

## NTPC Limited Consolidated Financial Statements

### ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

#### 2. USE OF ESTIMATES

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

#### 3. GRANTS-IN-AID

- 3.1 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.
- 3.2 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.
- 3.3 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.

#### 4. FIXED ASSETS

- 4.1 Fixed Assets are carried at historical cost less accumulated depreciation/amortisation.
- 4.2 Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
- 4.3 Intangible assets are stated at their cost of acquisition less accumulated amortisation.
- 4.4 Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Fixed Assets.
- 4.5 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.
- 4.6 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.
- 4.7 Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

#### 5. CAPITAL WORK-IN-PROGRESS

- 5.1 In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-Progress.
- 5.2 Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.
- 5.3 Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.
- 5.4 Unsettled liability for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

#### 6. OIL AND GAS EXPLORATION COSTS

- 6.1 The Company follows 'Successful Efforts Method' for accounting of oil & gas exploration activities.
- 6.2 Cost of surveys and prospecting activities conducted in search of oil and gas are expensed off in the year in which these are incurred.
- 6.3 Acquisition and exploration costs are initially capitalized as 'Exploratory Wells-in-Progress' under Capital Work-in-Progress.

#### 7. DEVELOPMENT OF COAL MINES

Expenditure on exploration of new coal deposits is capitalized as 'Development of coal mines' under Capital Work-in-Progress till the mines project is brought to revenue account.

#### 8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
- 8.2 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.
- 8.3 Exchange differences (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.
- 8.4 Exchange differences arising from settlement / translation of foreign currency loans (other than regarded as borrowing cost), deposits / liabilities relating to fixed assets / capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement / translation of long term

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foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.

8.5 Other exchange differences are recognized as income or expense in the period in which they arise.

### 9. BORROWING COSTS

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

### 10. INVESTMENTS

10.1 Current investments are valued at lower of cost and fair value determined on an individual investment basis.

10.2 Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

10.3 Premium paid on long term investments is amortised over the period remaining to maturity.

### 11. INVENTORIES

11.1 Inventories are valued at the lower of, cost determined on weighted average basis, and net realizable value.

11.2 The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

### 12. PROFIT AND LOSS ACCOUNT

#### 12.1 INCOME RECOGNITION

12.1.1 Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted.

12.1.2 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.

12.1.3 Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred Foreign Currency Fluctuation Asset/Liability'. The increase or decrease in depreciation or interest and finance charges for the year due to the accounting of such exchange differences as per accounting policy no. 8 is adjusted in sales.

12.1.4 Exchange differences arising from settlement / translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred Foreign Currency Fluctuation Asset/Liability' during construction period and adjusted in the year in which the same becomes recoverable/payable.

12.1.5 The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

12.1.6 Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore accounted for on receipt/acceptance.

12.1.7 Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.

12.1.8 Scrap other than steel scrap is accounted for as and when sold.

12.1.9 Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

#### 12.2 EXPENDITURE

12.2.1 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.

12.2.2 Depreciation on the assets of the coal mining, oil & gas exploration, consultancy and other business, is charged on straight line method following the rates specified in Schedule XIV of the Companies Act, 1956.

12.2.3 Depreciation on the following assets is provided based on their estimated useful life:

a) Kutch 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

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

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- 12.2.5 Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
- 12.2.6 Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use following the rates and methodology notified by CERC Tariff Regulations, 2009.
- 12.2.7 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively at the rates and methodology notified by CERC Tariff Regulations, 2009/ revised useful life determined based on rates specified in Schedule XIV of the Companies Act, 1956.
- 12.2.8 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.
- 12.2.9 Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC Tariff Regulations, 2009 for such items of plant and machinery.
- 12.2.10 Capital expenditure on assets not owned by the company is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use. However, similar expenditure for community development is charged off to revenue.
- 12.2.11 Leasehold land and buildings are fully amortised over 25 years or lease period whichever is less following the rates and methodology notified by CERC Tariff Regulations, 2009. Leasehold land acquired on perpetual lease is not amortised.
- 12.2.12 Land acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of lease period or balance useful life of the respective project whichever is less.
- 12.2.13 Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
- 12.2.14 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
- 12.2.15 Actuarial gains/losses in respect of 'Employee Benefit Plans' are recognised in the statement of Profit & Loss Account.
- 12.2.16 Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
- 12.2.17 Prepaid expenses and prior period expenses/income of items of ₹ 100,000/- and below are charged to natural heads of accounts.
- 12.2.18 Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Transit and handling losses of coal as per norms are included in cost of coal.

### 13. LEASES

#### 13.1 FINANCE LEASE

- 13.1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.
- 13.1.2 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. 12.2.1 or 12.2.2. 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.
- 13.1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

#### 13.2 OPERATING LEASE

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

### 14. 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.

### 15. CASH FLOW STATEMENT

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

## CONSOLIDATED BALANCE SHEET

		₹ crore	
As at March 31,	SCHEDULE	2011	2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	8,245.46	8,245.46
Reserves and surplus	2	60,139.10	54,371.82
		<b>68,384.56</b>	62,617.28
<b>FLY ASH UTILISATION FUND</b>		<b>58.96</b>	10.62
<b>DEFERRED REVENUE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION</b>	3	<b>792.05</b>	1,610.84
<b>DEFERRED INCOME FROM FOREIGN CURRENCY FLUCTUATION</b>		<b>62.43</b>	-
<b>LOAN FUNDS</b>			
Secured loans	4	17,426.40	15,376.43
Unsecured loans	5	33,328.43	28,772.10
		<b>50,754.83</b>	44,148.53
<b>DEFERRED FOREIGN CURRENCY FLUCTUATION LIABILITY</b>			
		<b>96.67</b>	61.05
<b>DEFERRED TAX LIABILITY (NET)</b>			
Less: Recoverable		4,640.14	3,086.92
		<b>3,968.49</b>	2,857.21
		<b>671.65</b>	229.71
<b>MINORITY INTEREST</b>			
		<b>485.05</b>	278.96
<b>TOTAL</b>		<b>121,306.20</b>	108,956.99
<b>APPLICATION OF FUNDS</b>			
<b>GOODWILL ON CONSOLIDATION</b>			
		<b>0.62</b>	0.62
<b>FIXED ASSETS</b>			
Gross Block	6	79,209.51	71,526.77
Less: Depreciation/Amortisation		34,346.30	32,722.64
Net Block		44,863.21	38,804.13
Capital Work-in-Progress	7	38,566.11	31,255.94
Construction stores and advances	8	6,288.89	6,426.12
		<b>89,718.21</b>	76,486.19
<b>INVESTMENTS</b>			
	9	<b>8,357.33</b>	11,777.61
<b>DEFERRED FOREIGN CURRENCY FLUCTUATION ASSET</b>			
		<b>459.15</b>	365.25
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	10	3,910.83	3,532.96
Sundry debtors	11	8,399.87	7,080.81
Cash and bank balances	12	17,859.83	16,053.01
Other current assets	13	1,071.58	868.02
Loans and advances	14	6,803.21	5,680.69
		<b>38,045.32</b>	33,215.49
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	15	12,438.76	9,757.92
Provisions	16	2,835.67	3,150.33
		<b>15,274.43</b>	12,908.25
Net current assets		<b>22,770.89</b>	20,307.24
<b>DEFERRED EXPENDITURE FROM FOREIGN CURRENCY FLUCTUATION</b>			
		-	20.08
<b>TOTAL</b>		<b>121,306.20</b>	108,956.99
Notes on accounts	26		

Schedules 1 to 26 and accounting policies form an integral part of accounts.

For and on behalf of the Board of Directors

(A.K.Rastogi)  
Company Secretary

(A.K.Singhal)  
Director (Finance)

(Arup Roy Choudhury)  
Chairman & Managing Director

For Dass Gupta & Associates  
Chartered Accountants

As per our report of even date

For K.K.Soni & Co.  
Chartered Accountants

For Varma & Varma  
Chartered Accountants

(Ashok Kumar Jain)  
Partner  
M No.090563

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

(C.G. Pankajakshan)  
Partner  
M No.020512

For Parakh & Co.  
Chartered Accountants

For B.C. Jain & Co.  
Chartered Accountants

For S.K. Mehta & Co.  
Chartered Accountants

(V.D. Mantri)  
Partner  
M No.074678

(Rishabh Jain)  
Partner  
M No.400912

(Rohit Mehta)  
Partner  
M.No.091382

Place : New Delhi  
Dated : 10<sup>th</sup> May 2011

## CONSOLIDATED PROFIT & LOSS ACCOUNT

		₹ crore	
For the year ended March 31,	SCHEDULE	2011	2010
<b>INCOME</b>			
Sales (Gross)	17	57,731.93	48,530.74
Less: Electricity duty		313.47	274.29
Sales (Net)		57,418.46	48,256.45
Energy Internally consumed		64.71	55.14
Provisions written back	18	7.84	12.79
Other income	19	2,517.17	2,879.18
<b>Total</b>		<b>60,008.18</b>	<b>51,203.56</b>
<b>EXPENDITURE</b>			
Fuel		36,414.35	30,187.66
Electricity purchased		7.90	1.21
Employees' remuneration and benefits	20	2,922.26	2,523.09
Cost of material and services		247.14	182.36
Generation, administration & other expenses	21	2,921.00	2,334.81
Depreciation/Amortisation		2,719.69	2,894.38
Provisions	22	1,552.77	12.35
Interest and finance charges	23	2,492.87	2,078.18
<b>Total</b>		<b>49,277.98</b>	<b>40,214.04</b>
<b>Profit before Tax and Prior Period Adjustments</b>		<b>10,730.20</b>	<b>10,989.52</b>
Prior Period income/expenditure (net)	24	(1,662.13)	(59.59)
<b>Profit before tax</b>		<b>12,392.33</b>	<b>11,049.11</b>
<b>Provision for :</b>			
Current tax			
Current year		2,546.14	2,504.48
Earlier years		56.02	(525.40)
Fringe Benefit tax			
Earlier years		-	2.70
Deferred tax			
Current year		181.49	229.63
Earlier years		260.45	-
Less: Current/Fringe Benefit Tax transferred to expenditure during construction/Development of coal mines		-	(0.05)
		<b>3,044.10</b>	<b>2,211.46</b>
<b>Profit after tax</b>		<b>9,348.23</b>	<b>8,837.65</b>
Balance brought forward		3.35	(77.26)
Write back from Bond Redemption Reserve		250.00	200.00
Balance available for appropriation		9,601.58	8,960.39
<b>Appropriations</b>			
Transfer to Bonds Redemption Reserve		494.94	497.78
Transfer to Capital Reserve		6.87	4.97
Transfer to General Reserve		5,216.14	4,772.70
Dividend			
Interim		2,473.63	2,473.63
Final-Proposed		662.18	675.53
Tax on Dividend			
Interim		410.84	420.40
Final-Proposed		107.65	112.03
<b>Balance carried to Balance Sheet</b>		<b>229.33</b>	<b>3.35</b>
<b>Expenditure during construction (net)</b>	25		
Earning Per Share (Equity shares, face value ₹ 10/- each) - Basic and Diluted - (₹)		11.34	10.72
Notes on Accounts	26		

Schedules 1 to 26 and accounting policies form an integral part of accounts.

Total Income includes ₹ **2,471.87 Crore** (Previous year ₹ 1,836.92 Crore) share of jointly controlled entities.

Total Expenditure includes ₹ **2,153.16 Crore** (Previous year ₹ 1,723.79 Crore) share of jointly controlled entities.

The profit after tax is inclusive of (-) ₹ **5.17 Crore** (Previous year (-) ₹ 0.03 Crore) towards minority interest and ₹ **239.76 Crore** (Previous year ₹ 68.45 Crore) towards share of jointly controlled entities.

