एनटीपीसी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय / Corporate Centre

Ref. No.: 01: SEC: LA-1
Dated: August 22, 2016

(i) **Manager**
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza" Bandra- Kurla Complex
Bandra(E),
Mumbai-400 051

(ii) **General Manager**
Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001

Sub.: Annual Report for 40th Annual General Meeting and Closure of Register of Members and Share Transfer Books

Dear Sir,

40th Annual General Meeting of the Members of the Company will be held on **Tuesday, September 20, 2016 at 10.30 A.M. at Manekshaw Centre, Parade Road, New Delhi – 110010.**

Pursuant to Part A (12) and Part B (15) of Schedule III to Regulation 30 and Part B (15) of Schedule III to Regulation 51 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Annual Report of the Company for the year 2015-16, containing the Notice of the Annual General Meeting scheduled to be held on Tuesday, September 20, 2016, Financial Statements for the year ending March 31, 2016 Independent Auditors' Report thereon, Directors' Report are enclosed for your reference and record. The same is also being e-mailed to NSE and BSE at annualreports@nse.co.in and corp.relations@bseindia.com respectively and uploaded on NEAPS and BSE Listing Centre.

Pursuant to Regulation 42 (1) of the aforesaid Regulations, it is hereby intimated that the Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2016 to September 20, 2016 (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 91 of the Companies Act, 2013, if declared at the Annual General Meeting, will be paid on September 30, 2016 to the Members whose names appear on the Company's Register of Members on September 20, 2016 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on September 9, 2016.

This is also to inform that remote e-voting period will commence on September 16, 2016 (9:00 a.m.) and will end on September 19, 2016 (5:00 p.m.). During this intervening period, only those members of the Company, holding shares either in electronic or physical mode, as on the cut-off date i.e. September 13, 2016, shall be entitled to cast their vote electronically or voting in the said AGM.

Thanking You,

Yours faithfully,

(A.K. Rastogi)
Company Secretary &
Compliance Officer

Encl: as above

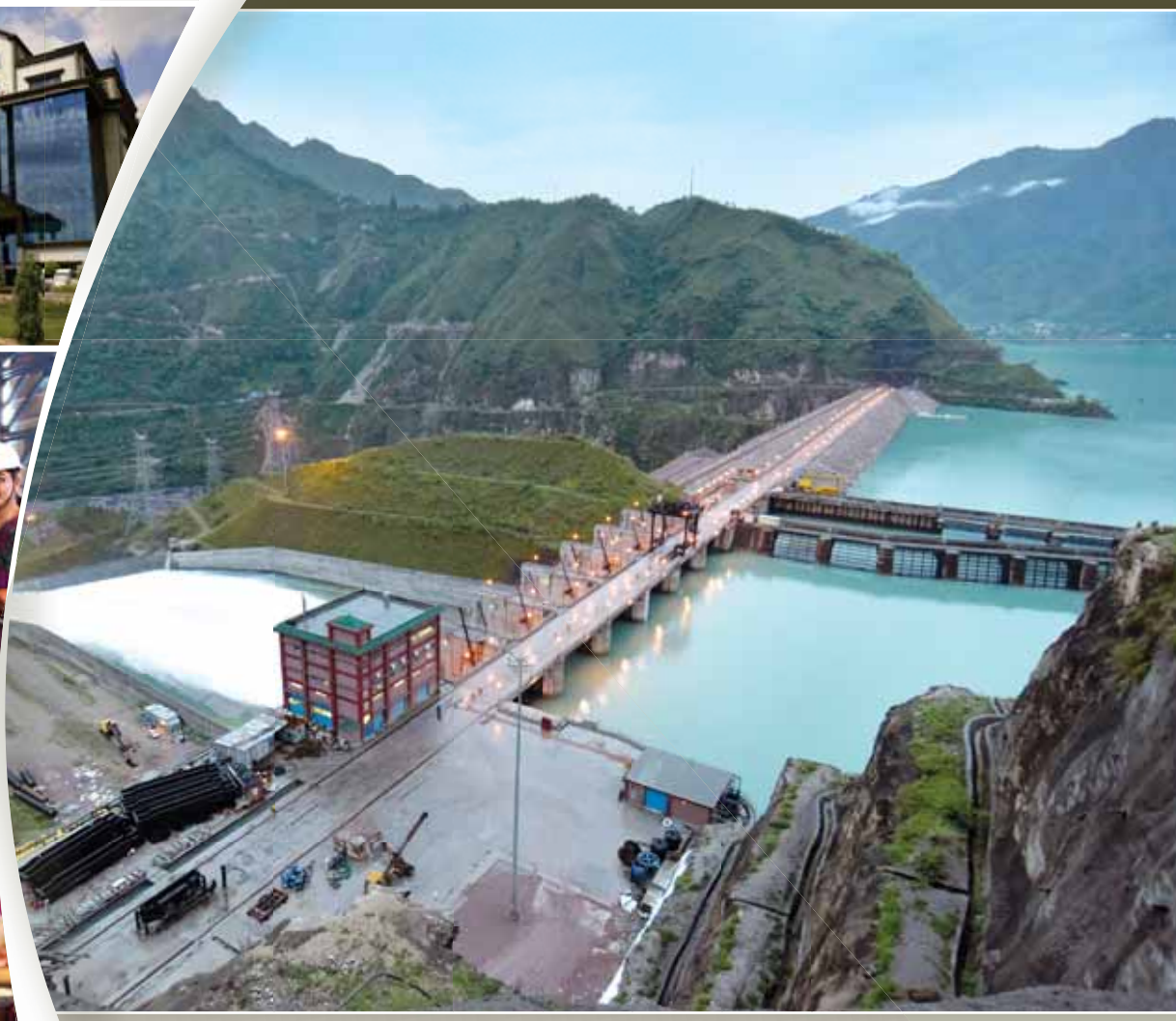
CC: (i) National Securities Depository Ltd. Trade World, 4th Floor Kamala Mills compound Senapathi Bapat Marg Lower Parel, Mumbai-400 013	(ii) **Central Depository Services (India) Limited** Phiroze Jeejeebhoy Towers 28th Floor, Dalal Street Mumbai-400 023
(iii) **General Manager** Karvy Computershare Pvt. Ltd Plot No.17 to 24, Vitthalrao Nagar Madhapur, Hyderabad-500081	(iv) **IL&FS Trust Company Limited** IL&FS Financial Centre, Plot C- 22; Block G Bandra- Kurla Complex, Bandra (East) Mumbai Maharashtra- 400051
(v) **IDBI Trusteeship Company Limited** Asian Bldg., Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai -400001	











स्वच्छ भारत
एक कदम स्वच्छता की ओर

Digital India
Power To Empower

एनटीपीसी
NTPC
A Maharatna Company

40 YEARS OF SUSTAINABLE DEVELOPMENT

40TH ANNUAL REPORT 2015-16

VISION

"TO BE THE WORLD'S LARGEST AND BEST POWER PRODUCER, POWERING INDIA'S GROWTH"

MISSION

"DEVELOP AND PROVIDE RELIABLE POWER, RELATED PRODUCTS AND SERVICES AT COMPETITIVE PRICES, INTEGRATING MULTIPLE ENERGY SOURCES WITH INNOVATIVE AND ECO-FRIENDLY TECHNOLOGIES AND CONTRIBUTE TO SOCIETY"

CORE VALUES

BECOMMITTED

- Business Ethics
- Environmentally & Economically Sustainable
- Customer Focus
- Organisational & Professional Pride
- Mutual respect & Trust
- Motivating Self & Others
- Innovation & Speed
- Total Quality for Excellence
- Transparent & Respected Organisation
- Enterprising
- Devoted



CORPORATE OBJECTIVES

To realise the vision and mission, eight key corporate objectives have been identified. These objectives would provide the link between the defined mission and the functional strategies:

BUSINESS PORTFOLIO GROWTH

- To further consolidate NTPC's position as the leading thermal power generation company in India and establish a presence in hydro power segment.
- To broad base the generation mix by evaluating conventional and non-conventional sources of energy to ensure long run competitiveness and mitigate fuel risks.
- To diversify across the power value chain in India by considering backward and forward integration into areas such as power trading, transmission, distribution, coal mining, coal beneficiation, etc.
- To develop a portfolio of generation assets in international markets.
- To establish a strong services brand in the domestic and international markets.

CUSTOMER FOCUS

- To foster a collaborative style of working with customers, growing to be a preferred brand for supply of quality power.
- To expand the relationship with existing customers by offering a bouquet of services in addition to supply of power – e.g. trading, energy consulting, distribution consulting, management practices.
- To expand the future customer portfolio through profitable diversification into downstream businesses, inter alia retail distribution and direct supply.
- To ensure rapid commercial decision making, using customer specific information, with adequate concern for the interests of the customer.

AGILE CORPORATION

- To ensure effectiveness in business decisions and responsiveness to changes in the business environment by :
  - Adopting a portfolio approach to new business development.
  - Continuous and co-ordinated assessment of the business environment to identify and respond to opportunities and threats.
- To develop a learning organisation having knowledge-based competitive edge in current and future businesses.
- To effectively leverage Information Technology to ensure speedy decision making across the organisation.

PERFORMANCE LEADERSHIP

- To continuously improve on project execution time and cost in order to sustain long run competitiveness in generation.
- To operate & maintain NTPC stations at par with the best-run utilities in the world with respect to availability, reliability, efficiency, productivity and costs.
- To effectively leverage Information Technology to drive process efficiencies.
  - To aim for performance excellence in the diversification businesses.
  - To embed quality in all systems and processes.

HUMAN RESOURCE DEVELOPMENT

- To enhance organisational performance by institutionalising an objective and open performance management system.
- To align individual and organisational needs and develop business leaders by implementing a career development system.
- To enhance commitment of employees by recognising and rewarding high performance.
- To build and sustain a learning organisation of competent world-class professionals.
- To institutionalise core values and create a culture of team-building, empowerment, equity, innovation and openness which would motivate employees and enable achievement of strategic objectives.

FINANCIAL SOUNDNESS

- To maintain and improve the financial soundness of NTPC by prudent management of the financial resources.
- To continuously strive to reduce the cost of capital through prudent management of deployed funds, leveraging opportunities in domestic and international financial markets.
- To develop appropriate commercial policies and processes which would ensure remunerative tariffs and minimise receivables.
- To continuously strive for reduction in cost of power generation by improving operating practices.

SUSTAINABLE POWER DEVELOPMENT

- To contribute to sustainable power development by discharging corporate social responsibilities.
- To lead the sector in the areas of resettlement and rehabilitation and environment protection including effective ash-utilisation, peripheral development and energy conservation practices.
- To lead developmental efforts in the Indian power sector through efforts at policy advocacy, assisting customers in reforms, disseminating best practices in the operations and management of power plants etc.

RESEARCH AND DEVELOPMENT

- To pioneer the adoption of reliable, efficient and cost-effective technologies by carrying out fundamental and applied research in alternate fuels and technologies.
- To carry out research and development of breakthrough techniques in power plant construction and operation that can lead to more efficient, reliable and environment friendly operation of power plants in the country.
- To disseminate the technologies to other players in the sector and in the long run generating revenue through proprietary technologies.



REFERENCE INFORMATION

Registered Office

NTPC Bhawan, SCOPE Complex,
7, Institutional Area, Lodi Road,
New Delhi-110 003
Phone No.: 011-2436 0100
Fax No. . 011-24361018
Email: ntpccc@ntpc.co.in
Web site: www.ntpc.co.in
CIN: L40101DL1975GOI007966

Subsidiaries

NTPC Electric Supply Company Ltd.
NTPC Vidyut Vyapar Nigam Ltd.
Kanti Bijlee Utpadan Nigam Ltd.
Bhartiya Rail Bijlee Company Ltd.
Patratu Vidyut Utpadan Nigam Ltd.

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower-B,
Plot No. 31 & 32,
Gachibowli Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 008
Phone No.: 040-67161518
Email: einward.ris@karvy.com

Shares listed at

National Stock Exchange of India Limited
BSE Limited

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

ED (Law) & Company Secretary

A. K. Rastogi

Bankers

Allahabad Bank
Andhra Bank
Axis Bank
Bank of India
Bank of Baroda
Bank of Maharashtra
Canara Bank
Central Bank
Dena Bank
HDFC Bank
Indian Bank
Indian Overseas Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank
IDFC Bank
Jammu & Kashmir Bank Ltd.
Karnataka Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
Punjab & Sind Bank
State Bank of Bikaner & Jaipur
State Bank of Mysore
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
Tamilnad Mercantile Bank Ltd.
The Karur Vysya Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank

Auditors

1. M/s T. R. Chadha & Co LLP
2. M/s PSD & Associates
3. M/s Sagar & Associates
4. M/s Kalani & Co.
5. M/s P. A. & Associates
6. M/s S. K. Kapoor & Co.
7. M/s B. M. Chatrath & Co.



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GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail address registered with Karvy Computershare Private Limited, RTA of the Company.





NTPC PMI a center of learning

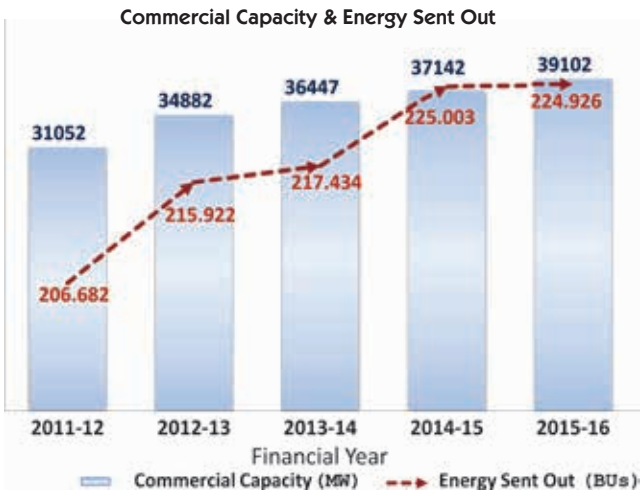
THE YEAR AT A GLANCE

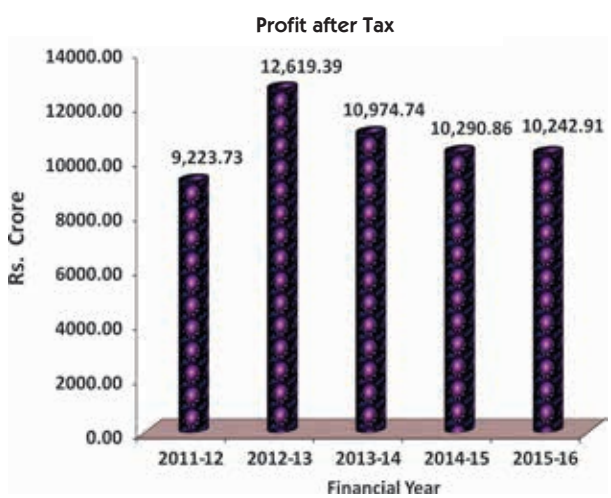
		2015-16	2014-15
Gross Generation	Million Units	241975	241261
Commercial Generation	"	240778	240847
Energy sent out	"	224926	225003
Sale of Energy	Rs. Crore	69932	72528
Profit before tax	"	10059	10547
Profit after tax	"	10243	10291
Dividend*	"	2762	2061
Dividend tax**	"	558	417
Retained Profit	"	6922	7812
Total Fixed Assets	"	158063	135343
Net Worth	"	88782	81657
Borrowings	"	91810	85995
Capital Employed	"	94544	94741
Net Cash From Operations	"	14504	14235
Value Added	"	27921	25090
No. of Employees #	Number	21633	22496
Value added per employee	Rs. Crore	1.29	1.12
Debt to Equity	Ratio	1.03	1.05
Debt Service Coverage Ratio (DSCR)	Times	1.72	2.44
Interest Service Coverage Ratio (ISCR)	Times	5.85	6.72
Return on Capital Employed	%	14.18	13.68
Face Value Per share	Rs.	10.00	10.00
Dividend Per Share*	"	3.35	2.50
Book Value Per Share	"	107.67	99.03
Earnings Per Share	"	12.42	12.48

*including final dividend recommended by the Board

**including tax on final dividend recommended by the Board

excluding Joint Ventures and Subsidiary Companies









Letter to Shareholders

Dear Shareowners,

You will be delighted to note that Financial Year 2015-16 turned out to be yet another year of robust performance by your Company. Your company maintained its strong leadership position in the country. Facts and figures amply demonstrate your Company's excellent performance. With its strong overall performance, your Company is expected to retain the "Excellent" rating for the MoU signed with the Government of India for Financial Year 2015-16.

Your Company contributed to the growth of power sector by commissioning 2,255 MW during Financial Year 2015-16 and added 1,960 MW to its commercial capacity. With this, the installed capacity of NTPC (including JVs and Subsidiaries) stood at 46,653 MW and the commercial capacity was 45,428 MW as on 31.03.2016.

Investment approval for 2,360 MW new capacities was accorded during Financial Year 2015-16. This includes 1,600 MW coal based capacity and 760 MW of solar capacity. Your Company has over 24,000 MW capacities under construction and it is committed to delivering these projects in time. Your Company achieved an all-time high capex of ₹ 25,960 crore (standalone basis), exceeding the MoU target of ₹ 23,000 crore. This underlines the brisk pace of project delivery by your Company.

The coal based stations of your Company achieved a plant load factor (PLF) of 78.61% as against the all India PLF of 62.29%. Three stations recorded PLF of more than 90%, which is a commendable achievement even by international standards, and were ranked the Top 3 stations in the country. Eleven stations of NTPC Group figure amongst the top 25 stations in the country. Very significantly, your Company was able to activate its hydro portfolio by commissioning its first hydro project of 800 MW at Koldam. This is a major milestone and provides the necessary diversification to the generation portfolio.

Government of India recently issued a policy allowing flexibility in use of coal. This policy allows linkages given to the different power stations of your Company to be allocated in a single basket to the Company and allows full flexibility in utilizing coal from this single basket in the entire fleet of power stations in the most economical and efficient manner. Your Company is uniquely positioned to maximize the benefits arising out of this policy by utilizing coal in a manner which provides operational flexibility on the one hand and also reduces freight costs on the other. Rationalization of coal linkages and reduction in use of imported coal has led to reduction in fuel cost. During Financial Year 2015-16 the total fuel bill of your Company came down to ₹ 43,793 crore as compared to ₹ 48,834 crore in Financial Year 2014-15, a reduction of over ₹ 5,000 crore, in spite of generation remaining at similar levels.

Apart from power project development and plant operation, your Company took an important step in building the third pillar of its growth strategy by commencing coal mining operations from its first mine. Your company opened Pakri Barwadih mine in May 2016 and removal of top soil and overburden has already begun. Mining of its own coal will provide further impetus to the operations of the Company.

Your Company has always focused on operational as well as commercial efficiency to ensure that the Company remains financially strong in a sustainable manner. In pursuance of this goal, 100% realization of current bills has been made for the thirteenth year in a row. Further, your Company is pursuing with the Government of India to extend the Tripartite Agreements with the States to ensure the continuity of timely realization of bills.

Although power generation increased, your Company's total revenues for Financial Year 2015-16 decreased to ₹ 71,696 crore from ₹ 75,337 crore in Financial Year 2014-15 mainly on account of lower fuel costs. This clearly demonstrates the improvement in the operational performance of your Company. Your Company was able to maintain the net profit at ₹ 10,243 crore as compared to ₹ 10,291 crore last year.

Your Company's management has always believed in maximizing shareholders' wealth. The Company has already paid an interim dividend of ₹ 1.60 per share and has recommended a final dividend of ₹ 1.75 per share for 2015-16, subject to your approval.



Government of India divested 5% of equity share capital of the company by offer for sale through Stock Exchange mechanism in February 2016. It enabled the Government to garner ₹ 5,015 crore. Subsequently, the Government allowed sale of 0.25% equity to the employees. Through this offer, Government earned ₹ 203 crore. After these divestments, the holding of the Government in your Company stands at 69.74%.

During Financial Year 2015-16, your Company spent ₹ 492 crore on CSR activities, well above the mandated threshold of 2% of PAT, which demonstrates its proactive approach towards contributing to the society. Among the major initiatives undertaken was completion of about 29,000 toilets as part of the Swachh Bharat – Swachh Vidyalaya Abhiyaan.

Your Company's achievements in various spheres have earned it a number of awards and accolades. The Company has been awarded 1st Corporate Governance Excellence Award in listed PSUs category for the year 2014-15 by ASSOCHAM. It has been ranked No.2 Independent Power Producer and Energy Trader Globally in the Platts Top 250 Global Energy Company Rankings, 2015. It has also been ranked 4th among the Asian electric utilities in 2016 rankings as per Forbes Global 2000. It was awarded with Dun & Bradstreet Corporate Awards 2016 for Best performing company in India in Power Sector. Your Company has been adjudged as the "Best Company to work for" in Public Sector category in the study carried out by Great Place to Work and Economic Times.

I assure you that Team NTPC shall continue to put its best efforts in sustaining the leadership position of your Company and thereby ensure sustained returns to its stakeholders.

With best wishes,

Yours sincerely,



(GURDEEP SINGH)

Chairman & Managing Director



NTPC Limited

CIN: L40101DL1975GOI007966

Regd. Office: NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003

Tel. no.: 011-24387333 Fax: 011-24361018

Email: ntpccc@ntpc.co.in Website: www.ntpc.co.in

NOTICE

NOTICE is hereby given that the **40th Annual General Meeting** of the Members of **NTPC Limited** will be held on **Tuesday, 20th September, 2016 at 10.30 a.m. at Manekshaw Centre, Parade Road, New Delhi – 110 010** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2016 and the report of the Auditors thereon.
2. To confirm payment of interim dividend and declare final dividend for the year 2015-16.
3. To appoint a Director in place of Shri S.C.Pandey (DIN: 03142319), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kulamani Biswal (DIN: 03318539), who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS:

6. To appoint Shri Gurdeep Singh (DIN: 00307037), as Chairman & Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder Shri Gurdeep Singh (DIN: 00307037), who was appointed as a Chairman & Managing Director, by the President of India vide Ministry of Power letter No.8/1/2016-Th-I dated 28th January, 2016 and subsequently appointed as an Additional Director and designated as Chairman & Managing Director by the Board of Directors with effect from 04th February, 2016 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Gurdeep Singh (DIN: 00307037) as a candidate for the office of a director of the Company, be and is hereby appointed as Chairman & Managing Director of the Company, not liable to retire by rotation, on terms & Conditions as may be fixed by the Government of Indian".

7. To appoint Shri Aniruddha Kumar (DIN: 07325440), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder Shri Aniruddha Kumar (DIN: 07325440), who was appointed as a Government Nominee Director, by the President of India vide Ministry of Power letter no. 19/2/2016-Th.I dated 23rd February, 2016 and subsequently appointed as an Part Time Director (Government Nominee) by the Board of Directors with effect from 25th February, 2016, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Aniruddha Kumar (DIN: 07325440) as a candidate for the office of a director of the Company, be and is hereby appointed as Director of the Company, not liable to retire by rotation".

8. To appoint Shri Rajesh Jain (DIN: 00103150), as Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made there under, Shri Rajesh Jain (DIN: 00103150), who was appointed as Independent Director, by the President of India vide Ministry of Power letter no.08/06/2013-Th.I dated 16th November, 2015 and subsequently appointed as an Additional Director by the Board of Directors with effect from 18th November, 2015 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Rajesh Jain (DIN: 00103150), as a candidate for the office of a director of the Company, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, on terms & conditions determined by the Govt. of India".



9. To appoint Dr. Gauri Trivedi (DIN: 06502788), as Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Dr. Gauri Trivedi (DIN: 06502788), who was appointed as Independent Director, by the President of India vide Ministry of Power letter no.08/06/2013-Th. I dated 16th November. 2015 and subsequently appointed as an Additional Director by the Board of Directors with effect from 18th November, 2015 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Gauri Trivedi (DIN: 06502788), as a candidate for the office of a director of the Company, be and is hereby appointed as woman Independent Director of the Company , not liable to retire by rotation, on terms & conditions determined by the Govt. of India".

10. To appoint Shri Seethapathy Chander (DIN: 02336635), as Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri Seethapathy Chander (DIN: 02336635), who was appointed as Independent Director, by the President of India vide Ministry of Power letter no.08/06/2013-Th.I dated 13th June,2016 and subsequently appointed as an Additional Director by the Board of Directors with effect from 22nd June, 2016 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Seethapathy Chander (DIN: 02336635), as a candidate for the office of a director of the Company, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, on terms & conditions determined by the Govt. of India".

11. To raise funds upto ₹ 15,000 Crore through issue of Bonds/Debentures on Private Placement basis and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolution as a **Special Resolution**:

"Resolved that pursuant to Section 23, 42 , 71 and other applicable provisions of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable statutory provisions (including any statutory modification or re-enactments thereof) the Board of Directors of the Company (the "Board") be and are hereby authorized to make offer(s) or invitation(s) to subscribe to the secured/ unsecured, redeemable, taxable/tax-free, cumulative/non-cumulative, non-convertible debentures ("Bonds") upto Rs. 15,000 Crore in one or more tranches/ series not exceeding 30 (thirty),through private placement, in domestic market for capex, working capital and general corporate purpose , during the period commencing from the date of passing of Special Resolution till completion of one year thereof or the date of next Annual General Meeting in the financial year 2017-18 whichever is earlier in conformity with rules, regulations, notifications and enactments as may be applicable from time to time, subject to the total borrowings of the Company approved by the shareholders under Section 180(1) (c) of Companies Act, 2013.

Resolved further that the Board be and is hereby authorized to do or delegate from time to time, all such acts, deeds and things as may be deemed necessary to give effect to private placement of such Bonds including but not limited to determining the face value, issue price, issue size, tenor, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue of Bonds as it may, in its absolute discretion, consider necessary".

12. To ratify the remuneration of the Cost Auditors for the financial year 2016-17 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s)], the Company hereby ratify the remuneration of ₹ 28,87,500/- (Rs. Twenty eight lacs eighty seven thousands five hundred only)as approved by the Board of Directors payable to Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17 as per detail set out in the Statement annexed to the Notice convening this Meeting.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

Place: New Delhi
Date: 3rd August, 2016



Notes:-

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. In order to be effective, the proxy form duly completed should be deposited at the registered office of the company not less than forty eight hours before the scheduled time of the annual general meeting. Blank proxy form is enclosed.**

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.
3. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention to inspect is given to the company.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In compliance with provisions of Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended), the Company is offering remote E- voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting. User ID and Password including instructions for e-voting are given overleaf of Proxy form. All members are requested to read those instructions carefully before casting their e-vote. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting. Members who have not voted electronically can cast their vote at the meeting through ballot papers.
6. Brief resume of the Directors seeking appointment or re-appointment, as required under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed hereto and forms part of the Notice.
7. Members are requested to:-
   i. note that copies of Annual Report will not be distributed at the Annual General Meeting.
   ii. bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
   iii. note that the attendance slip/ proxy form should be signed as per the specimen signature registered with the Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP).
   iv. deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
   v. note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
   vi. quote their Folio / Client ID & DP ID Nos. in all correspondence.
   vii. note that due to strict security reasons mobile phones, briefcases, eatables and other belongings will not be allowed inside the Auditorium.
   viii. note that no gifts/coupons will be distributed at the Annual General Meeting.
8. The Board of Directors, in its meeting held on January 29, 2016, had declared an interim dividend @ 16 % (₹ 1.60 per share) on the paid-up equity share capital of the company which was paid on February 15, 2016. Members who have not encashed or not received their dividend warrants may approach RTA of the Company for revalidating the warrants or for obtaining duplicate warrants.
9. The Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2016 to September 20, 2016 (both days inclusive). The Board of Directors, in its Meeting held on May 30, 2016, has recommended a final dividend @ 17.5% (₹ 1.75 per share) on the paid-up equity share capital of the company. The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of the Companies Act, 2013, if declared at the Annual General Meeting, will be paid on September 30, 2016 to the Members whose names appear on the Company's Register of Members on September 20, 2016 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on September 9, 2016.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2007-08 and interim dividend for the financial year 2008-09, before due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The



Ministry of Corporate Affairs (MCA) on 10th May, 2012 has notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 18, 2015 (date of last Annual General Meeting) on the website of the Company (www.ntpc.co.in) and also on the website of the Ministry of Corporate Affairs (http://www.iepf.gov.in).

11. Unclaimed final dividend for the financial year 2008-09 and Interim dividend for the financial year 2009-10 will be due for transfer to the Investor Education and Protection Fund of the Central Government on or before 18th November, 2016 & 12th May 2017 respectively pursuant to the provisions of Section 205A of the Companies Act, 1956 (or Section 124 of the Companies Act, 2013, once notified).
12. Members, who have not registered their NECS Mandate, are requested to send their NECS Mandate Form to the Registrar / Investor Service Department of the Company or to their DP, as the case may be. For any change in bank particulars due to banker having migrated their operations to core banking solutions, Members are requested to register a fresh NECS Mandate with the revised bank particulars.
13. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent (RTA) alongwith relevant Share Certificates.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their DP with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company / RTA.
15. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the Form-SH 13 as prescribed in the Companies (Share Capital & Debentures) Rule, 2014, any person to whom their shares in the Company shall vest on occurrence of event stated in the Form. Those holding shares in physical form may send Form-SH 13 in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective DP.
16. Members are requested to notify immediately any change of address:
    i. to their DP in respect of shares held in dematerialized form, and
    ii. to the Company at its Registered Office or to its RTA in respect of their physical shares, if any, quoting their folio number.
17. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Smt. Sangeeta Bhatia, General Manager (Finance) and Chief Investor Relation Officer of the Company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
18. Annual listing fee for the year 2016-17 has been paid to all Stock Exchanges wherein shares of the Company are listed. Also, the Annual Custodian Fee for the year 2016-17 was paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited.
19. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Members of the Company, in 39th Annual General Meeting held on September 18, 2015, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2015-16. Accordingly, the Board of Directors has fixed audit fee of ₹ 1,40,00,000/- (Rupees one crore forty lac only) for the Statutory Auditors for the financial year 2015-16 in addition to applicable service tax, education cess and reimbursement of actual traveling and out-of-pocket expenses for visits to accounting units. The Statutory Auditors of the Company for the year 2016-17 have been appointed by the C&AG. Accordingly, the Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the year 2016-17.
20. None of the Directors of the Company is in any way related with each other.
21. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
22. **Members who have not registered their e-mail addresses so far or who want to update their e-mail address, are requested to approach their respective DP (for electronic holding) or with R&TA/ Company (for physical holding), for receiving all communication including Annual Report, Notices, Circulars, NECS intimation etc. for the Company electronically.**
23. Route map to the venue of the Annual General Meeting is enclosed.

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EXPLANATORY STATEMENT

Item No. 6

Shri Gurdeep Singh (DIN: 00307037), was appointed as Chairman & Managing Director of the Company by the President of India vide letter No.8/1/2016-Th-I dated 28th January,2016 issued by Ministry of Power for a period of five years and was accordingly appointed as an Additional Director w.e.f 4th February, 2016 to hold office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), signifying his intention to propose Shri Gurdeep Singh for the office of Chairman & Managing Director. Shri Gurdeep Singh, if appointed, shall not be liable to retire by rotation. The terms and conditions regulating the appointment of Shri Gurdeep Singh as Chairman & Managing Director is to be determined by the Government of India.

His brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Gurdeep Singh, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 7

Shri Aniruddha Kumar (DIN: 07325440) was appointed as Government Nominee Director of the Company by the President of India vide letter no. 19/2/2016-Th.I dated 23rd February, 2016 and was accordingly appointed as an Additional Director w.e.f 25th February, 2016 to hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Shri Aniruddha Kumar for the office of Director (Government Nominee). Shri Aniruddha Kumar, if appointed, shall not be liable to retire by rotation.

His brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms part of this notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Aniruddha Kumar, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No.8

Shri Rajesh Jain (DIN: 00103150), was appointed as Non-Official part-time Director i.e. Independent Director of the Company by the President of India vide letter No.08/06/2013-Th-I dated 16th November, 2015 issued by Ministry of Power for a period of three years and was accordingly appointed as an Additional Director w.e.f 18th November, 2015 to hold office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Shri Rajesh Jain for the office of Independent Director. Shri Rajesh Jain, if appointed, will not be liable to retire by rotation.

His brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms part of this notice. Shri Rajesh Jain would bring with him immense experience to the Company in the areas of information technology, management and administration. His association would be of immense benefit to the Company, accordingly, it is proposed to appoint Shri Rajesh Jain as an Independent Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Rajesh Jain, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 9

Dr. Gauri Trivedi (DIN: 06502788), was appointed as Non-Official part-time Director i.e. Independent Director of the Company by the President of India vide letter No.08/06/2013-Th-I dated 16th November, 2015 issued by Ministry of Power for a period of three years and was accordingly appointed as an Additional Director w.e.f 18th November, 2016 to hold office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Dr. Gauri Trivedi for the office of Independent Director. Dr. Gauri Trivedi, if appointed, will not be liable to retire by rotation.

Her brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms part of this notice. Dr. Gauri Trivedi has wide experience in the area of public administration & academics and she would bring with her varied experience to the Company in the areas of management and administration. Her association would be of immense benefit to the Company accordingly, it is proposed to appoint Dr. Gauri Trivedi as an Independent Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Dr. Gauri Trivedi, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 10

Shri Seethapathy Chander (DIN: 02336635), was appointed as Non-Official part-time Director i.e. Independent Director of the Company by the President of India vide letter No.08/06/2013-Th-I dated 13th June, 2016 issued by Ministry of Power for a period of three years and was accordingly appointed as an Additional Director w.e.f 22nd June, 2016 to hold office upto this Annual General Meeting. The Company



has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Shri Seethapathy Chander for the office of Independent Director. Shri Seethapathy Chander, if appointed, will not be liable to retire by rotation.

His brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other directorship, Membership/Chairmanship of Committees and other particulars are provided elsewhere which forms part of this notice. Shri Seethapathy Chander has started his career with NTPC and also served in ADB. He has extensive knowledge of energy sector. His association with NTPC would be of immense benefit to the Company, accordingly, it is proposed to appoint Shri Seethapathy Chander as an Independent Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Seethapathy Chander, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 11

The Company is the largest power producer in India with installed capacity of 40,012 MW (standalone) as on 31st March 2016. The projects of the Company (expect solar) are to be financed by debt & equity in the ratio of 70:30. As the Company is under a rapid capacity expansion mode, major portion of capital expenditure requirement of the Company has to be funded by debt. The Company borrows in the form of non-convertible bonds/ debentures, rupee term loans from banks and financial institutions, foreign currency borrowings, foreign currency bonds etc. The non-convertible bonds/ debentures are raised by the Company under public issue route or through private placement basis.

In addition to capital expenditure requirement as explained above, Company also needs to borrow for meeting its working capital requirement and other general corporate purpose which is partly proposed to be met through issuance of non-convertible bonds.

As per Section 42 of Companies Act, 2013 read with rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non convertible debentures", it shall be sufficient, if the Company passes a previous Special Resolution only once in a year for all the offers or invitations for such debentures during the year.

In view of the above, approval of the Shareholders of the Company is being sought to authorize the Board of Directors to make offer(s) or invitation(s) to subscribe to the secured/ unsecured, redeemable, taxable/tax-free, cumulative/non-cumulative, non-convertible debentures ("Bonds") upto ₹ 15,000 Crore in one or more tranches/ series not exceeding 30 (thirty),through private placement, in domestic market for capex, working capital and general corporate purposes during the period commencing from the date of passing of Special Resolution till completion of one year thereof or the date of next Annual General Meeting in the financial year 2017-18 whichever is earlier, subject to ceiling approved by the shareholders under Section 180(1)(c) of Companies Act 2013.

The Board of Directors of the Company in its Meeting held on 29th July, 2016 has approved the proposal and recommends the passing of the proposed Special Resolution.

