13)
3) NTPC- SAIL Power Company Pvt. Ltd.	1,707.88	883.50	15.05
4) NTPC-Tamilnadu Energy Company Ltd	4,594.66	755.01	5.91
5) Aravali Power Company Pvt. Ltd.	4,888.45	1,749.24	(0.40)
6) Meja Urja Nigam Pvt Ltd.	926.21	-	27.55
7) Nabinagar Power Generating Company Pvt. Ltd.	984.60	-	(5.92)
8) Anushakti Vidyut Nigam Ltd.	0.02	-	(0.03)
<b>Total</b>	<b>13,251.41</b>	<b>3,655.83</b>	<b>52.57</b>

The financial statements of the following Subsidiary & Joint Venture Companies are unaudited and in our opinion so far as it relates to the amounts included in respect of the said Subsidiary and Joint Venture Companies are based solely on the financial statements certified by the management of the respective Company. The details of assets, revenue and net cash flows in respect of these Subsidiary & Joint Venture Companies to the extent to which they are reflected in the Consolidated Financial Statements are given below:

Name of the Companies	Assets	Revenues	Net Cash Flows
<b>Subsidiary:</b>			
1) NTPC Vidyut Vyapar Nigam Ltd.	1,224.44	3,532.32	114.57
<b>Total</b>	<b>1,224.44</b>	<b>3,532.32</b>	<b>114.57</b>
<b>Joint Ventures:</b>			
1) Ratnagiri Gas & Power Pvt. Ltd.	4,083.58	728.29	(198.22)
2) NTPC-SCCL Global Venture Pvt. Ltd.	0.05	0.01	-
3) NTPC-BHEL Power Project Pvt. Ltd.	230.44	42.91	31.56
4) BF-NTPC Energy Systems Ltd.	2.94	-	(0.03)
5) National Power Exchange Ltd.	1.15	0.11	(0.14)
6) International Coal Venture Pvt. Ltd.	3.42	-	(0.59)
7) National High Power Test Laboratory Pvt. Ltd.	21.43	-	(4.88)
8) Transformers and Electricals Kerala Ltd.	73.38	75.82	3.49
9) Energy Efficiency Services Ltd.	31.76	8.39	1.37
10) CIL NTPC Urja Pvt. Ltd.	0.01	-	-
11) Pan-Asian Renewables Private Ltd.	0.64	0.04	0.40
12) Trincomalee Power Company Ltd.	5.95	0.64	0.49
13) Bangladesh India Friendship Power Company Pvt. Ltd.	7.05	-	4.36
<b>Total</b>	<b>4,461.80</b>	<b>856.21</b>	<b>(162.19)</b>

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of Interests in Joint Ventures' of the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

#### Emphasis of Matter

Without qualifying our report, we draw attention to Note 33 in respect of accounting of fuel on GCV based pricing system.

#### Opinion

Further to our comments in the above paragraphs, we report that on the basis of the information and explanations given to us and on consideration of the separate audit reports of individual audited financial statements of the Group to the extent received as stated above, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

(Neeraj Kumar Agarwal)  
Partner  
M. No. 094155

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

(Ajay Gupta)  
Partner  
M. No. 090104

For K.K.Soni & Co.  
Chartered Accountants  
Firm Reg. No. 000947N

(Abhinav Aggarwal)  
Partner  
M. No. 517358

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

(Monika Agrawal)  
Partner  
M. No. 093769

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

(G. Shankar)  
Partner  
M. No. 024042

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

(Pawan K. Goel)  
Partner  
M. No. 072209

Place : New Delhi  
Dated : 15<sup>th</sup> May 2014