For and on behalf of the Board of Directors

( A.K.Rastogi)  
Company Secretary

(A.K.Singhal)  
Director (Finance)

( Arup Roy Choudhury)  
Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates  
Chartered Accountants

For K.K.Soni & Co.  
Chartered Accountants

For Varma & Varma  
Chartered Accountants

(Ashok Kumar Jain)  
Partner  
M No.090563

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

(C.G. Pankajakshan)  
Partner  
M No.020512

For Parakh & Co.  
Chartered Accountants

For B.C. Jain & Co.  
Chartered Accountants

For S.K. Mehta & Co.  
Chartered Accountants

(V.D. Mantri)  
Partner  
M No.074678

(Rishabh Jain)  
Partner  
M No.400912

(Rohit Mehta)  
Partner  
M.No.091382

Place : New Delhi  
Dated : 10<sup>th</sup> May 2011

## CASH FLOW STATEMENT

	₹ crore	
For the Year ended March 31,	2011	2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and Prior Period Adjustments</b>	<b>10,730.20</b>	10,989.52
<b>Adjustment for:</b>		
Depreciation/Amortisation	2,719.69	2,894.38
Prior period depreciation/amortisation	(1,170.72)	25.42
Provisions	1,552.77	12.35
Deferred revenue on account of Advance Against Depreciation	(818.79)	(325.17)
Deferred Foreign Currency Fluctuation Assets/Liability	(58.28)	614.84
Deferred Income from foreign currency fluctuation	90.46	(640.06)
Interest charges	3,804.66	2,977.86
Guarantee Fee & other Finance charges	62.09	63.85
Interest/Income on Bonds/Investment	(852.93)	(1,007.99)
Prior Period Adjustments (Net)	1,662.13	59.59
Dividend Income	(21.13)	(6.84)
Provisions Written Back	(7.84)	(12.79)
Others (Bonds issue and Servicing Expenses)	2.53	2.54
	<u>6,964.64</u>	<u>4,657.98</u>
<b>Operating Profit before Working Capital Changes</b>	<b>17,694.84</b>	15,647.50
<b>Adjustment for:</b>		
Trade and Other Receivables	(2,850.90)	(3,263.29)
Inventories	(252.20)	(42.48)
Trade Payables and Other Liabilities	1,480.93	173.50
Loans and Advances	(689.86)	2,178.02
Other Current Assets	(273.75)	54.20
	<u>(2,585.78)</u>	<u>(900.05)</u>
<b>Cash generated from operations</b>	<b>15,109.06</b>	14,747.45
Direct Taxes Paid	(3,034.16)	(2,798.52)
<b>Net Cash from Operating Activities - A</b>	<b>12,074.90</b>	11,948.93
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(13,735.84)	(14,034.73)
Purchase of Investments	(15,848.17)	(10,520.79)
Sale of Investment	19,268.07	10,439.52
Interest/Income on Bonds/Investment Received	923.12	1,079.11
Income Tax on Interest/Income on Bonds/Investment	-	(2.56)
Dividend Received	21.13	6.84
<b>Net cash used in Investing Activities - B</b>	<b>(9,371.69)</b>	(13,032.61)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	11,370.82	9,175.51
Repayment of Long Term Borrowings	(5,108.44)	(2,751.32)
Grant Received/Ash utilisation reserve etc.	327.50	176.50
Interest Paid	(3,745.62)	(2,976.61)
Guarantee Fee & other Finance charges Paid	(65.88)	(63.23)
Dividend Paid	(3,149.16)	(3,138.67)
Tax on Dividend	(523.08)	(533.40)
Others (Equity/Bonds issue & servicing expenses)	(2.53)	(2.54)
<b>Net Cash flow from Financing Activities - C</b>	<b>(896.39)</b>	(113.76)
<b>Net Increase/Decrease in Cash and Cash equivalents (A+B+C)</b>	<b>1,806.82</b>	(1,197.44)
<b>Cash and cash equivalents (Opening balance) *</b>	<b>16,053.01</b>	17,250.45
<b>Cash and cash equivalents (Closing balance) *</b>	<b>17,859.83</b>	16,053.01

### Notes :

1 Cash and Cash Equivalents consists of Cash in Hand and balance with Banks.

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

\* Includes ₹ 11.69 crore (previous Year ₹ 11.69 crore) deposited as security with Government & other authorities which are not available for use.

\* Includes ₹ 10.25 crore (previous Year ₹ 22.57 crore) lying in designated bank accounts towards unclaimed Dividend.

For and on behalf of the Board of Directors

(A.K.Rastogi)  
Company Secretary

(A.K.Singhal)  
Director (Finance)

(Arup Roy Choudhury)  
Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates  
Chartered Accountants

For K.K.Soni & Co.  
Chartered Accountants

For Varma & Varma  
Chartered Accountants

(Ashok Kumar Jain)  
Partner  
M No.090563

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

(C.G. Pankajakshan)  
Partner  
M No.020512

For Parakh & Co.  
Chartered Accountants

For B.C. Jain & Co.  
Chartered Accountants

For S.K. Mehta & Co.  
Chartered Accountants

(V.D. Mantri)  
Partner  
M No.074678

(Rishabh Jain)  
Partner  
M No.400912

(Rohit Mehta)  
Partner  
M.No.091382

Place : New Delhi

Dated : 10<sup>th</sup> May 2011

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

**As at March 31,**
**2011**
**2010**
**Schedule 1**
**SHARE CAPITAL**
**AUTHORISED**

10,00,00,00,000 equity shares of ₹ 10/- each (previous

year 10,00,00,00,000 equity shares of ₹ 10/- each)

**10,000.00**
10,000.00
**ISSUED, SUBSCRIBED AND PAID-UP**

8,24,54,64,400 equity shares of ₹ 10/- each fully paid-up ( previous

year 8,24,54,64,400 equity shares of ₹ 10/- each fully paid-up)

**8,245.46**
8,245.46
**Schedule 2**
**RESERVES AND SURPLUS**
**Capital Reserve**

As per last Balance Sheet

**282.44**

198.14

Add : Additions during the year

**6.87**

9.25

Add : Grants received during the year

**113.18**

75.05

Less : Adjustments during the year

**39.67**

-

**362.82**
282.44
**Security Premium Account**
**2,228.11**
2,228.11
**Bonds Redemption Reserve**

As per last Balance Sheet

**1,986.72**

1,688.94

Add : Transfer from Profit &amp; Loss Account

**494.94**

497.78

Less : Write back during the year

**250.00**
200.00
**2,231.66**
1,986.72
**General Reserve**

As per last Balance Sheet

**49,871.20**

45,124.34

Add : Transfer from Profit &amp; Loss Account

**5,216.14**

4,772.70

Less: Adjustments during the year

**0.16**

25.84

**55,087.18**
49,871.20
**Surplus in Profit & Loss Account**
**229.33**

3.35

**Total #**
**60,139.10**
54,371.82

 # Includes (-) ₹ **171.70 crore** (previous year (-) ₹ 57.90 crore) share of jointly controlled entities.

**Schedule 3**
**DEFERRED REVENUE - ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION**

As per last Balance Sheet

**1,610.84**

1,936.01

Add : Revenue deferred during the year

**27.73**

24.41

Less: Reversed during the year

**39.28**

32.80

Less: Revenue recognised during the year

**807.24**

316.78

**Total #**
**792.05**
1,610.84

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



**Schedules forming part of Consolidated Balance Sheet**

₹ crore

**As at March 31,**
**2011**

2010

**Schedule 4**
**SECURED LOANS**
**Bonds**

10.00% Secured Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6 <sup>th</sup> year and in annual instalments thereafter upto the end of 10 <sup>th</sup> year respectively from 5 <sup>th</sup> September 2001 (Twelfth Issue - Private Placement) <sup>1</sup>	<b>100.00</b>	200.00
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of ₹ 10,00,000/- each redeemable at par in ten equal annual instalments commencing from the end of 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>2</sup>	<b>525.00</b>	600.00
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of ₹ 10,00,000/- each with ten equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6 <sup>th</sup> year and in annual instalments 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>2</sup>	<b>525.00</b>	600.00
8.00% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 10 <sup>th</sup> April 2018 (Sixteenth Issue -Private Placement) <sup>3</sup>	<b>100.00</b>	100.00
8.48% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 1 <sup>st</sup> May 2023 (Seventeenth Issue - Private Placement) <sup>3</sup>	<b>50.00</b>	50.00
5.95% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of 6 <sup>th</sup> year and in annual instalments thereafter upto the end of 10 <sup>th</sup> year respectively from 15 <sup>th</sup> September 2003 (Eighteenth Issue - Private Placement) <sup>4</sup>	<b>300.00</b>	400.00
7.50% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 12 <sup>th</sup> January 2019 (Nineteenth Issue - Private Placement) <sup>5</sup>	<b>50.00</b>	50.00
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>6</sup>	<b>400.00</b>	450.00
7.7125% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 2 <sup>nd</sup> August 2010 and ending on 2 <sup>nd</sup> February 2020 (Twenty first issue - Private Placement) <sup>7</sup>	<b>900.00</b>	1,000.00
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>8</sup>	<b>500.00</b>	500.00
8.3796% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 5 <sup>th</sup> August 2011 and ending on 5 <sup>th</sup> February 2021 (Twenty third issue - Private Placement) <sup>8</sup>	<b>500.00</b>	500.00
8.6077% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 9 <sup>th</sup> September 2011 and ending on 9 <sup>th</sup> March 2021 (Twenty fourth issue - Private Placement) <sup>8</sup>	<b>500.00</b>	500.00
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>9</sup>	<b>500.00</b>	500.00
9.06% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 70,00,000/- each with fourteen Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 4 <sup>th</sup> June 2012 and ending on 4 <sup>th</sup> December 2018 (Twenty sixth issue - Private Placement) <sup>9</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 instalments commencing from 6 <sup>th</sup> Nov 2019 and ending on 6 <sup>th</sup> Nov 2023 (Twenty seventh issue - Private Placement) <sup>9</sup>	<b>350.00</b>	350.00
11% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 21 <sup>st</sup> November 2018 (Twenty Eighth issue - Private Placement) <sup>9</sup>	<b>1,000.00</b>	1,000.00
8.65% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 4 <sup>th</sup> February 2019 (Twenty ninth issue - Private Placement) <sup>9</sup>	<b>550.00</b>	550.00
7.89% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 5 <sup>th</sup> May 2019 (Thirtieth issue - Private Placement) <sup>9</sup>	<b>700.00</b>	700.00



**Schedules forming part of Consolidated Balance Sheet**

₹ crore

As at March 31,	2011	2010
<b>Schedule 4</b>		
<b>SECURED LOANS</b>		
8.78 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 9 <sup>th</sup> March 2020 (Thirty first issue- Private Placement) <sup>9</sup>	<b>500.00</b>	-
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>9</sup>	<b>105.00</b>	-
8.73 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 31 <sup>st</sup> March 2020 (Thirty third issue- Private Placement) <sup>9</sup>	<b>195.00</b>	-
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>9</sup>	<b>150.00</b>	-
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>9</sup>	<b>120.00</b>	-
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>9</sup>	<b>75.00</b>	-
8.93% Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 19 <sup>th</sup> January 2021 (Thirty seventh Issue - Private Placement) <sup>9</sup>	<b>300.00</b>	-
<b>Loans and Advances from Banks and Financial Institutions</b>		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year ₹ <b>156.78 crore</b> , previous year ₹ 137.53 crore) <sup>10</sup>	<b>414.47</b>	528.65
Rupee Term Loans (Due for repayment within one year ₹ <b>197.77 crore</b> , previous year ₹ 379.30 crore) <sup>11</sup>	<b>7,476.20</b>	6,284.34
Cash credit (Secured against inventory and Trade Debtors of Kanti Bijlee Utpadan Nigam Ltd.)	<b>39.40</b>	12.09
<b>Other Loans and Advances</b>		
Obligations under finance lease (Due for repayment within one year ₹ <b>0.59 crore</b> , previous year ₹ 0.64 crore) <sup>12</sup>	<b>1.33</b>	1.35
<b>Total #</b>	<b><u>17,426.40</u></b>	<b><u>15,376.43</u></b>
# Includes ₹ <b>7,351.79 crore</b> (previous year ₹ 6,284.40 crore) share of jointly controlled entities.		

**Notes:**

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

## Schedules forming part of Consolidated Balance Sheet

### Schedule 4

#### SECURED LOANS

##### Notes:

- 4 Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station, Loharinag Pala Hydro Power Project and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.
- 5 Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Hypothecation of all the present and future movable assets (excluding receivables) of Singrauli Super Thermal Power Station, Anta Gas Power Station, Auraiya Gas Power Station, Barh Super Thermal Power Project, Farakka Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Koldam Hydel Power Project, Simhadri Super Thermal Power Project, Sipat Super Thermal Power Project, Talcher Thermal Power Station, Talcher Super Thermal Power Project, Tanda Thermal Power Station, Vindhyachal Super Thermal Power Station, National Capital Power Station, Dadri Gas Power Station, Feroze Gandhi Unchahar Power Station, Loharinag Pala Hydro Power Project and Tapovan-Vishnugad Hydro Power Project as first charge, ranking pari-passu with charge, if any, already created in favour of the Company's Bankers on such movable assets hypothecated to them for working capital requirement.
- 6 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.
- 7 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.
- 8 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.
- 9 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.
- 10 Secured by English mortgage/hypothecation of all the present and future fixed and movable assets of Rihand Super Thermal Power Station as first charge, ranking pari-passu with charge already created, subject to however, Company's Banker's first charge on certain movable assets hypothecated to them for working capital requirement.
- 11 (i) Secured by all movable & immovable, present and future assets belonging to Joint Venture entity at Vallur.  
 (ii) 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.  
 (iii) 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.  
 (iv) Secured by first charge by way of hypothecation in favour of PFC Ltd. of all moveable assets of Indira Gandhi Super Thermal Power Project (3 X 500 MW) Coal Based Thermal Power Project at Jhajjar Distt. in state of Haryana belonging to Joint Venture entity, comprising its movable plant and machinery, machinery spares, tools and accessories, furniture fixture, vehicles and all other movable assets, present and future, including intangible assets, goodwill, uncalled capital receivable of the project except for specified receivables on which first charges would be of working capital lenders present and future and  
 Secured by first charge by way of mortgage by deposit of title deed of lands (approx 2049.11 acres) and other immovable properties of Indira Gandhi Super Thermal Power Project (3 x 500 MW) coal based thermal power project at jhajjar district in State of Haryana together with all buildings and structure erected/ constructed/ standing thereon and all plant and machinery, and equipment attached to the earth or permanently fastened to the earth comprised therein, in respect of which the Joint venture entity is as a owner seized and possessed of and otherwise well and fully entitled to both present and future assets.  
 (v) Secured by English mortgage/ hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4\*250) MW of a subsidiary company, as first charge, ranking pari passu with charge already created with PFC for 60% of total debts basis.  
 (vi) Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Power Plant and associated LNG facilities at village Anjanwel Guhagar, Distt. Ratnagiri belonging to Joint Venture entity subject to the first charge of Government of India to the extent of ₹ 1300 crore.
- 12 Secured against fixed assets obtained under finance lease.