The Directors or key managerial personnel or their relatives do not have concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

Item No. 12

Based on recommendation of Audit Committee, the Board of Directors in its meeting held on 29th July, 2016 has approved the names of the six cost accountant firms for appointment as cost auditors. Total fee of ₹ 28,87,500/- is payable for cost audit for the Financial year 2016-17. The fee structure for cost audit is broadly based on station capacity and number of stations. The reimbursement of applicable statutory taxes/ levies shall in addition to fees. The names of cost auditors are as under:

Sl. No.	Name of Cost Auditors
1	M/s Bandyopadhyaya Bhaumik & Co., Kolkata
2	M/s S. Dhal & Co., Bhubaneshwar
3	M/s Musib & Co., Mumbai
4	M/s Narasimha Murthy & Co., Hyderabad
5	M/s Sanjay Gupta & Associates, New Delhi
6	M/s R.J.Goel & Co., Delhi

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2016-17.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

Place: New Delhi
Date: 3rd August, 2016



BRIEF RESUME OF THE DIRECTORS SEEKING ELECTION/ RE-ELECTION :

Name	Shri Gurdeep Singh	Shri S.C.Pandey	Shri K. Biswal	Shri Aniruddha Kumar	Shri Rajesh Jain	Dr. Gauri Trivedi	Shri Seethapathy Chander
Date of Birth & Age	07/07/1965 51 Years	20/08/1957 59 Years	09/04/1961 55 Years	31/08/1961 55 years	15/08/1967 49 Years	18/05/1960 56 Years	27/12/1954 61 Years
Date of Appointment	04/02/2016	01/10/2013	09/12/2013	25/02/2016	18/11/2015	18/11/2015	22/06/2016
Qualifications	Mechanical Engineer from NIT, Kurukshetra and Management Education Programme from IIM, Ahmedabad	B.E. in Instrumentation.	A fellow in Cost Accountancy, MBA from New Port University, California, USA; LLB from Sambalpur University and Diploma in Financial Management from IGNOU.	Graduation in Electrical Engineering with honors from Aligarh Muslim University and LL.B. from Delhi University.	Electrical Engineer from IIT, Mumbai and MS (Electrical Engineering) from Columbia University, New York.	M.A. (Political Science) from JNU, Delhi, M. Phil (Soviet Studies), JNU, Delhi, Doctorate in Philosophy from Institute of Social & Economic Change, Bangalore and Institute of Development Studies, Mysore and PGPPM from Indian Institute of Management (IIM), Bangalore.	B. Tech. (Electrical) from IIT, Delhi and Specialist Diploma in Business Management (Human Resources).
Expertise in specific functional area	He has over 28 years of experience in power generation sector. He started his career with NTPC Limited and has worked at various levels both in Indian and Multi-national Companies namely Powergen, CLP, IDFC, CESC and AES. He has wide ranging experience and entailing all aspects of power generation business. Prior to joining NTPC, Shri Singh was Managing Director, Gujarat State Electricity Corporation Limited.	He joined NTPC in November, 1978 as (3rd batch) Executive Trainee. He has about 37 years of comprehensive experience in management of large size power project in the areas of engineering, project construction and power plant operation and maintenance. He has a rich experience and exposure of entire life cycle from concept to commissioning of green field project.	He started his career with Coal India Limited in 1985. Then he moved to State Electricity Regulatory Commission - OERC where he withnessed major reforms in power sector including unbundling of SEBS. After SERC, he joined CERC in 2004. He joined as Director (Finance) of Mahanadi Coalfields Ltd. in Oct., 2010 and in Dec, 2013 he joined NTPC as Director (Finance). He has sound exposure of 31 years in the entire value chain of energy sector - coal, power and regulatory affairs.	He began his career with NTPC where he worked at Singrauli Thermal Power Station from 1984 to 1987. Thereafter, he joined Indian Revenue Service in 1987 and during his illustrious career of more than 30 years he has served in various key departments like Tax Policy Wing of Deptt. of Revenue, Ministry of Finance, various positions in Income Tax Department, Ministry of Urban Development (2005 to 2009), Ministry of Science and Technology (2009 to 2010) and Principal Commissioner of Income Tax in Agra. Before taking over the charge of Joint Secretary (Thermal), he was Joint Secretary (Hydro) in the Ministry of Power.	He worked as Member of Technical Staff at NYNEX, USA for 2 years before returning to India to pursue his entrepreneurial dreams in 1992. He is Founder – Managing Director of netCore Solutions Private Limited, India's leading provider of digital real-time communications and marketing solutions for enterprises via email and mobile.	She had held number of administrative posts in Karnataka including Assistant Commissioner, Joint Director (Commerce and Industry), Chief Secretary/ Director (Rural Development and Panchayati Raj), Deputy Commissioner (Excise), Joint Registrar of Cooperative Societies. She had also been General Manager (Handloom & Handicrafts Export Corporation), Director of Tea Promotion (WANA), Managing Director (HESCOM), a power distribution company, Managing Director (Karnataka State Food & Civil Supplies Corporation), Secretary to Government, Revenue Department, Govt. of Karnataka and Secretary to the Governor of Karnataka. She had been guest faculty in a number of reputed institutes teaching governance, public policy, rural planning and management.	He started his career as Executive Trainee, NTPC in February 1977 (first batch best trainee), and worked in transmission systems. He had served Asian Development Bank from 8th July 1992 to 6th April 2015 and had been advising in energy policy, planning, portfolio management, investments, ICT - Infrastructure Development, ADB's longterm strategy, private sector operations, public private partnership etc. He is currently a Senior Advisor to the President of the Asian Infrastructure Investment Bank and an honorary Senior Advisor to the Secretary General, World Energy Council.
Directorship held in other companies	1.NTPC Vidyut Vyapar Nigam Limited – Part Time Chairman 2.NTPC Electric Supply Co. Limited - – Part Time Chairman 3.NTPC- BHEL Power Projects (P) Ltd. –Part Time Chairman 4. North Eastern Electric Power Corporation Limited – Chairman & Managing Director (Additional Charge)	1. Bhartiya Rail Bijlee Company Limited Part-Time Chairman 2.Nabinagar Power Generating Co. (P) Ltd.- Part Time Chairman 3.Hindustan Urvarak & Rasayan Limited – Vice Chairman 4. Meja Urja Nigam Private Limited Part- Time Director 5. Bangladesh- India Friendship Power Company Private Limited#- Part Time Director 6. Trincomalee Power Company Limited#- Part Time Director 7. NTPC BHEL Power Projects Private Limited -Part Time Director 8. BF-NTPC Energy Systems Limited – Part –Time Director	1. Meja Urja Nigam Private Limited - Part- Time Chairman 2.NTPC Tamil Nadu Energy Co. Ltd. –Part Time Chairman 3. NTPC Vidyut Vyapar Nigam Limited – Part Time Director 4. NTPC Electric Supply Co. Limited - – Part Time Director 5. Bangladesh- India Friendship Power Company Private Limited#- Part Time Director 6. PTC India Limited – Part Time Director 7. Patratu Vidyut Utpadan Nigam Limited – Part Time Director	1. Damodar valley Corporation - Govt. Nominee Director	1. Netcore Solutions Private Limited – Managing Director 2. C M Jain Impex And Investments Private Limited- Part- Time Director 3. Emergic Venture Capital Private Limited- Part- Time Director 4. Seraja Technologies Private Limited- Part- Time Director 5. Greynium Information Technologies Private Limited- Part- Time Director 6. Give Foundation - Director 7. Ravience Digital Private Limited- Part- Time Director 8. NITI Digital Private Limited - Part- Time Director 9. TRANSFORMITI Research Solutions Private Limited- Part- Time Director 10. NetCore Skill Development Foundation -Director 11. Bluekraft Digital Foundation-Director	1. Cue Strategic Inputs Private Limited- Part- Time Director 2. Denis Chem Lab Limited - Part- Time Director 3. Bajaj Energy Limited- Part- Time Director	1. Tata Power Trading Company Limited - Director 2. Tata Power Solar Systems Limited - Director

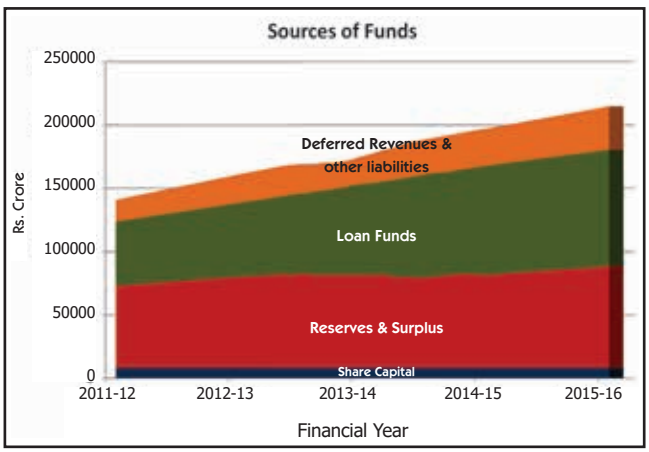


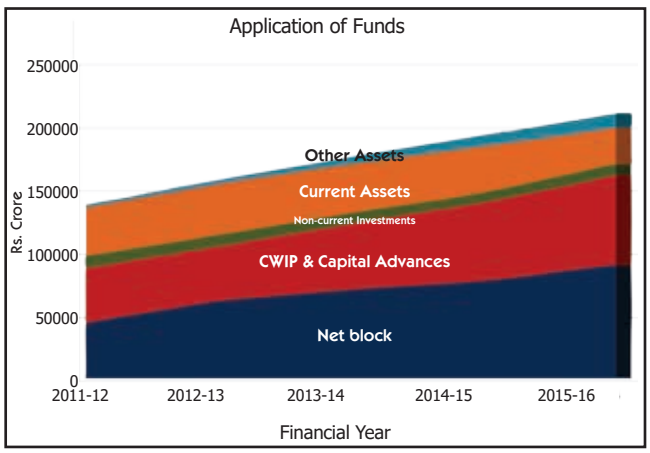
Name	Shri Gurdeep Singh	Shri S.C.Pandey	Shri K. Biswal	Shri Aniruddha Kumar	Shri Rajesh Jain	Dr. Gauri Trivedi	Shri Seethapathy Chander
Memberships/ Chairmanship of Committees across all Public Companies*. Held as on 03.08.2016	NIL	**Audit Committee:** 1. Bhartiya Rail Bijlee Company Limited – Chairman 2. Bangladesh- India Friendship Power Company Private Limited# - Part Time Member	**Audit Committee:** 1. Bangladesh- India Friendship Power Company Private Limited# –Chairman 2. NTPC Vidyut Vyapar Nigam Limited -Member **Stakeholders' Relationship Committee:** 1. NTPC Limited	NIL	**Audit Committee:** 1. NTPC Limited –Member **Stakeholders' Relationship Committee:** 1. NTPC Limited –Member	**Audit Committee:** 1. NTPC Limited –Member **Stakeholders' Relationship Committee:** 1. NTPC Limited -Member	**Audit Committee:** 1. NTPC Limited – Member 2. Tata Power Trading Company Limited - Chairman 3. Tata Power Solar Systems Limited - Chairman
No. of Shares held in NTPC Limited as on 03.08.2016	1725	4725	1725	214	NIL	900	NIL
Attendent in Board Meetings till 31.03.2016	No. of Meeting during his tenure=2 No. of Meetings attended =2	No. of Meeting during his tenure =13 No. of Meetings attended =13	No. of Meeting during his tenure =13 No. of Meetings attended =13	No. of Meeting during his tenure =2 No. of Meetings attended =2	No. of Meeting during his tenure=5 No. of Meetings attended =5	No. of Meeting during her tenure =5 No. of Meetings attended =3	No. of Meeting during his tenure=NIL No. of Meetings attended = NIL

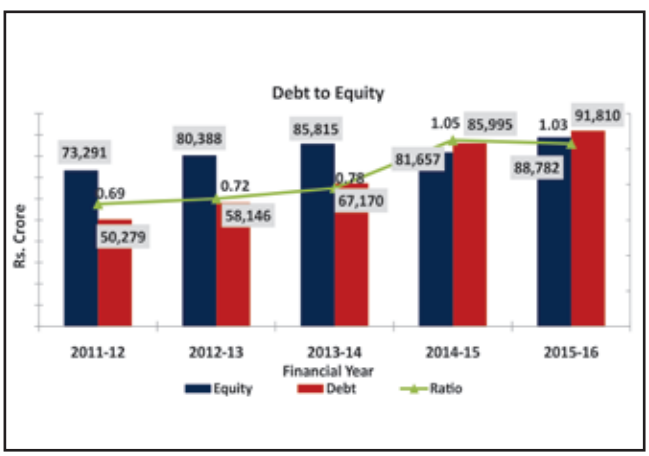
Foreign Companies.

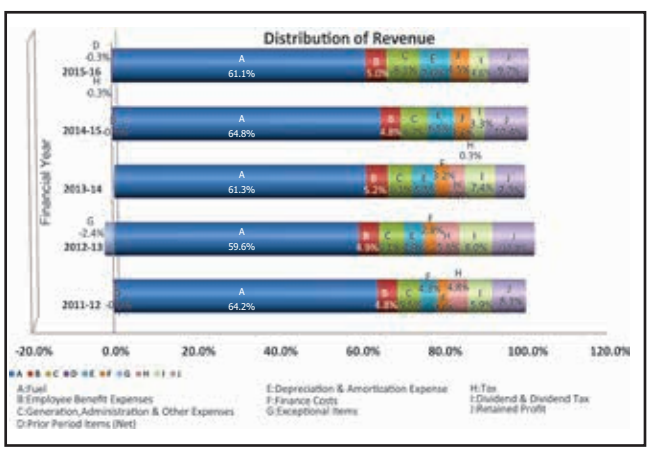
*In line with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, membership of the Audit Committee and Stakeholders' Relationship Committee have only been taken into consideration.




Sources of Funds
250000
200000
150000
100000
50000
0
Rs. Crore
Deferred Revenues & other liabilities
Loan Funds
Reserves & Surplus
Share Capital
2011-12
2012-13
2013-14
2014-15
2015-16
Financial Year


Application of Funds
250000
200000
150000
100000
50000
0
Rs. Crore
Other Assets
Current Assets
Non-current Investments
CWIP & Capital Advances
Net block
2011-12
2012-13
2013-14
2014-15
2015-16
Financial Year


Debt to Equity
Rs. Crore
73,291
50,279
0.69
80,388
58,146
0.72
85,815
67,170
0.78
81,657
85,995
1.05
88,782
91,810
1.03
2011-12
2012-13
2013-14
2014-15
2015-16
Financial Year
Equity
Debt
Ratio


Distribution of Revenue
Financial Year
2015-16
2014-15
2013-14
2012-13
2011-12
61.1%
64.8%
61.3%
59.6%
64.2%
-20.0%
0.0%
20.0%
40.0%
60.0%
80.0%
100.0%
120.0%
A:Fuel
B:Employee Benefit Expenses
C:Generation,Administration & Other Expenses
D:Prior Period Items (Net)
E:Depreciation & Amortisation Expense
F:Finance Costs
G:Exceptional Items
H:Tax
I:Dividend & Dividend Tax
J:Retained Profit


NTPC

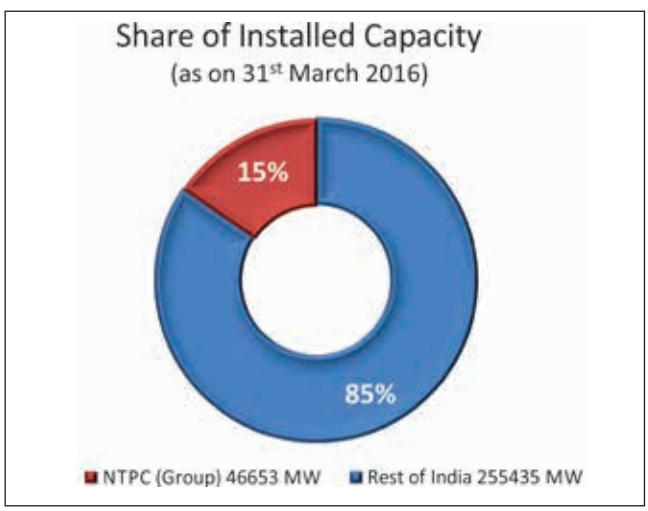
STATION-WISE GENERATION 2015-16

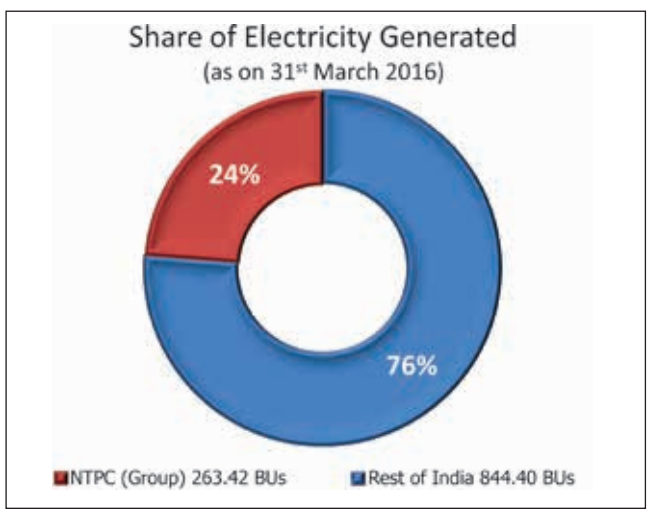
STATIONS	Fuel Type	*Capacity (MW)	Gen. (MU) Gross
Northern Region		**7153**	**48979**
Singrauli	Coal	2000	16271
Rihand	Coal	3000	21055
Unchahar	Coal	1050	7013
Tanda	Coal	440	3130
Auraiya	Gas	663	1511
DBF		**3786**	**16389**
Badarpur	Coal	705	2241
Dadri Thermal	Coal	1820	10048
Dadri Gas	Gas	830	2999
Faridabad	Gas	432	1101
Western Region		**13733**	**79027**
Mouda	Coal	1660	1876
Korba	Coal	2600	20429
Vindhyachal**	Coal	4760	31321
Sipat	Coal	2980	22285
Kawas	Gas	656	1212
Gandhar	Gas	657	962
Anta	Gas	419	942
Eastern Region		**9470**	**60248**
Farakka	Coal	2100	12340
Kahalgaon	Coal	2340	15275
Barh	Coal	1320	4785
Talcher Kaniha	Coal	3000	23967
Talcher Thermal	Coal	460	3764
Bongaigaon	Coal	250	117
Southern Region		**4960**	**34862**
Ramagundam	Coal	2600	20250
Simhadri	Coal	2000	14470
Rajiv Gandhi CCP	Liquid Fuel	360	143
Hydro Region		**800**	**2308**
Koldam Hydro	Water	800	2308
Total***		39902	241814

*As on 31.03.2016

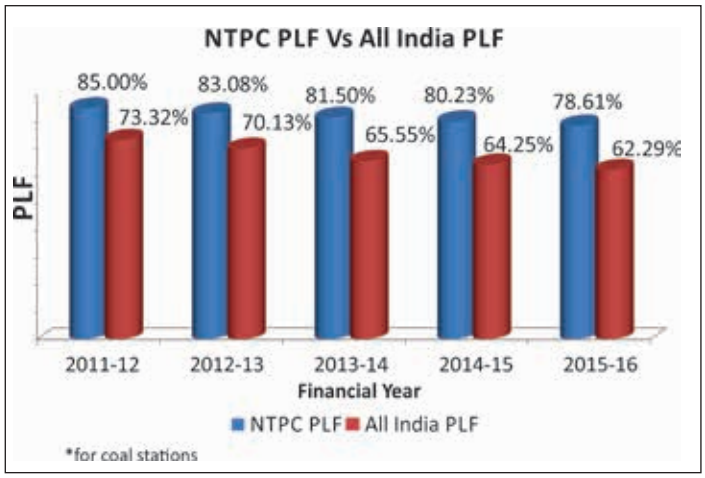
**As per NTPC, regional location of Vindhyachal is Northern Region

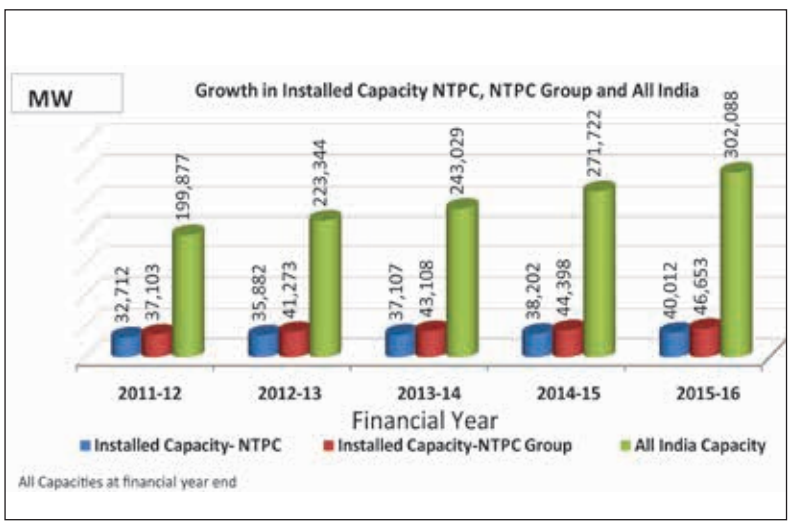
*** Excludes 162.59 MU Solar Power Generation and 110 MW Capacity

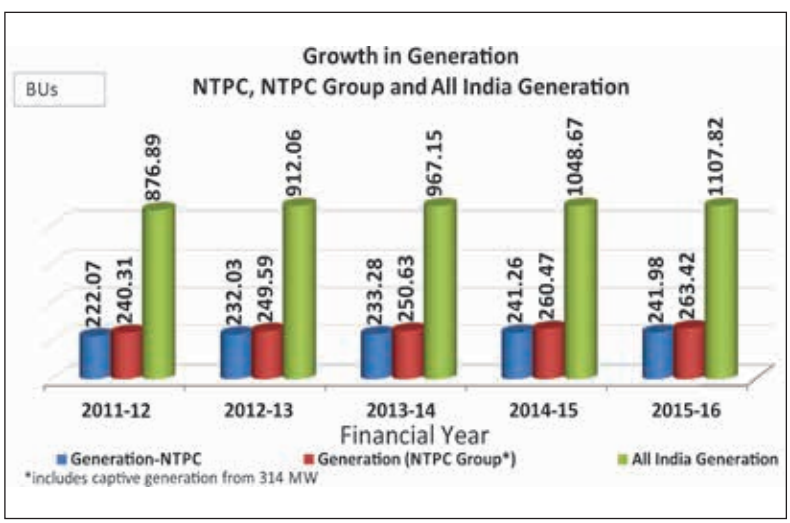







NTPC PLF Vs All India PLF
PLF
85.00%
73.32%
83.08%
70.13%
81.50%
65.55%
80.23%
64.25%
78.61%
62.29%
2011-12
2012-13
2013-14
2014-15
2015-16
Financial Year
NTPC PLF
All India PLF
*for coal stations


MW
Growth in Installed Capacity NTPC, NTPC Group and All India
32,712
37,103
199,877
35,882
41,273
223,344
37,107
43,108
243,029
38,202
44,398
271,722
40,012
46,653
302,088
2011-12
2012-13
2013-14
2014-15
2015-16
Financial Year
Installed Capacity- NTPC
Installed Capacity-NTPC Group
All India Capacity
All Capacities at financial year end


Growth in Generation
NTPC, NTPC Group and All India Generation
BUs
222.07
240.31
876.89
232.03
249.59
912.06
233.28
250.63
967.15
241.26
260.47
1048.67
241.98
263.42
1107.82
2011-12
2012-13
2013-14
2014-15
2015-16
Financial Year
Generation-NTPC
Generation (NTPC Group*)
All India Generation
*includes captive generation from 314 MW



SELECTED FINANCIAL INFORMATION*

₹ Crore

		2015-16	2014-15	2013-14	2012-13	2011-12
A	**Revenue**					
	Revenue from operations (net)	70,506.80	73,236.94	72,018.93	65,673.93	62,052.23
	Other income	1,189.27	2,100.42	2,688.89	3,101.58	2,778.42
	Total revenue	**71,696.07**	**75,337.36**	**74,707.82**	**68,775.51**	**64,830.65**
B	**Expenses**					
	Fuel	43,793.25	48,833.57	45,829.71	41,018.25	41,635.46
	Employee benefits expense	3,609.32	3,620.71	3,867.99	3,360.12	3,090.48
	Generation, administration & other expenses	5,787.39	4,911.28	4,543.85	4,211.22	3,588.79
	Prior period items (net)	(196.15)	(333.83)	12.84	(29.72)	(313.58)
	Profit before depreciation, finance cost and tax	**18,702.26**	**18,305.63**	**20,453.43**	**20,215.64**	**16,829.50**
	Depreciation and amortization expense	5,425.32	4,911.65	4,142.19	3,396.76	2,791.70
	Profit before finance cost and tax	**13,276.94**	**13,393.98**	**16,311.24**	**16,818.88**	**14,037.80**
	Finance costs	3,230.36	2,743.62	2,406.59	1,924.36	1,711.64
	Profit before exceptional items and tax	**10,046.58**	**10,650.36**	**13,904.65**	**14,894.52**	**12,326.16**
	Exceptional Items (+) income/ (-) loss	-	-	-	1,684.11	-
	Profit before tax and Rate Regulated Activities(RRA)	**10,046.58**	**10,650.36**	**13,904.65**	**16,578.63**	**12,326.16**
	Add: Regulatory Income/(Expense)	12.09	(103.71)	-	-	-
	Profit before tax	**10,058.67**	**10,546.65**	**13,904.65**	**16,578.63**	**12,326.16**
	Tax (Net)	(184.24)	255.79	2,929.91	3,959.24	3,102.43
	Profit after tax	**10,242.91**	**10,290.86**	**10,974.74**	**12,619.39**	**9,223.73**
	Dividend	2,762.24	2,061.38	4,741.15	4,741.16	3,298.19
	Dividend tax	558.25	417.40	804.74	781.87	527.92
	Retained profit	6,922.42	7,812.08	5,428.85	7,096.36	5,397.62
C	**Assets**					
	Fixed assets (net block)					
	Tangible assets	91,355.82	78,586.91	71,865.86	62,687.42	45,046.47
	Intangible assets	273.99	262.16	244.97	248.68	211.89
	Capital work-in-progress	66,216.04	56,463.11	44,886.74	37,109.42	41,827.82
	Intangible assets under development	217.61	30.38	1.93	-	0.04
	Total Fixed Assets (Net block)	158,063.46	135,342.56	116,999.50	100,045.52	87,086.22
	Investments (Non-current)	7,949.52	7,154.07	8,120.90	9,137.64	9,583.92
	Long-term loans and advances	16,980.19	15,527.89	12,776.22	9,633.45	3,883.26
	Other non-current assets	1,879.78	1,746.77	1,786.77	1,132.77	1,371.88
	Current assets	29,746.31	37,363.43	39,870.79	41,167.08	38,912.52
	Total Assets	**214,619.26**	**197,134.72**	**179,554.18**	**161,116.46**	**140,837.80**
D	**Liabilities**					
	Borrowings					
	Long-term borrowings	85,083.26	78,532.33	62,405.75	53,253.66	45,908.27
	Current maturities of long-term borrowings	6,726.50	7,463.01	4,764.47	4,892.64	4,371.10
	Total borrowings	91,809.76	85,995.34	67,170.22	58,146.30	50,279.37
	Other Long-term liabilities and provisions	4,960.99	5,031.37	4,443.43	3,621.21	2,969.66
	Current liabilities	33,846.39	30,519.52	25,279.80	22,610.03	17,238.64
	Less: Current maturities of long-term borrowings	6,726.50	7,463.01	4,764.47	4,892.64	4,371.10
	Net Current liabilities	27,119.89	23,056.51	20,515.33	17,717.39	12,867.54
	Deferred Revenue	1,946.62	1,394.15	1,609.88	1,244.05	1,430.06
E	**Net-worth**					
	Share capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
	Reserves & surplus	80,536.54	73,411.89	77,569.86	72,142.05	65,045.71
	Net-worth	88,782.00	81,657.35	85,815.32	80,387.51	73,291.17
	Total Liabilities	**214,619.26**	**197,134.72**	**179,554.18**	**161,116.46**	**140,837.80**
F	**Capital employed**	94,544.44	94,740.61	92,891.91	84,419.44	75,136.67
G	**Value added**	27,921.46	25,089.64	25,965.88	22,998.93	19,737.80
H	**Number of shares**	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400	8,245,464,400
I	**Number of employees**	21,633	22,496	23,411	23,865	24,011
J	Ratios					
	Return on capital employed (%)	14.18	13.68	14.37	15.95	14.23
	Return on net worth (%)	18.71	16.78	17.72	19.73	16.88
	Book value per Share (₹)	107.67	99.03	104.08	97.49	88.89
	Earnings per share (₹)	12.42	12.48	13.31	15.30	11.19
	Current ratio	0.88	1.22	1.58	1.82	2.26
	Debt to equity	1.03	1.05	0.78	0.72	0.69
	Value added per employee (₹ crore)	1.29	1.12	1.11	0.96	0.82

* Standalone



DIRECTORS' PROFILE



Shri Gurdeep Singh
Chairman & Managing Director

Shri Gurdeep Singh (aged 51 years), (DIN: 00307037), took over as Chairman & Managing Director on 4th February 2016.

He has an illustrious career spanning nearly three decades in the power sector. He started his career in 1987 as an Engineer Trainee with NTPC and has worked his way through various ranks in both public sector and private sector. He has wide ranging experience entailing all aspects of power generation business. His rich experience has seen him serving as plant operation engineer as well as top leadership positions. Working in different organisations and cross cultural environment provided him with the ability to deal with intricate and complex issues.

Prior to joining NTPC, he was Managing Director of Gujarat State Electricity Company (GSECL). His visionary leadership and innate ability to work through complexity and focus on core issues, helped bring transformational changes in GSECL. It also allowed the company to keep its energy cost under control. His sustained focus on cost reduction resulted in conceptualisation of coal swapping and freight rationalisation much ahead of time. Before GSECL, he worked with Powergen, CLP, AES, IDFC and CESC.

He graduated in Mechanical Engineering from NIT Kurukshetra and has undergone Management Education Program from IIM Ahmedabad. He has received management and leadership training from global institutions like Saïd Business School-Oxford, Darden School of Management-Virginia, USA, Singapore Civil Services College-Singapore, ISB-Hyderabad, etc.

He brings to NTPC dynamism and team approach. He firmly believes that the key to performance improvement is employee empowerment, their capability augmentation and process optimization.

His early years in NTPC helped in making an immediate connect at all levels in the company. He has launched various initiatives to sustain NTPC's growth and bring about cultural changes necessary to maintain NTPC's position as a leading global power company.



Shri A.K. Jha
Director (Technical)

Shri A.K. Jha (aged 59 years), (DIN: 03590871) is a graduate in Mechanical Engineering from BIT Sindri, Ranchi University and LL.B. from Delhi University. He joined NTPC in 1977 as Executive Trainee (2nd Batch). He was directly associated with the NTPC's flagship Project i.e. Singrauli (5x200 MW) as part of erection team. Apart from Singrauli, Shri Jha has worked at Kahalgaon Project from 1988-93 in the area of Industrial Relations, Recruitment, law in HR Department, at Rihand Stage-II (2x500MW) as Head of Project team (2002-2004), as Head of Corporate Monitoring Group from 2005-2010 and as Executive Director(Northern Region) from 2010-2012. He has rich and varied experience of 38 years in NTPC in all the areas of Power Project i.e. Design & Engineering, Project Planning & Monitoring and Project Construction & Management.

He joined NTPC Board in July'2012 as Director (Technical). He is responsible for initiation and investment approval of projects, complete engineering during the development of the project, engineering support during O&M phase of the station and engineering for R&M of NTPC's aged power stations for enhancing life and efficiency of power plant, for the entire portfolio of NTPC i.e. Thermal, Hydro, Renewable. He has been instrumental in induction of environment friendly Ultra Supercritical technology in NTPC. In case of Renewable, he has whole responsibility i.e policy advocacy, business development, Project contracting, Engineering and commissioning.

He is also responsible for R & D activities through NETRA (NTPC Energy Technology and Research Alliance), which is also working on development of Advance Ultra super Critical technology.

He is also responsible for Information technology function and Enterprise Resource Planning (ERP).

Besides being a whole time Director in NTPC, Shri Jha is also Chairman of the Board of directors of NASL (A JV Company of NTPC and Alstom) and PVUNL (Patratu Vidyut Utpadan Nigam Ltd. - A Subsidiary of NTPC). He is also part time Director of BIFPCL (A JV Company of NTPC and BPDB).

He is also member of the Expert Committee constituted by GOI to determine the normative values for parameters of operation of Atomic Power Stations for fixing of nuclear power tariff.

He was holding additional change of CMD, NTPC from 01.09.2015 to 03.02.2016.





Shri U.P. Pani
Director
(Human Resources)

Shri U.P. Pani, (DIN: 03199828) aged about 60 years, is a Graduate in Electrical Engineering from BITS PILANI (1978) and joined NTPC in November, 1978 as (3rd batch) Executive Trainee. He has worked in Erection, Rehabilitation and Resettlement, Technical Services Deptt. of Korba STPS (3x200+3x500MW) and Talchar STPS, (6x500MW). He worked as Business Unit Head (BUH) of NSPCL (joint Venture of NTPC & SAIL) at Bhilai and Durgapur. He was Head of NTPC Kahalgaon (4x210 MW+3x500MW) Project. During his tenure, all three 500 MW Units of Kahalgaon Stage-II were commercialised. He was Head of Project of NTPC's biggest plant, i.e. Vindhyachal STPP (4260MW). On 15th March 2010, Sh. Pani took over as Regional Executive Director (Eastern Region-I) and was responsible for overall functioning of various regional projects of NTPC and projects of various subsidiaries and joint venture of NTPC.

As BUH in the capacity of GM & RED at various locations and regions, he has also been responsible for HR functions and has steered number of HR initiatives.

As Director (HR), Shri Pani is responsible for the entire Human Resource functions of the organization. He is also responsible for the Power Management Institute (PMI) of NTPC and other corporate functions such as Industrial Safety, Resettlement & Rehabilitation, Corporate Social Responsibility, Medical Services and Corporate Security & Coordination.

He is also holding the additional charge of Director (Commercial) of NTPC w.e.f. 02.09.2015.



Shri S.C. Pandey
Director (Projects)

Shri S.C. Pandey, (59 years), (DIN: 03142319), is B.E. in Instrumentation. He joined NTPC in November, 1978 as (3rd batch) Executive Trainee. He has about 37 years of comprehensive experience in management of large size power projects in the areas of engineering, project construction and power plant operation and maintenance. He has a strong background in managing, operating and maintaining few of the largest stations of the country and has a rich experience and exposure of entire life cycle from concept to commissioning of Greenfield project. He was associated with erection, commissioning and operation of NTPC's first thermal power project at Singrauli and first Hydro Project of NTPC at Koldam.

Shri Pandey's experience in power sector includes 10 years of senior management level experience as a 'Business Unit Head' of India's largest project i.e. Vindhyachal, Ramagundam and Simhadri STPP, Engineering Head of the Company and as a Regional Head of NTPC projects of Eastern Region-II and Western Region.

Shri Pandey has been deputed for several overseas managerial and leadership programmes and technical training programmes to enhance strategic leadership qualities, broaden the vision and to gain insight of complex national and global business environment.

As Director (Projects), he is responsible for project planning & Monitoring of entire Business Portfolio of NTPC (Maharatna PSU) covering Thermal, Hydro, International JVs, Greenfield, Brownfield, under construction projects covering almost 20% capacity of country. He has been actively involved in implementation of over 24,000+MW projects under construction at about 22 different locations across the country and strategic planning of 40,000+ MW new projects at various stages.

He joined NTPC Board in Oct'2013 as Director (Projects). He is the Chairman of Bhartiya Rail Bijlee Company Ltd. and Nabinagar Power Generating Company Private Limited and Director on the Board of other joint ventures of NTPC Limited.



Shri Kulamani Biswal
Director (Finance)

Shri Kulamani Biswal (aged 55 years), (DIN: 03318539), a Commerce & Law Graduate, Fellow in Cost Accountancy and MBA from New Port University, California, USA. The most attributes bestowed upon Shri Biswal with the present responsibilities are his flair in financial fundamentals; updated knowledge base and knack in business networking. He has sound exposure of 31 years in the entire value chain of Energy sector - Coal, Power and Regulatory Affairs. Sh. Biswal started his career in Coal India Limited where he worked for 12 years as a young dynamic professional & gained insights in primary energy business. Then he moved to State Electricity Regulatory Commission – OERC where he witnessed the major reforms in power sector including unbundling of SEBs and assets segregation among generation, transmission & distribution utilities. After serving for 7 years in SERC, Sh. Biswal joined Central Regulator, i.e. CERC in Oct 2004. He went back to the Coal sector again in Oct 2010 at the Board level as Director (Finance) of Mahanadi Coalfields Limited for a short period of 3 years. Sh. Biswal took over the charge of Director (Finance), NTPC limited on 9th December 2013.

In NTPC, he plays a pivotal role in providing valuable inputs to the Board for taking various strategic decisions to enable the company to achieve its Vision. He is responsible for the entire gamut of financial management of the organisation including financial resource mobilisation from domestic & global sources, optimum utilization of funds, budgetary controls, investment decisions and compilation of Accounts and Audit of the same by Statutory and Govt. Auditors.

During his stint as CFO of NTPC and as Board Member, some of the major achievements are raising Fund from Domestic as well as International Market at very competitive terms, Innovative way of rewarding shareholders through issuance of Bonus Debentures – a first of its kind in India by any PSU, allotment and reallocation of coal blocks, acquisition of Patratu Power station.

Besides acting as Director (Finance) of NTPC Limited, Sh. Biswal is also the Chairman of Meja Urja Nigam Private Limited & NTPC Tamil Nadu Energy Company Limited. He has also been appointed as "Nominated Owner" under the provisions of Mines Act, 1952 for development/operation and management of Coal Mines allocated to NTPC.

His able leadership and guidance has brought him and NTPC lots of laurels and awards, some of the recent ones are **'The Best CMA-CFO'** by The Institute of Cost Accountants of India, **'CFO of the Year'** Award by EPC World with E&Y as their knowledge partner, GSBA-Top Rankers Excellence Award 2015 – **'Financial Pride of India', 'BT-STAR PSU Director Finance of the Year'** Award, **'Excellence in Financial Reporting'** award to NTPC for the year 2013-14 by The Institute of Chartered Accountants of India, **'Golden Peacock Global Award'** for the excellence in Corporate Governance in the year 2014, Corporate Governance Excellence award 2014-15 by Assocham India.





Shri K.K. Sharma
Director (Operations)

Shri K.K. Sharma, (DIN: 03014947) (about 59 years) is graduate in Mechanical Engg. and MBA in Finance. He has an illustrious career spanning over 40 years of outstanding contribution in the areas of Mega-Budget Thermal, Hydro Power and Coal Mining Projects as a Professional Manager, Strategic Planner and a Business Leader. He has led several strategic initiatives for execution of projects as well as achieving operational excellence.

He had been Business Unit Head (BUH) of NTPC-SAIL Power Company Private Limited's Durgapur Station, General Manager of Farakka Super Thermal Power Station and General Manager of Koldam Hydro Electric Power Project of NTPC. He also had been Regional Executive Director (Hydro Region), Executive Director (Coal mining/ Coal Washeries), Regional Executive Director (East-II), Executive Director (Project Planning & Monitoring), NTPC and Chief Executive Officer of NTPC-SAIL Power Company Private Limited. Shri Sharma, through his multi-disciplinary approach in Engineering, O&M Management and financial areas, has made turnaround of NSPCL's Durgapur by ramping up PLF from 63% to 81% and of Farakka STPS from 69% to 81%. He played the pivotal role in resolving Resettlement and Rehabilitation issues in Koldam, getting Forests and Environment clearances for captive mines of NTPC, developing business process for Mine Development, Green Field Projects Construction, SAP implementation in NSPCL & introduction of on-line monitoring of projects.

As a Director (Operations), he has overall responsibility for the activities relating to operation of all NTPC stations including fuel management. He has been instrumental in bringing down Energy Cost of generation.

He is also Chairman of NTPC-SAIL Power Company Private Ltd. (NSPCL) and Kanti Bijlee Utpadan Nigam Ltd. (KBUNL). He is on the board of NTPC Vidyut Vyapar Nigam Limited (NVVN), NTPC-Tamilnadu Energy Company Ltd. (NTECL), Patratu Vidyut Utpadan Nigam Ltd. (PVUNL), The West Bengal Power Development Corporation Limited (WBPDCL) and Permanent Invitee on the board of Northern Coalfields Limited (NCL). He is also co-chairman of the committee on third party coal sampling constituted by Ministry of Power (MoP).

He is active member of professional bodies viz. Life time member of Indian Institute of Professional Engineers (IIPE) and AIMA, Member of Institution of Engineers (IoE), Vice President of Indo German Energy Forum (IGEF) and Vice President CIGRE India.



Dr. Pradeep Kumar
Govt. Nominee Director

Dr. Pradeep Kumar, (about 55 years), (DIN: 05125269), an Indian Administrative Service Officer of Kerala Cadre, is B. Tech in Electronics, MBA, Master Diploma in Public Administration and Governance and Ph.D. in the area of Integrated Freight Transport Planning. During his illustrious career of 29 years as IAS officer, he has held various administrative positions in the areas of Revenue, Finance, Transport, Shipping, Inland Water Transportation, Water Resources, Power, Food and Civil Supplies, Consumer Affairs, Environment and Forests.



Shri Aniruddha Kumar
Govt. Nominee Director

Shri Aniruddha Kumar, (DIN: 07325440), aged 55 years, is a 1987 batch, Indian Revenue Services Officer. He completed his graduation in Electrical Engineering with honors from Aligarh Muslim University in 1984 and Graduation in Law from Delhi University in 1995.