##### Note:

Security cover mentioned at sl. no. 1 to 9 is above 100% of the debt securities outstanding.

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

As at March 31,	2011	2010
<b>Schedule 5</b>		
<b>UNSECURED LOANS</b>		
<b>Fixed Deposits</b>	<b>13.26</b>	13.39
(Due for repayment within one year ₹ <b>0.87 crore</b> , previous year ₹ 0.58 crore)		
<b>Bonds</b>		
8.78 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 9 <sup>th</sup> March 2020 (Thirty first issue- Private Placement)*	-	500.00
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)*	-	105.00
8.73 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable at par on 31 <sup>st</sup> March 2020 (Thirty third issue- Private Placement)*	-	195.00
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)**	<b>75.00</b>	-
<b>Foreign Currency Bonds / Notes</b>		
5.50 % Eurobonds (due for repayment with in one year ₹ <b>Nil</b> , previous year ₹ 913.40 crore)	-	913.40
5.875 % Fixed Rate Notes due for repayment on 2 <sup>nd</sup> March 2016	<b>1,356.90</b>	1,370.10
<b>Loans and Advances</b>		
<b>From Banks and Financial Institutions</b>		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year ₹ <b>121.16 crore</b> , previous year ₹ 60.97 crore)	<b>2,884.39</b>	2,638.29
Other Foreign Currency Term Loans (Due for repayment within one year ₹ <b>647.39 crore</b> , previous year ₹ 588.42 crore)	<b>6,035.20</b>	4,903.40
Rupee Term Loans (Due for repayment within one year ₹ <b>1,880.17 crore</b> , previous year ₹ 1796.21 crore)	<b>22,963.68</b>	18,133.52
<b>Total #</b>	<b><u>33,328.43</u></b>	<u>28,772.10</u>

# Includes ₹ **50.87 crore** (previous year ₹ 55.00 crore) share of jointly controlled entities.

\* Since securitised and disclosed in Secured Loans.

\*\* To be secured by registered/equitable mortgage on immovable properties/hypothecation of movable assets.

**Schedules forming part of Consolidated Balance Sheet**
**Schedule 6**
**FIXED ASSETS**

₹ crore

	Gross Block			As at 31.03.2011	Depreciation / Amortisation			Net Block		
	As at 01.04.2010	Additions	Deductions/ Adjustments		Upto 31.03.2010	For the year	Deductions/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>TANGIBLE ASSETS</b>										
Land :										
(including development)										
Freehold	2,257.44	115.77	(40.13)	<b>2,413.34</b>	-	-	-	-	<b>2,413.34</b>	2,257.44
Leasehold	541.80	14.99	(4.53)	<b>561.32</b>	67.23	25.46	(20.99)	<b>113.68</b>	<b>447.64</b>	474.57
Roads, bridges, culverts & helipads	461.15	67.80	0.30	<b>528.65</b>	96.98	26.83	(31.12)	<b>154.93</b>	<b>373.72</b>	364.17
Building :										
Freehold										
Main plant	2,876.66	293.35	(16.60)	<b>3,186.61</b>	1,115.35	77.12	31.24	<b>1,161.23</b>	<b>2,025.38</b>	1,761.31
Others	2,085.97	92.99	0.41	<b>2,178.55</b>	591.85	127.96	(63.48)	<b>783.29</b>	<b>1,395.26</b>	1,494.12
Leasehold	50.04	-	(1.31)	<b>51.35</b>	18.95	2.58	(0.55)	<b>22.08</b>	<b>29.27</b>	31.09
Temporary erection	33.49	3.31	4.29	<b>32.51</b>	33.05	2.65	4.10	<b>31.60</b>	<b>0.91</b>	0.44
Water Supply, drainage & sewerage system	601.69	19.05	(1.10)	<b>621.84</b>	259.96	22.31	6.19	<b>276.08</b>	<b>345.76</b>	341.73
MGR track and signalling system	925.12	156.20	(26.88)	<b>1,108.20</b>	551.28	30.11	23.19	<b>558.20</b>	<b>550.00</b>	373.84
Railway Siding	290.06	49.12	0.02	<b>339.16</b>	119.28	15.57	(2.87)	<b>137.72</b>	<b>201.44</b>	170.78
Earth Dam Reservoir	179.80	20.77	0.11	<b>200.46</b>	64.25	9.72	(8.15)	<b>82.12</b>	<b>118.34</b>	115.55
Plant and machinery	59,531.95	5,734.89	(704.59)	<b>65,971.43</b>	28,833.59	2,430.88	1,274.33	<b>29,990.14</b>	<b>35,981.29</b>	30,698.36
Furniture, fixtures & other office equipment	468.41	44.64	8.35	<b>504.70</b>	278.92	23.26	13.20	<b>288.98</b>	<b>215.72</b>	189.49
EDP, WP machines and SATCOM equipment	344.68	23.07	6.90	<b>360.85</b>	230.79	25.52	17.36	<b>238.95</b>	<b>121.90</b>	113.89
Vehicles including speedboats	9.94	2.86	1.34	<b>11.46</b>	6.79	0.49	1.45	<b>5.83</b>	<b>5.63</b>	3.15
Construction equipment	133.49	26.26	8.58	<b>151.17</b>	74.53	8.18	9.18	<b>73.53</b>	<b>77.64</b>	58.96
Electrical Installations	297.21	26.94	2.46	<b>321.69</b>	133.22	11.84	3.93	<b>141.13</b>	<b>180.56</b>	163.99
Communication Equipments	83.70	6.11	(0.38)	<b>90.19</b>	40.99	4.50	0.32	<b>45.17</b>	<b>45.02</b>	42.71
Hospital Equipments	24.79	2.66	0.10	<b>27.35</b>	14.98	0.69	0.80	<b>14.87</b>	<b>12.48</b>	9.81
Laboratory and workshop equipments	25.39	6.79	(1.55)	<b>33.73</b>	11.05	2.35	0.40	<b>13.00</b>	<b>20.73</b>	14.34
Leased assets - Vehicles	2.39	0.59	0.34	<b>2.64</b>	1.08	0.62	0.29	<b>1.41</b>	<b>1.23</b>	1.31
Capital expenditure on assets not owned by the Company	195.88	34.05	19.51	<b>210.42</b>	113.37	15.97	7.81	<b>121.53</b>	<b>88.89</b>	82.51
Assets of Government	2.84	-	-	<b>2.84</b>	-	-	-	-	<b>2.84</b>	2.84
Less: Grants from Government	2.84	-	-	<b>2.84</b>	-	-	-	-	<b>2.84</b>	2.84
Assets held for disposal valued at net book value or net realisable value whichever is less	2.71	0.19	0.69	<b>2.21</b>	-	-	-	-	<b>2.21</b>	2.71
<b>INTANGIBLE ASSETS</b>										
Right of Use - Land	7.01	0.71	(0.07)	<b>7.79</b>	0.25	1.07	-	<b>1.32</b>	<b>6.47</b>	6.76
- Others	8.47	101.66	(89.39)	<b>199.52</b>	0.09	5.82	(0.75)	<b>6.66</b>	<b>192.86</b>	8.38
Software	87.53	5.05	0.21	<b>92.37</b>	64.81	17.73	(0.31)	<b>82.85</b>	<b>9.52</b>	22.72
<b>Total #</b>	<b>71,526.77</b>	<b>6,849.82</b>	<b>(832.92)</b>	<b>79,209.51</b>	<b>32,722.64</b>	<b>2,889.23</b>	<b>1,265.57</b>	<b>34,346.30</b>	<b>44,863.21</b>	<b>38,804.13</b>
Previous year	64,740.90	6,700.40	(85.47)	71,526.77	29,775.45	3,037.34	90.15	32,722.64	38,804.13	34,965.45

# Includes ₹ 5,261.18 crore (previous year ₹ 3,844.66 crore) share of jointly controlled entities

**Schedules forming part of Consolidated Balance Sheet**
**Schedule 7**
**CAPITAL WORK-IN-PROGRESS**

₹ crore

	As at 01.04.2010	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2011
Development of land	390.95	100.12	14.91	0.24	<b>475.92</b>
Roads, bridges, culverts & helipads	59.82	73.39	19.70	67.80	<b>45.71</b>
Piling and foundation	868.40	126.53	182.30	-	<b>812.63</b>
Buildings :					
Main plant	1,979.24	1,027.83	150.23	293.35	<b>2,563.49</b>
Others	392.79	215.42	74.36	89.80	<b>444.05</b>
Temporary erection	1.70	12.91	(0.10)	2.83	<b>11.88</b>
Water supply, drainage and sewerage system	49.75	27.25	(1.36)	18.51	<b>59.85</b>
Hydraulic works, Barrages, Dams, Tunnels, and Power Channel	2,321.36	412.42	199.65	-	<b>2,534.13</b>
MGR track and signalling system	342.70	107.22	52.43	155.92	<b>241.57</b>
Railway siding	139.71	60.75	(2.99)	49.12	<b>154.33</b>
Earth dam reservoir	145.18	31.36	9.85	20.77	<b>145.92</b>
Plant and machinery	23,554.61	12,466.13	329.40	5,624.66	<b>30,066.68</b>
Furniture, fixtures and other office equipment	5.70	7.59	0.60	3.36	<b>9.33</b>
EDP/WP Machines & SATCOM equipment	1.01	1.68	0.04	0.43	<b>2.22</b>
Construction Equipments	0.01	0.71	(0.08)	0.47	<b>0.33</b>
Electrical installations	49.66	104.60	9.93	23.57	<b>120.76</b>
Communication equipment	2.03	0.45	0.56	1.57	<b>0.35</b>
Laboratory and workshop equipment	0.16	-	(2.08)	-	<b>2.24</b>
Intangible assets - software	0.55	-	0.52	-	<b>0.03</b>
Capital expenditure on assets not owned by the company	183.45	22.52	158.76	30.69	<b>16.52</b>
Exploratory Wells-in-Progress	7.64	0.01	-	-	<b>7.65</b>
Development of Coal Mines	136.89	59.24	1.08	-	<b>195.05</b>
	<u>30,633.31</u>	<u>14,858.13</u>	<u>1,197.71</u>	<u>6,383.09</u>	<b><u>37,910.64</u></b>
<b>Expenditure pending allocation</b>					
Survey, investigation, consultancy and supervision charges	236.94	90.85	46.33	-	<b>281.46</b>
Difference in exchange on foreign currency loans	(246.32)	(6.09)	27.91	-	<b>(280.32)</b>
Expenditure towards diversion of forest land	176.18	-	14.47	-	<b>161.71</b>
Pre-commissioning expenses (net)	(62.73)	95.32	(21.65)	-	<b>54.24</b>
Expenditure during construction	532.99	2,969.01 *	171.12	-	<b>3,330.88</b>
Less: Allocated to related works	-	<u>2,873.59</u>	-	-	<b><u>2,873.59</u></b>
	<u>31,270.37</u>	<u>15,133.63</u>	<u>1,435.89</u>	<u>6,383.09</u>	<b><u>38,585.02</u></b>
Less: Provision for unserviceable works	14.43	9.29	4.81	-	<b>18.91</b>
<b>Total #</b>	<u><u>31,255.94</u></u>	<u><u>15,124.34</u></u>	<u><u>1,431.08</u></u>	<u><u>6,383.09</u></u>	<b><u><u>38,566.11</u></u></b>
Previous Year	24,764.69	12,583.18	(183.91)	6,275.84	31,255.94

\* Brought from Expenditure during construction period (net)-Schedule 25

 # Includes ₹ **4,797.94 crore** (previous year ₹ 4,199.41 crore) share of jointly controlled entities.

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

**As at March 31,**
**2011**

2010

**Schedule 8**
**CONSTRUCTION STORES AND ADVANCES**
**CONSTRUCTION STORES \***

(At cost)

Steel	<b>982.38</b>	1,076.46
Cement	<b>44.98</b>	25.28
Others	<b>1,499.99</b>	1,091.84

**2,527.35**

2,193.58

Less: Provision for shortage

**1.44**

1.27

**2,525.91**

2,192.31

**ADVANCES FOR CAPITAL EXPENDITURE**

Secured

**18.13**

1.61

Unsecured, considered good

Covered by bank guarantees	<b>2,266.85</b>	3,176.90
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Others	<b>1,478.00</b>	1,055.30
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Considered doubtful	<b>2.21</b>	2.23
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**3,765.19**

4,236.04

Less: Provision for bad &amp; doubtful advances

**2.21**

2.23

**3,762.98**

4,233.81

**Total #**
**6,288.89**

6,426.12

\* Include material in transit, under inspection and with contractors

**1,572.56**

1,275.30

 # Includes ₹ **514.10 crore** (previous year ₹ 628.83 crore) share of jointly controlled entities.



**Schedules forming part of Consolidated Balance Sheet**

₹ crore

As at March 31,			2011	2010
<b>Schedule 9</b>				
<b>INVESTMENTS</b>				
(Valuation as per Accounting Policy No. 10)				
	Number of shares/bonds/ securities	Face value per share/bond/ security		
	Current year/ (previous year)	Current year/ (previous year)		
		(₹)		
<b>I. LONG TERM (Trade - unless otherwise specified)</b>				
<b>A) Quoted</b>				
<b>Equity Shares (fully paid-up)</b>				
PTC India Ltd.	12000000 (12000000)	10 (10)	<b>12.00</b>	12.00
<b>Sub Total (A)</b>			<b>12.00</b>	12.00
<b>B) Unquoted (fully paid-up)</b>				
<b>Bonds</b>				
<b>i) 8.50 % Tax-Free State Government Special Bonds of the Government of ( # )</b>				
Andhra Pradesh	6303250 (7563900)	1000 (1000)	<b>630.33</b>	756.39
Assam	257320 (308784)	1000 (1000)	<b>25.73</b>	30.88
Bihar	9472000 (11366400)	1000 (1000)	<b>947.20</b>	1,136.64
Chattisgarh	2416100 (2899320)	1000 (1000)	<b>241.61</b>	289.93
Gujarat	4186200 (5023440)	1000 (1000)	<b>418.62</b>	502.34
Haryana	5375000 (6450000)	1000 (1000)	<b>537.50</b>	645.00
Himachal Pradesh	166940 (200328)	1000 (1000)	<b>16.69</b>	20.03
Jammu and Kashmir	1836800 (2204160)	1000 (1000)	<b>183.68</b>	220.42
Jharkhand	4800616 (5760736)	1000 (1000)	<b>480.06</b>	576.07
Kerala	5012000 (6014400)	1000 (1000)	<b>501.20</b>	601.44
Madhya Pradesh	4154200 (4985040)	1000 (1000)	<b>415.42</b>	498.50
Maharashtra	1907000 (2288400)	1000 (1000)	<b>190.70</b>	228.84
Orissa	5514370 (6617244)	1000 (1000)	<b>551.44</b>	661.72
Punjab	1731150 (2077380)	1000 (1000)	<b>173.11</b>	207.74

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

As at March 31,			2011	2010
<b>Schedule 9 (Cont.)</b>				
<b>INVESTMENTS</b>				
(Valuation as per Accounting Policy No. 10)				
	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (₹)		
Rajasthan	580000 (870000)	1000 (1000)	<b>58.00</b>	87.00
Sikkim	170980 (905176)	1000 (1000)	<b>17.10</b>	20.52
Uttar Pradesh	19949500 (23939400)	1000 (1000)	<b>1,994.95</b>	2,393.94
Uttaranchal	1998250 (2397900)	1000 (1000)	<b>199.83</b>	239.79
West Bengal	5871240 (7045488)	1000 (1000)	<b>587.12</b>	704.55
<b>Sub Total (B)</b>			<b>8,170.29</b>	9,821.74
(ii) Equity shares in Pipavav Power Development Company Ltd.			-	0.38
<b>Sub Total ( I )</b>			<b>8,182.29</b>	9,834.12
<b>II. CURRENT (Non - Trade - Unquoted)</b>				
SBI - SHF Ultra Short Term Fund - IP- DDR	-	-	-	425.05
	(424791050)	(10)		
UTI Treasury Advantage Fund-IP-DDR	-	-	-	768.36
	(7681994)	(1000)		
Canara Robeco Treasury Advantage Super-IP- DDR	-	-	-	750.08
	(604553577)	(10)		
Canara Robeco Liquid Fund Super-IP- DDR	174080723 (-)	10 (-)	<b>175.04</b>	-
IP-DDR = Institutional Plan - Daily Dividend Reinvestment				
<b>Sub Total ( II )</b>			<b>175.04</b>	1,943.49
<b>Total ( I + II )#</b>			<b>8,357.33</b>	11,777.61
<b>Quoted Investments</b>				
Book Value			<b>12.00</b>	12.00
Market Value			<b>100.92</b>	133.56
<b>Unquoted Investments</b>				
Book Value			<b>8,345.33</b>	11,765.61

# Includes Bonds of ₹ **6,518.83 crore** (previous year ₹ 6,533.33 crore) permitted for transfer/trading by Reserve Bank of India. Balance can be transferred/traded subject to prior approval of Reserve Bank of India

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

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

**As at March 31,**
**Schedule 10**
**INVENTORIES**

(Valuation as per Accounting Policy No. 11)

	2011	2010
Components and spares	1,871.96	1,758.99
Loose tools	5.60	5.20
Coal	1,306.58	1,120.33
Fuel oil	211.33	180.73
Naphtha	155.30	137.34
Chemicals & consumables	49.89	32.41
Steel Scrap	18.19	12.32
Others	345.26	336.24
	<b>3,964.11</b>	<b>3,583.56</b>
Less: Provision for shortage	2.36	3.09
Provision for obsolete/ unserviceable items/ diminution in value of surplus inventory	50.92	47.51
<b>Total #</b>	<b>3,910.83</b>	<b>3,532.96</b>
Inventories include material in transit, under inspection and with contractors	153.26	159.16

# Includes ₹ 269.27 crore (previous year ₹ 184.25 crore) share of jointly controlled entities

**Schedule 11**
**SUNDRY DEBTORS**

(Considered good, unless otherwise stated)

Debts outstanding over six months		
Unsecured	60.63	178.70
Considered doubtful	841.69	839.24
	<b>902.32</b>	<b>1,017.94</b>
Other debts		
Unsecured	9,865.69	6,902.11
	<b>10,768.01</b>	<b>7,920.05</b>
Less: Provision for bad & doubtful debts	841.69	839.24
Provision for tariff adjustment	1,526.45	-
<b>Total #</b>	<b>8,399.87</b>	<b>7,080.81</b>

# Includes ₹ 306.34 crore (previous year ₹ 302.59 crore) share of jointly controlled entities.

**Schedule 12**
**CASH & BANK BALANCES**

Cash on hand (includes cheques, drafts and stamps on hand ₹ 0.36 crore, previous year ₹ 2.47 crore)	0.49	12.66
Remittances in transit	-	0.12
Balance with Reserve Bank of India earmarked for fixed deposits from public	30.80	30.80
Balances with scheduled banks		
Current Account (a)	362.05	658.80
Term Deposit Account (b)	17,466.49	15,350.63
<b>Total #</b>	<b>17,859.83</b>	<b>16,053.01</b>

# Includes ₹ 445.55 crore (previous year ₹ 343.80 crore) share of jointly controlled entities.

(a) Includes ₹ 10.25 crore of Unclaimed Dividend (previous year ₹ 22.57 crore).

(b) Includes ₹ 11.69 crore (previous year ₹ 11.69 crore) deposited as security with Government &amp; other authorities which are not available for use.

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

**As at March 31,**
**Schedule 13**
**OTHER CURRENT ASSETS**

Interest accrued :

	2011	2010
Bonds	382.33	452.52
Term Deposits	630.10	377.02
Others	43.69	14.31
Other Recoverables	10.53	16.48
Others	4.93	7.69
<b>Total #</b>	<b><u>1,071.58</u></b>	<b><u>868.02</u></b>

# Includes ₹ 10.59 crore (previous year ₹ 10.05 crore) share of jointly controlled entities.

**Schedule 14**
**LOANS AND ADVANCES**

(Considered good, unless otherwise stated)

**LOANS**

Employees (including accrued interest)

Secured	458.99	401.69
Unsecured	154.10	117.59
Considered doubtful	0.25	0.23
Loan to State Government in settlement of dues from customers		
Unsecured	574.36	622.22
Others		
Secured	50.00	191.67
Unsecured	0.02	0.68

**ADVANCES**

(Recoverable in cash or in kind or for value to be received)

Contractors &amp; suppliers, including material issued on loan

Secured	2.24	2.45
Unsecured	808.16	1,273.72
Considered doubtful	1.43	0.26
Employees (including imprest)		
Unsecured	11.71	155.37
Considered doubtful	0.08	0.07

Advance tax deposit &amp; tax deducted at source

	10,141.41	9,361.31
Less: Provision for taxation	<u>7,402.79</u>	<u>7,201.21</u>
	<b>2,738.62</b>	<b>2,160.10</b>

Others

Unsecured	162.80	106.53
Considered doubtful	-	1.00

Claims recoverable

Unsecured	1,648.44	483.09
Considered doubtful	11.96	17.22
Less: Provision for bad and doubtful loans, advances and claims	<u>13.72</u>	<u>18.73</u>
	<b><u>6,609.44</u></b>	<b><u>5,515.16</u></b>

**DEPOSITS**

Deposits with customs, port trust and others

	193.77	165.53
<b>Total #</b>	<b><u>6,803.21</u></b>	<b><u>5,680.69</u></b>

# Includes ₹ 218.80 crore (previous year ₹ 191.27 crore) share of jointly controlled entities.

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

As at March 31,	2011	2010
<b>Schedule 15</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
For capital expenditure		
Micro & Small Enterprise	2.73	9.85
Others	4,097.49	3,252.42
For goods and services		
Micro & Small Enterprise	6.91	0.70
Others	4,099.52	2,825.49
Book overdraft	9.34	28.13
Deposits, retention money from contractors and others	2,098.99	1,613.98
Less: Bank deposits/Investments held as security	11.29	12.22
	<b>10,303.69</b>	<b>7,718.35</b>
Advances from customers and others	1,421.32	1,445.10
Other liabilities	267.58	195.04
Unclaimed dividend *	10.27	22.57
Interest accrued but not due :		
Foreign currency loans/bonds	32.78	32.16
Term loans in Indian currency	142.12	144.51
Bonds	258.86	199.17
Fixed deposits from public	2.14	1.02
<b>Total #</b>	<b>12,438.76</b>	<b>9,757.92</b>

\* No amount is due for payment to Investor Education and Protection Fund.

# Includes ₹ 986.89 crore (previous year ₹ 836.21 crore) share of jointly controlled entities

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

As at March 31,	2011	2010
<b>Schedule 16</b>		
<b>PROVISIONS</b>		
Income/Fringe Benefit Tax		
As per last balance sheet	-	-
Additions during the year	<b>2,602.16</b>	1,981.70
Amount adjusted during the year	<b>(4,800.63)</b>	(5,219.50)
Less: Set off against taxes paid	<b>7,402.79</b>	7,201.20
	-	-
Proposed dividend		
As per last balance sheet	<b>675.53</b>	665.05
Additions during the year	<b>662.18</b>	675.53
Amounts paid during the year	<b>675.53</b>	665.05
	<b>662.18</b>	675.53
Tax on proposed dividend		
As per last balance sheet	<b>112.03</b>	113.02
Additions during the year	<b>107.65</b>	112.03
Amounts paid during the year	<b>112.03</b>	113.02
	<b>107.65</b>	112.03
Employee benefits		
As per last balance sheet	<b>2,056.48</b>	2,213.90
Additions during the year	<b>386.14</b>	733.30
Amounts paid during the year	<b>646.56</b>	868.66
Amount reversed during the year	<b>44.26</b>	22.06
	<b>1,751.80</b>	2,056.48
Obligation incidental to land acquisition		
As per last balance sheet	<b>299.91</b>	319.62
Additions during the year	<b>39.31</b>	22.25
Amounts paid during the year	<b>24.06</b>	36.07
Amount reversed during the year	<b>5.47</b>	5.89
	<b>309.69</b>	299.91
Others		
As per last balance sheet	<b>6.38</b>	2.71
Additions during the year	<b>3.60</b>	4.18
Amounts adjusted during the year	<b>5.15</b>	0.03
Amounts reversed during the year	<b>0.48</b>	0.48
	<b>4.35</b>	6.38
<b>Total #</b>	<b>2,835.67</b>	3,150.33

 # Includes ₹ **76.58 crore** (previous year ₹ 74.13 crore) share of jointly controlled entities.



**Schedules forming part of Consolidated Profit & Loss Account**

₹ crore

For the year ended March 31,	2011	2010
<b>Schedule 17</b>		
<b>SALES</b>		
Energy Sales (including Electricity Duty) *	<b>57,106.99</b>	47,667.16
Less : Advance against Depreciation deferred (net)	<b>(11.55)</b>	(8.39)
Add: Revenue recognised out of advance against depreciation	<b>79.75</b>	316.78
Add: Exchange fluctuation receivable from customer	<b>(1.54)</b>	31.87
	<b>57,196.75</b>	48,024.20
Consultancy, project management and supervision fees (including turnkey construction projects / sale of goods)	<b>535.18</b>	506.54
<b>Total #</b>	<b>57,731.93</b>	48,530.74

\* Includes ₹ **338.51 crore** (previous year (-) ₹ 719.93 crore) on account of income tax recoverable from beneficiaries as per CERC Tariff Regulations, 2004 and ₹ **21.72 crore** (previous year ₹ 248.47 crore) on account of deferred tax recoverable from customers as per CERC Regulations 2009.