He began his career with NTPC where he worked at Singrauli Thermal Power Station from 1984 to 1987.Thereafter, he joined Indian Revenue Service in 1987 and during his illustrious career of more than 30 years he has served in various key departments like Tax Policy Wing of Deptt. of Revenue, Ministry of Finance, various positions in Income Tax Department, Ministry of Urban Development (2005 to 2009), Ministry of Science and Technology (2009 to 2010) and Principal Commissioner of Income Tax in Agra. Shri Aniruddha Kumar has travelled extensively all over the world as a member of Indian delegations in various conferences and meetings.

Before taking over the charge of Joint Secretary (Thermal), he was Joint Secretary (Hydro) in the Ministry of Power.





Dr. Gauri Trivedi
Independent Director

Dr. Gauri Trivedi, (DIN: 06502788) aged 56 years, M.A. (Political Science) from JNU, Delhi, M. Phil (Soviet Studies), JNU, Delhi, Doctorate in Philosophy from Institute of Social & Economic Change, Bangalore and Institute of Development Studies, Mysore and PGPPM from Indian Institute of Management (IIM), Bangalore. During her illustrious career, she had held number of administrative posts in Karnataka including Assistant Commissioner, Joint Director (Commerce and Industry), Chief Secretary/ Director (Rural Development and Panchayati Raj), Deputy Commissioner (Excise), Joint Registrar of Cooperative Societies. She had also been General Manager (Handloom & Handicrafts Export Corporation), Director of Tea Promotion (WANA), Managing Director (HESCOM), a power distribution company, Managing Director (Karnataka State Food & Civil Supplies Corporation), Secretary to Government, Revenue Department, Govt. of Karnataka and Secretary to the Governor of Karnataka.

In August 2007, Dr. Gauri Trivedi took Voluntary Retirement from the Government of India due to her personal reasons.

After VRS, she was Vice President RRL and Director SIRD. She had been guest faculty in a number of reputed institutes teaching governance, public policy, rural planning and management.

She is currently guest faculty at IIM, Sardar Patel Institute of Public Administration, CEPT, Ahmedabad and Consultant AIILSG. She teaches government officers, Civil Servant aspirants, young students and NGOs the public policy, rural planning and management, current affairs and governance.

She has done a project for World Bank on Street vendors and is currently doing the project for the Government of MP on Women Beneficial Programs.



Shri Rajesh Jain
Independent Director

Shri Rajesh Jain, (DIN: 00103150) aged 49 years, is an Electrical Engineer from IIT, Mumbai and MS (Electrical Engineering) from Columbia University, New York. He worked as Member of Technical Staff at NYNEX, USA for 2 years before returning to India to pursue his entrepreneurial dreams in 1992. He is Founder – Managing Director of NetCore Solutions Private Limited, India's leading provider of digital real-time communications and marketing solutions for enterprises via email and mobile.

One of his early ventures, India World Communications, launced in 1995 was acquired by Satyam Inforway in November 1999 for US$115 million in one of Asia's largest internet deals. He is also the Founder and Chairman of Emergic Venture Capital.

Shri Rajesh Jain is a well-known figure in the technology industry and is an invited speaker at national and international forums. He has also been featured in cover stories in both TIME and Newsweek.



Shri Seethapathy Chander
Independent Director

Shri Seethapathy Chander, (DIN: 02336635), aged about 62 years, is B. Tech. (Electrical) from IIT, Delhi and Specialist Diploma in Business Management in Human Resources. He started his career as Executive Trainee, NTPC in February 1977 (first batch best trainee), and worked in transmission systems. He was responsible for commissioning of NTPC's first 400kV installations and introduction of new High Voltage Direct Current transmission technology in India. He was the first Technical Assistant to the then CMD of NTPC. During this tenure, NTPC Consultancy Wing was established, transmission business of NTPC was transferred to newly incorporated Govt. Co. Powergrid Corporation of India Limited and Unchahar Thermal Power Plant was transferred from UPSEB to NTPC in a debt asset swap – a first for the sector.

He had served Asian Development Bank from 8th July 1992 to 6th April 2015 and had been advising in energy policy, planning, portfolio management, investments, ICT infrastructure development, ADB's long-term strategy, private sector operations, public-private partnerships etc. He has travelled extensively world over for his project works and has published 63 papers.

He is currently a Senior Advisor to the President of Asian Infrastructure Investment Bank and Independent Director on the Boards of Tata Power Solar Company Limited and Tata Power Trading Company Limited, and an honorary Senior Advisor to the Secretary General, World Energy Council.

SENIOR MANAGEMENT TEAM
As on 01.08.2016

S.No.	Executive Directors S/Shri	Position Held
1	Sharad Anand	RED, Coal Mining
2	Arvind Kumar	RED, East – II
3	S.N. Ganguly	RED (West – II)
4	Saptarshi Roy	ED (CP & Corp. Comm.)
5	A.K. Chatterjee	OSD TO CMD
6	Y.V. Rao	ED (Consultancy)
7	R.K.Srivastava	RED (D, B&F) & ED – NETRA
8	K.S.Garbyal	RED (East – I)
9	K.K. Singh	RED, Hydro
10	A.K. Gupta	ED (Engineering)
11	G. Ravindra	ED (Fuel Management)
12	Sudhir Arya	ED (Finance)
13	S.J.Muley	ED (Nuclear & RE)
14	V.B. Fadnavis	RED (South)
15	A.K.Rastogi	ED (Law) & Comp. Secy.
16	Anuttam Chaudhuri	ED (Coal Washery)
17	P.R. Dahake	ED (PP&M)
18	D.K.Sood	ED (Commercial)
19	S.K. Roy	ED (Operations Services)
20	S. Ghosh	RED (West – I)
21	R.S.Rathee	RED (North)

S.No.	Executive Directors S/Shri	Position Held
22	V.K. Padha	ED (Business Development)
23	S.K. Jha – IRTS officer on Deputation	ED (Fuel Transportation)
24	P.M. Prasad	ED (PB/CB/KD CMP)
25	D Chakrabarty	ED (Vigilance)
26	Shashi Ranjan	ED (PE – Civil & Infra)
27	Sushil Kumar Jain	ED (CSR/R&R) and HR
28	V.K. Chandra Mohan	ED (Internal Audit)
29	Prasant Kumar Mohapatra	ED (Ramagundam)
30	Nageen Kumar Kothari	ED (Talcher – Kaniha)
31	Ajit Kumar Bhatnagar	ED (PMI)
32	Rajesh Kumar	ED (Vindhyachal)
33	Alind Rastogi	Chief Forest Officer
34	B. Srinivas	ED (Security)
35	Sankar Bandyopadhyay	ED (CENPEEP)

Posted in Subsidiary/Joint Venture Companies and others

S.No.	Executive Directors S/Shri	Position Held
1	N.K. Sharma	CEO – NVVN
2	Manash Sarkar	CEO – NSPCL
3	Thomas Joseph	CEO - NTECL



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 40th Annual Report on the business and operations of the Company along with audited financial statements for the year ended March 31, 2016.

Financial Year 2015-16 has been yet another year of achievements for your Company. With the addition of 2,255 MW capacity (including 445 MW through Subsidiary Companies) during the year, total installed capacity of your Company (including subsidiaries & JVs) as on 31.03.2016 was 46,653 MW.

With the commissioning of Anantpur Solar PV unit of 250 MW and takeover of Patratu Thermal Power Plant of 325 MW after 31.03.2016, capacity of your Company has become 47,228 MW as on 31.07.2016.

Major highlights for the year 2015-16 are:

- Power projects of 2,255 MW were commissioned.
- Declared 1,960 MW Power Projects on commercial generation.
- PLF of 78.61% as against all India PLF of 62.29% with three NTPC stations recording more than 90% PLF and 11 stations (including JV) in top 25 stations of the country.
- Excellent MOU rating by Government of India for the year 2014-15.
- Capital expenditure (CAPEX) for the year 2015-16 was ₹ 25,959.60 crore (Stand-alone) as against the MoU target of ₹ 23,000.00 crore. Achieved Group Capex of ₹ 32,090.89 crore during FY 2015-16 against ₹ 28,289.56 crore during FY 2014-15.
- 100% realization of current bills from customers.
- Revenue from operations (Net) was ₹ 70,506.80 crore and total revenue was ₹ 71,696.07 crore.Net Profit after Tax (PAT) was ₹ 10,242.91 crore.
- Dividend of ₹ 3.35 per share comprising interim dividend of ₹ 1.60 per equity share paid in February 2016 and recommended final dividend of ₹ 1.75 per equity share for the year 2015-16, subject to approval of the shareholders.
- Cash contribution of ₹ 4,113.30 crore to Government of India's exchequer through dividend, dividend tax, income tax and wealth tax in the financial year 2015-16.
- Market capitalization of ₹ 1,06,242.81 crore as on 31.03.2016.
- Construction of about 29,000 toilets in schools under Swachh Bharat- Swachh Vidyalaya Abhiyan.
- Planted approx. 5.25 lac trees during 2015-16 to mitigate the GHG emissions arising out of plant operations, thereby bringing total to about 2.3 crore planted trees till end of 31.03.2016.
- About 8 crore bricks produced by fly ash brick plants of NTPC stations, which are being utilised in plant and township.
- Honoured with ASSOCHAM 1st Corporate Governance Excellence Award in listed PSUs category for the year 2014-15.
- Ranked No. 2 Independent Power Producer and Energy Trader Globally in the Platts Top 250 Global Energy Company Rankings 2015.
- Adjudged 4th among the Asian electric utilities in 2016 rankings as per Forbes Global 2000.
- Honoured with Dun & Bradstreet Corporate Awards 2016 for best performing Company in India in Power Sector.
- For the year 2016, NTPC has been adjudged as the Best Company to work in the Public Sector Category in a study carried out by Great Place to Work and the Economic Times.
- Bagged Golden Peacock Award for Excellence in Training from Institute of Directors for the year 2016.

You will appreciate the fact that the company recorded growth and excellent performance despite numerous challenge before the sector.

1. FINANCIAL RESULTS (STAND ALONE)

Particulars	2015-16		2014-15	
	₹ Crore	US $ Mn*	₹ Crore	US $ Mn*
Revenue				
Net Revenue from Operations (including Energy Sales, Consultancy, Energy consumed internally)	70,506.80	10,539.13	73,236.94	10,947.23
Other income	1,189.27	177.77	2,100.42	313.96
Total Revenue	**71,696.07**	**10,716.90**	**75,337.36**	**11,261.19**
Expenses				
Fuel	43,793.25	6,546.08	48,833.57	7,299.49
Employee benefits expense	3,609.32	539.51	3,620.71	541.21
Finance costs	3,230.36	482.86	2,743.62	410.11
Depreciation and amortization expense	5,425.32	810.96	4,911.65	734.18
Generation, administration & other expenses	5,787.39	865.08	4,911.28	734.12
Prior period items (net)	(196.15)	(29.32)	(333.83)	(49.90)
Total expenses	**61,649.49**	**9,215.17**	**64,687.00**	**9,669.21**
Profit before tax and rate regulated activities	**10,046.58**	**1,501.73**	**10,650.36**	**1,591.98**
Add: Regulatory Income/ (Expenses)	12.09	1.81	(103.71)	(15.50)
Profit before tax	**10,058.67**	**1,503.54**	**10,546.65**	**1,576.48**
Tax expense	(184.24)	(27.54)	255.79	38.23
Profit for the year	**10,242.91**	**1,531.08**	**10,290.86**	**1,538.25**



Appropriations:	2015-16		2014-15	
	₹ Crore	US $ Mn*	₹ Crore	US $ Mn*
Transfer to bonds/ debentures redemption reserve	1,284.13	191.95	1,156.19	172.82
Transfer to general reserve	6,000.00	896.86	7,000.00	1,046.34
Transfer to CSR reserve	-	-	78.30	11.70
Transfer to capital reserve	0.11	0.02	0.12	0.02
Interim dividend	1,319.28	197.20	618.42	92.44
Proposed dividend	1,442.96	215.69	1,442.96	215.69
Tax on dividend	558.25	83.45	417.40	62.39

*1US $= ₹ 66.90 as on March 31, 2016

2.

2.1 OFFER FOR SALE BY THE GOVERNMENT OF INDIA TO THE PUBLIC

Offer for Sale of 5% Equity Share Capital of the Company by the Government of India was made in terms of CCEA's approval in May 2015. The offer was opened on 23.02.2016 for non-retail investors and on 24.02.2016 for retail investors. Non-retail investors were allowed to place their bids for 80% of unreserved portion and retail investors had reserved portion of 20%. The indicative price was ₹ 122.22 per equity share which was above the floor price (₹ 122 per equity share) and cut-off price was ₹ 122.05.

Consequent upon sale of 41,22,73,220 shares by Government of India, the equity holding of GOI in NTPC was reduced to 69.96% of the paid-up capital from 74.96%. An amount of ₹ 5,014.55 crore exclusive of STT was garnered through Offer for Sale by the Government of India.

2.2 OFFER FOR SALE BY THE GOVERNMENT OF INDIA TO THE EMPLOYEES

A total of 2,06,13,661 shares were offered to employees, being 5% of stake sold by the Government of India in February 2016. These shares were offered to the employees at ₹ 115.90 per equity share i.e. at 5% discount to OFS price.

10,826 employees participated in the offer and applied for 1,75,82,590 shares being 85.3% of the shares offered under Employee OFS. An amount of ₹ 203.78 crore was garnered through Offer for Sale for Employees by the Government of India.

With the above Offer for Sale to Employees, the holding of Government of India has further reduced to 69.74 %.

3. DIVIDEND

3.1 Interim and Final Dividend:

Your company paid interim dividend of ₹1.60 per equity share in February 2016 and the Board of your Company have recommended a final dividend of ₹1.75 per equity share for the year 2015-16. With this, the total dividend for the year is ₹3.35 per equity share of ₹10/- each. In the year 2014-15, the total dividend paid was ₹2.50 per equity share of ₹10/- each.

The dividend payout is 26.97% and the total dividend payout including dividend tax is 32.42% of profit after tax. The final dividend shall be paid after your approval at the Annual General Meeting.

The dividend has been recommended in accordance with your Company's policy of balancing dividend pay-out with the requirement of deployment of internal accruals for its growth plans.

4. OPERATIONAL PERFORMANCE

During the year, the power stations of your Company generated 241.98 BUs (263.42 BUs including JVs& Subsidiaries) of electricity (including solar and hydro power) which was 21.95% (23.90% including generation by JVs) of the total power generated in India (without Bhutan import) registering an increase of 0.30% (1.09% including JVs & Subsidiaries) over the previous years' generation of 241.26 BUs. Generation contributed by hydro stations was 2.308 BUs.

The total generation contributed by coal stations is 230.64 BUs during the year against generation of 229.55 BUs last year registering a growth of 0.5%. Generation from coal based units could have been still higher but due to less generation schedule there was opportunity loss of 37.76 BUs. The coal based stations operated at average Plant Load Factor (PLF) of 78.61% (All India PLF 62.29%) and average Availability Factor of 88.06% on bus bar during the year. The generation loss on account of coal shortage was brought down to 0.18 BUs in the current year from 8.895 BUs in FY 2014-15.

During the year, 3 coal based stations out of 17 (commercial Stations) achieved more than 90% PLF and ranked as the Top 3 stations in the country. 11 stations (including JV) of your Company are in top 25 stations in the country.

The gas stations having a capacity of 4,017 MW achieved annual generation of 8.870 BUs at a PLF of 25.14% as against 11.588 BUs last year mainly due to less generation schedule which accounted for an opportunity loss of 25.529 BUs. The declared capacity of gas based stations for the year was 97.30% as compared to 92.18% during previous year.

5. COMMERCIAL PERFORMANCE

5.1 Billing and Realisation

Your Company has realized 100% of its current bills raised for energy supplied in 2015-16, thus achieving this feat for the 13th consecutive year.

Most of the customers were making their payments within 60 days of billing and had availed rebates as per Company's Rebate Scheme. Beneficiaries have established and are maintaining Letter of Credits (LCs) at 105% of the average monthly billing.

Apart from LCs, payment of dues is secured by Tri-partite Agreements (TPAs) signed amongst the State Governments, Government of India and Reserve Bank of India. In terms of TPAs, any default in payment by the Discoms of a State can be recovered directly from the account of respective State Governments with RBI. The TPAs are valid upto 31.10.2016. Most of the States have agreed for extension of existing TPA, RBI has also given its no objection for the same. Extension of TPA is under consideration by the Ministry of Power.



5.2 Rebate Scheme for realization of dues:

In order to encourage early and full realization of dues, your Company has revamped 'Rebate Scheme' for the year 2016-17. In the Scheme for 2016-17, 2% rebate shall be allowed for amounts credited to the account of Company for any advance payment and payments made till 8th day of the billing month. From 9th day of the billing month till 30th day of the month next to billing month, rebate on amounts credited to the account of the Company shall gradually reduce from 1.95% to 0% on 31st of the month next to the billing month. An additional rebate of 0.1% of the monthly billing would be allowed in all months where a customer maintains monthly LCs.

5.3 Commercial Capacity:

The following units were declared commercial during the year 2015-16, adding 1,960 MW to commercial capacity of your Company:

Project/ Unit	Capacity (MW)	COD*
NTPC Units- Coal Based (I)		
Vindhyachal –V, Unit# 13	500	30.10.2015
Barh-II, Unit#5	660	18.02.2016
Total (I)	**1,160**	
NTPC Units – Hydro (II)		
Koldam, Unit#1 to 4	800	18.07.2015
Total (II)	**800**	
Total Capacity declared commercial during 2015-16(I)+(II)	**1,960**	

* COD- Commercial Operation Date

In 2016-17, 250 MW of Bongaigaon Unit#1 and 200 MW Anantpur Solar Power Plant have been declared commercial making commercial capacity of Company as on 30.06.2016 as 45,878 MW (including JVs and Subsidiaries) as under:

Owned by NTPC	MW
Coal based projects	34,425
Gas based projects	4,017
Renewable Energy Projects	310
Hydro Projects	800
Sub-total	**39,552**
Joint Ventures & Subsidiaries	
Coal based projects	4,359
Gas based projects	1,967
Sub-total	**6,326**
Total	**45,878**

5.4 Tariff Related Matters:

In FY 2015-16, your Company has been able to reduce Energy Charge Rate significantly through various measures such as reduced consumption of imported coal, rationalization of coal transportation across its various stations.

Tariff petitions with Central Electricity Regulatory Commission (CERC) have been filed for all the operating stations for determination of tariff for the period from 01.04.2014 to 31.03.2019. Hearing on these petitions had started and orders will be issued after completion of hearings.

5.5 Power Purchase Agreements:

Your Company has signed Power Purchase Agreements for Telangana (Phase-I 1600 MW), Patratu (JV with Jharkhand State Electricity Board – 2725 MW) and Solar Capacity of 760 MW (comprising Anantpur -250 MW, Mandsaur- 250 MW and Bhadla – 260 MW).

5.6 Strengthening Customer Relationship:

Customer Relationship Management (CRM) initiative has been taken by your company towards strengthening relationship with the customers. This is also reflected in the Core Values of your Company (BE COMMITTED) which emphasizes 'Customer Focus' as one of the core values of Company.

Under CRM, your Company has designed and executed several structured activities with the objective of sharing of experiences and best practices with the customers, capturing the feedback and expectations. Based on the feedback received from the customers, the Company provides various support services to them and identifies potential areas of cooperation and sharing of others' best practices. During the year 2015-16, 62 such services were provided to the customers.

Your Company offers training programs to the representatives of beneficiary companies at Power Management Institute (PMI) on free of cost basis. During the year 2015-16, 124 participants from various customer organizations attended training in 73 programs conducted by PMI.

Besides above, your Company has put in place a Customer Satisfaction Index (CSI) Survey for gathering customers' feedback and responding to their requirements. The CSI survey was revamped in 2015-16 to include feedbacks of the Grid Operators with the objective of understanding the view points of grid operators also. This modified Customer and Grid Operator Satisfaction Index Survey has been conducted in 2015-16.

As a part of UDAY Scheme, your Company is helping state generating companies to improve their operational efficiency and reduce the cost of generation. With this objective, two workshops were conducted by your Company with representatives of the Gencos of various states.

5.7 Power Trading in Power Exchange:

Your Company has commenced trading of the Un-requisitioned Surplus (URS) Power in the Power Exchange through its trading arm NVVN from June 2016. As per the amended Tariff Policy, gains from these transactions will be shared in the ratio of 50:50 with the beneficiaries whose URS is sold.

6. INSTALLED CAPACITY

During the year 2015-16, your Company added 2,255 MW to its installed capacity as per details given below:

Project/ Unit installed	Capacity (MW)
NTPC owned	
Coal Based Power Projects	
Vindhyachal –V, Unit#13	500
Bongaigaon, Unit#1	250
Mouda-II, Unit#3	660
Hydro Power Projects	
Koldam Hydro, Unit#3 and 4	400
Total NTPC owned	**1,810**
Under JVs & Subsidiaries (Coal Based Power Projects)	
Kanti (subsidiary of NTPC in JV with BSPGCL), Unit#4	195
BRBCL (subsidiary of NTPC in JV with Ministry of Railways)	250
Total by JV & Subsidiaries	**445**
Total Addition during FY 2015-16	**2,255**



With above capacity addition during 2015-16, capacity added in the first four years of 12th Plan Period has reached 9,550 MW against the target of 11,920 MW for 12th Plan Period (as per CEA).

The total installed capacity of the NTPC Group as on 31.03.2016 has become 46,653 MW (44,398 MW as on 31.03.2015) as tabulated below:

Owned by NTPC	MW
Coal based projects	35,085
Gas based projects	4,017
Renewable Energy Projects	110
Hydro Projects	800
Sub-total	**40,012**
Joint Ventures & Subsidiaries	
Coal based projects	4,674
Gas based projects	1,967
Sub-total	**6,641**
Total	**46,653**

With the commissioning of Anantpur Solar PV unit of 250 MW and addition of Patratu Thermal Power Plant of 325 MW after 31.03.2016, capacity of your Company has become 47,228 MW as on 31.07.2016.

7. CAPACITY ADDITION PROGRAM

Your Company has adopted a multi-pronged growth strategy which includes capacity addition through green field projects, brown field expansions, expansion through joint ventures and acquisitions, towards its journey to achieve its vision to become world's largest and best power producer powering India's Growth.

In addition to furthering capacity addition through Coal based power projects, your Company has been pursuing enhancement of its power generation portfolio through Hydro and Renewable Energy projects.

7.1 Projects under Implementation

Your Company's various projects having aggregate capacity of 24,009 MW including 4,050 MW being undertaken by Joint Venture and subsidiary companies are under implementation at 23 locations across length and breadth of the country as on 31.03.2016. This includes 22,430 MW through coal based projects, 1,579 MW through renewable energy projects, comprising 811 MW through hydro capacity, 8 MW small hydro project and 760 MW of solar power PV projects. The details of such projects are as under:

Ongoing Projects as on 31.03.2016	
	Capacity (MW)
I. NTPC owned:	
A. Coal Based Projects	
1. Bongaigaon, Assam	500
2. Barh-I, Bihar	1,980
3. Lara-I, Chattisgarh	1,600
4. North Karanpura, Jharkhand	1,980
5. Kudgi-I, Karnataka	2,400
6. Gadarwara-I, Madhya Pradesh	1,600
7. Mouda-II, Maharashtra	660
8. Solapur, Maharashtra	1,320
9. Darlipalli, Odisha	1,600
10. Unchahar-IV, Uttar Pradesh	500
11. Tanda-II, Uttar Pradesh	1,320
12. Khargone, Madhya Pradesh	1,320
13. Telangana Phase-I, Telangana	1,600
Sub Total (A)	**18,380**
B. Hydro Electric Power Projects (HEPP)	
14. TapovanVishnugad, Uttarakhand	520
15. LataTapovan, Uttarakhand@	171
16. Rammam Hydro, West Bengal	120
17. Singrauli CW Discharge, Uttar Pradesh	8
Sub Total (B)	**819**
C. Solar Power Projects	
18. Anantpur Solar PV, Andhra Pradesh*	250
19. Mandsaur, Madhya Pradesh	250
20. Bhadla, Rajasthan	260
Sub Total I	**760**
Total I (A)+(B)+(C)	**19,959**
II Projects under JVs & Subsidiaries	
Coal Based Projects	
21. Nabinagar- JV with Railways, Bihar	750
22. Nabinagar, JV with BSPGCL, Bihar	1,980
23. Meja, JV with UPRVUNL, Uttar Pradesh	1,320
Total II	**4,050**
III Total On-Going Projects as on 31.03.2016 (I)+(II)	**24,009**

*Subsequently, 200 MW unit of Anantpur Solar has been commissioned on 01.04.2016 and 50 MW on 29.07.2016.

In addition, 250 MW of Rourkela Project by NSPCL had been awarded on 11.05.2016.

As on 31.07.2016, projects under construction (including JVs and subsidiaries) are 24,009 MW.

@Work of Lata Tapovan HEPP stopped since 08.05.2014 as per orders of the Supreme Court.

7.2 New Projects

Your Company has awarded Telangana, Phase-I (2X800 MW), Thermal Power Project, Mandsaur (250 MW) and Bhadla (260 MW) Solar Projects during the Financial Year 2015-16.

As on 30.06.2016, your Company has projects for 6,640 MW thermal capacity and 768 MW renewable capacity under bidding.

7.3 New Technology & Initiatives

Your company has laid major stress on efficient utilization

of resources and use of technological advancements for improving energy efficiency.

With emphasis on efficiency of electricity generation, your Company has adopted ultra super critical technology by improving the steam parameters for North Karanpura (3X660MW) to 260 kg/ cm^2, 593°C/ 593°C. For Khargone (2X660MW) and Telangana (2X800 MW) steam parameter are 270 kg/ cm^2, 600°C/ 600°C. Plant efficiency of these units is expected to increase by around 8% over that of a conventional sub-critical 500 MW unit and 3% over conventional super critical units using similar coal.

Development of Advance Ultra Super Critical technology:

Your Company has entered into an MOU with BHEL and Indira Gandhi Centre for Atomic Research (IGCAR) for indigenous development of advanced ultra super critical technology. This will have enhanced efficiency of around 46% and about 18% less CO^2 emission per unit of power generation as compared to 500 MW sub-critical thermal power units. The program is targeted to deliver a plant having 800 MW unit with steam parameters of 310 kg/sq cm, 710°C/720°C. Approval of Phase-I (R&D phase) of the project is under consideration of Government of India.

Environment Protection:

Your Company as pioneer in Environment monitoring has already installed Ambient Air Quality Monitoring Stations (AAQMS) employing No_x, So_x, CO, SPM & RSPM analysers in 20 operating stations in 2009-10 and data is made available to CPCB. Similarly, Continuous Emission Monitoring System (CEMS) employing No_x, So_x, CO & CO_2 analysers at stack for flue gas have been installed recently in various operating stations. Your company has recently introduced analysers for Mercury monitoring for both AAQMS and CEMS.

7.3.1 Energy Conservation, Technology Absorption

Details of conservation of energy and technology absorption in accordance with section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 forms part of this report as Annex-III.

7.4 Project Management

Your Company has established state-of-the-art IT enabled Project Monitoring Centre (PMC) for facilitating fast track project implementation. PMC has advanced features like Web-based Milestone Monitoring System (Webmiles), Project Review and Internal Monitoring System (PRIMS), etc. PMC facilitates monitoring of key project milestones and also acts as decision support system for the management.

PMC is an integrated enterprise-wide collaborative system to facilitate consolidation of project related issues and their resolution. Features like SMS based information delivery; real time video capture, storage and retrieval facility and video conference facility are extensively utilized for project tracking, issues resolutions and management interventions. PMC has helped in providing effective coordination between the agencies and has provided enhanced/ efficient monitoring of the projects leading to better and faster project implementation.

7.5 Capacity addition through Subsidiaries and Joint Ventures (JVs)

Besides adding capacities on its own, your Company develops power projects through its subsidiaries and joint ventures, both in India and abroad.

The information of Indian Subsidiaries and JV Companies along with details of partners of joint ventures engaged in power generation is given below:

Name of Company	JVPartner (s)	Details
KBUNL (Kanti Bijlee Utpadan Nigam Ltd.)	Bihar State Power Generation Company Limited (erstwhile BSEB)	A subsidiary Company in which NTPC holds 65% shares in joint venture with BSPGCL (erstwhile BSEB), took over Muzaffarpur Thermal Power Station having 2 units of 110 MW each from BSEB. Both the units of Stage-I have been declared on commercial operation. Total generation in FY 2015-16 was 778.96 MU at 40.31 % PLF. The Company has also taken up expansion of the project by 2X195 MW units. Unit#3 of Stage-II was commissioned on 31.03.2015 and Unit#4 of Stage-II on 24.03.2016.
BRBCL (Bhartiya Rail Bijlee Company Ltd.)	Ministry of Railways	A subsidiary of NTPC in joint venture with Ministry of Railways with equity contribution in the ratio of 74:26 respectively for setting up power project of 1000 MW (4X250 MW) capacity at Nabinagar in Bihar. Unit#1 of 250 MW was commissioned on 20.03.2016. Construction activities in other units are in progress.
NSPCL (NTPC-SAIL Power Co. Pvt. Ltd.)	Steel Authority of India Ltd. (SAIL)	A 50:50 Joint Venture Company between NTPC and SAIL, owns and operates captive power plants for SAIL at Durgapur (120 MW), Rourkela (120 MW) & Bhilai (74 MW) and Bhilai PP-III (2X250 MW), which is supplying power to SAIL, Chhattisgarh, DNH and D&D. Its present installed capacity is 814 MW. Captive power plants (314 MW) recorded generation of 2359.40 MUs at 85.54 % PLF in FY 2015-16. Bhilai (2 x 250 MW) recorded a Generation of 3549.64 MUs at 80.82 % PLF in FY 2015-16. New Coal based Capacity Addition by NSPCL is presently being pursued at the following locations i.e. Rourkela PP-II Expansion (1 x 250 MW) under construction, Durgapur PP-III (2 x 20 MW), Bhilai PP-III, Stage-II (1 x 250 MW/2 x 250 MW) under bidding. Solar Power Plants of 200 MW capacity at various plant locations of SAIL is also being pursued. Solar Power Plant of 50 MW capacity is being implemented in the first phase. NSPCL has paid dividend of ₹ 60 Cr. to NTPC in FY 2015-16



Name of Company	JVPartner (s)	Details
NTECL (NTPC Tamil Nadu Energy Co. Ltd.)	Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) (erstwhile TNEB)	A 50:50 JVC has commissioned (3x500 MW) coal based power project at Vallur, Tamilnadu. All the units have been declared on commercial operation. Total generation of NTECL during FY 2015-16 was 7711.776 MUs at 58.53% PLF.
APCPL (Aravali Power Company Pvt. Ltd.)	Indraprastha Power Generation Co Ltd. (IPGCL) and Haryana Power Generation Co Ltd. (HPGCL).	This JVC is operating (3X500 MW) coal based Indira Gandhi Super Thermal Power Project. NTPC, IPGCL and HPGCL have contributed equity in the ratio of 50:25:25. Total generation of APCPL during FY 2015-16 was 5798.185 MUs at 44.01% PLF. APCPL has paid divident of ₹63.48 crore to NTPC in FY 2015-16
MUNPL (Meja Urja Nigam Pvt. Ltd.)	Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (UPRVUNL)	A 50:50 JVC is implementing 1,320 MW (2X660 MW) coal based power project in the state of Uttar Pradesh. Construction activities are in progress.
NPGCL (Nabinagar Power Generating Company Pvt.Ltd.)	Bihar State Power Generation Company Limited (erstwhile BSEB)	A 50:50 JVC is setting up a (3x660 MW) Coal based plant at Nabinagar.Construction activities are in progress.
RGPPL (Ratnagiri Gas and Power Pvt. Ltd.)	GAIL, ICICI Bank, SBI, IDBI, Canara Bank and MSEB Holding Co. Ltd.	NTPC has a stake of 25.51%. Total 19 LNG Cargos were unloaded during FY 2015-16. PPAs have been signed by RGPPL with Central Railways (250 MW in the State of Maharashtra), West Central Railways (200 MW in the State of Madhya Pradesh), Western Railways (90 MW in the State of Gujarat) and South Eastern Railways (80 MW in the State of Jharkhand) based on allocation of 620 MW of RGPPL Power to Railways. RGPPL started generation of 250-270 MW (gross) on 26.11.2015 under PSDF scheme of GoI and supplied to Railways in the state of Maharashtra. Power flow to other divisions of Railways started w.e.f 09.01.2016 in Gujarat, w.e.f 17.01.2016 in Jharkhand and w.e.f 22.01.2016 in MP. With this, RGPPL started supplying around 500 MW power to Railways w.e.f 22.01.2016. Maharashtra and Gujarat have issued notification for waiver of STU transmission charges and losses. Notification by Jharkhand and Madhya Pradesh is awaited. RGPPL Board had approved the proposal for demerger of power & LNG Blocks into separate Companies.
ASHVINI (Anushakti Vidhyut Nigam Ltd.)	Nuclear Power Corporation of India Ltd. (NPCIL)	NTPC is having a stake of 49%. The company was formed for setting up nuclear power project(s). Department of Atomic Energy has permitted joint venture of two CPSEs to set up Nuclear Power Project, due to change in definition of Government Company under Atomic Energy (Amendment) Act, 2015.
PVUNL (Patratu Vidyut Utpadan Nigam Limited)	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	PVUNL has been incorporated on 15.10.2015 as a subsidiary of NTPC with 74% stake in the Company and 26% of stake held by JBVNL to acquire, establish, operate, maintain, revive, refurbish, renovate and modernize the performing existing units and further expand capacity of Patratu Thermal Power Station, District Ramgarh, Jharkhand in two phases i.e. Phase-I (3X800 MW) and Phase –II (2X800MW). Government of Jharkhand has issued the Notification dated 01.04.2016 for transfer of assets of Patratu Thermal Power Station to Patratu Vidyut Utpadan Nigam Limited.
Pan-Asian (Pan-Asian Renewables Private Limited)	Asian Development Bank and Kyuden International Cooperation	Pan-Asian was incorporated to develop projects portfolio of about 500 MW of renewable power generation resources in India. As it could not find third investor in spite of great efforts, as such the company is under voluntary winding up.



7.6 Hydro Power

Your Company now has its footprints in renewable energy by developing hydro projects as detailed below:

A. **Koldam HEPP (4x200 MW)** is on the river Satluj at Barmana, District Bilaspur (Himachal Pradesh). All the four units of 200 MW each have been declared commercially operational on 18.07.2015. Since then the project is running successfully.

B. **Tapovan Vishnugad HEPP (4x130 MW)** is on River Dhauliganga, District Chamoli (Uttarakhand). Project is under construction with approximately 70% work completed. After completion of 7.65 km out of 12.08 km of Head Race Tunnel (HRT), the contract was terminated on 09.01.2014. Award of balance works of HRT placed on 09.03.2016. Construction of Barrage, Switchyard and Electro-Mechanical & Hydro-Mechanical works are in progress.

C. **Lata Tapovan HEPP (3x57 MW)** is just upstream of Tapovan-Vishnugad HEPP. The work was stopped by Hon'ble Supreme Court through order dated 07.05.2014 for 24 Hydro Projects in the State of Uttarakhand including Lata-Tapovan. The MOEF&CC constituted an expert body, which submitted its report on 19.10.2015 and MOEF submitted the same in court on 05.11.2015, where Lata Tapovan had been recommended for implementation with compliance of certain additional conditions. Your Company submitted in Court on 19.11.2015 that the conditions recommended by expert body shall be strictly complied. On the hearing held on 26.04.2016, Additional Solicitor General of India represented MOEF and informed the Court that Lata – Tapovan Project must be implemented. The matter is still to be decided by the Supreme Court.

For National Board of Wild Life (NBWL) Clearance for Tapovan- Vishnugad and Lata Tapovan HEPPs, the proposal regarding redefining of Eco Sensitive Zone was discussed in Uttarakhand State Cabinet Meeting and shall be forwarded for MOEF&CC, GOI for its approval.

D. **Rammam-III HEPP (3x40MW)** This project is situated on river Rammam in Teesta Basin, Darjeeling (West Bengal). Civil works of Barrage, Power House, HRT& S/Y are in progress. The river has been diverted through a diversion channel and the work in the river bed has been started for construction of Barrage.

7.7 Capacity Addition through Renewable Energy Sources

Your Company is adding capacity through renewable sources of energy, to broad-base its generation mix to ensure long term competitiveness, mitigation of fuel risks and promotion of sustainable power development.

7.7.1 Under Green Energy Commitment:

Your Company has committed to develop 10 GW of Renewable Energy Projects under green Energy Commitment to Govt. of India.

Your Company has already commissioned 310 MW of solar projects as on 30th June 2016. 560 MW Solar Power Projects are under execution which includes Mandsaur Solar (250 MW), Bhadla Solar (260 MW) and Anantpur Solar (50 MW).

NITs have been issued for 1,750 MW of Solar PV projects to be set up in the states of Andhra Pradesh and Karnataka.

7.7.2 National Solar Mission:

Your Company has been entrusted to develop 15 GW Solar PV through National Solar Mission (NSM) Phase-II in three tranches between 2014-15 to 2018-19, where the Company will be the facilitator/trader between Discoms and developers. Your Company will purchase power from the developers and sell it to the Discoms. Under Tranche-I, 3000 MW of Solar PV capacity upto 2016-17 has been planned. NITs for 3,000 MW of Solar PV capacity to come up in the states of Andhra Pradesh, Rajasthan, Karnataka, Telangana and Uttar Pradesh have been issued and awards placed for 2,520 MW projects till 30th June 2016. The developers have been selected through reverse auction.

8. STRATEGIC DIVERSIFICATION- INCREASING SELF-RELIANCE

8.1 In order to strengthen its competitive advantage in power generation business, your Company has diversified its portfolio to emerge as an integrated power major, with presence across entire power value chain through backward and forward integration into areas such as coal mining, power equipment manufacturing, power trading and distribution.

Your Company continuously explores business opportunities through market scanning and adopts new business plans accordingly.

8.2 The details of subsidiary companies engaged in business other than in power generation are as under:

8.2.1 NTPC Electric Supply Company Limited (NESCL), a wholly owned subsidiary was incorporated to foray into the business of distribution and supply of electrical energy as a sequel to reforms initiated in the power sector. The Company was implementing Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY) projects on turnkey basis and undertaken turnkey execution of sub-stations for utilities and project management consultancy.

The shareholders of NESCL have transferred existing business of deposit and consultancy works under RGGVY from NESCL to NTPC on 01.04.2015.

This subsidiary had also dis-associated with the business of retail distribution of power in various industrial parks developed by Kerala Industrial Infrastructure Development Corporation (KINFRA), through its Joint Venture Company namely KINESCO Power and Utilities Private Limited, as the future prospects of the JV Company are bleak. The shares held by NESCL had been purchased by KINFRA on 17.12.2015 and thus NESCL had ceased to be the joint venture partner of KINESCO.

8.2.2 NTPC Vidyut Vyapar Nigam Limited (NVVN), a wholly owned subsidiary is involved in power trading.

During the year 2015-16, the Company transacted business with various State Electricity Boards spread all over the country and traded 12,766 MUs of electricity.