# Includes ₹ **2440.17 crore** (previous year ₹ 1,846.36 crore) share of jointly controlled entities.

**Schedule 18**
**PROVISIONS WRITTEN BACK**

Doubtful debts	-	0.07
Doubtful loans, advances and claims	<b>0.04</b>	0.42
Doubtful Construction advances	<b>0.01</b>	4.48
Shortage in construction stores	<b>0.11</b>	0.73
Shortage in stores	<b>1.92</b>	1.98
Obsolescence/dimunitation in value of surplus stores	<b>5.15</b>	4.09
Unserviceable Capital work in-Progress	<b>0.15</b>	0.54
Others	<b>0.46</b>	0.48
<b>Total #</b>	<b>7.84</b>	12.79

# Includes ₹ **0.03 crore** (previous year ₹ 0.02 crore) share of jointly controlled entities.

**Schedules forming part of Consolidated Profit & Loss Account**

₹ crore

**For the year ended March 31,**
**2011**

2010

**Schedule 19**
**OTHER INCOME**
**Income from Long Term Investments**
**Trade**

Dividend from Joint Ventures	<b>21.13</b>	6.84
Interest from		
Government Securities (8.5% tax free bonds issued by the State Governments)	<b>799.76</b>	940.13
Other Bonds (Gross) (Tax deducted at source ₹ Nil, previous year ₹ 0.36 crore)	-	0.65

**Non -Trade**

Interest from Government of India Securities (Gross)	-	1.83
Less: Amortisation of premium	-	<u>0.02</u>
	-	1.81
Profit on redemption of investments	-	5.04

**Income from Current Investments (Non-Trade)**

Dividend from Mutual Fund Investments	<b>53.17</b>	60.36
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**Income from Others**

Interest (Gross) (Tax deducted at source ₹ <b>136.35 crore</b> , previous year ₹ 203.25 crore)		
Loan to State Government in settlement of dues from customers	<b>50.85</b>	58.99
Indian banks	<b>1,243.18</b>	1,368.24
Employees' loans	<b>20.60</b>	16.64
Customers	<b>116.16</b>	59.94
Others	<b>40.38</b>	70.74
Interest on Income Tax refunds	<b>1.87</b>	452.63
Less: Refundable to customers	-	<u>452.63</u>
	<b>1.87</b>	-
Surcharge received from customers	<b>10.90</b>	62.36
Hire charges for equipment	<b>2.59</b>	2.82
Profit on disposal of fixed assets	<b>8.37</b>	7.01
Exchange differences	<b>31.49</b>	30.17
Miscellaneous income	<b>181.27</b>	<u>238.24</u>
	<b>2,581.72</b>	2,929.98
Less: Transferred to Expenditure during construction period (net) - Schedule 25	<b>33.00</b>	44.00
Transferred to Deferred Foreign Currency Fluctuation Assets/Liability	<b>31.49</b>	6.78
Transferred to development of coal mines	<b>0.06</b>	0.02
	<b>2,517.17</b>	<u>2,879.18</u>

**Total #**

 # Includes ₹ **43.72 crore** (previous year ₹ 18.96 crore) share of jointly controlled entities.

**Schedule 20**
**EMPLOYEES' REMUNERATION AND BENEFITS**

Salaries, wages, bonus, allowances & benefits	<b>2,940.80</b>	2,477.18
Contribution to provident and other funds	<b>352.90</b>	348.94
Welfare expenses	<b>311.74</b>	<u>293.16</u>
	<b>3,605.44</b>	3,119.28
Less: Allocated to fuel cost / Ash utilisation fund	<b>178.46</b>	154.09
Transferred to development of coal mines	<b>28.98</b>	21.94
Transferred to expenditure during construction period (net) - Schedule 25	<b>475.74</b>	420.16
	<b>2,922.26</b>	<u>2,523.09</u>

**Total #**

 # Includes ₹ **84.23 crore** (previous year ₹ 77.71 crore) share of jointly controlled entities.

**Schedules forming part of Consolidated Profit & Loss Account**

₹ crore

For the year ended March 31,	2011	2010
<b>Schedule 21</b>		
<b>GENERATION, ADMINISTRATION &amp; OTHER EXPENSES</b>		
Power charges	152.68	117.21
Less: Recovered from contractors & employees	16.32	14.57
	136.36	102.64
Water charges	307.00	137.90
Stores consumed	38.55	32.63
Rent	30.21	28.95
Less: Recoveries	6.81	6.21
	23.40	22.74
Load dispatch centre charges	98.35	-
Repairs & Maintenance		
Buildings	129.41	107.87
Plant & Machinery		
Power stations	1,465.19	1,277.70
Construction equipment	0.73	0.64
	1,465.92	1,278.34
Others	108.90	98.07
Insurance	96.27	84.16
Rates and taxes	25.97	24.86
Water cess & environment protection cess	38.63	26.26
Training & recruitment expenses	73.05	73.90
Less: Fees for training and application	4.77	4.05
	68.28	69.85
Communication expenses	37.80	35.67
Travelling expenses	161.88	145.20
Tender expenses	27.82	25.67
Less: Receipt from sale of tenders	2.88	1.96
	24.94	23.71
Payment to auditors	3.09	2.66
Advertisement and publicity	14.98	16.04
Security expenses	260.25	235.27
Entertainment expenses	13.82	12.10
Expenses for guest house	15.03	12.26
Less: Recoveries	1.37	1.35
	13.66	10.91
Education expenses	25.50	21.61
Brokerage & commission	2.85	2.48
Donations	-	0.52
Community development and welfare expenses	80.19	21.17
Less: Grants-in-aid	0.43	0.03
	79.76	21.14
Ash utilisation & marketing expenses	2.32	3.91
Less: Sale of ash products	0.23	0.94
	2.09	2.97
Books and periodicals	1.61	2.00
Professional charges and consultancy fees	48.02	46.72
Less: Grants-in-aid	-	1.57
	48.02	45.15
Legal Expenses	15.85	11.41
EDP hire and other charges	16.36	16.89
Printing and stationery	13.23	11.83
Oil & gas exploration expenses	3.64	3.39
Miscellaneous expenses	131.31	108.03
Stores written off	0.05	0.30
Survey & Investigation expenses written off	4.53	4.32
Loss on disposal/write-off of fixed assets	62.22	29.30
	3,474.48	2,748.22
Less: Allocated to fuel cost / Ash utilisation fund	214.67	184.64
Transferred to development of coal mines	14.04	17.41
Transferred to Expenditure during construction period (net) - Schedule 25	324.77	211.36
<b>Total #</b>	<b>2,921.00</b>	<b>2,334.81</b>
Stores consumption included in repairs and maintenance	734.36	662.83

# Includes ₹ 250.52 crore (previous year ₹ 223.15 crore) share of jointly controlled entities.

**Schedules forming part of Consolidated Profit & Loss Account**

₹ crore

**For the year ended March 31,**
**2011**
**2010**
**Schedule 22**
**PROVISIONS**

Doubtful debts	1,531.84	1.42
Doubtful advances and claims	0.25	0.11
Shortage in stores	1.47	1.81
Obsolete/Diminution in the value of surplus stores	8.84	7.61
Shortage in construction stores	0.33	0.91
Unserviceable capital work-in-progress	9.29	0.30
Others	0.75	0.19
<b>Total #</b>	<b>1,552.77</b>	<b>12.35</b>

# Includes ₹ 0.59 crore (previous year ₹ 1.44 crore) share of jointly controlled entities.

**Schedule 23**
**INTEREST AND FINANCE CHARGES**
**Interest on :**

Bonds	805.35	766.37
Foreign Currency Term Loans	177.52	188.35
Rupee Term loans	2,397.48	1,807.26
Public deposits	1.24	1.09
Foreign currency Bonds/Notes	162.75	170.43
Amounts payable to customers	3.61	1.38
Others	82.55	42.89
Exchange differences regarded as adjustment to interest costs	174.16	0.09
	<b>3,804.66</b>	<b>2,977.86</b>

**Finance Charges :**

Bonds servicing & public deposit expenses	1.85	1.92
Guarantee Fee	35.65	39.73
Management Fee	25.92	0.28
Commitment charges/Exposure premium	(2.42)	2.65
Rebate to customers	747.32	707.67
Reimbursement of L.C.charges on Sales Realisation	4.96	7.19
Bank Charges	5.87	4.62
Bond Issue Expenses	0.59	0.46
Legal expenses on foreign currency loans	0.09	0.10
Exchange differences	6.64	-
Foreign currency Bonds/Notes expenses	-	0.06
Upfront fee	2.94	20.63
Others	0.41	1.49
	<b>829.82</b>	<b>786.80</b>

**Sub-Total**
**4,634.48**
**3,764.66**
**Less: Transferred to :**

Expenditure during construction period (net) - Schedule 25	2,133.89	1,686.48
Development of coal mines	7.67	-
Deferred Foreign Currency Fluctuation Assets/Liability	0.05	-

**Total #**
**2,492.87**
**2,078.18**

# Includes ₹ 334.87 crore (previous year ₹ 269.04 crore) share of jointly controlled entities

**Schedules forming part of Consolidated Profit & Loss Account**

₹ crore

**For the year ended March 31,**
**2011**

2010

**Schedule 24**
**PRIOR PERIOD INCOME/EXPENDITURE (NET)**
**INCOME**

Sales	<b>520.68</b>	(32.52)
Others	<b>0.03</b>	2.48
	<b>520.71</b>	(30.04)

**EXPENDITURE**

Salary, wages, bonus, allowances & benefits	<b>(2.49)</b>	(98.02)
Repairs and maintenance	<b>26.32</b>	(0.28)
Depreciation	<b>(1,170.72)</b>	25.42
Interest including exchange differences regarded as adjustment to interest costs	<b>39.76</b>	21.33
Advertisement and publicity	-	0.24
Rates & Taxes	<b>0.70</b>	0.52
Rent	<b>(0.03)</b>	0.32
Exchange differences	-	3.63
Others	<b>0.49</b>	(5.44)
	<b>(1,105.97)</b>	(52.28)
Net Expenditure / (Income)	<b>(1,626.68)</b>	(22.24)

Less: Transferred to :

Expenditure during construction period (net) -Schedule 25	<b>35.45</b>	37.86
Development of coal mines	-	(0.51)

**Total #**

<b>(1,662.13)</b>	<b>(59.59)</b>
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 # Includes ₹ **23.41 crore** (previous year ₹ 18.93 crore) share of jointly controlled entities

**Schedules forming part of Consolidated Balance Sheet**

₹ crore

**For the year ended March 31,**
**2011**
**2010**
**Schedule 25**
**EXPENDITURE DURING CONSTRUCTION PERIOD (NET)**
**A. Employees remuneration and other benefits**

Salaries, wages, allowances and benefits	400.94	363.40
Contribution to provident and other funds	37.88	38.20
Welfare expenses	36.92	18.56

**Total (A)**
**475.74**
**420.16**
**B. Other Expenses**

Power charges	87.12	60.77
Less: Recovered from contractors & employees	1.15	0.88

**85.97**
**59.89**

Water charges	58.93	8.78
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Rent	4.51	4.12
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Repairs & maintenance		
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Buildings	7.82	4.67
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Construction equipment	0.24	0.23
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Others	16.81	16.30
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**24.87**
**21.20**