The Company is designated Nodal Agency for implementation of Jawahar Lal Nehru National Solar Mission Phase-I by purchasing and selling of grid connected bundled solar power across the country.

NVVN has also been designated as the nodal agency for cross border trading of electricity with Bhutan, Bangladesh and Nepal.

PPA was signed on 15.02.2016 between NVVN and Nepal Electricity Authority (NEA) for supply of upto 80 MW power from Feb to Jun 16 through 400 KV Muzaffarpur-Dhalkabar transmission line. Power supply to NEA started on 18th Feb 2016.

NVVN has paid dividend of ₹ 20 Crore to NTPC in FY 2015-16.



8.3 The details of other joint venture companies which are taking up activities in other business related areas are given below:

Name of Company	JV Partner	Activities Undertaken
UPL (Utility Powertech Ltd.)	Reliance Infrastructure Limited	Takes up assignments of construction, erection and supervision of business in power sector and other sectors like O&M services, Residual Life Assessment Studies, non-conventional projects etc. UPL has paid dividend of ₹ 5 Cr. to NTPC in FY 2015-16.
NASL (NTPC ALSTOM Power Services Pvt. Ltd.)	ALSTOM Power Generation, AG (ALSTOM)	Takes up renovation and modernization assignments of power plants both in India and in other SAARC countries. NASL has paid dividend of ₹ 0.6 Cr. To NTPC in FY 2015-16. R&M including RLA work orders are under execution. Bids have also been submitted for other work orders. Due to acquisition of thermal power business of Alstom by GE, NTPC's consent & waiver on certain clauses of Shareholder's Agreement are required. Matter is under discussion with GE.
EESL (Energy Efficiency Services Ltd.)	PFC, PGCIL and REC	The Company was formed for implementation of Energy Efficiency projects and to promote energy conservation and climate change. The Company is working on Energy Audit of Buildings Perform Achieve Trade (PAT) Scheme work and standard & labeling work of BEE, consultancy work, implementing Bachat and agricultural & municipal pump replacement for various State Govts. The Company has paid dividend of ₹ 67.95 lacs for 2014-15 to your Company.
NHPTL (National High Power Test Laboratory Pvt. Ltd.)	NHPC, PGCIL, DVC and CPRI	The Company is setting up High Voltage Transformer (HVTR) Lab and Medium Voltage Transformer (MVTR) Lab at Bina, M.P. for short circuit testing of Transformers upto 765 kV. Installation of 100KV isolator Matrix structure in MVTR is in progress.
NPEX (National Power Exchange Ltd.)	NHPC, PFC TCS, BSE, IFCI, Meenakshi, DPSC	The Company was formed to facilitate, promote, assist, regulate and manage nationwide trading of all forms of electrical energy and also to settle trades in a transparent fair and open manner. In view of the change in market scenario and the fact that NTPC's objective of joining NPEX has not been met till date, the Company is being voluntary wound up.
NBPPL (NTPC-BHEL Power Projects Pvt. Limited)	Bharat Heavy Electricals Limited	The Company was incorporated for taking up activities of engineering, procurement and construction (EPC) of power plants and manufacturing of equipments. The Company has developed manufacturing facility at Mannvaram.
(BF-NTPC) BF-NTPC Energy Systems Limited	Bharat Forge Limited	This Company was incorporated to manufacture castings, forgings, fittings and high pressure piping required for power projects and other industries. However, since the project could not take off, it has been decided to wind up BF-NTPC. The proposal is awaiting clearance from Ministry of Power.
TELK (Transformers and Electricals Kerala Limited)	Acquisition of 44.6% stake in TELK from Government of Kerala on June 19, 2009	The Company deals in manufacturing and repair of Power Transformers.
ICVL (International Coal Ventures Private Limited)	CIL, SAIL, RINL, NMDC	ICVL was formed for acquisition of stake in coal mines/ blocks/ companies overseas for securing coking and thermal coal supplies. In view of lack of suitable commercially viable opportunities for thermal coal, NTPC has decided to exit from ICVL. As the Company was formed by a directive from the Government of India, approval of the Government is awaited for exit by NTPC.

Name of Company	JV Partner	Activities Undertaken
NTPC-SCCL (NTPC SCCL Global Ventures Private Limited)	The Singareni Collieries Company Limited	NTPC-SCCL was formed for acquisition/ development of mines, beneficiation processing, O&M of coal/ lignite blocks and selling of coal/ lignite produced thereof. As the Company could not attain its objectives, it is under voluntary winding up.
HURL (Hindustan Urvarak & Rasayan Limited)	Coal India Limited (CIL)	HURL was incorporated on 15.06.2016 with Coal India Limited in which each NTPC and CIL shall hold 50% in the equity of the Company. It has been formed for taking up revival of fertilizer plants of Fertilizer Corporation of India Limited at Sindri, Jharkhand and Gorakhpur, Uttar Pradesh by setting up ammonia urea plant at each location.

9. GLOBALISATION INITIATIVES

9.1 **Trincomalee Power Company Limited (TPCL),** a 50:50 joint venture between your Company and Ceylon Electricity Board was formed to undertake the development, construction, establishment, operation and maintenance of a coal based electricity generating station of (2X250 MW) capacity at Trincomalee at Sri Lanka. EIA clearance was granted by Central Environmental Authority (CEA) on 02.02.2016 with some specific conditions. However, Secretary, Ministry of Power & Renewable Energy, Govt. of Sri Lanka (GoSL) has requested Secretary (Power), GoI, to form a Joint Working Group to explore the possibility of changing fuel source of Power Project from Coal to LNG.

9.2 **Bangladesh-India Friendship Power Company Private Limited,** a 50:50 joint venture Company between NTPC and Bangladesh Power Development Board (BPDB) was formed for developing a (2X660 MW) Coal based power project (Maitree Super Thermal Power Plant) at Khulna Division, Rampal, Bangladesh. EPC contract of the project except township had been awarded to BHEL. Other activities are also in progress. An MoU has been signed with Bangladesh Shipping Corporation (BSC) on 24.01.2016 to explore the possibility of BSC taking up part/full coal logistics for the Project.

10. CONSULTANCY SERVICES

Consultancy Wing of your Company offers services like Engineering, Operation & Maintenance Management, Project Management, Contracts & Procurement Management, Quality Management, Training & Development etc.

These services have been provided in international markets in Gulf countries, Bangladesh, Nepal, Sri Lanka and Bhutan.

On international front, Consultancy Wing has been associated with Trincomalee Power Company Ltd. As Owners' Engineer for setting up their (2x250 MW) Coal Based Power Project. It is also providing O&M Management Services to (2X120 MW) Siddhirganj Peaking Power Plant of Electricity Generation Company of Bangladesh under a World Bank funded contract.

On the domestic front, Consultancy Wing has been effectively sharing its expertise with State, Central PSUs and other clients. This includes Owners Engineer Services to The Singareni Collieries Company Limited for their coal based power project in Adilabad district, Telangana and Project Monitoring Services to MPPGCL for (2x600MW) Shree Singaji TPP & (2x250MW) Satpura TPP by deputing NTPC experts at site.

11. FINANCING OF NEW PROJECTS

The capacity addition programs shall be financed with a debt to equity ratio of 70:30, in case of thermal and hydro projects and that of 80:20 in case of solar projects. Your directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new projects. Given its low geared capital structure and strong credit ratings, your Company is well positioned to raise the required borrowings.

Your Company is exploring domestic as well as international borrowing options including overseas development assistance provided by bilateral agencies to mobilize the debt required for the planned capacity expansion program.

The details of funding are discussed in the Management and Discussion Analysis Report which forms part of this Report.

12. FIXED DEPOSITS

Your Company has discontinued the acceptance of fresh deposits and renewals of deposits under Public Deposit Scheme with effect from 11.05.2013. As such, there were no deposits which were not in compliance with the requirements of Chapter-V of the Companies Act, 2013

The details relating to deposits, as per the Companies Act, 2013 is as under:

(a)	Accepted during the year	Nil
(b)	Remained unpaid or unclaimed as at the end of the year	6 Deposits amounting to ₹ 15.91 lakh*
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	
(i)	At the beginning of the year	Nil
(ii)	Maximum during the year	Nil
(iii)	At the end of the year	Nil

* Pending for completion of legal formalities/ restraint orders/ non-receipt of claims.

13. FUEL SECURITY

13.1 During the year, the supply position of coal and gas is given as under:

13.1.1 Coal Supplies

Your Company has entered into long term Fuel Supply Agreement with Coal India Limited (CIL) and The Singreni Collieries Company Limited (SCCL) for total Annual Contracted Quantity (ACQ) of 152.978 MMT & 11.2 MMT respectively. The total ACQ of 164.2 MMT of coal from CIL & SCCL is signed for 33,515 MW units already commissioned/ to be commissioned.



The Company also had a short-term Memorandum of Understanding (MOU) with SCCL for supply of 3.5MMT of coal for Ramagundam, Simhadri and Kudgi (start-up coal) stations for supply till March 2016. Short-term MOU for one year had been signed with Eastern Coalfields Limited (ECL) for supply of 5.5 MMT of coal. Another short term MOU signed with Northern Coalfields Limited (NCL) in 2014-15, was extended till 31.03.2016, for supply of balance 2.0 MMT of coal to enhance coal supply to non NCL linked stations as per requirement. The coal supplies for 2016-17 is tied up mainly through FSA and supplemental through MOU/ e-auction alongwith balance quantity or imported coal of last year.

During the year under review, your Company had made coal tie-up for Barh Stage-II (2X660MW) units through MOU with CCL and ECL for 6.66 MTPA of coal at notified price, which helped stations to eliminate usage of costly coal thereby bringing down the cost of generation. Your Company was also allocated bridge linkages by Special SLC (LT) for Barethi (4X660MW), Barh –II (2X660MW), Darlipalli (2X800MW), Tanda –II (2X660MW), Lara –I (2X800MW), Kudgi –I (3X800MW) and Bilhaur (2X660MW) projects. Your Company was issued Letter of Assurance for tapering coal linkage for Telangana Phase-I (2X800MW) by WCL.

13.1.2 Domestic Coal and Imported Coal

During 2015-16, your Company received 161.8 MMT of coal as against 167.4 MMT in 2014-15 marking a decrease of 3.3%.

Total domestic coal supply during 2015-16 was 152.3 MMT as against 151.1 MMT during 2014-15. Out of 152.3 MMT of coal, 145.2 MMT was from Annual Contracted Quantity of coal.

The total coal supply from CIL was 138.5 MMT and from SCCL was 13.8 MMT.6.3 MMT of coal was procured through MOU during 2015-16.

During 2015-16, your Company imported 9.7 MMT (including SWAP) of coal as against 16.4 MMT in 2014-15.Sipat station received 0.53 MMT of domestic coal against swapping of imported coal with GSECL.

During the year under review, approx. 57.2% of coal (domestic and international) was transported through merry-go-round (MGR) system of your Company.

13.1.3 Sourcing of coal through E-auction

Your Company participated in one e-auction for Vindhyachal, Stage-V in the year 2015-16 and approx. 1.88 LMT of coal had been allocated. Total coal received through e-auction was 0.29 MMT during 2015-16 as compared to 0.94 MMT during 2014-15.

13.1.4 Supply through Inland Waterways

During 2015-16, about 0.716 MMT imported coal has been supplied through inland waterways to Farakka station under a Tripartite Agreement with IWAI and service provider.

13.1.5 Rationalisation of Linkage

With the initiatives of Ministry of Power and Ministry of Coal, Inter-Ministerial Task Force has recommended rationalization of linkage for optimization of transportation cost and de-congestion of railway network. In this respect, your Company has rationalized the linkage of Ramagundam and Simhadri during 2015-16. For Ramagundam, amendment to FSA was signed on 21.01.2016 with SCCL for ACQ of 11.2 MMT (previous ACQ-10.2 MMT) in lieu of FSA with MCL and SECL for ACQ of 0.5MMT each for Simhadri reducing ACQ with MCL from 9.82 MMT to 8.32MMT and corresponding quantity of 1.5MMT rationalized for ECL. Estimated annual saving in transportation cost taking Ramagundam and Simhadri together is around ₹ 35.95 crore.

13.1.6 Swapping of coal with GSECL

Under swapping agreement with GSECL, Sipat station has received around 0.53 MMT of SECL coal with saving of around ₹ 50 crore on account of railway freight.

13.1.7 Commencement of third party sampling, CIMFR

In the meeting held under the Chairmanship of Hon'ble Minister of State (I/c) for Power, Coal & NRE on 28.10.2015, tripartite MOU between NTPC, CIL and CSIR-CIMFR was finalized for sampling and analysis at loading end. Member Power Utilities and CIMFR had also finalized the bilateral MOU between Power Utility and CIMFR for sampling and analysis at unloading end. These tripartite and bilateral MOUs have been signed.

Commercially binding bilateral and tri-partite agreements between NTPC, CIL and CSIR-CIMFR have been signed on 12th– 13th July 2016 based on the above mentioned MoUs to enable CIMFR to start sampling and analysis in a phased manner.

CIMFR has started sampling at the loading points at NCL (Jayant, Amlori, Dudhichua and Nigahi) supplying coal to Singrauli, Rihand and Vindhyachal; SECL (Gevra and Dipika) supplying coal to Korba and Sipat, MCL (Lingraj and Kaniha) supplying coal to Talcher-Kaniha and WCL (New Majiri) supplying coal to Mouda with their own resources and facilities from NTPC and the coal companies. For other cases, CIMFR will be taking up sampling & analysis activities in phases.

This will help your Company in reducing the cost of generation as CIMFR can ensure that the grade billed by coal companies is actually supplied to stations of the Company.

13.2 Gas supplies

During 2015-16, your Company received 5.20 MMSCMD of gas and RLNG as against 6.41 MMSCMD received during 2014-15. The gas off-take in 2015-16 included 4.92 MMSCMD of domestic gas, 0.06 MMSCMD of long-term/ spot RLNG and 0.22 MMSCMD of e-bid RLNG. Gas off-take was less due to less availability of generation schedule on RLNG from the beneficiary Discoms.

Your Company has Administered Price Mechanism (APM) gas agreements up to the year 2021 and Panna-Mukta-Tapti (PMT) gas agreements up to the year 2019 with GAIL India Limited. The agreement for non-APM gas with GAIL is valid till November, 2016 and is likely to be extended further.

Further, Government of India came out with a unique scheme of Utilisation of Gas Based Generation Capacity' wherein RLNG was allocated in reverse e-bidding with discounts/ tax waivers and with Power System Development Fund (PSDF) support from GOI. Your Company participated in Phase-II bidding under the scheme and successfully won and utilised the allocated e-bid RLNG equivalent to ~90MW in Dadri and Auraiya gas stations for the period of October 2015 to March 2016.

For additional gas requirement over and above the supplies under long-term domestic gas/ RLNG agreements, your company has been making arrangements for tie-up and supply of spot RLNG from domestic suppliers on 'Reasonable Endeavour' basis based on requirement and availability from time and time. There has been no generation loss on account of lack of availability of gas/ RLNG during the year.

13.3 Development of Coal Mining projects

Your Company had been allocated eight coal blocks, namely, Pakri-Barwadih, Chatti-Bariatu, Kerandari, Talaipalli, Dulanga, Banai, Bhalumuda and Mandakini-B by the Government of India. In addition, Government of India has also allocated Kudanali-Luburi coal block jointly to your company and J&K



State Power Development Company Limited (J&KSPDCL), with NTPC's share of coal reserves in this block being two-third. Joint Venture Agreement had been signed between NTPC and J&KSPDCL on 15.06.2015 for formation of 67:33 joint venture company for exploration, development and operation of the coal block.

Similarly, Banhardih coal block, allocated earlier to Jharkhand Urja Utpadan Nigam Limited, has now been allocated to Patratu Vidyut Utpadan Nigam Limited, a subsidiary company incorporated between NTPC and Government of Jharkhand.

With about 7 billion metric tonnes of geological reserves estimated from our own eight coal blocks, altogether your Company expects to produce about 107 Million Metric Tonnes of coal per annum.

In Pakri-Barwadih mining operations have commenced from the western quarry with effect from 17.05.2016. Mining operation is also expected to start from the eastern quarry of this block shortly, after MOEF&CC issues the amendment to the environment clearance. For coal transportation from Pakri-Barwadih, Bandag-Hazaribagh' Railway siding, funded by NTPC, is now operational with commencement of coal transportation from CCL's Amarpali block to Barh Power Station of company.

Your Company has progressed well in other coal blocks too. Subsequent to the issuance of Allotment orders by Ministry of Coal, Government of India, forest clearance for Dulanga Coal Block has been accorded by MOEF&CC on 23.12.2015. NITs have been published for appointment of Mine Developer-cum –Operator (MDO) for Talaipalli, Dulanga and Chatti-Bariatu coal blocks and techno-commercial bids have been received.

After completion of detailed exploration in Banai coal block, Geological Report (GR) has been received from CMPDIL on 13.04.2016 and is now under approval at Ministry of Coal. For Bhalumuda coal block, detailed exploration has been completed and draft GR is under finalization by CMPDIL. For Mandakini-B coal block, Company has awarded a contract to CMPDIL for carrying out detailed exploration and for preparation of GR and drilling activities have commenced.

Your company has initiated the process for acquisition of mining area land in these three new blocks i.e. Banai, Bhalumuda and Mandakini-B.

The joint venture company, namely, CIL NTPC Urja Private Limited, formed with Coal India Limited, is exploring development and operation of washery reject-based FBC power plants near upcoming/ existing coal washery of Coal India Limited.

13.4 Exploration Activities

In Cambay exploration block (CB-ONN-2009/5), held by your Company, as operator with 100% participating interest, drilling of all seven exploratory wells have been completed and testing of wells is in progress.

In the KG basin exploration block viz. KG-OSN-2009/4 where ONGC is the operator and NTPC has 10% stake, the exploration activities are in progress and ONGC has submitted a proposal to the Government of India for reduction in minimum work programme as the permitted area of the block for exploration has been reduced because of non-grant of defence clearance.

The other KG basin exploration block viz. KG-OSN-2009/1 and the Andaman basin exploration block viz. AN-DWN-2009/13, where ONGC was the operator and NTPC had 10% stake, had been relinquished to Government of India as per the advice from Operator (ONGC).

14. BUSINESS EXCELLENCE: GLOBAL BENCHMARKING

To achieve higher levels of excellence, your company has developed and adopted its own 'Business Excellence Model' on the lines of globally reputed Excellence Models such as Malcom Baldrige Model, USA and EFQM Model of Europe.

This model has been deployed at our Business Units (Stations) and your Company carries out assessment of generating stations using this framework of excellence.

The assessment process is aimed at identifying the areas for enhancing stakeholders' engagement, accelerating critical processes and developing leadership potential.

The outcome of this model is identification of organizational strengths, opportunities for improvement, issues of concern and best practices.

In the financial year 2015-16, the 6th cycle of assessment was completed in which 21 generating stations were assessed by a team of certified and proficient assessors. Business Excellence Awards for Best Performance to Ramagundam and motivational awards to Sipat and Talcher-Kaniha stations were presented by the Union Minister of Power, GOI, in the Indian Power Stations Conference- 2016 held at New Delhi.

Contemporary quality initiatives and techniques like Quality Circles, Professional Circles, 5S, integrated management system (IMS) etc have been deployed across the organization for continuous improvement. Our Quality Circle teams of workmen have been consistently representing your Company at national and international Quality Circle conventions and bringing many laurels. In the year 2015-16, Aqua Quality Circle from Rihand station represented your Company in the International Convention of Quality Control Circle (ICQCC-2015) held at Changwon, South Korea.

15. RENOVATION & MODERNISATION

In the present scenario of severe resource constraint, Renovation and Modernization (R&M) of power plants is considered to be a cost-effective option which can complement new capacity addition as R&M schemes have a shorter gestation period with all clearances, land, water, fuel and beneficiaries available. To this end, R&M is being carried out for the purpose of life extension of units, performance improvements, availability and reliability improvement and improved environment compliance. It ensures safe, reliable and economic electricity production by replacement of worn-out, deteriorated or obsolete electrical, mechanical, instrumentation, controls and protection system by state-of-the-art equipment.

Keeping in view the ageing of the fleet over the years, investment approval accorded till date for R&M in 19 stations (Coal & Gas based) is ₹11,148.80 crore. As against this, cumulative expenditure till 31.03.2016 is ₹ 6,794.36 crore. Out of this, R&M capital expenditure in the financial year 2015-16 was ₹ 924.37 crore

With a view to removing technological obsolescence, renovation of control & instrumentation (C&I) has been taken up in 9 stations at Singrauli-I (5X200MW) & Singrauli – II (2X500 MW), Korba -I (3X200MW) & Korba – II (3X500 MW), Ramagundam -I (3X200MW) & Ramagundam – II (3X500MW), Farakka-II (2X500 MW), Dadri Thermal- I (4X210MW), Unchahar- I (2X210MW), Talcher STPS-I (2X500MW), Kahalgaon-I (4X210 MW) and Rihand – (2X500 MW). During 2015-16, C&I R&M was completed in one 500 MW unit of Singrauli, (3X200 MW) and (3X500 MW) units of Korba, two 200 MW units and three 500 MW units of Ramagundam, four units of 210 MW of Dadri Thermal, two units of 210 MW of FGUTPS, both 500 MW units of Talcher STPS, 500 MW unit of Farakka, one 210 MW unit of Kahalgaon and



one 500 MW unit of Rihand and one 500 MW unit of Talcher STPS. On completion of these schemes, C&I systems in these stations have now been brought nearly on par with the new builds.

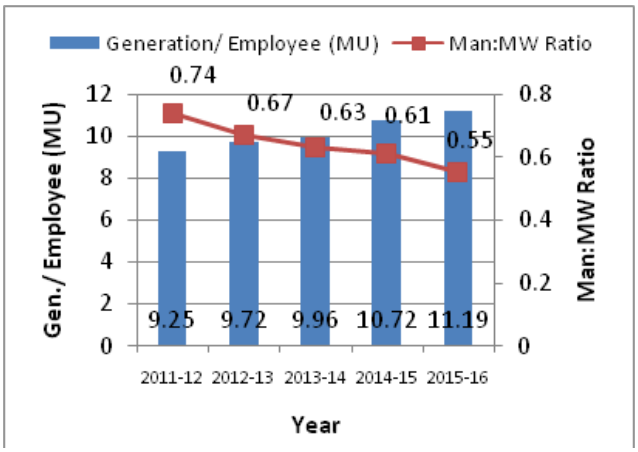
Owing to very high operating temperatures, R&M of Gas Turbines including their Control & Instrumentation is essential after around 15 years of life. By 31.03.2016, this activity was completed in all 4 Gas Turbines (GT) each in Kawas and in Auraiya and all 3 GTs in Gandhar. R&M activity for GT, C&I, ST, WHRB in Anta, Auraiya and R&M of GT in Gandhar, R&M of C&I systems for Dadri gas is in progress.

As a responsible corporate citizen, it has always been your Company's endeavour to ensure low levels of pollution from its power stations. With a view to maintain a clean atmosphere in and around the power plant, for reducing particulate emission levels from generating stations, Renovation and Retrofitting of Electrostatic Precipitator (ESP) packages have been awarded and work is in progress in Singrauli-I & II (5X200MW+2X500MW), Farakka-I (3X200MW), Unchahar-I (2X210MW), Korba-I & II (3X200MW+3X500MW), Rihand-I (2X500MW), Vindhyachal-I & II (6X210MW+2X500MW), Talcher STPS –I & II (2X500MW+4X500MW) and Talcher TPS-II (2X110MW). During 2015-16, ESP R&M of two units of 210MW and two units (2X210MW) of Badarpur, one unit each of Talcher (110MW) and Rihand (500MW) has been completed. Moving Electrode Electrostatic Precipitator (MEEP) technology is being adopted for the first time in the country in Rihand Stage-I (Unit#1) and work is in advanced stage.

To derive benefits of the latest advancements in technology, in cooperation with CEA, EEC/VGB/ Steag Germany, a study has been taken up on ESP performance improvement using CFD modeling in Unit#6 (500MW) of Ramagundam. CFD modeling is completed and are planned for implementation. In yet another initiative, under the aegis of Ministry of Power, RLA of Unit#3 of 210 MW of Dadri Thermal station was done by JCOAL and draft report has been submitted by them. This is an identified activity under the ongoing CEA-JCOAL cooperation as per India-Japan Energy Dialogue (IJED).

16. HUMAN RESOURCE MANAGEMENT

16.1 Your Company takes pride in its highly motivated and competent Human Resource that has contributed its best to bring the Company to its present heights. The productivity of employees is demonstrated by increase in generation per employee and reduction of Man-MW ratio year after year. The over-all Man-MW ratio for the year 2015-16 excluding JV/subsidiary capacity is 0.55 and 0.51 including capacity of JV/ Subsidiaries. Generation per employee was 11.19 MUs during the year based on generation of NTPC stations.



The total employee strength of the company (including JV/ subsidiary) stood at 23,133 as on 31.3.2016 against 24,067 as on 31.3.2015.

	FY 2015-16	FY 2014-15
NTPC		
Number of employees	21,633	22,496
Subsidiaries & Joint Ventures		
Employees of NTPC in Subsidiaries & Joint Ventures	1,500	1,571
Total employees	**23,133**	**24,067**

The attrition rate of the NTPC executives (including Executive Trainees and those posted in Subsidiaries and JVs) during the year was 1.05%.

16.2 Employee Relations

Employees are the driving force behind the sustained stellar performance of your company over all these years of company's ascendancy. As a commitment towards your Company's core values, Employees' Participation in Management was made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success. Communication meetings with unions and associations, workshop on production and productivity, etc were conducted at projects, regions and corporate level during the year.

Both, employees and management complemented each other's efforts in furthering the interest of your company as well as its stakeholders, signifying and highlighting over-all harmony and cordial employee relations prevalent in your Company.

16.3 Safety and Security

Occupational Health and safety at workplace is one of the prime concerns of Company Management and utmost importance is given to provide safe working environment and to inculcate safety awareness among the employees. Your company has a 3-tier structure for Occupational Health and Safety management, namely at Stations/ Projects, at Regional Head Quarters and at Corporate Centre. Safety issues are discussed in the highest forum of management like Risk Management Committee (RMC), Management Committee Meeting (MCM), ORTs, PRTs etc.

All of your Company's stations are certified with OHSAS-18001/IS-18001. Regular plant inspection and review with Head of Project/Station is being done. Internal safety audits by safety officers every year and external safety audits by reputed organizations as per statutory requirement are carried out for each Project/Station. Recommendations of auditors are regularly reviewed and complied with.

Height permit and height check list are implemented to ensure safety of workers while working at height. Adequate numbers of qualified safety officers are posted at all units as per statutory rules/provisions to look after safety of men & materials. For strict compliance & enforcement of safety norms and practices by the contractors, safety clauses are included in General Conditions of Contract/ Erection Conditions of Contract.

Detailed emergency plans have been developed and responsibilities are assigned to each concerned to handle the emergency situations. Mock drills are conducted regularly to check the healthiness of the system.

Most of your Company's plants have been awarded with



prestigious safety awards conferred by various Institutions/ Body like Ministry of Labour & Employment-Govt. of India, National Safety Council, Institute of Directors, Institution of Engineers (India), in recognition of implementing innovative safety procedures and practices.

Security: Your Company recognizes and accepts its responsibility for establishing and maintaining a secured working environment for all its installations, employees and associates. This is being taken care of by deploying CISF at all units of your Company as per norms of MHA. Concrete steps are being taken for upgrading surveillance systems at all projects/ stations by installing state-of-the-art security systems.

16.4 Training and Development

As the power leader of India, your Company has also always endeavoured to be in the forefront of creation and dissemination of knowledge. Its sustained performance leadership has, to a large extent, been achieved on the platform of comprehensive training and development programs for its employees. A large number of professionals from other organizations in the power sector have also benefitted immensely from the training and development programs of your Company. Many organisations in the country adopt practices and systems developed by the Company.

The learning activities are being driven by a comprehensive infrastructure comprising Power Management Institute (PMI) at the corporate level and Employee Development Centers (EDCs) at sites providing learning on management, technical competencies and leadership. At the foundation of the learning structure are the EDCs at Projects and Stations. EDCs take care of training requirements of non-executives and junior level executives at projects and stations. The training requirements of middle and senior level executives are catered to by PMI, the apex learning centre of your Company. This learning grid enables us to provide learning solutions for practically every aspect of the power value chain, covering the strategic, tactical and operational facets right down to the shop floor.

Initiatives taken by PMI:

(i) During 2015-16, PMI conducted almost 400 training programmes covering nearly 7,700 professionals, logging a total of approximately 26,000 training mandays.

(ii) Post Graduate Certificate in Project Management (PGCPM) programme in collaboration with IIM-Indore for developing long term project management competency. Under this initiative, executives from public and private sector utilities/companies from various States have been given skill based training to augment their capacity addition programmes.

(iii) One week exposure at Wharton School in June-July, 2015 under the programme Strategic Management Initiative for Leadership Effectiveness (SMILE), after a 3 days intervention in New Delhi for top management group of 22 General Managers and Executive Directors of NTPC to revitalize their perspective and re-align their strategic orientation for sustainable leadership practices.

(iv) Special programs on Enterprise Risk Management for senior level executives.

(v) Total 6 weeks' duration programme during July-October, 2015 for ABB at Abu Dhabi on Power Plant Operation and Simulator Training for Combined Cycle Gas Power Plant.

(vi) Conducted 62 training programs through Web conferencing platform at workstations during 2015-16.

(vii) Developed 20 e-learning packages for end users of ERP-SAP.

(viii) Conducted several customized training programmes for the benefit of various State utilities, CPSEs and private sector companies. In all, 1,084 participants from other organizations got trained at PMI during 2015-16.

(ix) Opened "NTPC School of Business" for running 15 months flagship program titled "Executive Post-Graduate Diploma in Management" (EPGDM) from August 2015.

(x) Implementing skill development initiatives of NTPC for the country's youth as a nodal agency. Till now, your Company has adopted 18 ITIs and set up 8 new ITIs near its power stations, thus associating with total 26 ITIs. These initiatives by your Company resulted in creation of total 1,831 new seats by starting of new trades/units. Cumulatively, a total of 26,448 students benefitted from this initiative till 31.03.2016. For these ITI students, your Company organised 47,992 mandays of industrial training/plant visits. These skill development initiatives resulted in your Company being conferred the ASSOCHAM "Award for Vocational Training 2015-16".

(xi) Your Company has partnered with the Ministry of Skill Development and Entrepreneurship, Government of India, to contribute in realising the vision of "Skill India".

(xii) 10 new programs on Safety have been introduced in PMI's Training Calendar for 2016-17.

(xiii) A number of programs for establishing Solar and Wind energy projects and for protection of Environment have been added.

17. SUSTAINABLE DEVELOPMENT (SD)

Your company has adopted the 'triple bottom-line' approach, recognising People, Planet and Profit as the primary pillars of corporate sustainability and believes that Development should not endanger the natural systems.

Your company is preparing Sustainability Report based on the Global Reporting Initiative (GRI). Sustainability reporting has helped us in measuring and monitoring our Company's performance. It has served as an important management tool helping us re-look at our Company's systems, policies and procedures.

Your company has developed a policy and in accordance with a Sustainable Development Plan prepared for FY 2015-16. The main focus area of Sustainable development Plan covers waste management, water management, bio-diversity, promotion of renewable energy. Major activities carried out under this plan included plantation of trees in and around NTPC, installation of rooftop of Solar PV on public utilities buildings and on schools, installation of solar powered pump, rain water harvesting, rehabilitation of water bodies, installation of air quality monitoring systems in major cities, studies on impact assessment and carrying capacity river basin. A major activity for conservation of Olive Ridley Sea Turtles has been taken up.

Business Responsibility Report is attached as Annex-X and forms part of the Annual Report.

A total expenditure of ₹ 33.85 Crore was incurred on these SD projects during Financial Year 2015-16.



17.1 Inclusive Growth -Initiatives for Social Growth

17.1.1 Corporate Social Responsibility (CSR):

Your Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

Focus areas of CSR & Sustainability activities are Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Differently-abled Person and activities contributing towards Environment Sustainability. During the year special thrust has been given to the "Swachh Vidyalaya Abhiyan" making available about 29,000 toilets in government schools for the benefit of students, especially girl children, covering 82 Districts in 17 States across the country.

Your Company spent ₹ 491.80 Cr during the financial year 2015-16 towards CSR initiatives. Amount spent i.e. ₹ 491.80 Cr includes unspent amount of ₹ 78.30 crore for the year 2014-15.

17.1.2 NTPC Foundation

NTPC Foundation is engaged in serving and empowering the differently-abled and economically weaker sections of the society.

Details of expenditure incurred and initiatives undertaken by the Company under CSR are covered in the Annual Report on CSR annexed as Annex-VII to this Report.

17.1.3 Rehabilitation & Resettlement (R&R)

Your Company is committed to help the populace displaced for execution of its projects and has been making efforts to improve the socio-economic status of Project Affected Persons (PAPs). In order to meet its social objectives, your Company is focusing on effective R&R of PAPs and undertaking community development activities in and around the projects.

R&R activities are initiated at projects by undertaking need based community development activities in the area of health, education, water, capacity building infrastructure etc by formulating 'Initial Community Development (ICD) Plan in consultation with concerned Panchayat, district administration and opinion makers of the locality. Company addresses R&R issues in line with its R&R Policy with an objective that after a reasonable transition period, the conditions of affected families improve or at least they regain their previous standard of living, earning capacity and production levels. As per the Policy, a detailed Socio-economic Survey (SES)/other Survey is conducted by a professional agency to create a baseline data of PAPs. This follows formulation of a 'Rehabilitation and Resettlement (R&R) Plan' after adequate consultation with stakeholders in 'Village Development Advisory Committee (VDAC)', which comprises representatives of PAPs, Gram Panchayat, your Company and District Administration. R&R Plan consists of measures for rehabilitation, resettlement and need based community development activities.

R&R plan expenditure is implemented in a time bound manner so as to complete its implementation by the time the project is commissioned. A social impact evaluation is being conducted by a professional agency to know the efficacy of R&R Plan implementation for future learning and improvements.

17.1.4 R&R achievements during the year:

- **'Initial Community Development (ICD) Plan:**
  - ICD Plan provision for Pudimadaka project enhanced.
  - Implementation of earlier approved ICD activities continued at Bilhaur project.
- **Rehabilitation and Resettlement (R&R) Plan:**
  - R&R Plans for Vindhyachal-V and Rammam-III covering R&R obligations and community development facilities in the area of Health, Education, Sanitation, Drinking water, Infrastructure facilities finalized in consultation with stakeholders and approved.
  - R&R Plan provisions for Lara project enhanced to take care of additional requirement for IIIT, Raipur and for Darlipalli to take care of additional requirement for Sundargarh Medical College & Hospital.
  - R&R activities were implemented at the new Greenfield/Brownfield Thermal projects at Barh, Bongaigaon, Barethi, Darlipali, Gadarwara, Khargone, Muzaffarpur, Korba, Kudgi, Lara, Meja, Mouda, North-Karanpura, Solapur, Tanda, Unchahar-IV, Vallur, Vindhyachal-IV, Hydro projects at Koldam, Lata-Tapovan, Tapovan-Vishnugad and Coal Mining Projects at Pakri-Barwadih, Chhatti-Bariatu, Kerendari, Dulanga and Talaipalli wherein R&R Plans/packages were finalized in consultation and participation of the stakeholders and approved earlier as well as at Rammam-III and Vindhyachal-V projects where the R&R Plans have been approved during the year.
- **Socio-economic Survey (SES)/ Need assessment Survey (NAS)/ Census and Survey (C&S):**
  - SES for Katwa, Meja railway siding and NAS for Pudimadaka completed. SES for Talcher-Thermal and C&S for Khargone railway siding is under progress.
- **Focus on Health:**
  - For the benefits of project affected persons and neighbouring population 'Mobile Health Clinic' under R&R provisions at Kudgi, Nabinagar (NPGCL), Pakri-Barwadih and Nabinagar (BRBCL) projects started earlier continued during the year.

17.2 Environment Management – Initiatives for preserving Environment

Vision Statement on Environment Management:

"**G**oing **H**igher on **G**eneration, lowering **GHG** intensity"

Your Company has always envisaged environment protection as one of its prime responsibilities and focuses its efforts to mitigate the impact of its operation on surrounding environment. To meet the environmental challenges of 21st century and beyond, the Company has adopted sound environment management practices and advanced environment protection system to minimize impact of power generation on environment.

Your Company is undertaking massive renovation & modernization to upgrade air pollution equipments to reduce SPM emissions well below current statutory limits. It has adopted advanced and high efficiency technologies such as super critical boilers for commissioned and upcoming green field projects. Around 12-15% of the project cost is spent on various environment protection equipments such as Electrostatic Precipitators (ESPs), Liquid Waste Treatment Plants (LWTP), Ash Water Recirculation System (AWRS), dry ash extraction system, dust extraction, suppression system, ambient air quality monitoring system, flue gas conditioning system and desulphurization system etc.

Your company is augmenting its capacity by installing solar power systems and small hydel power systems attached to its thermal power stations, wherever possible, so as to encourage garnering of renewable energy resources. The These measures are aimed not only to achieve reduction in pollution and minimize use of precious natural resources but also to lead to reduction of CO_2 emissions per unit of generation thereby reducing global warming.



17.2.1 Control of Air Emissions:

High efficiency Electro-static Precipitators (ESPs) with efficiency of the order of 99.97% and above, with advanced control systems have been provided in all coal based stations to keep Particulate Matter (PM) below the prevailing permissible limits. All up-coming new plants are being provided with ESPs designed in such a manner that would cater to the notified future stringent norms. Performance enhancement of ESPs operating over the years is being carried out by augmentation of ESPs fields, retrofitting of advanced ESP controllers and adoption of sound O&M practices. Flue Gas Conditioning systems have also been provided at our old units which are helping in reduction of SPM emissions below statutory limits even during coal quality variations due to blending of coal etc.

NO_x control in coal fired plants is achieved by controlling its production by adopting best combustion practices (primarily through excess air and combustion temperatures controls). Over and above this, since tall stacks are provided in coal stations, gases emitted through stacks is widely dispersed and diluted.

In gas based stations, NO_x control systems (hybrid burners or wet DeNO_x) have been provided for good combustion practices.

Fugitive emission from ash pond is controlled by maintaining water cover, tree plantation on abandoned ash ponds, water spray and earth cover in inactive lagoons. Providing dust suppression and extraction system in CHP area has further added to reduction in fugitive dust in the vicinity of power stations.

17.2.2 Control of water pollution and promotion of water conservation:

Various water conservation measures have been taken up to reduce water consumption in power generation by using 3Rs (Reduce, Recycle & Reuse) as guiding principle.

Provision of advanced treatment facilities such as Liquid Waste Treatment Plants (LWTP), Recycling Systems for Ash Pond Effluent called Ash Water Recirculation System (AWRS) and closed cycle condenser cooling water systems with higher Cycle of Concentration (COC), rain water harvesting wherever possible and reuse of treated sewage effluent for horticulture purposes are some of the measures implemented in most of the stations. All these measures have resulted in reduction of effluent discharge from the power plants of your Company.

In view of water stressed scenario, water conservation and reduction in water consumption per unit of generation has assumed great importance. NTPC has taken a proactive approach of making all its power stations to operate with ZLD (Zero liquid discharge) progressively in phases. Implementation of ZLD at six power plants are at various stages of implementation during this fiscal year. In addition drain separation as pre requisite to ZLD has been completed in six stations viz. Singrauli, Faridabad, Ramagundam, Talcher Super, Gandhar and Kayamkulam. This concerted effort of NTPC will not only conserve the water but also will be able the meet the requirements of recently notified environmental norm of water consumption by MoEF&CC.

17.2.3 Automation of environment measurement system:

All the existing power stations are equipped with continuous ambient air quality monitoring stations (AAQMS) to capture the real time data of PM 10, PM 2.5, SO_2, NO_x and access thereof viz., and access has been provided to the Regulators such as Central Pollution Control Board and State Pollution Control Boards. Additional ozone analyzers for ambient air are also being provided phase-wise at the existing stations. Continuous Emission Monitoring Systems (CEMS) to monitor emissions of SO_2 and NO_x in all its existing units on real time basis are installed and commissioned in addition to the opacity meter installed for monitoring of particulate emission. Installation of real time monitors for pollutants in effluents (EQMS) is also completed for all its existing projects. For all the upcoming projects, real time monitors for ambient air, effluents and emissions are included in the engineering packages during design stage itself.

17.2.4 Revised Emission Norms

Till 7th December, 2015, the emission norms for coal based thermal power stations stipulated emission limits for particulate matter only. For the control of gaseous pollutants in ambient air, a minimum stack height was stipulated. However, MOEF&CC vide notification dated 7th December, 2015, has stipulated the emission limits for Oxides of Nitrogen, Oxides of Sulphur and Mercury also. The emission limits depend on the unit size and age of the unit and shall be applicable from 7th December, 2017. This shall require modifications in design of the power plants as well as additional pollution control systems. Your Company is designing its new power plants to comply with new norms. However, in older units, there may be constraints due to Technology being used, Space available for retrofitting and financial viability of the retrofits. The matter has been taken up with MOEF&CC and is being examined on case to case basis with respect to compliance.

17.2.5 Tree Plantation:

Your Company is undertaking tree plantation covering vast areas of land in and around its projects and till date about 23 million trees have been planted throughout the country.

The afforestation has not only contributed to the 'aesthetics' but also helped in carbon sequestration by serving as a 'sink' for pollutants released from the stations and thereby protecting the quality of ecology and environment. Further, your Company has embarked upon long-term Memorandums with State authorities to assist National Commitment of INDC in COP 21, by planning to plant 10 million trees across the country.

17.2.6 ISO 14001 & OHSAS 18001 Certification:

All of your Company's stations have been certified with ISO 14001 and OHSAS 18001 by reputed National and International certifying agencies as a result of sound environment management systems and practices.

17.3 Quality Assurance and Inspection (QA&I)

Your company continues to place great emphasis on quality, with the view to secure long term reliability and availability of its productive assets and the investments. This is ensured by committing adequate number of qualified and trained human resources for quality related activities, maintaining field laboratories at the construction sites and pursuing time tested systems & processes, resulting in world class standards of performance of the plants.

In your company, quality needs are identified & planned, keeping in mind the interests of all the stake holders, by interacting with major Power Equipment manufacturers of the world, thereby embracing the latest technologies available. The quality requirements associated with such technologies are rigorously pursued during manufacturing, erection & commissioning of various products/ systems/ services. The dynamic feedback system ensures that the gaps, if any, are filled through resetting the methods and standards resulting in continuous improvement.

Your company's robust performance on all parameters, is a testimony to the soundness of the quality system deployed.

Your Company is represented on various technical



committee of ISO and IEC and is actively contributing in formulation and updating of power sector technical and quality standards/ guidelines, to serve the national as well as international community at large.

17.4 Clean Development Mechanism (CDM)

Your Company is addressing climate change issues proactively.

Your Company has taken several initiatives in CDM projects in Power Sector. It has gone ahead with six projects in CDM foray. 8MW Small Hydro Power Project at Singrauli, 5MW each solar PV projects at Dadri, Port Blair (Andaman & Nicobar) and Faridabad solar power projects had already been registered with UNFCCC CDM Executive Board with estimated annual Certified Emission Reductions (CERs) potential of approx 68,000. Another two projects i.e. 50 MW Solar PV plant at Rajgarh (MP) and 10 MW Solar PV Project at Unchahar are in advanced stage of registration with estimated annual CERs potential of approx. 88,000.

17.5 Ash Utilisation

During the year 2015-16, 588.28 lac tonnes of ash was generated and 41.35% viz. 243.23 lac tonnes of ash had been utilized for various productive purposes.

Important areas of ash utilization are – cement & asbestos industry, ready mix concrete plants (RMC), road embankment, brick making, mine filling, ash dyke raising & land development.

Pond ash from all stations of your Company is being issued free of cost to all users. Fly ash is also being issued free of cost to fly ash/ clay-fly ash bricks, blocks and tiles manufacturers on priority basis over the other users from all coal based thermal power stations. The funds collected from sale of ash is being maintained in the separate account and this fund is being utilized for development of infrastructure facilities, promotion and facilitation activities to enhance ash utilization.

Your Company has an Ash Utilisation Policy, which is a vision document dealing with the ash utilization issue in an integral way from generation to end product. This policy aims at maximizing utilization of ash for productive usage along with fulfilling social and environmental obligations as a green initiative in protecting the nature and giving a better environment to future generations.

The quantity of ash produced, ash utilized and percentage of such utilization during 2015-16 from your Company's Stations is at Annex-VIII.

17.6 CenPEEP – towards enhancing efficiency and protecting Environment

Your Company initiated a unique voluntary program of GHG emission reduction by establishing 'Center for Power Efficiency and Environmental Protection (CenPEEP)' and under this program, it is estimated that cumulative CO_2 avoided is 43.6 million ton since 1996, by sustained efficiency improvements.

CenPEEP is working for efficiency and reliability improvement in stations through strategic initiatives, development and implementation of systems and introduction of new techniques & practices.

Critical efficiency parameter aberrations and draft power consumption are monitored using PI based real time programs and dashboards. These programs assist operating engineers in tracking the gaps in heat rate and auxiliary power consumption and trending the degradation of equipment performance.

CenPEEP is also working towards reduction in specific water consumption and auxiliary power consumption in coal and gas stations. A dedicated group CEETEM – Centre for Energy Efficient Technology & Energy Management, conducts regular Energy audits to identify potential improvement areas and improvement actions.

CenPEEP is actively involved in training and development of power professionals for company and other utilities in the power sector in the areas of Boiler & Auxiliaries, Turbine & Auxiliaries, Cooling Towers, RCM and PdM technologies etc.

CenPEEP coordinated implementation of Perform, Achieve & Trade (PAT) scheme under Prime Minister's National Mission on Enhanced Energy Efficiency (NMEEE) in NTPC coal & gas plants. Station specific action plans were jointly prepared and implemented. Your Company's coal and gas stations exceeded the Net Heat Rate improvement targets and earned around 1,69,000 EScerts (Energy saving certificates) in PAT-1 cycle. However, formal notification is awaited.

18. NETRA – R&D Mission in Power Sector

The Company as the leading power utility of the country, has allocated 1% of PAT for R&D activities. Company has focused its research efforts to address the major concerns of the sector as well as the futuristic technology requirements of the sector. In this effort, your company has established NTPC Energy Technology Research Alliance (NETRA) as state-of-the-art centre for research, technology development and scientific services in the domain of electric power to enable seamless work flow right from concept to commissioning. The focus areas of NETRA are - Efficiency Improvement & Cost Reduction; New & Renewable Energy; Climate Change & Environmental protection which includes water conservation, Ash utilization & Waste Management.

Research Advisory Council (RAC) of NETRA comprising of eminent scientists and experts from India and abroad is in place to steer research direction. Scientific Advisory Council (SAC) provides directions for undertaking specific applied research projects aimed to develop techniques in power plant for efficient, reliable and environment friendly operation with emphasis on reducing cost of generation.

NETRA also provides Advanced Scientific Services to all its stations and many other utilities in the area of oil/water chemistry, environment, electrical, Rotor dynamics etc. for efficient performances.

NETRA laboratories are accredited as per ISO 17025 and its NDT laboratory also been recognized as well known "Remnant Life Assessment Organization" under the Boiler Board Regulations,1950.

The details of activities undertaken by NETRA are given in Annex-III which forms part of the Director's Report.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

Several Steps were taken for the proper propagation and implementation of Official Language Policy of Government of India in your Company.

Meetings of Official Language Implementation Committee were held on 25th June, 21st September, 28th December, 2015 & 24th March, 2016 in which the implementation of Hindi in the Organization was reviewed thoroughly. Various Hindi competitions were organized during Hindi fortnight from 1st to 14th September, 2015 in the corporate office as well as in all other establishments of the Company. Corporate Hindi Magazine "Vidyut Swar" was conferred, special commendation award by the TOLIC (Town Official Language Implementation Committee), Delhi. Hindi workshops were conducted for the various departments of the Company. Renowned Hindi scholars inspired the participants of Hindi workshops to use Hindi in their day-to-day official work.

Office orders, formats and circulars were issued in Hindi



as well. Important advertisements and house journals were released in bilingual form in Hindi as well as in English.

Your Company's website also has a facility of operating in bilingual form, in Hindi as well as in English.

20. VIGILANCE

20.1 Vigilance Mechanism

Your Company ensures transparency, objectivity and quality of decision making in its operations, and to monitor the same, the Company has a Vigilance Department headed by Chief Vigilance Officer, a nominee of Central Vigilance Commission. Vigilance set up comprises of Vigilance Executives in Corporate Centre and Projects. Corporate Vigilance consists of four cells namely Investigation & Processing Cell, Departmental Proceedings Cell, Technical Examination Cell and MIS Cell deal with various facets of vigilance mechanism. For speedier disposal of vigilance cases, works have been assigned to Vigilance Executive at each of the regions of the Company.

376 surprise checks were made during the period.

20.2 Implementation of Integrity Pact

Your Company is committed to have total transparency to its business processes and as a step in this direction; it signed a Memorandum of Understanding with Transparency International India in December, 2008. The Integrity Pact is being implemented for all contracts having value exceeding ₹ 10 crore. Presently, your Company is having two Independent External Monitors to oversee the implementation of Integrity Pact Programme.

20.3 Implementation of various policies/ circulars

Fraud Prevention Policy and Whistle Blower Policy have been implemented in your Company to build and strengthen a culture of transparency. Your Company has also laid down a comprehensive policy for withholding and banning of business dealings with agencies, wherever the situation so demands.

During 2015-16, 161 complaints were received, out of which 93 complaints were carried to a logical conclusion and the remaining 68 complaints are under various stages of investigation. Appropriate disciplinary action has also been initiated wherever necessary.

20.4 Vigilance Awareness Week and Workshops

During 2015-16, 51 preventive vigilance workshops were conducted at various projects/ places in which 1,371 employees participated.

Vigilance awareness week was observed from October 26, 2015 to October 31, 2015 in all NTPC projects and stations/ establishments. The theme for the Vigilance Week was 'Preventive Vigilance as a Tool of Good Governance', during which various competitions amongst the employees like slogan writing/ essay writings were held. A special booklet titled 'Handbook for Vigilance Executives' was also published containing guidelines for vigilance executives for conducting technical examination of packages, investigations alongwith circular issued by the Vigilance Commission.

Besides these, as advised by the Vigilance Commission, NTPC also conducted outreach activities during Vigilance Awareness Week in total 405 Colleges/ Schools/ Institutions all over the country, organizing elocutions, debates, lectures etc on ethics, integrity and corruption and its ill effects for students.

21. REDRESSAL OF PUBLIC GRIEVANCES

Your Company is committed for resolution of public grievance in efficient and time bound manner. Company Secretary has been designated as Director (Grievance) to facilitate earliest resolution of public grievances received from President Secretariat, Prime Minister's Office, Ministry of Power etc.

In order to facilitate resolution of grievances in transparent and time bound manner, Department of Administrative Reforms & Public Grievances, Department of Personnel & Training, Government of India has initiated web-based monitoring system at www.pgportal.gov.in.

As per directions of GOI, public grievances are to be resolved within two months time. If it is not possible to resolve the same within two months period, an interim reply is to be given. Your company is making all efforts to resolve grievances in above time frame.

22. RIGHT TO INFORMATION

Your Company has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has put RTI manual on website for access to all citizens of India and has designated a Central Public Information Officer (CPIO), an Appellate Authority and APIOs at all sites and offices of the Company.

During 2015-16, 1,456 applications were received under the RTI Act, out of which 1,384 applications were replied to, till 31.03.2016.

23. USING INFORMATION AND COMMUNICATION TECHNOLOGY FOR PRODUCTIVITY ENHANCEMENT

Your Company has implemented an Enterprise Resource Planning (ERP) package covering maximum possible processes across the organization including subsidiaries. In addition to the core business processes and Employee Self Service (ESS) functionality, the ERP solution also includes e-procurement, Knowledge Management, Business Intelligence, Document Management, and Workflow etc. The ERP system is fully managed through in-house expertise from process groups and technical groups. Parallely, in-house solutions have been developed to take care of the non-ERP areas.

A state of the art data centre with centralized server facility for ERP to cater to the entire Company is in Operation at NOIDA. A 100% disaster recovery centre is also operational at Hyderabad for change over in case of any emergency.

During the year under review, security operation centre had been commissioned to counter and mitigate security risks and no severe threats were observed. Project Monitoring Centre was upgraded to High Definition system. Disaster Recovery mechanism was 100% available during the year. Vendors Bill Tracking system launched for pilot site i.e. Dadri. Online Earnest Money Deposit refund process was implemented.

24. NTPC GROUP: SUBSIDIARIES AND JOINT VENTURES

Your Company has currently 5 subsidiary companies and 22 joint venture companies for undertaking specific business activities.

A statement containing the salient feature of the financial statement of your Company's Subsidiaries, Associate Companies and Joint Ventures as per first proviso of section 129(3) of the Companies Act, 2013 is included in the consolidated financial statements. It does not contain information about Hindustan Urvarak & Rasayan Limited, which was incorporated on 15.06.2016.

The financial statements of subsidiary companies along with the respective Directors' Report are placed elsewhere in this Annual Report.

25. INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies



Act, 2013 and Listing Agreement with Stock Exchanges are as under:

25.1 Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. Joint Statutory Auditors for the financial year 2015-16 were (i) M/s T R Chadha & Co., LLP, New Delhi (ii) M/s PSD Associates, Chartered Accountants, New Delhi, (iii) M/s Sagar & Associates, Chartered Accountants, Hyderabad, (iv) M/s Kalani & Co., Chartered Accountants, Jaipur, (v) M/s P. A. & Associates, Chartered Accountants, Bhubaneshwar, (vi) M/s S. K. Kapoor & Co., Chartered Accountants, Kanpur and (vii) M/s B. M. Chatrath & Co., Chartered Accountants, Kolkata.

The appointment of Statutory Auditors for the financial year 2016-17 has been made by the Comptroller & Auditor General of India.

25.2 Management comments on Statutory Auditors' Report

The Statutory Auditors of the Company have given an un-qualified report on the accounts of the Company for the financial year 2015-16. However, they have drawn attention under 'Emphasis of Matter' to Note No. 12 (i) & 35 (a) in respect of change in accounting of capital expenditure on assets not owned by the Company with retrospective effect taking guidance available in AS 10 notified by MCA on 30th March 2016 effective from the financial year 2016-17; Note No. 22 (a) & (b) regarding billing & recognition of sales on provisional basis and measurement of GCV of coal on 'as received' basis after secondary crusher pending disposal of the matter by CERC/Hon'ble Delhi High Court and related matters as mentioned in said note; and Note No. 33 in respect of a Company's ongoing project where the order of NGT has been stayed by the Hon'ble Supreme Court of India and the matter is sub-judice.

The issues have been adequately explained in the respective Notes referred to by the Auditors.

25.3 Review of accounts by Comptroller & Auditor General of India (C&AG)

As advised by the Office of the C&AG, the comments of C&AG for the year 2015-16 alongwith management replies thereto are placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

25.4 COST AUDIT

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all stations of your Company.

The firms of Cost Accountants appointed under Section 148(3) of the Companies Act, 2013 for the financial year 2015-16 were (i) M/s Bandopadhyay Bhaumik & Co., Kolkata, (ii) M/s S. Dhal & Co., Bhubhaneshwar (iii) M/s Musib & Co., Mumbai, (iv) M/s Sanjay Gupta & Associates, New Delhi, (v) M/s Narasimha Murthy & Co., Hyderabad, and (vi) M/s R.J. Goel & Co., Delhi.

The due date for filing consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2015 was September 30, 2015 and the consolidated Cost Audit Report for your Company was filed with the Central Government on September 22, 2015.

The Cost Audit Report for the financial year ended March 31, 2016 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

25.5 Exchange Risk Management

Company is exposed to foreign exchange risk in respect of contracts denominated in foreign currency for purchase of plant and machinery, spares and fuel for its projects/ stations and foreign currency loans.

In term of its Exchange Risk Management Policy, during financial year 2015-16, the Company has entered into derivative contracts amounting to USD 62 million equivalent in different currencies in respect of foreign currency loans exposure.

25.6 Performance Evaluation of the Directors and the Board

As required under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, evaluation of performance of directors including that of the Independent Directors and of the Board is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors. It also requires disclosure of formulated criteria for performance evaluation in Annual Report.

In this regard, the Ministry of Corporate Affairs, through Notification dated 05.06.2015, has exempted the Government Companies from these provisions. The appointment of the Functional Directors, Government Nominee Directors and Independent Directors of your Company is made by the Government of India. Their terms & conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors & CMD as well as of Government Directors by Administrative/ respective Ministry. Also, the performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Government of India.

Your Company has made representation to SEBI for exempting Government Companies from evaluation of Directors and the Board. The matter is under consideration by the SEBI.

25.7 Secretarial Audit

The Board has appointed M/s Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure XI to this Report.

The Managements' Comments on Secretarial Audit Report are as under:

Observations	Management's Comments
Regulation 17(1) of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 (II) (A) & (B) of the Listing Agreement) and Clause 3.1.2 and 3.1.4 of DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of the Company.	As per the Listing Agreements executed with the Stock Exchanges pursuant to SEBI LODR Regulations, 2015 and DPE Guidelines on Corporate Governance by CPSEs, the Company should have eight Independent Directors since Company has six functional Directors including the Chairman & Managing Director and two Government Nominee Directors on its Board. At present, Company has three Independent Directors in position. Being a Government Company the power to appoint the Directors on the Board of the Company vests with the President of India and accordingly, the Company is, from time to time, requesting Ministry of Power to appoint requisite number of Independent Directors on its Board.



25.8 Particulars of contracts or arrangements with related parties

During the period under review, your Company had not entered into any material transaction with any of its related parties. The Company's major related party transactions are generally with its subsidiaries and associates. All related party transactions were in the ordinary course of business and were negotiated on an arm's length basis except with Utility Powertech Limited, which are covered under the disclosure of Related Party Transactions in Form AOC-2 (Annex- IX) as required under Section 134(3)(h) of the Companies Act, 2013. They were intended to further enhance the Company's interests.

Web-link for Policy on Materiality of Related Party Transactions & also on Dealing with Related Party Transactions has been provided in the Report on Corporate Governance, which forms part of the Annual Report.

25.9 Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL

25.10 Adequacy of internal financial controls with reference to the financial reporting:

The Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

25.11 Loans and Investments

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of financial statement, attached as a separate section in the Annual Report FY 2015-16.

Your Company had not granted any loans to parties during 2015-16 covered under Section 186 of the Companies Act, 2013.

25.12 Sexual Harassment of Women at Workplace

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

These ICCs have been constituted at all Projects/ stations also. Every three years, the constitution of these committees is changed and new members are nominated.

No complaint of sexual harassment was received by the ICC during the year 2015-16.

NTPC PMI has been conducting gender sensitization workshops for building a collaborative work culture across the organisation, in association with the National Commission for Women. In these workshops, employees, both male and female, are sensitized and made aware about issues and laws pertaining to sexual harassment as well as appropriate behavior at the workplace. During 2015-16, PMI has conducted 12 such workshops across the organization covering 250 employees.

25.13 Procurement from MSEs

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. The total procurement made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2015-16 was ₹ 559.51 crore, which was 12.53% of total annual procurement by your Company. Your Company orgainsed 12 vendor development programmes for MSMEs. Annual procurement plan for purchases from MSEs is uploaded on www.ntpc.co.in.

25.14 Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

25.15 Extract of Annual Return:

Extract of Annual Return of the Company is annexed herewith as Annexure VI to this Report.

25.16 Information on Number of Meetings of the Board held during the year, composition of committees of the Board and their meetings held during the year, establishment of vigil mechanism/ whistle blower policy and web-links for familiarization/ training policy of directors, Policy on Materiality of Related Party Transactions and also on Dealing with Related Party Transactions and Policy for determining 'Material' Subsidiaries have been provided in the Report on Corporate Governance, which forms part of the Annual Report.

25.17 Para on development of risk management policy including therein the elements of risks are given elsewhere in the Annual Report.

25.18 No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

The particulars of annexures forming part of this report are as under:

Particulars	Annexure
Management Discussion & Analysis	I
Report on Corporate Governance	II
Information on conservation of energy, technology absorption and foreign exchange earnings and outgo	III
Statistical information on persons belonging to Scheduled Caste / Scheduled Tribe categories	IV
Information on Differently abled persons	V
Extract of Annual Return	VI
Annual Report on CSR Activities	VII
Project Wise Ash Utilisation	VIII
Disclosure of Related Party Transactions in Form AOC-2	IX
Business Responsibility Report for the year 2015-16	X
Secretarial Audit Report in Form MR-3	XI



26. BOARD OF DIRECTORS

Shri I.J. Kapoor resigned from the post of Director (Commercial) on 20.08.2015 on being appointed as Technical Member of the Appellate Tribunal for Electricity.

Consequent upon completion of three years' tenure, Dr. A. Didar Singh had ceased to be the Independent Director w.e.f. August 22, 2015.

Shri Rajesh Jain and Dr (Mrs.) Gauri Trivedi had been appointed as Independent Directors w.e.f. 18.11.2015 for a period of three years.

Shri Anil Kumar Singh ceased to be the Government Nominee Director w.e.f. 08.12.2015 consequent his transfer from Ministry of Power.

Shri Aniruddha Kumar, JS (Thermal), Ministry of Power has joined as Government Nominee Director of the Company with effect from 25.02.2016.

Shri Seethapathy Chander has been appointed as the Independent Director on the Board w.e.f. 22.06.2016.

On completion of five years' tenure, Dr. Arup Roy Choudhury ceased to be the Chairman & Managing Director of the Company w.e.f. 31.08.2015 (A/N).

In the absence of regular Chairman & Managing Director, the Ministry of Power, through order dated 28.08.2015, entrusted the additional charge of the post of Chairman & Managing Director, to Shri A.K. Jha, Director (Technical). He held the additional charge from 01.09.2015 to 03.02.2016, after which Shri Gurdeep Singh joined as the Chairman & Managing Director of the Company on 04.02.2016.

On Completion of three years' tenure, Shri Prashant Mehta has ceased to be the Independent Director of the company w.e.f. 29.07.2016 (A/N).

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri I.J. Kapoor, Dr. A. Didar Singh, Dr. Arup Roy Choudhury, Shri Anil Kumar Singh and Shri Prashant Mehta during their association with the Company.

In accordance with Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company– Shri S.C. Pandey and Shri K. Biswal shall retire by rotation at the Annual General Meeting of your Company and, being eligible, offers themselves for re-appointment.

27. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2015-16 and of the profit of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the Annual Accounts on a going concern basis;
5. the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. ACKNOWLEDGEMENT

The Directors of your Company acknowledge with deep sense of appreciation, the co-operation received from the Government of India, particularly the Prime Minister's Office, Ministry of Power, Ministry of New & Renewable Energy, Ministry of Finance, Ministry of Environment, Forests & Climate Change, Ministry of Coal, Ministry of Petroleum & Natural Gas, Ministry of Railways, Department of Public Enterprises, Central Electricity Authority, Central Electricity Regulatory Commission, Comptroller & Auditor General of India, Appellate Tribunal for Electricity, State Governments, Regional Power Committees, State Utilities and Office of the Attorney General of India.

The Directors of your Company also convey their gratitude to the shareholders, various international and Indian Banks and Financial Institutions for the confidence reposed by them in the Company.

The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company.

We also acknowledge the constructive suggestions received from the Office of Comptroller & Auditor General of India and Statutory Auditors.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excel.

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
DIN : 00307037

Place: New Delhi
Date: 3rd August , 2016



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power Sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. The achievements and developments along with various issues in various segments of the Industry have been discussed in the ensuing paragraphs.

Snap Shot 2015-16

- Gross annual generation of the country was 1107.82 BUs as compared to 1048.67 BUs in the previous year, a growth of 5.64%.
- Generation capacity of 23976.60 MW (excluding renewable) added during the year surpassing 22566.31 MW added in the previous year.
- 28114 Ckms of transmission lines added during the year as compared to 22101 Ckms in the previous year.
- 62849 MVA of transformation capacity added during the year as against 65554 MVA in the previous year.
- Marginal decline in PLF of thermal stations from 64.25% in financial year 2014-15 to 62.29% in the financial year 2015-16.
- Peak power deficit and energy deficit was 3.2% and 2.1% respectively as against 4.7% and 3.6% during financial year 2014-15.

(Source: Central Electricity Authority)

Existing Installed Capacity

The total installed capacity in the country as on March 31, 2016 was 302087.84 MW (including renewable) with private sector contributing 41% of the installed capacity followed by State Sector with 34% share and Central Sector with 25% share .

	Total Capacity (MW)	% share
State	101790.18	34.00
Centre	76296.75	25.00
Private	124000.91	41.00
Total	**302087.84**	**100.00**

(Source: Central Electricity Authority-Installed Capacity report)

During the financial year 2015-16, capacity of 23976.60 MW (excluding renewable) was added. With this the total capacity addition during the four years of XII plan period is 84990.72 MW (excluding renewable) which is about 96% of the planned capacity of 88537 MW for the XII Plan.

Capacity Utilization and Generation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF).

Sector wise Generation and PLF (Thermal) (in %)

Sector	2015-16	2014-15
State	55.41	59.85
Central	72.52	74.20
Private	60.59	59.33
All India	62.29	64.25

The overall decline in PLF was mainly due to backing down/ shut down of units on account of low schedule from beneficiary states *(Source: Central Electricity Authority).*

The out-look of generation look promising with expected increased industrial production and Government of India's mission to provide 24x7 electricity to all.

Existing Generation

The total power available in the country during the financial year 2015-16 was 1107.82 billion units as compared to 1048.67 billion units during last year, registering a growth of 5.64%. (generation figures pertains to monitored capacity by CEA).

Sector-wise and fuel-wise break-up of generation (BUs) for the year 2015-16 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	315.25	56.68	37.41		**409.34**
State	291.83	53.16	-		**345.00**
Pvt/IPP	336.71	11.53	-		**348.24**
Bhutan Import	-	-	-	5.24	**5.24**
Total	**943.79**	**121.38**	**37.41**	**5.24**	**1107.82**

(Source: Central Electricity Authority)

As far as Thermal generation is concerned, based on the monitored capacity by CEA, the generation contribution of central sector is 33.40% with installed capacity share of 27.95%, state sector contributes 30.92% of generation with installed capacity share of 34.06% and private sector contributes 35.67% of generation with installed capacity share of 37.98%. Central Sector utilities have better performing stations as compared to those of State utilities and Private Sector.

Consumption

In terms of per capita power consumption, India ranks among the lowest in the world. The per capita consumption of power in India is just 1075 units in financial year 2015-16 (provisional). *(Source: Central Electricity Authority).*

Major end users of power can be broadly classified into industrial, agricultural, domestic and commercial consumers. These consumers represented approximately 44%, 18%, 23% and 8% respectively of power consumption measured by units of electricity consumed in the year 2014-15 (provisional). Traction & Railways and others represented about 7% of power consumption. The electricity consumption in Industry sector and commercial sector has increased at a much faster



pace compared to other sectors during 2005-06 to 2014-15 with CAGR of 10.69% and 8.10% respectively *(Source: Ministry of Statistics and Programme Implementation- Energy Statistics 2016).*

Transmission

The transmission network (at voltages of 220 kV and above) in the country has grown at an average rate of 8% p.a. till now in the XII Plan and is in line to achieve the target for the plan period.

Inter-regional transmission capacity has more than doubled in last four years from 27750 MW as at the end of XI plan to 58050 MW as on 31.03.2016. The augmentation of the national grid will help promote competition and enable merit order dispatch of generation leading to lower cost of power for consumers.

The AC substation transformation capacity has also expanded at a great pace which has increased from 399801 MVA at the end of XI plan to 643949 MVA as on 31.03.2016, while HVDC substation capacity has increased to 15000 MW as on 31.03.2016 from 9750 MW as at end of XI plan. *(Source: Central Electricity Authority)*

Over the next few years, the demand for transmission capacity is expected to increase significantly driven primarily by rising trend in power generation capacity, reforms in fuel sector and large scale integration of renewable energy.

Initiatives to strengthen the Transmission system include:

- Implementation of High Capacity Corridors and HVDC lines
- Green Energy Corridors to take care of ambitious renewal capacity addition.

Additionally, National Smart Grid Mission will enhance efficiency in power supply network and facilitate reduction in losses and outages.

Distribution

The electricity business is not merely about setting up power generation stations and transmission systems, but equally, and probably more crucially, about retailing electricity and recovering the cost of service from consumers.

The average tariff has increased in the past few years, but the rise has not been commensurate with the increase in the cost of supply. The consistent revenue gap, coupled with high AT&C losses have piled up huge losses for the state utilities.

In 2015-16, the tariff hikes have been modest and average increase is about 4%. Some of the SERC's did not approve any tariff revision for their distribution utilities, while one SERC has lowered the tariff by 5.7%.

Despite several schemes for revival of the distribution segment in the past, the financial and operational health of the discoms remains bleak. To improve the distribution segment's performance, Government of India launched the most comprehensive power sector reform scheme ever i.e Ujjwal Discom Assurance Yojana to turnaround Discoms (UDAY). UDAY coupled with other schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rural India, Integrated Power Development Scheme (IPDS) are expected to turnaround the Distribution Sector.

Power Trading

In India, power is transacted largely through long term Power Purchase Agreements (PPA) entered into between Generating/Transmission Companies and the Distribution utilities. A small portion is transacted through various short-term mechanisms like trading through licensees, bi-lateral trading, trading through power exchanges and balancing market mechanism (i.e. Deviation Settlement Mechanism).

In the year 2015-16, around 89% of power generated in the Country was transacted through the long term PPA route. 11% of the power was transacted through trading mechanism which included trading through short term licensees, bi-lateral trading, trading through power exchanges and through Deviation Settlement Mechanism. *(Source: Central Electricity Regulatory Commission).*

Energizing the Power Sector – Key Initiatives and Reforms

The last 15 months has been the period of many positive developments in the Indian Power Sector and is now poised for leap frog growth in the coming years.

A chain is as strong as its weakest link and the same holds true for power value chain. Each link has to keep pace with other to achieve a sustainable performance. In Indian Power Sector, the weakest link has been the Distribution segment marred by huge financial losses due to high transmission and distribution losses, huge gap between cost and revenue and poor revenue realization. However, for healthy growth of the entire sector, Government of India has taken several initiatives which are briefly discussed below:

(A) Ujwal Discom Assurance Yojana (UDAY)

DISCOMs in the country have accumulated losses of approximately ₹ 3.8 lakh crore and outstanding debt of approximately ₹ 4.3 lakh crore (as on March, 2015). To facilitate the revival of the DISCOMs which have been struggling with losses and mounting debt, UDAY, the most comprehensive power sector reform scheme ever, was launched by the Central Government in November,2015. Key features of the scheme are as follows:

- States shall take over 75% of DISCOM debt as on 30 September 2015 over two years - 50% in 2015-16 and 25% in 2016-17.
- States will issue bonds in the market or directly to the respective banks / Financial Institutions (FIs) holding the DISCOM debt to the appropriate extent.
- DISCOM debt not taken over by the State shall be converted by the Banks / FIs into loans or bonds with interest rate not more than the bank's base rate plus 0.1%.
- Alternately, this debt may be fully or partly issued by the DISCOM as State guaranteed DISCOM bonds at the prevailing market rates which shall be equal to or less than bank base rate plus 0.1%. States shall take over the future losses of DISCOMs in a graded manner and shall fund them.

UDAY provides an opportunity to discoms to break-even in next couple of years through reduction in interest burden, cost of power, cutting down on AT&C losses and enhanced operational efficiency. UDAY has potential saving of ₹ 1,80,700 crore by 2018-19 through efficiency improvements.

Within few months of launch of Scheme, 18 states and 1 union territory have agreed to participate in the Scheme, covering about 90% of the total discom debt.

So far, 14 states have already signed MoUs with Ministry of Power for implementing the scheme and Bonds of over ₹1 lakh crore have been issued.

Discoms would benefit from improvement in their credit ratings as a result of financial and operational efficiencies and would help in raising cheaper funds for future capital investments.

(B) Revised Tariff Policy

In January,2016 tariff policy 2006 was amended with comprehensive changes to align it with the current state of the power sector. The amendments aimed at achieving the objectives of Ujwal DISCOM Assurance Yojana (UDAY) with the focus on 4 E's: electricity for all, efficiency to ensure affordable tariffs, environment for sustainable future and ease of doing business to attract investments.

To meet the government's objective of 24x7 power for all, it envisages setting up micro grids in rural areas where grid supply is unfeasible as well as setting-up small washery reject based plants nearby to make power affordable.

On the efficiency front, the focus is on power affordability for which policy allows 100% expansion of existing power projects to reduce tariffs as green field projects have higher costs. Policy also provides for sale of un-requisitioned power with benefit sharing allowing for reduction in overall cost.

With focus on augmenting renewable energy capacity and to promote sustainable practices, a number of initiatives such as renewable purchase obligation and renewable generation obligations have been envisaged.

Another focus area of Revised Tariff Policy is ancillary services. The central commission has been given the power to introduce norms for ancillary services necessary for maintaining power quality, reliability and security of the grid, including the method of sharing charges.

The policy also lays stress on improving business environment and investments in coal rich states being encouraged to create employment opportunities. Further, States will be allowed to set up plants with upto 35% of power procured by discoms on regulated tariff.

(c) Atomic Energy (Amendment) Act,2015

The Parliament passed the bill in December, 2015 paving the way for participation of PSU's in setting-up of Nuclear Power Plants which was so far limited to NPCIL and BHAVINI under the administrative control of Department of Atomic Energy. It has expanded the definition of Government Company to include Companies where the entire paid-up share capital is held by one or more Government Companies. Further, to allow participation of PSU's, amendment allows the central government to issue licenses for JV companies to set up nuclear power plants.

(d) Fuel Reforms

Historically availability of fossil fuel, particularly coal has been the cause of serious concern for thermal power generators. However, the last 15 months has proved to be quite dynamic with slew of measures taken by Central Government which inter-alia include coal mining reforms which focused on two key aspects- competitive auctions of coal mines and commercial mining. Competitive auction of coal mines would result in transfer of economic benefits to end consumers in the form of lower tariffs.

In February,2016 Ministry of Coal circulated policy guidelines for grant of "Bridge Linkage" to specified end-use plants of Central and State Public Sector Undertakings both for power as well as non-power sector which have been allotted Schedule-III coal mines under the Coal Mines (Special Provisions) Act, 2015 (CM(SP) Act) and coal blocks allotted under the Mines and Minerals (Development and Regulation Act), 1957 (MMDR Act)for a period of 3 years from the date of allotment of coal mine/block.In May,2016 bridge linkages were granted to 19 thermal power stations including 7 NTPC plants with a capacity of 12200 MW.This short term linkage will help the power generators to bridge the gap between requirement of coal and the start of production from the linked allotted coal mine/block.

In May,2016 a new policy for coal linkage allocation to increase flexibility in the utilization of domestic coal linkages was approved by the Cabinet. Under the framework, all long term linkages of individual state generating stations/central generating stations would be clubbed and assigned to the respective state(s)/ company owning the generation stations. Subsequent allotment of coal would be based on plant efficiency, coal transportation cost, transmission charges and overall cost of power.

The Ministry of Coal finalized the guidelines for the automatic coal linkage transfer policy to enable seamless transfer of fuel from old thermal power stations that have been scrapped to new super critical plants to enhance generation capacity, ensure lower emissions and optimize land as well as water usage. This is of great significance as over 36,000 MW capacity is more than 25 years old and needs to be replaced in phased manner. The policy has been further modified on 09.06.2016 which allows for automatic transfer of coal linkage from a scrapped unit to a new unit outside the state for Thermal Power Plants in the Central sector i.e. Central Gencos.

Based on the Inter-Ministerial Task Force (IMTF) recommendation, Government of India has also allowed swapping of coal to optimize distances and maximizing despatches of coal. This will help in reduction in cost of power as well as de-congest railway network.

Recently, CSIR- Centre Institute of Mining and Fuel Research (CSIR-CIMFR) signed a Memorandum of Understanding with Coal Supplying companies and Power Utilities for quality analysis of coal being supplied to power utilities by coal companies. CSIR-CIMFR would make use of its knowledge based support in maintaining the quality of coal at national level for the entire power sector. It is estimated that about 300 million metric tons of coal samples would be analyzed for quality per year. It is also expected that this project will result in improvement in performance of power plants besides levaraging benefits to the consumer in particular and society as a whole. The endeavour would help the nation in sustainable energy supply and security planning for future as it may reduce import of thermal coal.

On the gas front, Government introduced a scheme for gas-based power projects, applicable for 2015-16 and 2016-17 for reviving the gas based capacity as many of the gas-based power were stranded or operating at sub-optimal levels due to non-availability of gas. The scheme envisages sacrifices to be made by all stakeholders as well as support from Power System Development Fund. The scheme resulted in revival of 11,717 MW of stranded gas based power projects with supply of Re-gasified Liquefied Natural Gas through transparent e-auction.

(e) Demand Side Management

Based on encouraging results of Cycle 1 of Perform Achieve and Trade mechanism, Cycle 2 for the period 2016-17 to 2018-19 has been further broadened with inclusion of more units from the existing sectors and addition of units from 3 new sectors i.e refineries , railways and electricity discoms. The designated customers selected in Cycle 2 account for 50% share in total energy consumption based on 2009-10 levels.