Insurance	0.86	0.72
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Rates and taxes	1.52	0.65
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Communication expenses	5.74	4.96
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Travelling expenses	32.65	28.29
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Tender expenses	9.44	8.10
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Less: Income from sale of tenders	0.15	0.14
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**9.29**
**7.96**

Payment to auditors	0.06	0.07
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Advertisement and publicity	0.51	0.85
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Security expenses	44.32	28.41
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Entertainment expenses	2.37	2.12
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Guest house expenses	3.23	2.90
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Education expenses	0.16	0.12
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Books and periodicals	0.71	0.72
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Community development expenses	1.77	1.52
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Professional charges and consultancy fee	5.91	8.56
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Legal expenses	4.09	0.58
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EDP Hire and other charges	1.47	0.96
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Printing and stationery	1.21	1.36
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Miscellaneous expenses	34.62	26.62
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**324.77**
**211.36**
**Total (B)**
**Depreciation (C)**
**32.16**
**22.63**
**Total (A+B+C)**
**832.67**
**654.15**
**D. Interest and Finance Charges**

Interest on		
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Bonds	504.95	474.76
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Foreign Currency Term Loans	86.26	88.17
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Rupee Term loans	1,460.49	1,038.56
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Foreign currency Bonds/Notes	37.47	47.26
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Others	0.02	4.24
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Exchange differences regarded as adjustment to interest costs	14.63	0.01
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Finance Charges		
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Commitment charges/Exposure premium	0.05	0.19
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Foreign currency Bonds/Notes expenses	-	0.01
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Upfront fee	21.55	20.60
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Others	8.47	12.68
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**2,133.89**
**1,686.48**
**Total (D)**
**E. Less Other Income**

Interest from		
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Indian Banks	3.23	1.99
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Others	26.60	31.16
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Hire Charges	1.61	1.88
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Sale of scrap	0.59	0.13
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Miscellaneous income	0.97	8.84
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**33.00**
**44.00**
**TOTAL (E)**
**F. Prior Period Adjustments**
**35.45**
**37.86**
**G. Fringe Benefit Tax**
**-**
**(0.05)**
**GRAND TOTAL (A+B+C+D-E+F+G) #**
**2,969.01 \***
**2,334.44**

\* Balance carried to Capital Work-in-progress - Schedule 7

# Includes ₹ 489.93 crore (previous year ₹ 244.70 crore) share of jointly controlled entities.





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Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2011	31.03.2010
6. Aravali Power Company Private Ltd.	<b>50</b>	50
7. NTPC-SCCL Global Ventures Private Ltd.	<b>50</b>	50
8. Meja Urja Nigam Private Ltd.	<b>50</b>	50
9. NTPC - BHEL Power Projects Private Ltd.	<b>50</b>	50
10. BF - NTPC Energy Systems Ltd.*	<b>49</b>	49
11. Nabinagar Power Generating Company Private Ltd.	<b>50</b>	50
12. National Power Exchange Ltd.	<b>16.67</b>	16.67
13. International Coal Ventures Private. Ltd.*	<b>14.28</b>	14.28
14. National High Power Test Laboratory Private Ltd.*	<b>25</b>	25
15. Transformers & Electrical Kerala Ltd.*	<b>44.60</b>	44.60
16. Energy Efficiency Services Ltd. *	<b>25</b>	25
17. CIL NTPC Urja Private Ltd.*	<b>50</b>	-

\* The financial statements are un-audited.

All the above Companies are incorporated in India.

- 1.3 CIL NTPC Urja Private Ltd. was incorporated on 27<sup>th</sup> April 2010, in which shares are to be held by the Company and Coal India Ltd. equally.
- 1.4 Anushakti Vidhyut Nigam Ltd. was incorporated on 27<sup>th</sup> January 2011 in which 49% shares are to be held by the Company and 51% shares are to be held by Nuclear Power Corporation India Ltd. Pending remittance of the subscription money the same is not considered for consolidation.
- 1.5 The Company had acquired 44.6% shares in Transformers & Electrical Kerala Ltd. (TELK) on 19<sup>th</sup> June 2009. Capital reserve arising on consolidation represent portion of the Company's share of interest in the net asset of TELK over the cost of investment which was calculated based on the un-audited financial statements of TELK as at 31<sup>st</sup> March 2009 taking into account the amount of proportionate profit till the date of investment based on the un-audited financial statements for the year ended 31<sup>st</sup> March 2010. The amount has been updated to ₹ 5.87 crore based on the audited financial statements of TELK for the year ended 31<sup>st</sup> March 2010.
- 1.6 a) During the year, the Company along-with some Public Sector Undertakings has entered into Production Sharing Contracts (PSCs) with Government of India (GOI) for three exploration blocks namely KG- OSN-2009/1, KG-OSN-2009/4 and AN-DWN-2009/13 under VIII round of New Exploration Licensing Policy (NELP VIII) with 10% participating interest (PI) in each of the blocks.

Based on the un-audited statement of the accounts for the above blocks forwarded by M/s Oil & Natural Gas Corporation Ltd., the operator, the Company's share in respect of assets and liabilities as at 31<sup>st</sup> March 2011 and expenditure for the year included in the Consolidated Financial Statements are given below :

(₹ crore)

Item	2010-11 (Un-audited)
Expenses	<b>3.11</b>
Assets	<b>0.03</b>
Liabilities	<b>3.14</b>
Capital Commitments	<b>81.03</b>

- 1.6 b) Subsequent to the withdrawal by the operator M/s Geopetrol International Inc. from block AA-ONN-2003/2 wherein the Company has 40% PI, attempts to accomplish the residual exploratory activities by reconstituting the consortium

### NTPC Limited Consolidated Financial Statements

did not yield result. Some of the service providers have initiated legal proceedings against the consortium for payment of their claims. The operator has rejected these claims since they are not payable as per the terms of contract. Further, Directorate General of Hydrocarbons (DGH) has communicated the cost of unfinished minimum work programme to the consortium with Company's share being US \$ 7.516 million (**equivalent ₹ 33.99 crore**). The Company has sought waiver of the claim citing force-majeure conditions at site leading to suspension of exploratory activities. The Company expects favourable decision and, hence no provision is considered necessary.

Based on the un-audited statement of the accounts forwarded by the operator, the Company's share in the assets and liabilities as at 31<sup>st</sup> March 2011 and expenditure for the year included in the Consolidated Financial Statements is as under: (₹ crore)

Item	2010-11 (Un-audited)	2009-10 (Un-audited)*
Expenses	<b>0.43</b>	3.21
Assets	<b>14.64</b>	14.90
Liabilities	<b>1.92</b>	1.76
Contingent liabilities	<b>78.50</b>	46.46

(\* Since audited)

2. a) The conveyancing of the title to **12,378 acres** of freehold land of value ₹ **697.27 crore** (previous year 11,010 acres of value ₹ 651.00 crore) and buildings & structures valued at ₹ **135.58 crore** (previous year ₹ 149.05 crore), as also execution of lease agreements for **9,627 acres** of land of value ₹ **299.99 crore** (previous year 9,021 acres, value ₹ 291.87 crore) in favour of the Company are awaiting completion of legal formalities.
- b) Leasehold land includes **819 acres** valuing ₹ **29.67 crore** (previous year 30 acres valuing ₹ 0.05 crore) acquired on perpetual lease and accordingly not amortised.
- c) Land does not include cost of **1,181 acres** (previous year 1,181 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.
- d) Land includes **1,245 acres** of value ₹ **15.03 crore** (previous year 1,247 acres of value ₹ 15.09 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.
- e) Land includes an amount of ₹ **118.74 crore** (previous year ₹ 115.27 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.
- f) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of free-hold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value ₹ **0.21 crore** (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (UPRVUNL) for a consideration of ₹ **0.21 crore**. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from UPRVUNL is disclosed under 'Other Liabilities' in Schedule – 15 - 'Current Liabilities'.
- g) The cost of right of use of land for laying pipelines amounting to ₹ **7.79 crore** (previous year ₹ 5.80 crore) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the period of legal right to use as per the rates and methodology notified by CERC Tariff Regulations, 2009 (Regulations, 2009).
- h) Cost of acquisition of the right to draw water amounting to ₹ **199.52 crore** (previous year ₹ 8.41 crore) is included under intangible assets – Right of Use - Others. The right to draw water is amortized considering the life period of 25 years as per the rates and methodology notified by Regulations, 2009.
- i) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22<sup>nd</sup> September 2006 transferred land of a power station to the Company on operating lease of 50 year. Lease rent for the year amounting to ₹ **6.13 crore** (previous year ₹ 6.08 crore) has been charged to the statement of Profit & Loss Account.
3. a) The Central Electricity Regulatory Commission (CERC) notified the Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1<sup>st</sup> April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at ₹ **48,935.31 crore** (previous year ₹ 44,473.93 crore) for the year ended 31<sup>st</sup> March 2011 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (APTEL) for the tariff period 2004-2009 including as referred to in para 2 (d).

Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31<sup>st</sup> March 2009 approved by the CERC. The amount provisionally billed for the year ended 31<sup>st</sup> March 2011 on this basis is ₹ **47,519.21 crore** (previous year ₹ 43,765.13 crore).

**NTPC Limited Consolidated Financial Statements**

- b) For the units commissioned subsequent to 1<sup>st</sup> April 2009, pending the determination of tariff by CERC, sales of ₹ **4,528.39 crore** (previous year ₹ 1,735.40 crore) have been provisionally recognised on the basis of principles enunciated in the Regulations, 2009. The amount provisionally billed for such units is ₹ **4,416.12 crore** (previous year ₹ 1,536.50 crore).
- c) Sales of ₹ **819.77 crore** (previous year ₹ 119.33 crore) pertaining to previous years have been recognized based on the orders issued by the CERC/APTEL.
- d) In respect of stations/units where the CERC had issued tariff orders applicable from 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the APTEL. The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed appeals with the Hon'ble Supreme Court of India on some of the issues decided in favour of the Company by the APTEL. The decision of Hon'ble Supreme Court is awaited. The Company had submitted that it would not press for determination of the tariff by the CERC as per APTEL orders pending disposal of the appeals by the Hon'ble Supreme Court.
- Considering expert legal opinions obtained that it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 were recognised in earlier years based on provisional tariff worked out by the Company as per the directions and methodology given by the APTEL. As accountal of sales is subject to the decision of the Hon'ble Supreme Court of India, pending decision of the Hon'ble Supreme Court of India, a sum of ₹ **1,262.86 crore** included in debtors has been fully provided for during the year. Effect, if any, will be given in the financial statements upon disposal of the appeals.
- e) Consequent to issue of additional capitalisation orders by the CERC, advance against depreciation required to meet the shortfall in the component of depreciation to be charged in future years has been reassessed and the excess determined amounting to ₹ **79.75 crore** has been recognised as sales.
- f) During the year, the CERC has issued tariff orders in respect of some of the stations in compliance with the judgement of APTEL mentioned at para d) above, and the beneficiaries were billed accordingly. Since the orders of CERC include those issues which have been challenged by them before Hon'ble Supreme Court, and are pending disposal, the impact thereof amounting to ₹ **252.22 crore** has been accounted as 'Advance from customers' in the Schedule-15 - 'Current Liabilities'.
- g) In respect of joint ventures sale of energy of ₹ **72.14 crore** provisionally recognised, in respect of new units commenced during the year, on the basis of mutual arrangement/principles enunciated in the Regulations, 2009.
4. a) Sundry Debtors – Other debts (schedule 11) includes ₹ **2,698.86 crore** (previous year ₹ 1,001.15 crore) towards revenue accounted in accordance with the accounting policy no. 12.1 which is yet to be billed.
- b) CERC has issued a draft notification dated 3<sup>rd</sup> September 2010 which inter-alia provides for upfront truing up of un discharged liabilities with regard to capital cost admitted by CERC before 1<sup>st</sup> April 2009. In anticipation of final notification an estimated amount of ₹ **263.59 crore** has been provided for towards tariff adjustment.
5. Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period from 1<sup>st</sup> April 1986 to 31<sup>st</sup> May 2006 amounting to ₹ **115.58 crore** (previous year ₹ 115.58 crore) being balance receivable in terms of the management contract with the GOI has not been recognised.
6. In terms of guidelines of Department of Public Enterprises (DPE), Government of India (GOI), issued vide OM:2(70)/08-DPE(WC)-GL-XIV/08 dated 26.11.2008 and OM:2(70)/08-DPE(WC)-GL-VII/09 dated 02.04.2009, the Company formulated a defined contribution pension scheme and sent to Ministry of Power (MOP) for their approval. Pending approval of MOP, an amount of ₹ **94.56 crore** during the year and cumulatively ₹ **468.78 crore** has been provided upto 31<sup>st</sup> March 2011.
7. The amount reimbursable to GOI in terms of Public Notice No.38 dated 5<sup>th</sup> November, 1999 and Public Notice No.42 dated 10<sup>th</sup> October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to ₹ **276.80 crore** (previous year ₹ 276.80 crore) out of which ₹ **269.70 crore** (previous year ₹ 269.70 crore) has been deposited with the GOI and liability for the balance amount of ₹ **7.17 crore** (previous year ₹ 7.17 crore) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.
8. The Government of Madhya Pradesh had notified levy of Madhya Pradesh Grameen Avsanrachana Tatha Sadak Vikas Adhiniyam (MPGATSWA) tax on coal with effect from September 2005. The tax was challenged by the coal supplier before the Hon'ble Jabalpur High Court which stayed its collection in April 2006. Hon'ble Jabalpur High Court by its order dated 3<sup>rd</sup> February 2011 has vacated the interim order of April 2006.