Government identified lighting as key focus area for energy efficiency. Under the Unnat Jyoti by Affordable LEDs for All (UJALA), more than 11 crore LED Bulbs has been distributed which resulted in cost saving of ₹16.24 crore per day and over 4 crore KWh per day and at the same time helped in reduction of CO_2 to the extent of 32,877 tonne per day



thereby reiterating India's commitment made at Conference of Parties (COP) 21 Summit held in Paris to reduce its energy intensity. *(Source: www.ujala.gov.in).*

OPPORTUNITIES AND THREATS/CHALLENGES

Opportunities

The number of initiatives and reforms under taken by Government of India has opened door of opportunities across the power sector value chain and are briefly discussed below:

Hydropower Potential

At present, most of the hydropower potential ~ 145 GW is untapped due to major deterrent i.e environmental impact of HEPPs and bottlenecks in the execution of hydro projects such as lack of basic infrastructure such as roads and bridges, inadequate grid connectivity, higher capital cost, resettlement and rehabilitation, geology and long gestation period. To overcome these hurdles amendment to Tariff Policy has provided for exemption from competitive bidding till 2022, allowing distribution licensees to extend long term PPAs beyond 35 years by a further period of 15 years.

Further exclusion of Hydro Power from RPO and allowing flexibility to developers in depreciation rate etc will benefit the Discoms/consumers. All these measures expect to recharge hydroelectric power.

Nuclear Power

The amendment to Atomic Energy Act,2015 has paved the way for Public Sector Joint Ventures to participate in Nuclear Generation which so far was a restricted domain. This will help companies like NTPC Limited which had already formed a joint venture company with Nuclear Power Corporation of India limited to foray into nuclear power generation. This development coupled with many international agreements for fuel / technology procurement, steps to resolve liability issues through formation of insurance pool and Governments' focus on clean energy makes nuclear power an attractive option.

Renewable Energy

Apart form policy initiatives for the renewable sector, several measures in the solar power sector such as solar park policy, grid-connected rooftop solar plants and sharp decline in solar cost has made the investment in solar power business highly attractive.

On the wind power front, National Institute of Wind Energy under MNRE has estimated the country's wind energy potential at 100 metres above ground level to be of 302 GW. The Government envisages setting-up of 60 GW of wind power by 2022 augurs well for wind power developers. *(Source : National Institute of Wind Energy, MNRE)*

Transmission Sector

With significant growth in new transmission lines with significant contribution from Private Sector, an increase in pace of identifying and awarding interstate projects through tariff based competitive bidding, focus on smart grids, green energy corridors (GEC) to cater to renewable and micro grids for connecting rural areas /providing energy access to un-electrified areas has opened avenues for various players in the transmission sector which would require massive investment in coming years.

Threats/Challenges/Concerns

Inspite of tremendous progress made by the power sector in last few years, certain key concerns can potentially impact the sector. Some of the issues are briefly discussed below:

Environmental Concerns

The environmental concerns particularly relating to coal based thermal stations has emerged as a major issue. In December, 2015, Ministry of Environment, Forest and Climate change notified the new standards for Thermal Power Stations relating to water consumption, particulate matter, SOx, NOx and mercury. Notification deals with 3 categories – plants installed before 31.12.2003, after 2003 upto 31.12.2016 and beyond. The Thermal plants have to achieve the standards within 2 years from the date of publication of notice.

Although, it is a step in right direction for controlling pollution generated by Thermal Plants, however, keeping in view tight time lines and several constraints like non-availability of space in older plants and indigenous technology to handle poor quality of Coal, it may be extremely challenging to meet the revised standards. Further, implementation of new technology to take care of revised standards will increase the tariff considerably which is estimated to be ~ 50 paise per kWh.

Availability of Gas

Inspite of GoI's effort to revive beleaguered gas-based power plants through e-auction based allocation of imported RLNG which provided a subsidy from the Power System Development Fund as well sacrifices made by all stakeholders, the future of gas based power projects looks gloomy for want of adequate gas supply. The PLFs continue to remain low. The power sector has been struggling to recover costs from capital investment in gas-based capacity. To make gas-based power projects viable, long-term solutions need to be found.

Rural Electrification-Last Mile Connectivity

Rural electrification has been one of the key focus areas of the current Government. Central Government aims to provide electricity to all house- holds by 2019 through its flagship programme Deendayal Upadhyaya Gramin Jyoti Yojana (DDUGJY). Though only ~ 9,000 villages are yet to be electrified, however electricity is still to reach all homes. Presently, ~ 65% of the house-holds have electricity. However, last mile connectivity, quality, reliability and duration of supply remains the concern.

Integrating Renewable Generation

With massive renewable capacity planned to be added by 2022, integration of renewable generation with the grid poses a big challenge. The delays in acquisition of right of way, poor financial health of state utilities and other challenges of accommodating huge quantum of intermittent renewable energy can impede the progress.

Other Issues/Concerns

- Availability of land/ Right to use of land/Right of way on land.
- Availability of water.
- Environment and forest clearance at State level to expedite E&F clearance to the project .
- Logistics for movement of heavy machinery like roads and bridges.
- Human resource requirement commensurate with the requirement of the various skilled and unskilled jobs.
- Burden on states: The gap between Average Revenue Realized (ARR) & Average Cost of Supply (ACS) needs to be reduced.
- Impact on conventional power capacity: Increasing share of Renewables is not only going to reduce PLF of conventional power plants , but also force to regulate generation to compensate for intraday variation in power generation by RE sources.
- Grid integration issues: The integration of Renewable power into power systems results in 'integration costs' for grid which includes cost for balancing services, more



flexible operation of thermal plant, reduced utilization of transmission network.

OUTLOOK AND OPPORTUNITIES FOR THE COMPANY

Strategic focus of the Company

Your Company is market leader in power generation and has its presence in the entire power sector value chain which gives it a competitive edge in the market. Your Company continues to focus on scaling up generating capacity through a mix of conventional and non-conventional fuel sources , efficiently running its installed capacity, developing own coal mines and providing other value adding services like power trading, consultancy etc.

The key is not to add capacity alone, but to see that the capacity which has been added is financially viable and also does not become stranded as has been the case with many IPP's. As a policy, the Board of Directors of your company accord investment approval only after having 5 basic requirements in place viz. land, water, environment clearance, fuel supply arrangements and power purchase agreement(s) (PPAs) .

In-organic growth opportunities

Your Company also scouts for acquisition of power plants at attractive valuations for adding capacity after analysing the technical and financial viability of the project(s). Considering a lot of capacity of private/state developers is stranded there is a good scope for consolidation in the sector. Recently, your company formed a Joint Venture Company with Jharkhand Bijli Vitran Nigam Limited (JBVNL) to acquire, establish, operate, maintain, revive, refurbish, renovate and modernize the performing existing units and further expand capacity of Patratu Thermal Power Station, District Ramgarh, Jharkhand in two phases i.e. Phase-I (3X800 MW) and Phase –II (2X800MW).

Government of Jharkhand issued the Notification dated 1st April 2016 for transfer of assets of Patratu Thermal Power Station to Patratu Vidyut Utpadan Nigam Limited, resulting in addition of 325 MW to NTPC's Group capacity.

Fuel Security

As discussed elsewhere in Management & Discussion Analysis, GoI has laid a lot of emphasis on improving coal supplies over the next five years; accordingly the Company expects to receive better coal supplies under its long term coal supply agreements. Coupled with its captive coal mines, your Company strives to ensure long term fuel security. With increased supplies of domestic coal, reliance on imported coal has also come-down thereby contributing to reduction in cost of power.

Your Company has been allocated 10 coal blocks with estimated geological reserves of ~7 billion tonnes with estimated mining capacity of 107 million tonnes per annum. Your Company has opened Pakri-Barwadih coal mining project from Western Pit and expects to extract coal shortly. Appointment of Mine Developer cum operator is under process for three other mines. Other mines are under various stages of development.

Your Company led the coal rationalisation initiative of GoI to reduce transport costs and avoid criss-cross movement of coal to decongest the railway network.

Renewable Energy

In line with GoI's mission of achieving renewable capacity of 175 GW by 2022 and being partner in progress of nation, your company is focussed on adding renewable energy to its portfolio even though generation capacity based on fossil fuel remains the mainstay of the Company's power portfolio. Your company is committed to add 10 GW of own renewable power capacity, select solar power developers for 15 GW under National Solar Mission and also involved in bundling of solar power with conventional power from its older plants to reduce the cost of renewable power. Your Company takes cognisance of the challenges of adding renewable energy capacity in India and will add such capacity progressively. Further to provide impetus to green energy, GoI allotted tax free bonds of ₹ 5,000 crore to various CPSE's. Your Company was one of the beneficiaries of allotment of tax-free bonds which will go a long-way in reducing the cost of renewable power.

Off-take and realisation

There have been concerns about the huge capacity addition programme undertaken by your company due to weak off-take and current energy and peak deficit numbers. Your company firmly believes that the ground reality is going to be different as structural reforms put in place in the distribution segment through UDAY will show results in coming years and with improved financial health of the discoms and the economic growth of the country, the demand will pick-up.

Almost, the entire output of the your company's power stations has been contracted under long term PPAs. Further, your Company produces power at a very competitive cost. The average tariff for financial year 2015-16 was ₹3.18/kWh as against ₹ 3.28/kWh for the previous year. Low cost of power mitigates off-take risks. Your Company has, for the 13th consecutive year, realised 100% of its dues and is confident of maintaining its track record in future also.

Leveraging on strengths for delivering better future performance

Your Company derives competitive edge from its strengths and is confident of meeting future challenges in the sector.

a. Project Management

Your Company has adopted an integrated system for the planning, scheduling, monitoring and controlling of approved projects under implementation. To coordinate and synchronise all the support functions of project management it relies on a three-tiered project management system known as the Integrated Project Management Control System which integrates its engineering management, contract management and construction management control centres.

Your company has successfully effected standardization, bulk ordering of 660 MW and 800 MW units and Engineering Procurement and Construction (EPC) contracting to reduce engineering time and thereby reduce project execution time.

Your company commissioned a 500 MW unit at Vindhyachal before the schedule time thereby entitling it to earn additional return of 0.5% on equity deployed in the unit.

b. Operational Efficiency

The operating performance of NTPC has been considerably above the national average. During the financial year 2015-16 PLF of coal stations was 78.61% against all India PLF of 62.29%. Over the years, NTPC has consistently operated at much higher operating efficiency as compared to All India operating performance.

In order to achieve cost-competitive, environment friendly, efficient & reliable power generation, the company has adopted following strategies:-

- Advance alert/support to stations through remote (Special Analytics & Computational services center) analysis of critical operation parameters, which in turn



improves system reliability, reduction of outages & maintenance costs.

- Reduction of forced outages through knowledge based unit overhaul & maintenance practices.
- Optimizing planned outage period through implementation of overhaul preparedness index, ensuring all quality checks and time bound monitoring of each activity.
- To implement best practices at enterprise level, knowledge teams for each equipment has been created.
- Improvement in Heat Rate & Auxiliary Power Consumption achieved by parametric optimization at part loads by operation of units in sliding pressure mode & optimizing excess air.
- To minimize efficiency losses in stations, process interface (PI) system based applications for real time efficiency & loss calculations.
- Structured & regular energy audit helps to identify potential areas of improvement in APC reduction which are being addressed in planned time bound implementation schedule.
- Implementation of Energy Efficiency Management System (EEMS) consisting of periodic assessments, field tests, performance gap analysis deviations and updation of action plans at all stations.
- To reduce cost of thermal generation, steps have been taken to maximize use of domestic coal, swapping of coal sources to reduce transport cost & proper blending.
- Use of comprehensive Performance Evaluation Matrix for relative evaluation of the performance of various power plants over a set of comprehensive performance indicators to create an environment of in-house challenge and competition. The parameters are reviewed annually to include new set of parameters commensurate with market dynamics and development of power sector.
- Adopting advanced technologies in new units e.g. commissioning of super critical units, which improves system efficiency & reduces carbon foot print.
- Renovation & modernization for reduction of greenhouse gas emissions, effective modernized control systems for environment friendly economic generation.

c. Human Resources

Your Company has been conferred with various HR awards over the years by reputed institutions. Your company is deeply passionate about ensuring the holistic development of all its employees as distinct individuals and good citizens. Competence building, Commitment building, Culture building and Systems building are the four pillars on which HR systems of your company are based.Your Company has a highly talented team of committed professionals and has been able to induct, develop and retain the best talent. The commitment of the employees is also reflected in terms of financial parameters such as sales/employee, PAT/per employee, value added/per employee etc. We have a pool of ~23,000 employees creating value for the Company. Your Company has a very low executive attrition rate.

d. Sound Corporate Governance

Your Company's corporate governance practices have been recognised and awarded at several forums. It enjoys the confidence of investors and all other stakeholders alike. Your Company not only believes in adopting best practices but also includes public interest in its corporate priorities and has developed extensive social outreach programmes.

e. Robust financials and systems

Your Company has strong financial systems in place. It believes in prudent management of its financial resources and strives to reduce the cost of capital. Your company enjoys highest credit-rating assigned by CRISIL, ICRA and CARE. The foreign ratings by Fitch and S&P are at par with sovereign ratings. It has robust financials leading to strong cash flows which are being progressively deployed in generating assets. Your Company has a strong balance sheet coupled with low gearing and healthy coverage ratios. As a result, your Company has been able to raise resources for its capital expansion projects at very competitive interest rates.

RISK, CONCERNS AND THEIR MANAGEMENT

Your Company has an elaborate Enterprise Risk Management framework in place. A Functional Director level Committee called Risk Management Committee (RMC) has been constituted. The RMC is responsible to identify & review the risks and to formulate action plans and strategies to mitigate risks on short term as well as long term basis.

The ERMC has identified 25 risks and out of which 7 have been classified as the top risks for the company:

- Inadequate fuel supply
- Difficulties in acquisition of land
- Delay in execution of projects
- Risks related to coal mining
- Risks pertaining to Hydro Projects
- Compliance of emission, ash utlization and regulatory norms
- Sustaining efficient plant operations

These areas are being regularly monitored through reporting of key performance indicators of identified risks. Exceptions with respect to risk assessment criteria are reported regularly to the Board of Directors.

Internal Control

To ensure regulatory and statutory compliance as well to provide highest level of corporate governance, your Company has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decision making which is being periodically reviewed to align it with changing business environment and for speedier decision making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by the experienced firms of Chartered Accountants in close co-ordination with the Company's own Internal Audit Department. Besides, the Company has two committees of the Board viz. Audit Committee and Committee on Management Controls to keep a close watch on compliance with Internal Control Systems.

A well defined internal control framework has been developed identifying key controls. The supervision of operational efficiency of designed key controls is done by Internal Audit. The framework provides elaborate system of checks and balances based on self assessment as well as audit of controls conducted by Internal Audit at the process level. Gap Tracking report for operating efficiency of controls is reviewed by the management regularly and action is taken



to further strengthen the Internal Control System by further standardizing systems & procedures and implement process changes, wherever required, keeping in view the dynamic environment in which your Company is operating. The Internal Control Framework system presents a written assessment of effectiveness of Company's internal control over financial reporting by the process owners to facilitate certification by CEO and CFO and enhances reliability of assertion.

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis on Financial Statements is furnished below. Figures of previous year have been regrouped/ rearranged wherever necessary. Reference to Note(s) in the following paragraphs refers to the Notes to the Financial Statements for the financial year 2015-16 placed elsewhere in this report:

A Results from Operations

1 Total Revenue (Note 22 & 23)

		FY 2015-16	FY 2014-15	Change
	Units of electricity sold (MUs)	224,926	225,003	0%
	Revenue			Amount in ₹ Crore
1	Energy Sales (including electricity duty)	70,661.33	73,197.61	-3%
2	Consultancy & other services	117.05	109.78	7%
3	Energy internally consumed	81.82	86.21	-5%
4	Interest from beneficiaries	221.29	332.82	-34%
5	Provisions for tariff adjustments written back	154.51	180.16	-14%
	Revenue from operations (gross)	71,236.00	73,906.58	-4%
6	Less:- Electricity duty	729.20	669.64	9%
	Revenue from operations (net)	70,506.80	73,236.94	-4%
7	Other income	1,189.27	2,100.42	-43%
	Total revenue	**71,696.07**	**75,337.36**	**-5%**

The revenue of the Company comprises income from energy sales (net of electricity duty), consultancy and other services, interest earned on investments such as term deposits with banks, bonds (issued under One Time Settlement Scheme) and dividend income from subsidiary & joint venture companies and mutual funds. The total revenue for financial year 2015-16 is ₹ 71,696.07 crore as against ₹ 75,337.36 crore in the previous year, registering a decrease of 5%. The main reasons for reduction in Total Revenue are decrease in the energy charges and also reduction in Other Income as explained elsewhere in the section.

The major revenue comes from Energy Sales. The tariff for computing Energy Sales is determined in terms of Central Electricity Regulatory Commission Regulations as notified from time to time which are briefly discussed below:

Tariff for computation of Energy Sales

The Central Electricity Regulatory Commission (CERC) notified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (Regulations, 2014) on 21st February, 2014 for the period 2014-19. Pending issue of final/provisional tariff orders under Regulations, 2014 by the CERC, sales have been provisionally recognized on the basis of principles enunciated in Regulations, 2014. As per the Regulations, 2014, the tariff for supply of electricity comprises of two parts i.e. Capacity Charges for recovery of Annual Fixed Cost based on plant availability and Energy Charges for recovery of fuel cost. In addition, Regulations also provide for the recovery of certain miscellaneous charges. The CERC sets tariff for each stage of a station in accordance with the notified tariff regulations/norms.

Capacity Charges

The capacity charges are allowed to be recovered in full if plant availability is at least 83%. If the availability of the plant is lower than 83%, the capacity charges are recovered on a pro-rata basis based on normative parameters as specified in the said Regulations.

Further, under the Regulations, 2014, the provision for the recovery of capacity charges in full at the plant availability of 83% is subject to the review after 3 years from 01.04.2014 i.e. the date on which Regulations,2014 came into force.

Energy Charges

Energy charges for the electricity sold are determined on the basis of landed cost of fuel applied on the quantity of fuel consumption derived on the basis of norms for heat rate, auxiliary power consumption, specific oil consumption etc.

Other Charges

Besides the capacity and energy charges, the other elements of tariff are:

- Deferred tax liability for the period upto 31.03.2009 on generation income is allowed to be recovered from the customers on materialization.
- Cost of hedging in respect of interest and repayment of foreign currency loans and exchange rate fluctuations for the un-hedged portion of interest and repayment of foreign currency loans on a normative basis.

In addition, the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014, provides for charges for the deviations in generation with respect to schedule, payable (or receivable) at rates linked to average frequency to bring grid discipline and security.

Each element of total revenue is discussed below:

Energy sales (including electricity duty)

Your Company sells electricity to bulk customers mainly, electricity utilities owned by State Governments as well as private discoms operating in States. Sale of electricity is made pursuant to long-term Power Purchase Agreements (PPAs) entered into with beneficiaries.

Income from energy sales (including electricity duty) for the financial year 2015-16 was ₹ 70,661.33 crore which constituted 99% of the total revenue. The income from energy sales (including electricity duty) has reduced by 3% over the previous year's income of ₹ 73,197.61 crore. Mainly due to reduction in cost of coal owing to reduced reliance on imported coal and swapping of coal linkages.

During the year, there is an increase in the commercial capacity by 1960 MW as detailed under:-

Project/Unit	Capacity (MW)	Commercial Operation Date
Koldam Hydro Unit # 1, 2, 3 & 4	800	18.07.2015
Vindhyachal Unit # 13	500	30.10.2015
Barh Unit # 2	660	18.02.2016
Total	**1960**	



Further, the commercial capacity of 695 MW comprising 20 MW of Solar PV capacity at Rajgarh, Unit#1 of 660 MW of Barh-II and 15 MW of Solar PV capacity at Singrauli which were declared under commercial operation during the financial year 2014-15, were available for the entire financial year 2015-16 as compared to part of financial year 2014-15.

For the financial year 2015-16, pending issue of provisional/final tariff orders w.e.f. 01.04.2014 for all the stations, billing to the beneficiaries was done according to the tariff approved and applicable as on 31.03.2014, as provided in the Regulations, 2014 (Note 22.a). The amount provisionally billed for the year ended March 31, 2016 on this basis is ₹ 69,950.05 crore.

Your Company filed a petition before the Hon'ble High Court of Delhi contesting certain provisions of the Regulations, 2014. On the directions from the Hon'ble High Court of Delhi, on the issue of 'point of sampling' for measurement of GCV of coal 'as received', CERC has issued an order (subject to final decision of the Hon'ble High Court of Delhi) that samples for measurement of coal 'as received' basis should be collected from loaded wagons at the generating stations. CERC vide their order dated 30.06.2016 reiterated that coal samples for measurement are to be taken from railway wagons at the generating stations, however, it is also subject to final order of Hon'ble High Court of Delhi.

Pending disposal of the review petition as on 31.03.2016 and issue of provisional/final tariff orders under Regulations, 2014 by the CERC, sales have been provisionally recognized on the basis of principles enunciated in Regulations, 2014. While recognizing the sales, on the basis of principles enunciated in Regulations, 2014, the energy charges (included in sales, in respect of the coal based stations) have been recognized based on the GCV 'as received' measured after secondary crusher which is generally within the station and at a distance less than one KM from the unloading point of the wagons. The sales provisionally recognized for the year ended March 31, 2016 on this basis is ₹ 71,546.92 crore (Note 22.b).

Sales include ₹ 50.74 crore pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (Note 22.c).

Sales also include (-) ₹ 1,693.65 crore on account of income-tax payable to the beneficiaries as per Regulations, 2004 (Note 22.d).

As per Regulations, 2014, the deferred tax liability for the period before 01.04.2009 shall be recovered from the beneficiaries whenever it materializes. Accordingly, sales also include ₹ 28.12 crore on account of deferred tax materialized which is recoverable from beneficiaries (Note 22.d).

Sales also include electricity duty on energy sales amounting to ₹ 729.20 crore. The same has been reduced from sales in the statement of profit and loss.

The average tariff for the financial year 2015-16 is ₹ 3.18/kWh as against ₹ 3.28/kWh in the previous year. The average tariff includes adjustments pertaining to previous years. If the impact of such adjustments were to be excluded, the average tariff would be ₹ 3.18/kWh in financial year 2015-16 as against ₹ 3.25/kWh in the previous year.

There has been 100% realization of the dues within the stipulated time frame for the thirteenth year in succession. All the beneficiaries have opened and are maintaining Letter of Credit equal to or more than 105% of average monthly billing as per One-Time Settlement Scheme (OTSS). In order to ensure prompt and early payment of bills for supply of energy to beneficiaries, your Company has formulated a rebate scheme by way of providing graded incentive for early payment based on the bill(s) raised on state utilities who are the members of NTPC's rebate scheme.

Under OTSS, tri-partite agreements are valid up to October 31, 2016. For the period beyond October 2016, nineteen states have accorded their consent for extension of Tri-partite Agreements (TPAs). Reserve Bank of India has also given "No Objection" for signing the TPAs.

Consultancy and other services

Accredited with an ISO 9001:2008 certification, the Consultancy Division of your Company undertakes consultancy and turnkey project contracts for domestic and international clients in the different phases of power plants viz. engineering, project management, construction management, operation & maintenance of power plants, Research & Development, Management Consultancy etc.

During the financial year 2015-16, Consultancy Division posted an income of ₹ 100.51 crore as against ₹ 100.37 crore achieved in the last financial year. In the financial year 2015-16, it has recorded a profit after tax of ₹ 22.02 crore as against ₹ 20.39 crore in the last financial year. Orders valued at ₹ 86.57 crore were secured by the division during the year.

Energy Internally Consumed

Energy internally consumed relates to own consumption of power for construction works at station(s), township power consumption, etc. It is valued at variable cost of generation and is shown in 'Revenue from Operations' with a debit to corresponding expense head under power charges. There is a decrease of 5% in the value of energy internally consumed during the year over the previous year mainly due to decrease in fuel cost.

Interest from beneficiaries

CERC Regulations provides that where after the truing-up, the tariff recovered is less than the tariff approved by the CERC, the Company shall recover from the beneficiaries the under recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ 221.29 crore has been recognised as Interest from beneficiaries.

Provisions written back

During the financial year 2015-16, the Company had written back provisions for tariff adjustments made in earlier years amounting to ₹ 154.51 crore in comparison to ₹ 180.16 crore in the financial year 2014-15.

Other Income (Note 23)

'Other income' mainly comprises interest income from bonds issued under One Time Settlement Scheme (OTSS), income from term deposits with banks, dividend from investments in mutual funds and equity investment in subsidiary & joint venture companies and 'Other non-operating income'.

'Other income' in financial year 2015-16 was ₹ 1,189.27 crore as compared to ₹ 2,100.42 crore in the financial year 2014-15. Broadly, the break-up of other income is as under:

₹ crore

	FY 2015-16	FY 2014-15
Interest on OTSS bonds /Loan to State Government	115.45	263.35
Income from investment in bank term deposits, mutual funds, profit on redemption of current investments	495.05	1,421.23
Dividend from JVs and Subsidiary Companies/ Interest from Subsidiary Company	132.21	117.65
Income earned on other heads such as hire charges, profit on disposal of fixed assets, etc.	520.99	387.03
Total	**1,263.70**	**2,189.26**
Less: Transfer to EDC/ development of coal mines	74.43	88.84
Net other income	**1,189.27**	**2,100.42**



Interest income from OTSS bonds (including loan to State Government) for financial year 2015-16 is ₹ 115.45 crore as compared to ₹ 263.35 crore in financial year 2014-15. The reduction in interest income to the extent of ₹ 147.90 crore is due to redemption of OTSS bonds amounting to ₹ 1,651.46 crore and repayment of loan in lieu of settlement of dues to State Government amounting to ₹ 95.72 crore. During financial year 2015-16, all the bonds issued under the OTSS have been redeemed. The Company has earned income of ₹ 495.05 crore during the financial year 2015-16 on account of term deposits made in banks, investments in mutual funds and redemption of current investments as against ₹ 1,421.23 crore earned last year. The income from investment in bank term deposits, mutual funds, etc. has registered a decline of 65% from last financial year attributed to decrease in earnings on account of lower interest rates as well as decrease in average annual investment from ₹ 16,653 crore in financial year 2014-15 to ₹ 7,065 crore in financial year 2015-16. The average investment declined mainly on account of issue of Bonus Debentures out of free reserves in the last financial year.

We have earned ₹ 131.76 crore as dividend from our investments in joint venture companies. Further, ₹ 0.45 crore has been earned as interest from loan of ₹ 1.72 crore (as at March 31, 2016) extended to Kanti Bijlee Utpadan Nigam Limited, one of our subsidiary companies. Also, an amount of ₹ 520.99 crore has been earned from various other sources mainly consisting of surcharge received from beneficiaries ₹ 142.28 crore, miscellaneous income of ₹ 133.12 crore, sale of scrap ₹ 58.17 crore, interest from contractors ₹ 49.48 crore and interest on loans to employees ₹ 30.12 crore, etc.

2 Expenses (Statement of Profit & Loss and Note 24, 25 & 26)

2.1 Expenses related to operations

Year	FY 2015-16		FY 2014-15	
Commercial generation (MUs)	240,778		240,847	
Expenses	₹ Crore	₹ per kWh	₹ Crore	₹ per kWh
Fuel	43,793.25	1.82	48,833.57	2.03
Employee benefits expense	3,609.32	0.15	3,620.71	0.15
Generation, administration and other expense	5,787.39	0.24	4,911.28	0.20
Total	**53,189.96**	**2.21**	**57,365.56**	**2.38**

The expenditure incurred on fuel, employee benefits expense and generation, administration and other expenses for the financial year 2015-16 was ₹ 53,189.96 crore as against the expenditure of ₹ 57,365.56 crore incurred during the previous year. In terms of expenses per unit of power produced, it was ₹ 2.21 per unit in financial year 2015-16 as against ₹ 2.38 per unit in financial year 2014-15. Component-wise, there has been a decrease in the fuel cost and an increase in the generation, administration and other expenses. However, employee benefits expense has remained at the same level. The increase in commercial generation due to commercial operation of new units i.e. units declared under commercial operations during the year as well as units declared under commercial operation during financial year 2014-15 which were under operation for part of the previous year as against under operation for full year during the current year has resulted in an additional operational expenditure of ₹ 1,305.23 crore.

A discussion on each of these components is given below:

2.1.1 Fuel

Expenditure on fuel constituted 82% of the total expenditure relating to operations. Expenditure on fuel was ₹ 43,793.25 crore in financial year 2015-16 in comparison to ₹ 48,833.57 crore in financial year 2014-15 representing a decrease of about 10%. The break-up of fuel cost in percentage terms is as under:

	FY 2015-16	FY 2014-15
Fuel cost (₹ Crore)	43,793.24	48,833.57
		% break-up
Coal	92.86%	88.91%
Gas	6.06%	8.12%
Oil	0.85%	0.98%
Naphtha	0.23%	1.99%

For the financial year 2015-16, the expenditure towards coal has decreased, inspite of a marginal increase in the coal based generation, this is partly due to lower average price of coal during the financial year 2015-16 as compared to previous year and partly due to lower coal consumption. A part of the decline in expenditure is also attributable to rationalization of coal, coal swapping and lower blending ratio of costlier imported coal.

The expenditure towards gas has also decreased due to decrease in the gas consumption in line with the decline in the generation from gas based units. A part of decreased in the expenditure towards gas is also attributable to the lower average price of gas during the financial year 2015-16 as compared to previous year.

The expenditure towards other component of fuel cost i.e. oil and naphtha have also decreased. The decline in the expenditure towards oil is due to lower average price of oil during the financial year 2015-16 as compared to previous year and the decline in the expenditure towards naphtha is mainly due to lesser consumption owing to the lesser naphtha based generation and partly due to lower average price of naphtha during the financial year 2015-16 as compared to previous year.

An increase of ₹ 1,066.40 crore in fuel cost is attributable to new commercial capacity added during the year as well as on commercial capacity added during previous year which was operational for part of the previous year as compared to full year operations during the current year.

Overall, fuel cost per unit generated decreased to ₹ 1.82 in financial year 2015-16 from ₹ 2.03 in financial year 2014-15.

The power plants of the Company use coal and natural gas as the primary fuels. Oil is used as a secondary fuel for coal-fired plants and naphtha as an alternate fuel in gas-fired plants. Under the tariff norms set by the CERC, your Company is allowed to pass on fuel charges through the tariff, provided the Company meets certain operating parameters.

The detail of fuel supply position is discussed elsewhere in the Director's Report.

2.1.2 Employees benefits expense (Note 24)

Employees' remuneration and benefits expenses include salaries & wages, bonuses, allowances, benefits, contribution to provident & other funds and welfare expenses.



Employees benefits expense have decreased marginally from ₹ 3,620.71 crore in financial year 2014-15 to ₹ 3,609.32 crore in financial year 2015-16.

Of the total increase in employees benefits expense, an increase of ₹ 71.20 crore is attributable to new commercial capacity added during the year as well as on commercial capacity added during previous year which was operational for part of the previous year as compared to full year operations during the current year.

In terms of expenses per unit of generation, it is ₹ 0.15 in financial year 2015-16 as well as financial year 2014-15. These expenses account for approximately 7% of operational expenditure in financial year 2015-16.

2.1.3 Generation, Administration and Other Expenses (Note 26)

Generation, administration and other expenses consist primarily the expenses for repair and maintenance of plant & machinery, buildings, water charges, security, corporate social responsibility, rebate to customers, contribution to water conservation fund, travelling expenses, power charges, insurance, training and recruitment expenses and provisions. These expenses are approximately 11% of operational expenditure in financial year 2015-16. In absolute terms, these expenses increased to ₹ 5,787.39 crore in financial year 2015-16 from ₹ 4,911.28 crore in financial year 2014-15 registering an increase of 18%. In terms of expenses per unit of generation, it is ₹ 0.24 in financial year 2015-16 as compared to ₹ 0.20 in previous financial year. An increase of ₹ 167.63 crore is on account of new commercial capacity added during the year as well as on commercial capacity added during previous year which was operational for part of the previous year as compared to full year operations during the current year.

Repair & maintenance expenses constitute 44% of total generation, administration and other expenses and have increased to ₹ 2,122.19 crore from ₹ 1,984.40 crore in previous year, resulting in an increase of 7%.

During the financial year 2015-16, the Company had made provisions amounting to ₹ 189.12 crore. This includes a provision of ₹ 145.28 crore towards tariff adjustments, ₹ 8.88 crore towards obsolescence in stores, ₹ 6.89 crore towards permanent diminution in the value of investment by the Company in two of its joint venture company i.e. NTPC BHEL Power Projects Private Ltd. ₹ 6.61 crore and BF-NTPC Energy Systems Ltd. ₹ 0.28 crore, ₹ 6.71 crore towards unfinished minimum work programme for oil and gas exploration and ₹ 4.22 crore towards unserviceable capital work-in-progress.

2.2 Finance Costs (Note 25)

The finance costs for the financial year 2015-16 were ₹ 3,230.36 crore in comparison to ₹ 2,743.62 crore in financial year 2014-15. The details of interest and other borrowing costs are tabulated below:

₹ crore

	FY 2015-16	FY 2014-15
Interest on:		
Borrowings	6,611.14	5,605.25
Others	2.26	3.32
Total interest	**6,613.40**	**5,608.57**
Other borrowing costs	59.58	104.16
Total	**6,672.98**	**5,712.73**
Less: Transfers to		
Expenditure during construction period	3,334.55	2,881.28
Development of coal mines	108.07	87.83
Net interest and Other borrowing costs	**3,230.36**	**2,743.62**

Interest on borrowings (including interest during construction) has increased by 18% over last financial year due to increase in long term borrowings (net of repayment) during the year by ₹ 5,814.42 crore. For the financial year 2015-16, the average cost of borrowing has decreased to 7.67% from 8.07% in previous financial year. The decrease in the average cost of borrowing is on account of lower rate of interest on new Rupee borrowings.

For the financial year 2015-16, an amount of ₹ 3,334.55 crore relating to finance costs of projects under construction was capitalized while the corresponding amount for the previous year was ₹ 2,881.28 crore. Thus, finance costs capitalized registered an increase of 16%. In addition, ₹ 108.07 crore has been capitalized in respect of development of coal mines as against ₹ 87.83 crore in previous year.

2.3 Depreciation, amortization and impairment expense (Note 12)

The depreciation and amortization expense charged to the profit and loss account during the financial year 2015-16 was ₹ 5,425.32 crore as compared to ₹ 4,911.65 crore in financial year 2014-15, registering an increase of 10%. This is due to increase in the gross block by ₹ 18,361.85 crore i.e. from ₹ 1,28,477.59 crore in the previous financial year to ₹ 1,46,839.44 crore in the current financial year. The increase in gross block is largely on account of increase in commercial capacity by 1960 MW resulting in additional capitalization on account of commercial declaration of new units as discussed under "Energy Sales". The depreciation on new units capitalized during the year is on pro-rata basis.

Further, depreciation for units declared commercial during financial year 2014-15 aggregating to 695 MW as already discussed under "Energy Sales" has been charged for the entire financial year 2015-16 as against a pro-rata charge during the financial year 2014-15. The impact on depreciation on this account for the financial year 2015-16 is ₹ 511.79 crore.

As per the accounting policy of the Company, depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013 and depreciation on the assets of the coal mining, oil & gas exploration and consultancy business, is charged on straight line method following the rates specified in Schedule II of the Companies Act, 2013.

In case of certain assets, the Company has continued to charge higher depreciation based on technical assessment of useful life of those assets.

2.4 Prior Period Items (net)

Certain elements of income and expenditure have been charged to the profit and loss account relating to previous years. For the financial year 2015-16 a net amount of ₹ 196.15 crore was booked as prior period income whereas in the financial year 2014-15 a net amount of ₹ 333.83 crore was accounted as prior period income.

2.5 Regulatory Income/(Expense)

The Institute of Chartered Accountants of India (ICAI) has issued a Guidance Note (GN) on Rate Regulated Activities (RRA) and the same is mandatorily applicable from the financial year 2015-16. Accordingly, your Company has applied the GN in preparation of



financial statements for the financial year 2015-16, considering the provisions of Tariff Regulations issued by the CERC. Accordingly, exchange differences arising from settlement/ translation of monetary item 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 recognized as 'Regulatory asset/ liability' by credit/debit to 'Regulatory income/expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. (Note 48)

Accordingly, for the financial year 2015-16, the regulatory income recognized in the Statement of Profit and Loss was ₹ 12.09 crore whereas for the financial year 2014-15, ₹ 103.71 crore was recognized as regulatory expense in the Statement of Profit and Loss.

3 Profit Before Tax

The profit of the Company before tax and exceptional items is tabulated below:

₹ crore

	FY 2015-16	FY 2014-15
Total revenue	**71,696.07**	**75,337.36**
Less:		
Expenditure related to operations	53,189.96	57,365.56
Finance cost	3,230.36	2,743.62
Depreciation, amortization and impairment expenses	5,425.32	4,911.65
Prior period items (net)	(196.15)	(333.83)
Add:		
Regulatory Income/ (Expense)	12.09	(103.71)
Profit Before Tax	**10,058.67**	**10,546.65**

4 Tax Expense

The Company provides for current tax in accordance with provisions of Income Tax Act, 1961 and for deferred tax considering the accounting policy of the Company.

Provision for Current tax

A provision, including tax expense pertaining to Rate Regulated Activities of ₹ (357.39) crore has been made towards current tax for the financial year 2015-16 as against the provision of ₹ 326.44 crore made in financial year 2014-15. During the year, an adjustment towards provision for taxation amounting to ₹ 2,453.48 crore has been made which is mainly on account of favorable appeal orders of Commissioner of Income Tax (Appeals) for the assessment years 2005-06, 2007-08, 2011-12 & 2012-13. Out of this, ₹ 1,693.65 crore has been reduced from sales as it is payable to the beneficiaries as per Regulations, 2004.

Provision for Deferred tax

The deferred tax liability related to the period upto March 31, 2009 is recoverable from customers as and when the same materializes. However, the deferred tax liability/asset for the period 01.04.2009 to 31.03.2014 is to the account of the Company.

For the period commencing from 01.04.2014, CERC Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Deferred asset for deferred tax liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax. Accordingly, the same has been accounted as "Deferred asset for deferred tax liability".

The deferred tax liability for the year is ₹ 226.88 crore as against the provision of ₹ 888.75 crore made in financial year 2014-15.

Details of tax expense

	FY 2015-16 (₹ Crore)		
	Current tax	Deferred tax	Total
Provision	2,093.51	226.88	2,320.39
Adjust. for earlier years	(2,453.48)	-	(2,453.48)
Tax expense/ (saving) pertaining to RRA	2.58	-	2.58
Adjust. for Deferred asset for deferred tax liability	-	(53.73)	(53.73)
Net prov. as per Statement of P&L	(357.39)	173.15	(184.24)

	FY 2014-15 (₹ Crore)		
	Current tax	Deferred tax	Total
Provision	2,314.22	888.75	3,202.97
Adjust. for earlier years	(1,952.53)	-	(1,952.53)
Tax expense/ (saving) pertaining to RRA	(35.25)	-	(35.25)
Adjust. for Deferred asset for deferred tax liability	-	(959.40)	(959.40)
Net prov. as per Statement of P&L	326.44	(70.65)	255.79

Net provision of tax for the financial year 2015-16 was ₹ (184.24) crore in comparison to ₹ 255.79 crore in the financial year 2014-15.

5 Profit After Tax

The profit of the Company after tax is tabulated below:

₹ crore

	FY 2015-16	FY 2014-15
Profit Before Tax	**10,058.67**	**10,546.65**
Less:- Tax expense	(184.24)	255.79
Profit After Tax	10,242.91	10290.86

The profit after tax has declined by 0.47%.



6 Segment-wise Performance

For the purpose of compiling segment-wise results, the business of the Company is segregated into 'Generation' and 'Other Business'. The Company's principal business is generation and sale of bulk power. Other business includes providing consultancy, project management and supervision, oil and gas exploration and coal mining.

The profit before unallocated corporate interest and other income & unallocated corporate expenses, interest and finance charges, in the generation business for the financial year 2015-16 was ₹ 13,640.47 crore as against ₹ 12,554.39 crore for financial year 2014-15. The loss before unallocated corporate interest and other income & unallocated corporate expenses, interest and finance charges from 'Other Business' comprising of consultancy, coal mining and oil exploration was ₹ 16.43 crore for financial year 2015-16 as against a loss of ₹ 4.45 crore in the previous financial year. (Note 40)

B. Financial Position

The items of the Balance Sheet are as discussed under:

1 Net Worth

The net worth of the Company at the end of financial year 2015-16 increased to ₹ 88,782.00 crore from ₹ 81,657.35 crore in the previous year, an increase of 9%. Major reason for the same are tabulated below:

	Net Worth (₹ crore)	BVPS (₹)
Opening Balance as on 01.04.2015	81,657.35	99.03
Add: Profit/ EPS for the year	10,242.91	12.42
Add: Other adjustments to Reserves	202.23	0.25
Less: Dividend & dividend tax*	3,320.49	4.03
Balance as on 31.03.2016	88,782.00	107.67

*includes proposed dividend & tax thereon

The increase in net worth resulted in increase in Book Value per Share (BVPS) to ₹ 107.67 from ₹ 99.03 as at the end of previous year. During the financial year 2015-16, Government of India (GoI) disinvested its 5% stake in the company through Offer for Sale route through Stock Exchange Mechanism. After the disinvestment, GoI's stake came down from 74.96% to 69.96%.

2 Deferred Revenue

Deferred revenue (Note 4) consists of two items detailed as under:

₹ crore

Deferred revenue on account of	As at March 31	
	2016	2015
Advance Against Depreciation (AAD)	279.94	409.20
Income from foreign currency fluctuation	1,666.68	984.95
Total	**1,946.62**	**1,394.15**

Advance Against Depreciation (AAD) was an element of tariff provided under the CERC Tariff Regulations for the period 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff, considering a useful life of 25 years, is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Accordingly, the amount of AAD considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than corresponding depreciation charged in accounts. Thus, an amount of ₹ 129.26 crore (previous year ₹ 75.03 crore) has been recognized as sales during the year ended March 31, 2016.

Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation asset by corresponding credit to deferred income from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of fixed assets, which is recoverable from the customers in future years as per accounting policy. This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from shareholder's funds and liabilities.

3 Non-Current and Current Liabilities

Details of non-current and current liabilities are discussed below:

a. Borrowings:

Total borrowings as at 31.03.2016 were ₹ 91,809.76 crore in comparison to ₹ 85,995.34 crore as at 31.03.2015. Current maturities out of long term borrowings have been shown under current liabilities. Details of the total borrowings are as under:

₹ crore

	As at March 31	
	2016	2015
Long term borrowings in non-current liabilities (Note 5)	85,083.26	78,532.33
Current maturities of long term borrowings included in other current liabilities (Note 10)	6,726.50	7,463.01
Total borrowings	**91,809.76**	**85,995.34**



A summary of the borrowings outstanding is given below:

₹ crore

	Non-current liabilities		Other current liabilities		Total borrowings		% Change
	2016	2015	2016	2015	2016	2015	
Secured							
Domestic Bonds*	24,844.83	23,017.83	628.00	600.00	25,472.83	23,617.83	8%
Foreign currency term loans/ Notes	-	-	-	-	-	-	-
Others	1.45	-	0.48	-	1.93	-	-
Sub-total	**24,846.28**	**23,017.83**	**628.48**	**600.00**	**25,474.76**	**23,617.83**	**8%**
Unsecured							
Foreign currency term loans/ Notes	26,375.53	22,691.87	1,979.06	2,738.15	28,354.59	25,430.02	12%
Rupee term loans	33,781.15	32,754.50	4,108.13	4,124.86	37,889.28	36,879.36	3%
Others	80.30	68.13	10.83	-	91.13	68.13	34%
Sub-total	**60,236.98**	**55,514.50**	**6,098.02**	**6,863.01**	**66,335.00**	**62,377.51**	**6%**
Total	**85,083.26**	**78,532.33**	**6,726.50**	**7,463.01**	**91,809.76**	**85,995.34**	**7%**

*includes ₹655 crore for which security was created during financial year 2016-17.

As on 31.03.2016, the foreign currency loan basket comprises of loans denominated in US Dollar, Japanese Yen and Euro which contributed about 84%, 10% and 6% respectively of the total foreign currency loans.

Over the last financial year, total borrowings have increased by 7%. Debt amounting to ₹ 11,786.03 crore was raised during the year 2015-16. The amount raised through term loans, bonds and foreign currency borrowings is used for capital expenditure, refinancing and recoupment of capital expenditure.

Details in respect of proceeds and repayment of borrowings for the year 2015-16 are as under:

₹ crore

Source	Debt raised	Repayment	Net
Term loan	5,150.00	4,140.08	1,009.92
Domestic bonds	2,455.00	600.00	1,855.00
Foreign currency debts	4,147.74	2,949.09	1,198.65
Others (finance lease)	33.29	8.36	24.93
Total	11,786.03	7,697.53	4,088.50
FERV on foreign currency borrowings			1,725.92
Total			**5,814.42**

Term loans: Banks and Domestic financial institutions continued to support the capex program of the Company by extending term loans for financing the on-going capacity expansion plans. During the financial year 2015-16, agreement for a term loan of ₹ 2,000 crore was entered into with ICICI Bank Ltd. An amount of ₹ 5,150 crore was drawn from domestic banks & financial institutions during the year and an amount of ₹ 4,140.09 crore was repaid during the year. The cumulative amount of domestic loans tied up till 31st March 2016 is ₹ 79,314.35 crore (excluding undrawn loans short closed as per the loan agreements). The cumulative drawl up to 31st March 2016 was ₹ 62,154.35 crore.

Domestic bonds: Bonds amounting to ₹ 2,455 crore were issued during financial year 2015-16.The details are as follows:

Series No.	Type of Issue	Tenure (in Years)	Coupon Rate	Amount (in ₹ Crore)
55	Tax Free, Private	10	7.15%	300
56	Tax Free, Public	10,15 & 20	7.11%,7.28% & 7.37% for non-retail and 7.36%,7.53% & 7.62% for retail category	700
57	Taxable,Private	10	8.19%	500
58	Taxable,Private	5	8.18%	300
59	Taxable,Private	5	8.33%	655

During the financial year 2015-16, Bonds amounting to ₹ 600 crore were redeemed. The amount of Bonds outstanding as on 31st March 2016 is ₹ 25,472.83 crore.

Foreign currency debts: During the financial year, the Company raised USD 500 million through external commercial borrowings by issue of Senior Fixed Rate Notes (Notes) under the USD 4 billion MTN programme.

Notes have a coupon of 4.25% payable semi-annually. This was the lowest coupon ever achieved by the company for its International Bonds. The bonds are due for bullet repayment in February 2026. An amount of ₹ 3,434.04 crore was received as proceeds against the issuance of these Notes. As against this, an amount of ₹ 2,129.06 crore was utilised to part finance the capital expenditure incurred on various ongoing power projects of the company till 31st March 2016.

Under the existing loan facilities available from JBIC and KfW, during the year, the company has drawn and utilised ₹ 713.70 crore towards capital expenditure incurred on various projects.

In all, the company has drawn during the year ₹ 4,147.74 crore from foreign currency loans and repaid foreign currency debt amounting ₹ 2,949.09 crore. The rupee equivalent of foreign borrowings outstanding as on 31st March 2016 is ₹ 28,354.59 crore.



As at 31.03.2016, the derivative contract (Currency Interest Rate Swap) outstanding stood at JPY 10.69 crore and principal swap stood at EURO 0.80 crore equivalent to ₹ 6.38 crore & ₹ 60.74 crore respectively.

The Company continues to enjoy highest credit ratings for its bonds programme and borrowings from banks, while Company's International Ratings are at par with sovereign ratings as detailed hereunder:

Credit Rating Agency	Rating	Remarks
Domestic		
CRISIL	CRISIL AAA	Highest ratings
ICRA	ICRA AAA (Stable)	
CARE	CARE AAA	
International		
S&P	BBB-/stable	Equivalent to sovereign ratings
Fitch	BBB-/ stable	

The debt to equity ratio at the end of financial year 2015-16 of the Company decreased to 1.03 from 1.05 at the end of the previous financial year. The Debt Service Coverage Ratio (DSCR) and Interest Service Coverage Ratio (ISCR) for financial year 2015-16 are 1.72 and 5.85 respectively.

Formula used for computation of coverage ratios DSCR = Earnings before Interest, Depreciation, Tax and Exceptional items/ (Interest net of transferred to expenditure during construction + Principal repayment) and ISCR = Earnings before Interest, Depreciation, Tax and Exceptional items/ (Interest net of transferred to expenditure during construction).

The maturity profile of the borrowings by the Company is as under:

₹ crore

	Domestic Borrowings	Foreign Borrowings	Total
Within 1 year	4,747.44	1,979.06	6,726.50
2 – 3 years	10,626.73	3,624.96	14,251.69
4 – 5 years	9,648.03	4,576.31	14,224.34
6 – 10 years	30,644.41	17,181.85	47,826.26
Beyond 10 years	7,788.56	992.41	8,780.97
Total	**63,455.17**	**28,354.59**	**91,809.76**

b. Deferred Tax Liabilities (net):

Deferred tax liabilities (net) (Note 6) have increased from ₹ 979.07 crore as at 31.03.2015 to ₹ 1,152.21 crore as at 31.03.2016. CERC Regulations, 2014 provide for recovery of deferred tax liability as on 31st March 2009 from the beneficiaries. Accordingly, deferred tax liability as on 31st March 2009 is recoverable on materialisation from the beneficiaries. For the period commencing from 1st April 2014, Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Deferred asset for deferred tax liability for the year will be reversed in future years when the related deferred tax liability forms part of current tax. The net increase during the year in the deferred tax liability of ₹ 173.14 crore (previous year decrease of ₹ 72.54 crore) has been debited to the Statement of Profit and Loss.

c. Other Long Term Liabilities:

Other long term liabilities (Note 7) primarily consist of liabilities for capital expenditure and others. Liabilities for capital expenditure has increased from ₹ 2,617.86 crore as at 31.03.2015 to ₹ 3,015.42 crore as at 31.03.2016 mainly due to new projects going under construction. Liabilities for capital expenditure which are due for payment within 12 months from the reporting date have been classified under 'Other current liabilities' (Note 10).

d. Long Term Provisions:

Long term provisions (Note 8) consist of amounts provided towards employees benefits as per actuarial valuation which are expected to be settled beyond a period of 12 months from the Balance Sheet date. Long term provision as at 31.03.2016 was ₹ 436.41 crore as compared to ₹ 1,115.71 crore as at 31.03.2015.The same has decreased due to discharge of provision towards PRMS to the trust created during the year and funding of the same by the company.

e. Regulatory Liabilities:

Guidance Note (GN) on Rate Regulated Activities issued by the ICAI is mandatorily applicable from the financial year 2015-16.

In view of the same, exchange differences arising from settlement/translation of monetary item 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 recognized as 'Regulatory asset/liability' by credit/debit to 'Regulatory income/expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. Such exchange differences were hitherto accounted as 'Deferred foreign currency fluctuation asset/ liability'.

The regulated assets/liability (Note 8A) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

₹ crore

Particulars	Regulated Liability
A. Opening balance as on 01.04.2015	307.74
B. Addition during the year	(8.45)
C. Amount collected/refunded during the year	3.64
D.Regulatory income/(expense) recognized in the Statement of Profit & Loss (B-C)	12.09
E. Closing balance as on 31.03.2016 (A-D)	295.65



f. Current Liabilities:

The current liabilities as at 31.03.2016 were ₹ 33,846.39 crore as against ₹ 30,519.52 crore as at the end of previous year. The break-up of current liabilities is as under:

₹ crore

	As at March 31		Y-o-Y Change	% Change
	2016	2015		
Short-Term Borrowings (Note-5A)	1,299.50	-	1,299.50	-
Trade payables (Note-9)	5,502.86	5,953.15	-450.29	-8%
Other current liabilities (Note-10)	18,384.41	16,807.62	1,576.79	9%
Short term provision (Note-11)	8,659.62	7,758.75	900.87	12%
Total	**33,846.39**	**30,519.52**	**3,326.87**	**11%**

In order to finance the mismatches in the short term fund requirement, short term borrowings (Note-5A) in the form of unsecured cash credit was resorted to by the Company. The unsecured cash credit utilization as on 31st March 2016 was ₹ 1,299.50 crore with State Bank of India.

The trade payables mainly comprise amount payable towards supply of goods & services, deposits & retention money from contractors. Trade payable has reduced mainly on account of discharge of liabilities of the fuel suppliers.

Other current liabilities mainly comprise current maturities of long term borrowings, payable towards capital expenditure and other statutory liabilities. The details of other current liabilities are as under:

₹ crore

	As at March 31	
	2016	2015
Other current liabilities	18,384.41	16,807.62
Less: Current maturities of long term borrowings and Finance lease obligations	6,726.50	7,463.01
Other current liabilities (net)	**11,657.91**	**9,344.61**

Other current liabilities (net) include amount payable for capital expenditure, interest accrued but not due on borrowings, book overdraft, advances from customers and others, deposits from contractors, gratuity obligations, payables to employees, unpaid dividends etc. Other current liabilities (net) has increased mainly due to increase in payables for capital expenditure which has increased from ₹ 6,421.73 crore as on 31.03.2015 to ₹ 7,926.23 crore as on 31.03.2016 and also due to advances from customers and others amounting to ₹ 1,240.54 crore as on 31.03.2016 as compared to ₹ 461.70 crore as on 31.03.2015.

Short-term provisions mainly consist of provisions for employee benefits, provision for proposed dividend and taxes thereon, provision for obligations incidental to land acquisition, provision for tariff adjustment and some other provisions. As at 31.03.2016, Company had outstanding short term provisions of ₹ 8,659.62 crore as against ₹ 7,758.75 crore as at 31.03.2015.

The increase in short-term provisions is mainly due to increase in Provision for obligations incidental to land acquisition from ₹ 3,098.72 as on 31.03.2015 to ₹ 3,736.83 crore as on 31.03.2016. The provision for proposed final dividend remained unchanged at ₹ 1,442.96 crore as on 31.03.2016 as well as on 31.03.2015. However, provision for current tax of ₹ 151.30 crore has been made as on 31.03.2016, the same was NIL as on 31.03.2015.

As a prudent and conservative policy, provision for tariff adjustment has been created in the books of accounts to the extent of the impact of the challenged issues of the APTEL judgement and the interest thereon, as the appeal filed by the CERC with the Hon'ble Supreme Court is still pending for disposal and the CERC tariff orders are subject to the outcome of these appeals.

Accordingly, provision of ₹ 145.28 crore (previous year ₹ 148.10 crore) has been made during the year and in respect of some of the stations, an amount of ₹ 154.51 crore (previous year ₹ 180.16 crore) has been written back.

Other provisions include ₹65.35 crore (previous year ₹ 58.64 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2, ₹ 496.44 crore (previous year ₹ 440.35 crore) towards provision for litigation cases and ₹ 1.87 crore (previous year ₹ 6.03 crore) towards provision for shortage in fixed assets pending investigation.

4 Fixed Assets

Fixed assets of the Company are detailed as under:

₹ crore

	As at March 31		% Change
	2016	2015	
Tangible assets	146,392.06	128,061.50	14%
Intangible assets	447.38	416.09	8%
Total gross block	**146,839.44**	**128,477.59**	**14%**
Total net block	**91,629.81**	**78,849.07**	**16%**
Capital work- in - progress and Intangible assets under development (CWIP)	66,433.65	56,493.49	18%
Capital advances (Note 15)	7,183.32	7,720.69	-7%
Total CWIP & capital advances	**73,616.97**	**64,214.18**	**15%**

During the year, gross block of the Company increased by ₹ 18,361.85 crore over the previous year i.e. 14%. This was mainly on account of declaration of commercial operation of 1960 MW during 2015-16 and also capitalisation of some other assets.



Correspondingly, net block has increased by 16%. Capital work in progress and capital advances (shown as Long-term loans & advances in Note 15 of Balance Sheet) taken together also increased by ₹ 9,402.79 crore registering an increase of 15% over the last year.

₹ crore

	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Total gross block	146,839.44	128,477.59	116,992.06	103,245.70	81,830.26
Increase in gross block over previous year	18,361.85	11,485.53	13,746.36	21,415.44	9,075.11
Total CWIP & capital advances	73,616.97	64,214.18	53,533.65	44,036.77	44,569.27
Increase in CWIP & capital advances over previous year	9,402.79	10,680.53	9,496.88	(532.50)	6,298.64
Total increase in gross block & CWIP	**27,764.64**	**22,166.06**	**23,243.24**	**20,882.94**	**15,373.75**

If we analyse trend, combined gross block & CWIP has increased significantly in last 5 years indicating higher capex. Over last 5 years, total CWIP & capital advances have steadily grown at CAGR of 14%. Similarly, total gross block has also grown at a CAGR of 15% over last 5 years. The gross block is expected to grow significantly higher in near future, as the capacity awarded through bulk tender is expected to be operational in next 2 to 3 years.

5 Investments

Investments have been bifurcated into non-current investments and current investments and discussed accordingly:

₹ crore

	As at March 31		% Change
	2016	2015	
Non-current investments (Note 14)	7,949.52	7,154.07	-11%
Current investments (Note 16)	343.63	1,878.06	-82%
Total	**8,293.15**	**9,032.13**	**-8%**

Investments as at year end mainly consist of equity participation in subsidiary and joint venture companies. Broadly the break-up of investments is as follows:

₹ crore

	As at March 31	
	2016	2015
Bonds issued under One Time Settlement Scheme (OTSS Bonds)	-	1,651.46
Investment in liquid mutual funds	343.63	226.60
Investment in equity instruments	12.00	12.00
Investment in Joint Ventures	6,007.09	5,299.38
Investment in Subsidiaries	1,930.43	1,842.69
Total investments	**8,293.15**	**9,032.13**

Over the year, the investments decreased by about 8% mainly due to redemption of OTSS bonds. During the year 2015-16, remaining balance of OTSS bonds amounting to ₹ 1,651.46 crore were redeemed as per scheduled redemption. Your company also parked an amount of ₹ 343.63 crore in short term liquid mutual funds out of fly ash utilization reserve fund. The Company invested (net) ₹ 707.71 crore in following joint venture companies during the year:

₹ crore

Name of JV Companies	Amount
NTPC-Tamil Nadu Energy Company Ltd.	40.00
Aravali Power Company Private Ltd.	53.15
Meja Urja Nigam Private Ltd.	300.09
Nabinagar Power Generating Company Private Ltd.	252.17
Energy Efficiency Services Ltd.	25.00
Trincomalee Power Company Ltd.	5.94
Bangladesh-India Friendship Power Co. Pvt. Ltd.	38.25
Total Investment	714.60
Less: Provision for diminution in value in	
NTPC BHEL Power Projects Private Ltd.	(6.61)
BF-NTPC Energy Systems Ltd.	(0.28)
Net Investment	**707.71**

The Company also invested (net) ₹ 87.74 crore in the following subsidiary companies:

₹ crore

Name of subsidiary company	Amount
Kanti Bijlee Utpadan Nigam Ltd.	71.02
Bhartiya Rail Bijlee Company Ltd.	15.64
Patratu Vidyut Utpadan Nigam Limited	1.08
Total investment	**87.74**

6 Long Term Loans and Advances

Long term loans and advances (Note 15) include those loans and advances which are expected to be realized after a period of 12 months from Balance Sheet date. Total long term loans and advances as at 31.03.2016 were ₹ 16,980.19 crore as against ₹ 15,527.89 crore as at 31.03.2015. Long term loans and advances consist of advances for capital expenditure and other advances to contractors, security deposits and loans to employees. Break-up of long term loans and advances is as under:

₹ crore

	As at March 31	
	2016	2015
Total Long term loans & advances	16,980.19	15,527.89
Less: capital advances	7,183.32	7,720.69
Other long term loans & advances	**9,796.87**	**7,807.20**

Capital advances have already been discussed along with capital work in progress under the head fixed assets. Other long term loans and advances have gone up from ₹ 7,807.20 crore to ₹ 9,796.87 crore an increase of ₹ 1,989.67 crore. The increase is mainly due to increase in Advance income tax net of provision for income tax which has gone up from ₹ 4,813.48 crore to ₹ 6,826.36 crore i.e. by ₹ 2,012.88 crore.



7 Other Non-Current Assets

As per the opinion of the EAC of the ICAI, exchange differences on account of translation of foreign currency borrowings which are recoverable from the beneficiaries in subsequent periods as per CERC tariff regulations are accounted as 'Deferred foreign currency fluctuation asset'. Accordingly, an amount of ₹ 1,368.79 crore has been accounted under this head upto 31.03.2016 (Previous year ₹ 1,280.49 crore) (Note 15A). Deferred foreign currency fluctuation asset has increased mainly due to appreciation of US Dollar, Japanese Yen and Euro against Indian Rupee.

Other non-current assets also include claims recoverable from Government of India amounting to ₹ 469.73 crore as on 31.03.2016 (previous year ₹ 466.28 crore) in respect of Loharinagpala Hydro Power Project which has been discontinued on the advice of the Ministry of Power, GoI. This includes an amount of ₹ 185.41 crore (previous year ₹ 214.34 crore) in respect of arbitration award challenged by the Company before High Court. In the event court grants relief to the Company, the amount would be adjusted against 'short term provision- others' (Note 11). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/ vendors for various packages for this project will be compensated in full by the GoI.

8 Current Assets

The current assets as at 31.03.2016 and 31.03.2015 and the changes therein are as follows:

₹ crore

Current Assets	As at March 31		Y o Y Change	% Change
	2016	2015		
Current investments (Note 16)	343.63	1,878.06	(1,534.43)	-82%
Inventories (Note 17)	7,192.53	7,453.00	(260.47)	-3%
Trade receivables (Note 18)	7,843.99	7,604.37	239.62	3%
Cash & bank balances (Note 19)	4,406.36	12,878.81	(8,472.45)	-66%
Short term loans & advances (Note 20)	2,249.26	2,407.59	(158.33)	-7%
Other current assets (Note 21)	7,710.54	5,141.60	2568.94	50%
Total current assets	**29,746.31**	**37,363.43**	**(7,617.12)**	**-20%**

Major reason for decrease in current assets is reduction in cash and bank balances by ₹ 8,472.45 crore. The same was due to utilization of unutilized portion of bonus debentures of ₹ 4,656.83 crore which formed part of cash and bank balances of ₹ 12,878.81 crore as at 31.03.2015.

Inventories

Inventories as at 31.03.2016 were ₹ 7,192.53 crore (being 24% of current assets) as against ₹ 7,453.00 crore as at 31.03.2015. Inventories mainly comprise stores and spares and coal which are maintained for operating plants. Stores and spares were ₹ 2,775.69 crore as against ₹ 2,631.31 crore in previous year end. Value of coal inventory decreased from ₹ 3,827.37 crore as at 31.03.2015 to ₹ 3,490.12 crore as at 31.03.2016 due to lesser proportion of imported coal stock in total coal stock at our power plants.

Trade Receivables

Trade receivables (net) as at 31.03.2016 are ₹ 7,843.99 crore as against ₹ 7,604.37 crore as at 31.03.2015. Trade receivables have increased by 3% over the year, however on number of sales days basis, the same have gone up from 38 days to 40 days. The increase in debtors' balances is mainly due to outstandings of some discoms. Out of ₹ 7,843.99 crore only an amount of ₹ 20.97 crore was outstanding for more than 6 months. Considering the financial health of our customers and industry standards, average 40 days debtors are at acceptable levels. The company has collected 100% dues for 13th year in succession.

Keeping in view the requirements of Companies Act, 2013, unbilled revenues are shown under 'Other current assets' in Note 21 of balance sheet.

Short term loans and advances

Short term loans and advances as at 31.03.2016 comprise of advances to contractors and suppliers including materials issued on loan, short term advances to employees, security deposits, loans and advances to subsidiary and joint venture companies etc. Short term loans and advances have decreased from ₹ 2,407.59 crore as on 31.03.2015 to ₹ 2,249.26 crore as on 31.03.2016 mainly on account of reduction in deposits with sales/commercial tax authorities and reduction in loan to DVB in settlement of dues as per OTSS Bonds Scheme of GoI.

Other Current Assets

Other current assets excluding unbilled revenue are as under:

₹ crore

	As at March 31	
	2016	2015
Other current assets (as per Note 21)	7,710.54	5,141.60
Less: Unbilled revenue	4,953.50	2,502.33
Net Other current assets	**2,757.04**	**2,639.27**

Other current assets include interest accrued on OTSS Bonds, term deposits with banks, other deposits and claims recoverable. Claims recoverable has increased from ₹ 2,074.46 crore as on 31.03.2015 to ₹ 2,601.14 crore as on 31.03.2016.

Claims recoverable include claims against railways ₹ 1946.68 crore (previous year ₹ 1,723.54 crore) which are mainly towards diverted out coal wagons.

Unbilled revenue consists of items viz. (i) sales for the month of March which is billed in April and (ii) other credits which are to be passed on to beneficiaries. For the year 2015-16, the credits which are to be passed on to beneficiaries have already been accounted for in sales. Unbilled revenue of ₹ 4,953.50 crore (previous year ₹ 2,502.33 crore) is net of credits to be passed to beneficiaries at the time of billing and includes ₹ 6,579.06 crore (previous year ₹ 6,384.00 crore) billed to the beneficiaries after 31st March for energy sales.



Cash flows

Cash, cash equivalents and cash flows on various activities is given below:

₹ crore

	FY 2015-16	FY 2014-15
Opening cash & cash equivalents	13,105.41	15,311.37
Net cash from operating activities	14,503.53	14,234.70
Net cash used in investing activities	(18,422.65)	(14,562.60)
Net cash flow from financing activities	(4,436.38)	(1,878.08)
Exchange difference arising from translation of foreign currency cash and cash equivalents	0.08	0.02
Change in cash and cash equivalents	(8,355.42)	(2,205.96)
Closing cash & cash equivalents	**4,749.99**	**13,105.41**

Net cash generated from operating activities was ₹ 14,503.53 crore during the year 2015-16 as compared to ₹ 14,234.70 crore in the previous year.

Net cash used in investing activities was ₹ 18,422.65 crore in financial year 2015-16 as compared to ₹ 14,562.60 crore in the previous year. Cash outflows on investing activities arise from expenditure on setting up power projects, investment of surplus cash in various securities, investments in joint ventures & subsidiaries and tax outflow on income from investing activities. Cash inflows arise from interest from banks and dividend income from joint ventures and subsidiaries and mutual funds. Cash invested on purchase of fixed assets increased to ₹ 20,561.82 crore in financial year 2015-16 from ₹ 17,128.27 crore in previous year. During the year, there was purchase and sale of non-trade investments and redemption of OTSS Bonds. Cash flows from sale of investment (net of purchase of investment) was ₹ 1,651.46 crore.

During the year, the Company used net ₹ 4,436.38 crore of cash for servicing financing activities as against ₹ 1,878.08 crore in the previous year. During the financial year 2015-16, the Company had an inflow of ₹ 11,786.03 crore from long term borrowings as against ₹ 23,360.37 crore in the previous year including proceeds of bonus debentures. Cash used for repayment of long term borrowings during the financial year 2015-16 was ₹ 7,697.53 crore as against ₹ 4,751.15 crore repaid in the previous year. Cash used for paying dividend and the tax thereon during 2015-16 was ₹ 3,324.56 crore as compared to ₹ 14,796.83 crore in the previous year which included bonus debentures amounting to ₹ 10,306.83 crore and dividend tax thereon of ₹ 2,060.76 crore.

FINANCIAL SUMMARY OF SUBSIDIARY COMPANIES

Your Company has five subsidiary companies as at 31.03.2016 out of which two are wholly owned.

A summary of the financial performance of the subsidiary companies during the financial year 2015-16 based on their audited results is given below:

₹ crore

	Company	NTPC's investment in equity	Total Income	Profit After Tax/ (Loss)
1	NTPC Electric Supply Company Ltd.!	0.08	1.40	0.91
2	NTPC Vidyut Vyapar Nigam Limited	20.00	4,122.62	50.32
3	Kanti Bijlee Utpadan Nigam Limited$	721.02	377.63	(58.20)
4	Bhartiya Rail Bijlee Company Limited^	1,188.25	0.0003	(0.0255)
5	Patratu Vidyut Utpadan Nigam Limited*	1.08	Nil	(0.0067)
	Total	**1,930.43**	**4,501.65**	**(7.0022)**

! The Board of Directors of NESCL, in its Board Meeting held on 10th December 2015, approved the proposal of withdrawal from KINESCO and approved the Termination Agreement. Thereafter, the Board of KINESCO, in its Board Meeting held on 15th December 2015, also approved the withdrawal of NESCL from KINESCO and approved the Termination Agreement. Later on 15th December 2015, NESCL, KINFRA, KEPIP and KINESCO executed and signed the Termination Agreement. The shares held by NESCL had been purchased by KINFRA on 17th December 2015 and the amount was paid to NESCL. Thus, NESCL ceased to be the joint venture partner of KINESCO.

$ includes share application money pending allotment amounting to ₹31.04 crore.

^ includes share application money pending allotment amounting to ₹15.64 crore.

* includes share application money pending allotment amounting to ₹1.00 crore.

The detailed financial statements and management discussion and analysis of the subsidiaries are included elsewhere in this Annual Report.

FINANCIAL SUMMARY OF JOINT VENTURE COMPANIES

Your Company has interests in the following joint venture companies. Proportion of ownership and financial performance of the companies for the financial year 2015-16 from them based on results are given below:

₹ crore

Sl.	Company	NTPC's interest (Ex. Share application Money) (%)	NTPC's investment in equity	Total Income	Profit After Tax/ (Loss)
A.	**Joint Venture Companies incorporated in India**				
1	Utility Powertech Ltd.	50	1.00 @	655.74	20.20
2	NTPC Alstom Power Services Pvt. Ltd.*	50	3.00	120.74	2.36
3	NTPC Tamil Nadu Energy Company Ltd.	50	1,365.61!	2,658.34	(274.83)



Sl.	Company	NTPC's interest (Ex. Share application Money) (%)	NTPC's investment in equity	Total Income	Profit After Tax/ (Loss)
4	Ratnagiri Gas And Power Private Ltd.*	25.51	974.30	1,137.81	(1,082.83)
5	NTPC-SAIL Power Company Private Ltd.	50	490.25	1,715.80	246.84
6	Aravali Power Company Private Ltd.	50	1,332.00	4,288.74	701.07
7	Meja Urja Nigam Private Ltd.	50	841.44	-	(0.05)
8	NTPC BHEL Power Projects Private Ltd.*	50	50.00	802.71	(45.86)
9	BF-NTPC Energy Systems Ltd.	49	5.88	0.05	(0.41)
10	Nabinagar Power Generating Company Private Ltd.	50	763.30#	-	-
11	National High Power Test Laboratory Private Ltd.	21.63	23.90	-	-
12	Transformers & Electricals Kerala Ltd.*	44.60	31.34	154.49	(9.86)
13	Energy Efficiency Services Ltd.*	28.80	47.50	714.44	26.74
14	CIL NTPC Urja Private Ltd.*	50	0.08	0.0001	(0.0039)
15	Anushakti Vidhyut Nigam Ltd.*	49	0.05	0.0025	(0.0020)
B.	**Joint Venture Companies incorporated outside India**				
16	Trincomalee Power Company Limited, Srilanka*	50	15.20	0.89	0.57
17	Bangladesh – India Friendship Power Company Private Ltd.*	50	69.68	-	-
C.	**Joint Venture Companies under exit & not considered for consolidation**				
18	NTPC-SCCL Global Venture Pvt. Ltd.	50	0.05	-	-
19	National Power Exchange Ltd.	16.67	2.19	-	-
20	International Coal Ventures Private Ltd.	0.13	1.40	-	-
21	Pan Asian Renewables Private Ltd.	50	1.50	-	-
	Total		**6,019.67**	**12,249.75**	**(416.07)**

*Financial statements are un-audited
@excluding ₹1 crore equity issued as fully paid bonus shares
! including share application money pending allotment of ₹20 crore
including share application money pending allotment of ₹50 crore

As may be seen, out of the 21 joint venture companies, 9 companies listed at Sl. No. 1 to 6, 8, 12 and 13 are operational with 5 of them registered an aggregate profit of ₹ 997.21 crore and balance 4 companies have suffered a loss of ₹ 1,413.38 crore in the current financial year.

Details about business of the joint venture companies are available elsewhere in the Annual Report.

Consolidated financial statements of NTPC Ltd.

The consolidated financial statements have been prepared in accordance with Accounting Standards (AS)-21 - 'Consolidated Financial Statements' and Accounting Standards (AS)-27 -'Financial reporting of Interests in Joint Ventures' and are included in this Annual report.

A brief summary of the results on a consolidated basis is given below:

₹ crore

	FY 2015-16	FY 2014-15
Total revenue	79,939.56	82,675.40
Profit before Tax	10,103.54	10,456.21
Profit after Tax	10,162.43	9,992.37
Profit after Tax [less Share of Profit/(Loss)-Minority interest]	10,182.81	9,986.34
Net Cash from operating activities	15,410.61	14,888.53

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and in the Directors' Report, describing the Company's objectives, projections and estimates, contain words or phrases such as "will", "aim", "believe", "expect", "intend", "estimate", "plan", "objective", "contemplate", "project" and similar expressions or variations of such expressions, are "forward-looking" and progressive within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
DIN :00307037

Place: New Delhi
Date: 3rd August, 2016





NTPC Dadri Central Park - a green oasis

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

In NTPC, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency, growth, enhancing investor's confidence and return on investments to the shareholders. The Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, our Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability besides building confidence in its various stakeholders, thereby paving the way for long term success."

Our Company has multi-level and multi-tiered process that has emanated from the Company's culture, policies, values and ethics, especially of the management and dealings with various stakeholders. Our Company is committed to creating value that is not only profitable to the business but sustainable in the long-term interests of all stakeholders. In pursuit of same, we consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance in the Company.

Our company is complying with the Corporate Governance norms set by the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), which replaced the Listing Agreement. In this report, wherever SEBI LODR has been referred, it covers the applicable requirements of Listing Agreement applicable till 30.11.2015 and SEBI LODR applicable from 01.12.2015.

Besides adhering to provisions of the Companies Act, 2013 and SEBI LODR, we also follow the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

1. CORPORATE GOVERNANCE AWARDS & RECOGNITIONS

In recognition of our excellence in Corporate Governance, NTPC has been conferred the following awards:

(i) ASSOCHAM Corporate Governance Excellence Award – 2014-15 for Listed Companies in PSU category in recognition for outstanding governance practices undertaken by the Company. The award was presented by Hon'ble Minister of Power at New Delhi on 14.08.2015.

(ii) 'Golden Peacock Global Award for Excellence in Corporate Governance' by World Council for Corporate Governance for the year 2014. This award was also received by the Company during the years 2007, 2009 and 2012.

(iii) Award for Excellence 2011 - Good Corporate Citizen Award by PHD Chamber of Commerce and Industry.

(iv) 'ICSI National Award for Excellence in Corporate Governance – 2009' by the Institute of Company Secretaries of India.

2. BOARD OF DIRECTORS

2.1 Size of the Board

NTPC is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 as the President of India presently holds 69.96% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors vests with the President of India.

In terms of the Articles of Association of the Company, the strength of our Board shall not be less than four Directors or more than twenty Directors. These Directors may be either whole-time Directors or part-time Directors.

2.2 Composition of the Board

SEBI LODR stipulate that the Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors.

The composition of the Board is as under:

(i) Seven Functional Directors including the Chairman & Managing Director,

(ii) Two Government Nominee Directors and

(iii) Nine Independent Directors as per the requirement of the SEBI LODR.

As on 31st March 2016, the Board comprised eleven Directors out of which six were whole-time Directors (Executive Directors) including the Chairman & Managing Director. Two Directors were nominees of the Government of India. The Board had three Independent Directors who were appointed by the Government of India through a Search Committee constituted for the purpose. All the Directors bring to the Board a wide range of experience and skills.

A table showing requirements of woman director and independent directors as per the SEBI LODR and the Companies Act, 2013 and actual position of these directors on the Board of the Company during the financial year 2015-16 is as under:

Period	Requirement as per the SEBI LODR	Requirement as per the Companies Act, 2013	Actual
01.04.2015 - 20.08.2015	9*	4*	2
21.08.2015 - 22.08.2015	8*	4*	2
23.08.2015 - 31.08.2015	8*	3*	1
01.09.2015 - 17.11.2015	7*	3*	1
18.11.2015 - 08.12.2015	7*	4*	3*
09.12.2015 - 03.02.2016	6*	3*	3*
04.02.2016 - 24.02.2016	7*	4*	3*
25.02.2016 - 31.03.2016	8*	4*	3*

*including one woman director



There was no woman director on the Board from 01.04.2015 to 17.11.2015 and there were insufficient numbers of independent directors during the financial year 2015-16 as per SEBI LODR. Further, in terms of Companies Act, 2013, sufficient numbers of independent directors were only there for the period from 09.12.2015 to 03.02.2016.

Being a Government Company, the power to appoint the Directors on the Board vests with the President of India, accordingly, the Company is, from time to time, requesting Ministry of Power to appoint requisite number of independent directors on the Board.

2.3 Age limit and tenure of Directors

The age limit for the Chairman & Managing Director and other whole-time Directors is 60 years.

The Chairman & Managing Director and other whole-time Directors are generally appointed for a period of five years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from the Government of India, whichever event occurs earliest. Based on the performance, the tenure of the whole-time director can be extended further till the date of superannuation or until further order from the Government of India, whichever event occurs earlier.

Independent Directors are appointed by the Government of India for a tenure of three years.

2.4 Resume of Directors

A brief resume of Directors retiring by rotation and Additional Directors seeking appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship & membership/ chairmanship of Board/ Committees and number of shares held in the Company is appended to the Notice calling the Annual General Meeting.

2.5 Board Meetings

The meetings are convened by giving appropriate advance notice. To address any specific urgent need, meetings are sometimes also called at a shorter notice. In case of exigencies or urgency, resolutions are also passed by circulation.