The Central Government issued notification no. GSR 322 (E) dated 1<sup>st</sup> Aug 2007, on royalty which provide for adjustment of cess and tax specific to coal bearing lands so as to limit the overall revenue to the royalty.

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Various Special Leave Petitions (SLPs) were preferred in the Hon'ble Supreme Court against the levy by the aggrieved parties where-after the Hon'ble Supreme Court passed an interim order staying the coercive collection of the tax. During the year, Hon'ble Supreme Court heard various SLPs and ordered the assesseees to file returns and subsequently in 6<sup>th</sup> December 2010 ordered the assesseees to pay the taxes without prejudice to their rights in the pending appeals.

Subsequent to the vacation of the stay, Northern Coal Fields Ltd, filed SLP in the Hon'ble Supreme Court, which was disposed off on 21.4.2011 in terms of its' earlier order dated 6<sup>th</sup> Dec 2010. In view of this, liability towards MPGATSVA tax for the period from September 2005 to July 2007 amounting to ₹ **255.82 crore** has been provided for during the year with consequent recognition in sales.

9. As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29<sup>th</sup> May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.
10. The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of gas supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.
11. MOP, GOI vide letter dated 24.12.2010 has communicated the discontinuation of one of the Hydro Power Projects of the Company in the State of Uttarakhand. Subsequently, the Company has issued Letter of Frustration to the suppliers/vendors of the project. MOP has sought details of expenditure incurred, committed costs, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs, as well as claims of various packages of contractors/vendors. Management expects that the total cost incurred, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs as well as claims of various packages of contractors/vendors for this project will be compensated in full. Hence, cost incurred on the project up to 31.03.2011 amounting to ₹ **748.82 crore** has been accounted as recoverable from GOI and disclosed under 'Claims Recoverable' in 'Loans and Advances' (Schedule -14).
12. Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.
13. The Company is executing a thermal power project in respect of which possession certificates for **1,489 acres** (previous year 1,489 acres) of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31<sup>st</sup> March 2011 ₹ **190.19 crore** (previous year ₹ 183.10 crore) is included in 'Fixed Assets' (Schedules 6, 7 and 8). Management is confident of recovery of cost incurred, hence no provision is considered necessary.
14. During the year, the Company has received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India on accounting treatment of capital expenditure on assets not owned by the Company wherein it was opined that such expenditure are to be charged to the statement of Profit & Loss Account as and when incurred. The Company has represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practice and sought a review. Pending receipt of communication regarding the review, existing treatment has been continued as per existing accounting policy.
15. a) Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.  
b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
16. Effect of changes in Accounting Policies:

During the year, the Office of the Comptroller & Auditor General of India has expressed an opinion that power sector companies shall be governed by the rates of depreciation notified by the CERC for providing depreciation in respect of generating assets in the accounts instead of the rates as per the Companies Act, 1956. Accordingly, the Company revised its accounting policies relating to charging of depreciation w.e.f 1<sup>st</sup> April 2009 considering the rates and methodology notified by the CERC for determination



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of tariff through Regulations, 2009. In case of certain assets, the Company has continued to charge higher depreciation based on technical assessment of useful life of those assets. Consequent to this change, prior period depreciation written back is ₹ 1,173.04 crore, depreciation for the year is lower by ₹ 324.23 crore. As a result, fixed assets and profit before tax for the year is higher by ₹ 1,497.27 crore.

Due to the above change, the amount of advance against depreciation (AAD) required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been reassessed by the Company station-wise as at 1<sup>st</sup> April 2009 and the excess determined, amounting to ₹ 727.49 crore has been recognised as prior period sales.

Further, the amount recoverable from the beneficiaries on account of deferred tax materialised for the financial year 2009-10 has been reassessed and excess amount of ₹ 212.67 crore is reversed as 'Prior Period Sales' with equivalent reduction in provision for tax of earlier years in the Profit and Loss Account.

Further, due to the above change, deferred tax liability (net) and deferred tax recoverable from the beneficiaries as at 31<sup>st</sup> March 2010 amounting to ₹ 3,049.41 crore and ₹ 2,840.16 crore respectively have been reviewed and restated to ₹ 4,415.19 crore and ₹ 3,809.69 crore respectively. As a result, deferred tax liability as at 31.03.2010 has increased by ₹ 1,365.78 crore out of which ₹ 969.53 crore is recoverable from the beneficiaries as per Regulation 39 of Regulations 2009 and net increase is included in the 'Provision for Deferred tax - Earlier years' in the Profit and Loss Account.

17. Revenue grants recognised during the year is ₹ 0.43 crore (previous year ₹ 1.71 crore).
18. NTPC Vidyut Vyapar Nigam Ltd. (NVVN) inter-alia engaged in sale of fly ash & its products given by the company at cost. Consequent to the gazette notification D.O.S.O 2804(E) dated 3<sup>rd</sup> November 2009, issued by the Ministry of Environment and Forest (MOEF) GOI, the NVVN has created fly ash utilisation fund in compliance of notification, a sum of ₹ 48.34 crore has been transferred in the reserve during the year after netting of related/allocable cost of ₹ 9.67 crore from the sale proceeds of the products.
19. **Disclosure as per Accounting Standard (AS) 15:**

General description of various defined employee benefit schemes are as under:

### A. Provident Fund

Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ 191.88 crore (previous year ₹ 160.35 crore) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence no further provision is considered necessary.

### B. Gratuity & Pension

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

The Company has a scheme of pension at one of the stations in respect of employees taken over from erstwhile State Government Power Utility. In respect of other employees of the Company, pension scheme is yet to be implemented as stated in Note no. 6 above.

The existing schemes are funded by the Company and are managed by separate trusts. The liability for the same is recognised on the basis of actuarial valuation.

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

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

### D. Terminal Benefits

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

### E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. 73.33 % of the earned leave is en-cashable while in service, and upto a maximum of 300 days on separation. Half-pay leave is en-cashable only on separation beyond the age of



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50 years up to the maximum of 240 days as per the rules of the Company. The liability for the same is recognised on the basis of actuarial valuation.

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

The summarised position of various defined benefits recognised in the profit and loss account, balance sheet are as under:  
(Figures given in { } are for previous year)

#### i) Expenses recognised in Profit & Loss Account

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	54.58 {49.59}	9.82 {8.26}	38.72 {34.03}	4.32 {4.99}
Past Service Cost	0.05 {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	85.82 {78.56}	19.65 {16.08}	47.10 {48.86}	13.40 {9.41}
Expected return on plan assets	(79.22) {(42.96)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	48.78 {(39.33)}	45.29 {11.72}	86.22 {34.61}	16.58 {36.05}
Expenses recognised in the Profit & Loss Account	110.01 {45.86}	74.76 {36.06}	172.04 {117.50}	34.30 {50.45}

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

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2011	1193.04 {1072.82}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}
Fair value of plan assets as at 31.03.2011	1039.04 {992.59}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	154.00 {80.23}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}

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

₹ crore

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.04.2010	1072.82 {1047.40}	245.65 {214.28}	588.81 {651.49}	167.67 {125.51}
Interest cost	85.82 {78.56}	19.65 {16.08}	47.10 {48.86}	13.40 {9.40}
Current Service Cost	54.58 {49.59}	9.82 {8.26}	38.72 {34.03}	4.32 {4.99}
Past Service Cost	0.05 {-}	- {-}	- {-}	- {-}
Benefits paid	(74.77) {(88.78)}	(7.34) {(4.69)}	(104.04) {(180.18)}	(9.44) {(8.29)}
Net actuarial (gain)/ loss on obligation	(54.54) {(13.95)}	45.29 {11.72}	86.22 {34.61}	16.58 {36.05}
Present value of the defined benefit obligation as at 31.03.2011	1193.04 {1072.82}	313.07 {245.65}	656.81 {588.81}	192.53 {167.67}

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

₹ crore

	<b>Gratuity/ Pension</b>	<b>PRMF</b>	<b>Leave</b>	<b>Terminal Benefits</b>
Fair value of plan assets as at 1.4.2010	992.59 {539.99}	- {-}	- {-}	- {-}
Expected return on plan assets	79.24 {42.96}	- {-}	- {-}	- {-}
Contributions by employer	32.72 {472.77}	- {-}	- {-}	- {-}
Benefit paid	(71.27) {(88.51)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	5.76 {(25.38)}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2011	1039.04 {992.59}	- {-}	- {-}	- {-}

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

₹ crore

<b>Particulars</b>	<b>Increase by</b>	<b>Decrease by</b>
Service and Interest cost	5.53	4.44
Present value of obligation	33.73	52.78

**F. Other Employee Benefits**

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to ₹ **2.76 crore** (previous year credit of ₹ 3.42 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Profit & Loss Account.

20. The effect of foreign exchange fluctuation during the year is as under:
- The amount of exchange differences (net) debited to the Profit & Loss Account is ₹ **6.50 crore** (previous year credit of ₹ 18.91 crore).
  - The amount of exchange differences (net) debited to the carrying amount of fixed assets and Capital work-in-progress is ₹ **170.04 crore** (previous year credit of ₹ 1,183.57 crore).
21. Borrowing costs capitalised during the year are ₹ **2,075.72 crore** (previous year ₹ 1,684.87 crore).
22. Segment information:
- Business Segment:**  
The Company's principal business is generation and sale of bulk power to State Power Utilities. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.
  - 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.
  - 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.

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₹ crore

	Business Segments				Total	
	Generation		Others		Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	<b>56,839.96</b>	47,749.89	<b>578.50</b>	506.56	<b>57,418.46</b>	48,256.45
Internal consumption of electricity	<b>64.71</b>	55.14	-	-	<b>64.71</b>	55.14
Total	<b>56,904.67</b>	47,805.03	<b>578.50</b>	506.56	<b>57,483.17</b>	48,311.59
Segment Result #	<b>12,676.69</b>	10,493.76	<b>135.98</b>	160.85	<b>12,812.67</b>	10,654.61
Unallocated Corporate Interest and Other Income					<b>2,149.27</b>	2,453.71
Unallocated Corporate expenses, interest and finance charges					<b>2,569.61</b>	2,059.21
Profit before Tax					<b>12,392.33</b>	11,049.11
Income/Fringe Benefit Taxes (Net)					<b>3,044.10</b>	2,211.46
<b>Profit after Tax</b>					<b>9,348.23</b>	8,837.65
<b>Other information</b>						
<b>Segment assets</b>	<b>59,973.14</b>	51,846.54	<b>1,626.95</b>	1,737.46	<b>61,600.09</b>	53,584.00
Unallocated Corporate and other assets					<b>74,980.54</b>	68,281.24
Total assets	<b>59,973.14</b>	51,846.54	<b>1,626.95</b>	1,737.46	<b>136,580.63</b>	121,865.24
Segment liabilities	<b>9,465.50</b>	8,385.59	<b>1,330.60</b>	1,401.23	<b>10,796.10</b>	9,786.82
Unallocated Corporate and other liabilities					<b>57,399.76</b>	49,461.14
Total liabilities	<b>9,465.50</b>	8,385.59	<b>1,330.60</b>	1,401.23	<b>68,195.86</b>	59,247.96
Depreciation (including prior period)	<b>1,508.14</b>	2,868.96	<b>1.77</b>	1.35	<b>1,509.91</b>	2,870.31
Non-cash expenses other than Depreciation	<b>1,542.70</b>	10.92	<b>2.01</b>	1.41	<b>1,544.71</b>	12.33
Capital Expenditure	<b>14,638.58</b>	13,188.89	<b>276.46</b>	135.52	<b>14,915.04</b>	13324.41

\* Includes ₹ **1,180.00 crore** (previous year (-) ₹ 352.13 crore ) for sales related to earlier years

# Generation segment result would have been ₹ **11,496.69 crore** (previous year ₹ 10,845.89 crore) without including the Sales related to earlier years.

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

**23. Related party disclosures**

a) Related parties:

i) Joint ventures:

Utility Powertech Ltd.,  
NTPC-Alstom Power Services Private Ltd.,  
BF-NTPC Energy Systems Ltd.

ii) Key Management Personnel of the Company:

Shri Arup Roy Choudhury <sup>1</sup>	Chairman and Managing Director
Shri R.S. Sharma <sup>2</sup>	Chairman and Managing Director
Shri Chandan Roy <sup>3</sup>	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav <sup>4</sup>	Director (Human Resources)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh	Director (Projects)
Shri D.K.Jain <sup>5</sup>	Director (Technical)
Shri S.P.Singh <sup>6</sup>	Director (Human Resources)
Shri N.N.Misra <sup>7</sup>	Director (Operations)

1. W.e.f. 1<sup>st</sup> September 2010 2. Superannuated on 31<sup>st</sup> August 2010 3. Superannuated on 31<sup>st</sup> July 2010 4. Superannuated on 30<sup>th</sup> June 2010 5. W.e.f. 13<sup>th</sup> May 2010 6. W.e.f. 16<sup>th</sup> October 2010 7. W.e.f. 19<sup>th</sup> October 2010.

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

₹ crore

Particulars	Current Year	Previous Year
<b>Transactions during the year</b>		
• Contracts for Works/ Services for services received by the Company :		
- Utility Powertech Ltd.	<b>240.52</b>	217.55
- NTPC-Alstom Power Services Private Ltd.	<b>14.15</b>	9.93
• Deputation of Employees:		
- Utility Powertech Ltd.	<b>0.50</b>	1.75
- NTPC-Alstom Power Services Private Ltd	<b>0.57</b>	4.46
• Dividend Received:		
- Utility Powertech Ltd.	<b>1.00</b>	0.30
- NTPC-Alstom Power Services Private Ltd.	<b>0.36</b>	0.60
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	<b>0.60</b>	0.95
- NTPC-Alstom Power Services Private Ltd.	<b>0.87</b>	1.64
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	<b>47.16</b>	36.14
- NTPC-Alstom Power Services Private Ltd.	<b>17.52</b>	14.68
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	<b>0.66</b>	0.73
- NTPC-Alstom Power Services Private Ltd	<b>0.91</b>	1.81

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **4.18 crore** (previous year ₹ 4.02 crore).

c) Remuneration to key management personnel for the year is ₹ **3.06 crore** (previous year ₹ 2.63 crore) and amount of dues outstanding to the Company as on 31<sup>st</sup> March 2011 are ₹ **0.11 crore** (previous year ₹ 0.06 crore).

#### 24. Disclosure regarding leases

##### a) Finance leases

The Company has taken on lease certain vehicles and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under:

₹ crore

	31.3.2011	31.3.2010
a) Obligations towards minimum lease payments		
• Not later than one year	<b>0.72</b>	0.73
• Later than one year and not later than five years	<b>0.80</b>	0.87
• Later than five years	-	-
Total	<b>1.52</b>	1.60
b) Present value of (a) above		
• Not later than one year	<b>0.61</b>	0.52
• Later than one year and not later than five years	<b>0.73</b>	0.86
• Later than five years	-	-
Total	<b>1.34</b>	1.38
c) Finance Charges	<b>0.18</b>	0.22

##### b) Operating leases

The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Schedule 20 - Employees' remuneration and benefits include ₹ **76.99 crore** (previous year ₹ 74.34 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Schedule 21 - 'Generation, Administration and Other Expenses'. Further during the year, the Company has taken a helicopter on wet lease basis and the amount of lease charges is included in 'Miscellaneous Expenses' in Schedule 21 - 'Generation, Administration and Other Expenses'.

## 25. Earning Per Share

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

	Current year	Previous year
Net Profit after Tax used as numerator (₹ crore)	<b>9,348.23</b>	8837.65
Weighted average number of equity shares used as denominator	<b>8245,464,400</b>	8245,464,400
Earning per share (Basic and Diluted)- in ₹	<b>11.34</b>	10.72
Face value per share (in ₹)	<b>10/-</b>	10/-

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

₹ crore

	31.3.2011	31.03.2010
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	<b>6,265.08</b>	4,260.62
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	<b>1,301.88</b>	966.70
ii) Disallowed u/s 43B of the Income Tax Act,1961	<b>323.00</b>	207.40
	<b>1,624.88</b>	1,174.10
Deferred tax liability (net) – (a)	<b>4640.20</b>	3,086.52
Recoverable from beneficiaries as per Regulation 39 of Regulations, 2009 – (b)	<b>3,968.49</b>	2,857.21
Balance (a) - (b)	<b>671.71</b>	229.31

The net increase during the year in the deferred tax liability is ₹ **442.00 crore** (previous year decrease ₹ 229.61 crore) has been debited to Profit & Loss Account.

## 27. Research and development expenditure charged to revenue during the year is ₹ **28.30 crore** (previous year ₹ 20.56 crore).

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

₹ crore

Sl.	Particulars	Currencies	31.3.2011	31.3.2010
a.	Borrowings, including interest accrued but not due thereon.	USD	<b>7,157.37</b>	7,052.16
		JPY	<b>3,125.17</b>	2,911.30
		Others	<b>441.21</b>	422.53
b.	Sundry creditors/deposits and retention money	USD	<b>1189.05</b>	967.91
		EURO	<b>601.76</b>	354.54
		Others	<b>30.31</b>	36.40
c.	Sundry debtor and Bank balances	USD	<b>2.08</b>	39.70
d.	Unexecuted amount of contracts remaining to be executed	USD	<b>2,493.04</b>	4,312.05
		EURO	<b>4,197.59</b>	4,030.95
		Others	<b>25.22</b>	89.48

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

30. The pre-commissioning expenses during the year amounting to ₹ **130.28 crore** (previous year ₹ 253.28 crore) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of ₹ **34.96 crore** (previous year ₹ 240.57 crore) resulting in a net pre-commissioning expenditure of ₹ **95.32 crore** (previous year ₹ 12.71 crore).

31. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31<sup>st</sup> March 2011 is ₹ **31,496.08 crore** (previous year ₹ 37,786.00 crore) which include an amount of ₹ **2,673.05 crore** (previous year ₹ 3,989.50 crore) in respect of jointly controlled entities.

## 32. Contingent Liabilities:

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged

claims on the Company for ₹ **3,525.43 crore** (previous year ₹ 3,878.77 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

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

(ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ **1,851.08 crore** (previous year ₹ 1,786.25 crore) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of ₹ **1,248.00 crore** (previous year ₹ 1,306.18 crore ) has been estimated.

The contingent liabilities referred to in (i) above, includes an amount of ₹ **1,495.35 crore** relating to the hydro power project stated in Note no. 11 above, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the Company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement is ₹ **146.97 crore** (previous year ₹ 428.90 crore).

2. Disputed Income Tax/Sales Tax/Excise demands

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to ₹ **2,547.79 crore** (previous year ₹ 2,299.93 crore) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the Company estimated possible reimbursement of ₹ **1,793.37 crore** (previous year ₹ 1,793.37 crore).

3. Others

Other contingent liabilities amount to ₹ **408.57 crore** (previous year ₹ 309.05 crore).

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

The contingent liabilities disclosed above include ₹ **123.09 crore** (previous year ₹ 59.90 crore) share of jointly controlled entities.

33. For certain items, the Company and its Joint Ventures have followed different accounting policies. However, impact of the same is not material.

34. Figures have been rounded off to nearest rupees in crores with two decimals.

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

	For and on behalf of the Board of Directors	
( A.K.Rastogi ) Company Secretary	(A.K.Singhal) Director (Finance)	( Arup Roy Choudhury ) Chairman & Managing Director
	As per our report of even date	
For Dass Gupta & Associates Chartered Accountants	For K.K.Soni & Co. Chartered Accountants	For Varma & Varma Chartered Accountants
(Ashok Kumar Jain) Partner M No.090563	(S.S. Soni) Partner M No.094227	(C.G. Pankajakshan) Partner M No.020512
For Parakh & Co. Chartered Accountants	For B.C. Jain & Co. Chartered Accountants	For S.K. Mehta & Co. Chartered Accountants
(V.D. Mantri) Partner M No.074678	(Rishabh Jain) Partner M No.400912	(Rohit Mehta) Partner M.No.091382

Place : New Delhi  
Dated : 10<sup>th</sup> May 2011

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To  
The Board of Directors  
NTPC Ltd.

- We have audited the attached Consolidated Balance Sheet of NTPC LIMITED (the Company) and its Subsidiaries and Joint Ventures (collectively referred to as NTPC Group) as at 31<sup>st</sup> March 2011 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We did not audit the financial statements of the Subsidiaries and Joint Venture entities. The details of the assets, revenue and net cash flows in respect of these Subsidiaries and Joint Venture entities to the extent to which they are reflected in the consolidated financial statement are given below:

₹ crore

Name of the Companies	Assets	Revenues	Net Cash Flows
<b>Subsidiaries:</b>			
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 ₹ 8.80 crore, revenues ₹ 9.44 crore and net cash flows ₹ 1.11 crore which is unaudited).	962.66	73.49	(183.58)
NTPC Hydro Ltd.	108.97	-	(0.15)
NTPC Vidyut Vyapar Nigam Ltd.	270.01	78.95	32.49
Kanti Bijlee Utpadan Nigam Ltd (formerly known as Vaishali Power Generation Company Ltd.)	809.55	51.06	8.34
Bhartiya Rail Bijlee Company Ltd.	943.04	-	123.28
<b>Joint Ventures:</b>			
Utility Power tech Ltd.	69.12	155.58	7.44
NTPC -Alstom Power Services Pvt. Ltd.	43.05	14.25	0.85
Aravali Power Company Pvt. Ltd.	3649.33	22.63	11.23
Ratnagiri Gas & Power Pvt. Ltd.	3535.80	1402.77	44.28
NTPC-SCCL Global Venture Pvt. Ltd.	0.05	-	-
Meja Urja Nigam Pvt Ltd.	110.61	-	4.62
Nabinagar Power Generating Company Pvt. Ltd.	163.43	-	28.75
National Power Exchange Ltd.	1.76	0.07	1.00
NTPC-BHEL Power Project Pvt. Ltd	70.99	54.61	(8.02)
<b>Total</b>	<b>10738.37</b>	<b>1853.41</b>	<b>70.53</b>

These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, so far as it relates to the amounts included in respect of these Subsidiaries/ Joint Venture companies is based solely on the report of these auditors.

- The financial statements of the following Joint Ventures are unaudited and in our opinion so far as it relates to the amounts included in respect of the said joint ventures are based solely on the financial statements certified by the management of the respective entities. The details of assets, revenue and net cash flows in respect of these Joint Venture Entities to the extent to which they are reflected in the consolidated financial statement are given below:

Name of the Companies	Assets	Revenues	Net Cash Flows
NTPC-Tamilnadu Energy Company Ltd	2384.75	-	(1.94)
NTPC- SAIL Power Company Pvt. Ltd.	1687.08	719.65	(9.04)
BF-NTPC Energy Systems Ltd.	5.11	0.17	(2.02)
International Coal Venture Pvt. Ltd.	0.97	0.02	0.72
National High Power Test Laboratory Pvt. Ltd	2.08	-	0.43
Transformers and Electrical Kerala Ltd.	68.78	91.17	(0.93)
Energy Efficiency Services Ltd.	27.97	1.51	20.35
CIL NTPC Urja Pvt. Ltd.	0.04	-	-
<b>Total</b>	<b>4176.78</b>	<b>812.52</b>	<b>7.57</b>

5. Without qualifying our report, we draw attention to Note no. 3 (a) and (b) (Schedule 26 - Notes on Accounts) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission.
6. 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.
7. Further to our comments in para 3, 4 and 5 above, 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 NTPC Group to the extent received as stated above, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India,
  - i) in case of Consolidated Balance Sheet, of the state of affairs of the NTPC Group as at 31<sup>st</sup> March, 2011;
  - ii) in case of Consolidated Profit & Loss Account, of the profit for the year ended on that date; and
  - iii) in case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Dass Gupta & Associates  
Chartered Accountants  
Firm Reg. No.000112N

[ Ashok Kumar Jain ]  
Partner  
M. No. 090563

For Parakh & Co.  
Chartered Accountants  
Firm Reg. No.01475C

[ V. D. Mantri ]  
Partner  
M. No. 074678

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

[ S. S. Soni ]  
Partner  
M. No. 094227

For B.C. Jain & Co.  
Chartered Accountants  
Firm Reg. No.001099C

[ Rishabh Jain ]  
Partner  
M. No. 400912

For Varma & Varma  
Chartered Accountants  
Firm Reg. No.004532S

[ CG Pankajakshan ]  
Partner  
M. No. 020512

For S. K. Mehta & Co.  
Chartered Accountants  
Firm Reg. No.000478N

[ Rohit Mehta ]  
Partner  
M. No.091382

Place : New Delhi  
Dated : 10<sup>th</sup> May 2011