Detailed agenda notes, management reports and other explanatory statements are normally circulated at least a week before the Board Meeting in a defined format amongst the Board Members for facilitating meaningful, informed and focused discussions in the meetings. In exceptional cases, where it is not possible to circulate any document or the agenda is of confidential nature, the same is tabled during the meeting with the approval of Chairman & Managing Director.

The meetings of the Board of Directors are normally held at the Company's registered office at New Delhi.

During the financial year 2015-16, thirteen Board Meetings were held. The first meeting was held on April 7, 2015 and subsequent meetings were held on April 28, May 29, June 24, July 30, August 20, September 29, October 29, November 30, December 30, 2015, January 29, March 8 and March 30, 2016. The maximum interval between any two meetings during this period was 39 days. The table below shows number of Board meetings attended by Directors and attendance at last AGM. It also shows other directorships/ committee memberships (viz., Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of SEBI LODR) held by them during the year 2015-16:

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 18.09.2015)	Number of other Director-ships held on 31.03.16	Number of Committee memberships in companies on 31.03.16	
						As Chairman[$]	As Member[$]
Functional Directors							
1.	Shri Gurdeep Singh Chairman & Managing Director (w.e.f. 04.02.2016)	2	2	NA	3	Nil	Nil
2.	Dr. Arup Roy Choudhury Chairman & Managing Director (upto 31.08.2015)	6	6	NA	NA	NA	NA
3.	Shri I.J. Kapoor Director (Commercial) (upto 20.08.2015)	6	6	NA	NA	NA	NA

4.	Shri A.K. Jha Chairman & Managing Director (from 1.09.2015 to 03.02.2016)#	5	5	Yes	-	-	-
5.	Shri A.K. Jha Director (Technical)	13	13	Yes	3	Nil	Nil
6.	Shri U.P. Pani Director (Human Resources)	13	13	Yes	5	Nil	1
7.	Shri S.C. Pandey Director (Projects)	13	13	Yes	7	1	1
8.	Shri K. Biswal Director (Finance)	13	13	Yes	7	Nil	2
9.	Shri K.K. Sharma Director (Operations)	13	13	Yes	6	Nil	2
Non-executive Directors (Government Nominees)							
10.	Dr. Pradeep Kumar JS&FA, Ministry of Power	13	12	Yes	1	Nil	2
11.	Shri Anil Kumar Singh JS (Th.), Ministry of Power (upto 08.12.2015)	9	4	No	NA	NA	NA
12.	Shri Aniruddha Kumar JS (Th.), Ministry of Power (w.e.f. 25.02.2016)	2	2	NA	1	Nil	Nil
Independent Directors							
13.	Dr. A. Didar Singh Ex-Secretary to the Govt. of India (upto 22.08.2015)	6	6	NA	NA	NA	NA
14.	Shri Prashant Mehta Ex- Director General, Academy of Administration, Bhopal	13	12	Yes	Nil	2	2
15.	Shri Rajesh Jain Managing Director, NetCore Solutions Private Limited (w.e.f. 18.11.2015)	5	5	NA	10	Nil	1
16.	Dr. (Mrs.) Gauri Trivedi, Ex-IAS Officer (w.e.f. 18.11.2015)	5	3	NA	3	Nil	2

*NA indicates that concerned person was not a Director on NTPC's Board on the relevant date.

$ In line with Regulation 26 (1) (b) of SEBI LODR, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee alone has been considered.

In the absence of regular Chairman & Managing Director, the Ministry of Power, through order dated 28.08.2015, entrusted the additional charge of the post of Chairman & Managing Director, NTPC to Shri A.K. Jha, Director (Technical) w.e.f. 01.09.2015 to 30.11.2015 or until the appointment of regular CMD, NTPC, whichever is earlier. Subsequently, Ministry of Power, through order dated 30.11.2015, extended the additional charge of the post of Chairman & Managing Director, NTPC to Shri A.K. Jha, Director (Technical) w.e.f. 01.12.2015 to 28.02.2016 or until the appointment of regular CMD, NTPC, whichever is earlier. Shri A.K. Jha, Director (Technical), NTPC held the additional charge of CMD, NTPC from 01.09.2015 to 03.02.2016, after which Shri Gurdeep Singh joined NTPC as CMD on 04.02.2016.

None of the directors are related inter-se.



All the Independent Directors have given the declaration that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and SEBI LODR.

2.6 Separate Meeting of Independent Directors and Performance Evaluation of Board Members:

As per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs, Code of Conduct for Independent Directors prescribed under the Companies Act, 2013 and Regulation 25(3) of SEBI LODR, a separate meeting of the Independent Directors need to be held at least once in a year to, inter-alia:

(i) review the performance of the non-independent directors and the Board as a whole;

(ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and

(iii) assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

As per the requirement of Secretarial Standards on Board Meetings, separate meeting of the Independent Directors is required to be held once in a calendar year.

Since the appointment of the Chairman & Managing Director and other whole-time Directors is made by the President of India and DPE has already laid a mechanism for performance appraisal of them, DPE, through Office Memorandum No. F. No. 16(4)/2012-GM dated 20.06.2013, had made the amendment to the Roles & Responsibilities of non-official Directors on the Board of CPSEs to effect that the separate meeting of the Independent Directors shall not review the performance of the Directors or of the Board. The performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Government of India.

Further, Ministry of Corporate Affairs through Notification dated 05.06.2015 has exempted the Government Companies from the provision of performance evaluation of the Directors under Section 178 of the Companies Act, 2013 as the same is done by the Administrative Ministry. The exemption has also been sought from Securities and Exchange Board of India from complying with the provisions of Regulation 25(4)(a)(b) of SEBI LODR. The same is under consideration.

Considering the above, the performance of the Functional Directors was not evaluated by the Independent Directors.

A separate meeting of Independent Directors was held on 19.02.2015. All the Independent Directors on that date except Dr. Alwyn Didar Singh and Shri Prashant Mehta attended this separate meeting. This meeting assessed the performance of the Board as a whole and also the quality, quantity and timeliness of flow of information between the Company management and the Board necessary for the Board to effectively and reasonably perform their duties.

2.7 Information placed before the Board of Directors:

The Board has complete access to any information within the Company to be able to take informed and meaningful decisions, exercise control over the organisation as well as to review the progress of implementation of the strategic decisions and corporate plans formulated by the Board. The information regularly supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Quarterly financial results.
- Annual Accounts, Directors' Report.
- Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of meetings of Board of Directors of subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Award of large value contracts.
- Disclosure of Interest by Directors about directorships and committee positions occupied by them in other companies.
- Declaration of independence by Independent Directors.
- Quarterly Report on foreign exchange exposures.
- Quarterly status of investors complaints.
- Quarterly Report on Foreign Travel of CMD, Functional Directors and Employees.
- Quarterly Report on Short Term Deposits and Investments.
- Report on Contract awarded on nomination basis.
- Quarterly Report on Reconciliation of Share Capital Audit.
- Quarterly Report on Business Activities of various Joint Venture Companies and Subsidiaries of NTPC.
- Quarterly report on Compliance of various laws.
- Quarterly Report Compliance with Corporate Governance norms.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.



- Appointment of Key Managerial Personnel and information on recruitment and promotion of senior officers to the level of Executive Director which is just below the Board level and Company Secretary.
- Any significant development in Human Resources/ Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Information relating to major legal disputes.
- Highlights of important events from last meeting to the current meeting.
- Any other information required to be presented to the Board for information or approval.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

i) Audit Committee.
ii) Stakeholders' Relationship Committee
iii) Remuneration Committee for PRP
iv) Nomination and Remuneration Committee
v) Committee on Management Controls.
vi) Project Sub-Committee
vii) Investment/Contribution Sub-Committee
viii) Contracts Sub- Committee.
ix) Committee of Functional Directors for Contracts
x) Committee of the Board for Allotment and Post-Allotment activities of NTPC's Securities
xi) Corporate Social Responsibility and Sustainability Committee
xii) Committee for Vigilance Matters
xiii) Exchange Risk Management Committee
xiv) Risk Management Committee

3.1 AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 2013, SEBI LODR and Guidelines on Corporate Governance as issued by Department of Public Enterprises, Govt. of India.

Scope of Audit Committee

1. Before commencement of Audit, discussion with the auditors about the nature and scope of audit; and after the completion of Audit, deliberation on area of concern.
2. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
3. Approval or any subsequent modification of transactions of the company with related parties
4. Scrutiny of inter-corporate loans and investments
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the annual financial statements and draft auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of related party transactions;
   g. Qualifications in the draft audit report.
7. Noting the appointment and removal of independent auditors. Recommending audit fee of independent auditors and also approval for payment for any other service.
8. Recommending to the Board the appointment and remuneration of the cost auditors of the Company.
9. Review of observations of C&AG including status of Government Audit paras.
10. Reviewing with the management, statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), statement of funds utilised for purposes other than those stated in the offer documents/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
11. Valuation of undertakings or assets of the company, wherever it is necessary
12. Evaluation of internal financial controls and risk management systems.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
14. To review the functioning of the Whistle Blower mechanism.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. To review the follow up action taken on the recommendations of Committee on Public



Undertakings (COPU) of the Parliament.

17. Review of:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Management letters/ letters of internal control weaknesses; issued by the statutory auditors
    c. Internal Audit Reports relating to internal control weaknesses.
18. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
19. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
20. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
21. Consider and review the following with the independent auditor and the management:
    a) The adequacy of internal controls including computerized information system controls and security, and
    b) Related findings and recommendations of the independent auditors and internal auditors, together with the management responses.
22. Consider and review the following with the management, internal auditor and the independent auditor:
    a) Significant findings during the year, including the status of previous audit recommendations.
    b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
23. Review of appointment and removal of the Chief Internal Auditor.
24. Reviewing, with the management, the performance of the internal auditors and of the independent auditors and effectiveness of the audit process.
25. Review of internal audit observations outstanding for more than two years.
26. Any matter referred to it by the Board or any other terms of reference as amended by the Companies Act, 2013 & rules made thereunder, SEBI LODR and Guidelines issued by DPE.

Constitution

The Audit Committee has been constituted with the membership of:

i) Three independent directors as may be nominated by the Board from time to time.

ii) Joint Secretary & Financial Advisor (JS & FA), Ministry of Power (MOP), Government of India nominated on the Board of NTPC.

Composition

As on 31st March 2016, the Audit Committee comprised the following members:-

Shri Prashant Mehta	Independent Director Chairman
Dr. Pradeep Kumar	Government Nominee
Shri Rajesh Jain (w.e.f. 30.11.2015)	Independent Director
Dr.(Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	Independent Director

Director (Finance), Head of Internal Audit Department and Senior Functional Executives are invited to the Audit Committee Meetings for interacting with the members of the Committee. Besides, the Independent Auditors and Cost Auditors of the Company are also invited to the meetings of the Audit Committee as and when required.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the financial year 2015-16, seven meetings of the Audit Committee were held. The first meeting was held on April 27 and subsequently meetings on May 29, July 30, September 29, October 29, 2015, January 29 and March 8, 2016 respectively.

The details of the meetings of Audit Committee attended by the members are as under:-

Members of Audit Committee	Meetings held during their tenure	Meetings attended
Dr. A. Didar Singh (upto 22.08.2015)	3	3
Shri Prashant Mehta	7	7
Dr. Pradeep Kumar	7	6
Shri Anil Kumar Singh (from 29.09.2015 to 08.12.2015)	2	2
Shri K.K. Sharma (from 29.09.2015 to 30.11.2015)	2	2
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	2	2
Shri Rajesh Jain (w.e.f. 30.11.2015)	2	2



Dr. A. Didar Singh, Independent Director chaired the Meetings of the Committee held from 1st April to 22nd August 2015. Shri Prashant Mehta, Independent Director chaired the Meetings of the Committee held from 23rd August 2015 to 31st March 2016. Shri Prashant Mehta, Chairman of the Audit Committee was also present in the Annual General Meeting, held on 18.09.2015, to answer the queries of the shareholders.

There was only one Independent Director on the Board of the Company from 23.08.2015 to 17.11.2015, as such, the Audit Committee was constituted with the membership of one Independent Director, two Government Nominee Directors and one Functional (Executive) Director. NTPC, being a Government Company, power to appoint directors including independent directors is vested with the President of India. We are continuously following up with the Ministry of Power to appoint requisite number of independent directors on the Board of NTPC.

Director (Finance) and Head of Internal Audit were present in all Audit Committee Meetings held during the year as invitees as per the requirement of SEBI LODR.

3.2 Stakeholders' Relationship Committee

This Committee considers and resolves the grievances of security holders of the Company inter-alia including transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc.

Constitution

The Committee has been constituted with the membership of:

i) Two non-Executive Directors

ii) Director (Finance), NTPC

iii) Director (HR) or Director (Technical), NTPC

Composition

As on 31st March 2016, this committee was constituted with the following Directors:

Shri Prashant Mehta	Independent Director, Chairman
Shri U.P. Pani	Director (HR)
Shri K. Biswal	Director (Finance)
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	Independent Director

Meeting and Attendance

During the financial year 2015-16, four meetings of the Stakeholders' Relationship Committee were held on May 29, July 30, October 29, 2015 and January 29, 2016.

The detail of the meetings of Stakeholders' Relationship Committee attended by the Members is as under:-

Members of Shareholders' / Investors' Grievance Committee	Meetings held during their tenure	Meetings attended
Shri Prashant Mehta	4	4
Shri U.P. Pani	4	4
Shri K. Biswal	4	4
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	1	1

Name and designation of Compliance Officer

Shri A.K. Rastogi, Company Secretary is the Compliance Officer in terms of Regulation 6 of SEBI LODR.

Investor Grievances

The Company has always valued its investors relationship. During the financial year ending 31st March 2016, Company has attended its investor grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of the complaints received, resolved and disposed off during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
Complaints relating to				
Equity Shares	1*	2310	2311	0
Tax Free Bonds – 2013	0	99	99	0
Tax Free Bonds – 2015	0	290	290	0
Bonus Debentures	0	153	153	0

*Consumer forum case.

Number of pending share transfers

As on 31st March, 2016, no request for transfer of shares was pending.

Share Transfers have been affected within 15 days from the date of lodgement of valid transfer deeds from 01.04.2015 to 30.11.2015 as prescribed under the Listing Agreement. For the period from 01.12.2015 to 31.03.2016, Share Transfers were affected within 30 days from the date of lodgement of valid transfer deeds as prescribed under SEBI LODR. A certificate to this effect duly signed by a Practising Company Secretary was furnished to Stock Exchanges.



SCORES – Automated System of Lodging Complaints against Listed Companies

Securities and Exchange Board of India has a web based complaints redressal system namely 'SCORES (SEBI Complaints Redress System)', through which a shareholder can lodge a complaint against a company for his/ her grievances. The status of every complaint can be viewed online and the shareholder can send reminder for the complaints. When the complaint is registered, a unique complaint registration number is allotted for future reference and tracking. The concerned entity (intermediary or listed company) takes actions for the redressal of the complaints and uploads Action Taken on the complaint. The concerned entity (intermediary or listed company) or an investor can seek and provide clarifications online to each other. SEBI disposes the complaints if it is satisfied that the complaint has been redressed adequately.

Through this system, the investors are able to check the status of the complaints i.e. with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint has been pending. SCORES saved considerable time of the Company in resolving the complaints, thereby benefiting investors.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge the complaints in physical form.

3.3 Remuneration Committee for PRP

Our Company, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. However, as per the provisions of the DPE Guidelines, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits.

This Committee has been rechristened as Remuneration Committee for PRP (Performance Related Pay) after constitution of Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI LODR.

As on 31st March 2016, the Committee comprised the following Members:

Shri Prashant Mehta	Independent Director
Dr. Pradeep Kumar	Government Nominee
Shri Rajesh Jain (w.e.f. 30.11.2015)	Independent Director
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	Independent Director

Director (Human Resources) and Director (Finance) are the permanent invitees to the Meeting of the Remuneration Committee.

Meeting and Attendance

One meeting of Remuneration Committee for PRP was held during the year on August 20, 2015.

The detail of the meeting of Remuneration Committee for PRP attended by the Members is as under:-

Members of Remuneration Committee for PRP	Meetings held during their tenure	Meetings attended
Dr. A. Didar Singh (upto 22.08.2015)	1	1
Shri Prashant Mehta	1	1
Dr. Pradeep Kumar	1	1
Shri Rajesh Jain (w.e.f. 30.11.2015)	NA*	NA*
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	NA*	NA*

*No meeting of the Committee was held after their induction in the Committee.

3.4 Nomination and Remuneration Committee

The terms of the reference of Nomination and Remuneration Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending policy relating to remuneration of the Directors, key managerial personnel and other employees and to devise a policy on Board diversity.

NTPC, being a Government Company, its Directors (whether executive or non-executive) are appointed by the President of India as per the Articles of Association of the Company. The appointment of the Functional and Independent Directors is made on the basis of the approval of the Appointment Committee of the Cabinet. The remuneration of employees of CPSEs is decided by the Department of Public Enterprises and evaluation of the performance of Functional Directors is made by CMD and Secretary of the concerned Administrative Ministry as per DPE Guidelines and that of the Chairman is made by the Secretary of the Administrative Ministry and the Concerned Minister. The evaluation of the performance of the Board is done by the MOU Task Force of the DPE, GOI annually while evaluating the performance of the Company vis-à-vis the targets set out. Thus, there may be practical difficulty in implementing the scope of this Committee.

Ministry of Corporate Affairs, through notification dated 05.06.2015, has exempted the Government Companies from applicability of Section 178 of the Companies Act, 2013



except with regard to appointment of senior management and other employees. Matter has also been taken up with SEBI to exempt Government Companies from applicability of Regulation 19 of SEBI LODR.

As on 31st March 2016, the Committee comprised the following Members:

Shri Gurdeep Singh	Chairman & Managing Director
Shri Prashant Mehta	Independent Director
Shri Rajesh Jain (w.e.f. 30.11.2015)	Independent Director
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	Independent Director
Shri Aniruddha Kumar (w.e.f. 25.02.2016)	Government Nominee

Chairman of the Committee is senior most Independent Director present in the Meeting.

Meeting and Attendance

One Meeting of Nomination and Remuneration Committee was held during the year on 29th September 2015.

The detail of the meeting of Nomination and Remuneration Committee attended by the Members is as under:-

Members of Nomination and Remuneration Committee	Meetings held during their tenure	Meetings attended
Shri Gurdeep Singh (w.e.f. 04.02.2016)	NA*	NA*
Shri Prashant Mehta	1	1
Shri A.K. Jha	1	1
Shri Anil Kumar Singh	1	1
Shri Rajesh Jain (w.e.f. 30.11.2015)	NA*	NA*
Dr. (Mrs.) Gauri Trivedi (w.e.f. 30.11.2015)	NA*	NA*

*No meeting of the Committee was held after their induction in the Committee.

3.5 Committee on Management Controls

On being conferred enhanced autonomy by the Government of India under 'Navratna/ Maharatna Guidelines', this committee was constituted for establishing transparent and effective system of internal monitoring. This Committee, inter alia, reviews the Management Control Systems, significant deviations in project implementation and construction, operation and maintenance budgets etc. It also reviews and approves the manual/ criteria for various systems of the organisation from time to time.

As on 31st March, 2016, the Committee comprised the following Directors:

Shri K. Biswal	Director (Finance)
Shri K.K. Sharma	Director (Operations)
Dr. Pradeep Kumar	Government Nominee
Shri Prashant Mehta	Independent Director

3.6 Project Sub-Committee

This Committee examines and makes recommendations to the Board on proposals for Investment in New/ Expansion Projects and approves Feasibility Reports of new projects.

As on 31st March 2016, the Committee comprised the following members:

Shri Gurdeep Singh	Chairman & Managing Director
Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Shri K.K. Sharma	Director (Operations)
Shri U.P. Pani*	Director (Commercial)
Dr. Pradeep Kumar	Government Nominee
Shri Aniruddh Kumar	Government Nominee
Shri Rajesh Jain	Independent Director

*Ministry of Power has delegated the additional charge of the post of Director (Commercial) to Shri U.P. Pani, Director (HR).

3.7 Investment/Contribution Committee

The terms of reference of Investment/Contribution Committee of the Board is to approve deployment of surplus funds as per Govt. guidelines issued from time to time and also to approve contribution/donation for national, public, benevolent or charitable cause.

As on 31st March 2016, the composition of the Committee was as under:

Shri Gurdeep Singh	Chairman & Managing Director
Shri K. Biswal	Director (Finance)
Shri K.K. Sharma	Director (Operations)

In case of investment of funds and contribution matters, Director (HR) and in case of Commercial matters, Director (Commercial) are co-opted in the meeting.



3.8 Contracts Sub-Committee

This Committee approves award of works or purchase contracts or incurring commitments of value exceeding ₹ 250 crore but not exceeding ₹ 500 crore, Consultancy assignments including foreign consultancy assignments exceeding ₹ 5 crore each and Appointment of Sponsor/ Agents for Overseas Consultancy Assignments involving sponsorship/ agency commission exceeding ₹ 5 crore each.

As on 31st March 2016, the Contracts Sub-Committee was constituted as under:

Shri Gurdeep Singh	Chairman & Managing Director
Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Shri K.K. Sharma*	Director (Operations)
Dr. Pradeep Kumar	Government Nominee
Shri Aniruddh Kumar	Government Nominee

*Director (Operations) is the additional member for all matters relating to award of contracts for import of coal.

3.9 Committee of Functional Directors for Contracts

This Committee has been constituted for award of works or purchase contracts or incurring of commitments exceeding ₹150 crore but not exceeding ₹ 250 crore.

As on 31st March 2016, the Committee comprised all the Functional Directors including the Chairman & Managing Director as under:

Shri Gurdeep Singh	Chairman & Managing Director
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani*	Director (Commercial)
Shri U.P. Pani	Director (HR)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Shri K.K. Sharma	Director (Operations)

*Ministry of Power has delegated the additional charge of the post of Director (Commercial) to Shri U.P. Pani, Director (HR)

The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Projects) for contracts relating to construction projects shall constitute the quorum for meeting of the Committee. The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Operations) for contracts relating to operating stations shall constitute the quorum for meeting of the Committee.

3.10 Committee for Allotment and Post-Allotment Activities of NTPC's Securities

The Committee has been constituted for Allotment and Post-allotment activities of Company's Securities. The scope of work of this committee is to approve allotment, issue of Certificate(s)/Letter of allotment(s), transfer, transmission, re-materialisation, issue of duplicate certificate(s), consolidation/ split of NTPC's domestic and foreign Securities.

As on 31st March 2016, the Committee comprised the following three Members:

Shri A.K. Jha/ Shri S.C. Pandey	Director (Technical)/ Director (Projects)
Shri U.P. Pani*	Director (Commercial)/ Director (HR)
Shri K. Biswal / Shri K.K. Sharma	Director(Finance)/ Director (Operations)

*Ministry of Power has delegated the additional charge of the post of Director (Commercial) to Shri U.P. Pani, Director (HR)

3.11 Corporate Social Responsibility and Sustainability Committee

This Committee has been reconstituted as per the requirements of Section 135 of the Companies Act, 2013. This Committee is constituted to formulate and recommend to the Board, Corporate Social Responsibility Policy as per Schedule VII of the Companies Act, 2013 as amended from time to time; to recommend the amount of expenditure to be incurred on the activities specified in the CSR Policy; to monitor the Corporate Social Responsibility Policy of the company from time to time; and any other matter as the Board may delegate from time to time.

This Committee formulates and recommend to the Board CSR Policy (including sustainable development) from time to time.

As on 31st March 2016, the Committee comprised the following members:

Shri Gurdeep Singh	Chairman & Managing Director
Shri U.P. Pani	Director (HR)
Shri K. Biswal	Director (Finance)
Dr. Pradeep Kumar	Government Nominee
Shri Prashant Mehta	Independent Director

The Company has formulated a Policy for CSR and Sustainability. The same is available at the weblink: http://www.ntpc.co.in/download/ntpc-policy-csr-sustainability.

3.12 Committee for Vigilance Matters

This Committee has been constituted to examine all the petitions which are submitted before the Board as appellate/ reviewing authority in terms of CDA rules.



It also reviews other major complaints as referred to it from time to time other than complaints registered under whistle blower mechanism under purview of Chief Vigilance Officer.

As on 31st March 2016, the Committee comprised the following members:

Shri U.P. Pani	Director (HR)*
Shri Prashant Mehta	Independent Director
In case of Vigilance cases, Chief Vigilance Officer is co-opted.	

*In case where Director (HR) has acted as a Disciplinary Authority, any other whole-time Director as may be decided by the Chairman & Managing Director on case to case basis.

3.13 Exchange Risk Management Committee

This Committee has been constituted to review the foreign currency loan portfolio, hedged and un-hedged exposures and effectiveness of hedging strategy, approve amendments in Exchange Risk Management Policy, new instruments etc.

As on 31st March, 2016, the Committee comprised the following Members:

Shri Gurdeep Singh	Chairman & Managing Director
Shri U.P. Pani*	Director (Commercial)
Shri K. Biswal	Director (Finance)
Dr. Pradeep Kumar	Government Nominee
Shri Prashant Mehta	Independent Director
Dr. (Mrs.) Gauri Trivedi	Independent Director

*Ministry of Power has delegated the additional charge of the post of Director (Commercial) to Shri U.P. Pani, Director (HR)

In the absence of Director (Commercial), either Director (Technical) or Director (Operations) shall be the Member of the Meeting.

3.14 Risk Management Committee

Pursuant to Regulation 21 of SEBI LODR, Risk Management Committee has been constituted to finalise risk assessment under the Risk Management Framework; monitor and review risk management plan/ framework as approved by the Board; inform the Board about the risk assessed and action required to be taken/ already taken for mitigating the risks on quarterly basis by the Chief Risk Officer (CRO) and take up any other matter as directed by the Board from time to time.

The Risk Management Framework is being reviewed periodically by the Board. Details on risk management mechanism are given in the Management's Discussion and Analysis report in this Report.

Two meetings of Risk Management Committee were held during the financial year 2015-16 on August 31 and December 8, 2015.

As on 31st March, 2016, the Committee comprised the following Members:

Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K.K. Sharma	Director (Operations)
Shri A.K. Ahuja	Senior Management Personnel/ Chief Risk Officer(CRO), Member
Shri Sharad Anand	Senior Management Personnel*

*For issues other than coal, any other Senior Management Personnel (Executive Director/ Group General Manager or General Manager- Incharge of the Department) as may be nominated by the Chairman & Managing Director.

Further, Senior Management Personnel (Regional Executive Director (s)/ Executive Director (s)/ Functional Head at the level of Group General Manager/ General Manager) shall be special invitees to the Meetings of the Risk Management Committee, on case to case basis, based on major risks identified and required to be reported/ taken care of.

4. REMUNERATION OF DIRECTORS

As already stated under the heading Remuneration Committee above, the remuneration of the Functional Directors including that of the Chairman & Managing Director is decided by the Government of India.

The Company makes payment of ₹ 20,000/- as sitting fee for attending each meeting of the Board and Committees of the Board constituted by the Board from time to time to each Independent Director.

Details of remuneration of Functional Directors for the financial year 2015-16 are given below:- (in ₹)

Name of the Director	Salary	Benefits	Performance Linked Incentives*	Total**
Dr. Arup Roy Choudhury (upto 31.08.2015)	45,70,446	3,10,748	22,16,565	70,97,759
Shri Gurdeep Singh (w.e.f. 04.02.2016)	4,39,514	92,434	0	5,31,948
Shri I.J. Kapoor (upto 20.08.2015)	36,08,235	4,71,863	12,18,433	52,98,531
Shri A.K. Jha	26,98,905	12,37,791	11,52,304	50,89,000
Shri U.P. Pani	26,45,682	8,85,002	11,29,623	46,60,307
Shri S.C. Pandey	36,69,234	4,72,323	7,20,963	48,62,520
Shri K. Biswal	25,38,994	5,72,058	10,87,144	41,98,196
Shri K.K. Sharma	26,25,703	12,68,346	8,21,805	47,15,854



*Performance linked incentives paid is based on the incentive scheme of the Company. The Company has not issued any stock options during the financial year 2015-16.

**Besides above, medical benefit as per the rules of the company is being extended.

Details of payments towards sitting fee to Independent Directors during the financial year 2015-16 are given below:

(in ₹)

Name of Part-time non-official Directors	Sitting Fees (Excluding Service Tax)		Total
	Board Meeting	Committee Meeting	
Dr. A. Didar Singh (upto 22.08.2015)	1,20,000	2,00,000	3,20,000
Shri Prashant Mehta	2,40,000	5,60,000	8,00,000
Shri Rajesh Jain (w.e.f. 18.11.2015)	1,00,000	80,000	1,80,000
Dr. (Mrs.) Gauri Trivedi (w.e.f. 18.11.2015)	60,000	80,000	1,40,000

5. FAMILIARIZATION PROGRAMME FOR DIRECTORS

The Board of Directors have the responsibility of strategic supervision of the Company and undertake periodic review of various matters including performance of various operating stations, construction of power projects, capacity expansion programme in line with targets set-up by Ministry of Power, resource mobilisation, etc. In order to fulfil this role, the Directors undergo training from time to time. The Board of Directors are fully briefed about their roles, rights, responsibilities in the Company and on all business related matters, risk assessment & mitigating procedures and new initiatives proposed by the Company. Directors are also briefed on changes/developments in Indian as well as international corporate and industry scenario including those pertaining to the statutes/legislation and economic environment. In addition, Directors are being imparted training organised by the Company and other agencies/ institutions etc which enables them to appreciate specific requirements of Power Sector as well as those of the Company. The Company has approved Training Policy for its members which aims at building leadership qualities and providing a platform to share the knowledge, skills and experience gained by the Directors.

The Training Policy is available at the following weblink:

http://www.ntpc.co.in/download/training-policy-directors-ntpc

Weblink of details of familiarization programme imparted to independent directors is as under:

http://www.ntpc.co.in/en/familiarisation-program-independent-directors

6. ACCOUNTABILITY OF DIRECTORS

An annual Memorandum of Understanding (MoU) is entered into by the Company with Govt. of India (GoI) in the beginning of the year setting the targets against financial and non-financial parameters with weightages decided in consultation with GoI. The performance of the Company is measured at the end of the year vis-à-vis these targets.

The performance with regard to MOU is reviewed regularly within the Company on monthly basis and by Ministry of Power on quarterly basis through Quarterly Performance Review (QPR). Slippages, if any, are identified and necessary remedial actions are suggested in these forums.

At the end of each financial year, the MoU achievements report is furnished to Ministry of Power and performance of the Company is evaluated by Ministry of Power and the Task Force of Department of Public Enterprises on the basis of actual achievements vis-à-vis the signed MoU.

To ensure targets as set in MoU are achieved well within schedule, the Company has a strong "Internal MoU" system specifying targets drilled down at regional and station level with suitable stretch and expansion of activities. The entire process ensures transparency as well as accountability towards stakeholders.

7. SUBSIDIARY MONITORING FRAMEWORK

The Company has five subsidiary companies, list of which is furnished in the Directors' Report. All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of the stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies periodically.

Performance of the subsidiary companies is reviewed by the Board of the Company in the following manner:

i) Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Company's Board periodically.

(ii) A statement of all significant transactions and arrangements entered into by the subsidiary companies are also reviewed by the Company.

(iii) A Report on business activities of Subsidiary which, inter-alia, includes investments made in the subsidiary is being presented to the Board of NTPC in each quarter.

(iv) Subsidiary Companies sign an annual Memorandum of Understanding with NTPC in the beginning of the year setting the targets in financial and non-financial areas with weightages in consultation with NTPC, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.

(v) Certain decision as mentioned in the Articles of



Association of the subsidiary companies can only be taken if they are approved by the Board of NTPC.

The Company has formulated a Policy for determining 'Material' Subsidiaries as per Regulation 16(1)(c) of SEBI LODR. The same is available at the weblink:

http://www.ntpc.co.in/download/policy-determining-material

In the year 2015-16, the Company had no 'Material Subsidiary' as defined under Regulation 16(1) (c) of SEBI LODR or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India.

8. GENERAL BODY MEETINGS (ANNUAL GENERAL MEETING)

Date, time and location where the last three Annual General Meetings were held are as under:

Date & Time	September 17, 2013	August 27, 2014	September 18, 2015
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Manekshaw Centre, Parade Road, New Delhi - 110010	Manekshaw Centre, Parade Road, New Delhi - 110010	Manekshaw Centre, Parade Road, New Delhi - 110010
Special Resolution	-	Authorization to Board to raise Funds upto ₹ 13,000/- Crore through issue of secured/ unsecured, redeemable, taxable/ tax-free, cumulative/ non-cumulative, non-convertible Bonds/ Debentures on Private Placement Basis in one or more tranches and authorising the Board to decide the terms and conditions of the Issue.	(i) Authorization to Board to raise funds upto ₹ 5,000/- Crore through issue of secured/ unsecured, redeemable, taxable/ tax-free, cumulative/ non-cumulative, non-convertible Bonds/ Debentures on Private Placement Basis in one or more tranches through Private Placement in domestic market and authorising the Board to decide the terms and conditions of the Issue. (ii) Approval for entering into related party transaction with Utility Powertech Limited, an Associate Company of NTPC Limited, subject to cumulative ceiling or 2% of the annual turnover of the Company as per the Audited Annual Financial Statement of preceding financial year of ₹ 1000 crore whichever is more, in any financial year.

The Annual General Meeting, held on 18.09.2015, was attended by Partners of five Statutory Auditors firms out of seven Statutory Auditors firms, the Scrutiniser for E-voting and Polling at AGM and Secretarial Auditor of the Company.

Special Resolution passed through Postal Ballot

No special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

In accordance with erstwhile Clause 35B of the Listing Agreement, e-voting facility was provided to the shareholders, in respect of shareholders' resolutions, passed at the AGM held on 18.09.2015. The Company also provided facility to the shareholders, who did not have access to e-voting, to send their assent or dissent in writing on a postal ballot form. The members who could not exercise their vote through e-voting process were provided facility to vote at the Annual General Meeting by way of polling instead of voting by show of hands.

9. DISCLOSURES

Under Regulation 23 of SEBI LODR, all related party transactions require approval of the Audit Committee. Further, all material Related Party Transactions shall require approval of the shareholders through special resolution.

As per section 188 of the Companies Act, 2013, certain contract/ arrangement with related party requires approval of the Board of Directors. Further, if these transactions cross the limit prescribed under the Rules, the approval of Shareholder through special resolution is required.

The Company has formulated a Policy on Materiality of Related Party Transactions and also on Dealing with Related Party Transactions.

The RPT Policy is available at the weblink:

http://www.ntpc.co.in/download/related-party-transaction-policy-ntpc

The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard (AS) -18 notified under the Companies (Accounting Standards) Rules, 2006.

The Company obtained the approval of shareholders, by way of special resolution, for entering into related party



transaction with Utility Powertech Limited, an associate company, subject to cumulative ceiling of 2% of the annual turnover of the Company as per the Annual Audited financial statement of preceding financial year or ₹ 1,000 crore, whichever is more, in any financial year. Review of transactions with Utility Powertech Limited, in pursuance of special resolution, is being done periodically by the Audit Committee. Other related party transactions are being approved by the Audit Committee as and when required.

The details of Related Party Transactions are given in form AOC-2 forming part of Board's Report.

The Company has broadly complied with all the requirements of erstwhile Listing Agreement with Stock Exchanges till 30.11.2015 and SEBI LODR w.e.f. 01.12.2015, the Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except as mentioned in the Report.

There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

However, in pursuance of SEBI Circular dated 08.04.2015, National Stock Exchange of India Limited and BSE Limited, levied penalty for non-compliance of erstwhile Clause 49(II)(A)(1) of the Listing Agreement i.e. non-appointment of woman director on the Board of NTPC. After appointment of Dr. (Mrs.) Gauri Trivedi, Independent Director on the Board on 18.11.2015, the same was dropped.

The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR. Non-compliance, if any, of the Regulations of SEBI LODR has been specifically mentioned in the Report. The discretionary requirements as specified in Part E of Schedule II adopted by the Company are at Annex-I of the Report.

Schedule of Compliances with Presidential Directive issued during the financial year 2015-16 and during last three years preceding the financial year 2015-16 is at Annex-II.

CEO/CFO Certification

As required under Regulation 17(8) of SEBI LODR, the certificate duly signed by Shri Gurdeep Singh, Chairman & Managing Director and Shri K. Biswal, Director (Finance) was placed before the Board of Directors at the meeting held on 30.05.2016 and is annexed to the Corporate Governance Report.

10. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its Website.

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions and also participation in investor conferences from time to time. Annual analysts and investors meet is held during the month of August where Board of the Company interacts with the investing community. Financial results are discussed by way of conference calls regularly after the close of each quarter.

Information, latest updates and announcements regarding the Company can be accessed at company's website: ***www.ntpc.co.in*** including the following:-

- Quarterly/ Half-yearly/ Annual Financial Results
- Quarterly Shareholding Pattern
- Quarterly Corporate Governance Report
- Transcripts of conferences with analysts
- Corporate Disclosures made from time to time to the Stock Exchanges

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the Website.

Quarterly Results have been published as per details given below:

Newspapers	Date of publication of financial results for the quarter ended		
	30.06.2015	30.09.2015	31.12.2015
Hindustan Times	31.07.2015	30.10.2015	30.01.2016
Hindustan (Hindi)	31.07.2015	30.10.2015	30.01.2016
Amar Ujala (Hindi)	31.07.2015	30.10.2015	30.01.2016

In order to save trees and environment, our Company has sent the Annual Reports for the financial year 2014-15 and other communications like ECS credit information for final and interim dividend to large number of shareholders through e-mail of the shareholders registered with NSDL/ CDSL after seeking their consent to send the annual reports/ other communications through e-mail, thereby reducing the consumption of paper significantly.

Through e-mails, the Company had sent 3,47,949 number of Annual Reports, 6,86,713 number of ECS credit information for final dividend for the financial year 2014-15 and interim dividend for the financial year 2015-16 to the shareholders.

11. CODE OF CONDUCT

The Company has in place Code of Conduct for Directors and Senior Management Personnel (CODE) in alignment with Company's Vision and Values to achieve the Mission & Objectives and aiming at enhancing ethical and transparent process in managing the affairs of the Company. This CODE is applicable to all the Board Members including Government Nominee(s) & the Independent Director(s) and the Senior Management Personnel of the Company. A copy of the Code of



Conduct is available at the website of the Company at the weblink:

http://www.ntpc.co.in/en/investors/code-of-conduct

Declaration as required under Schedule V of SEBI LODR

All the members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the financial year ended on March 31, 2016.

New Delhi (Gurdeep Singh)
Date : 18.05.2016 Chairman & Managing Director

12. A. Code of Internal Procedures and Conduct for Prevention of Insider Trading

Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has laid down Internal Code of Conduct for Prevention of Insider Trading in dealing with Securities of NTPC Limited (Insider Trading Code) with the objective that insiders of the company shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in public domain and thus constitutes insider information. The existing Code of Internal Procedures and Conduct for Prevention of Insider Trading was repealed and the Insider Trading Code was made effective from 15.05.2015. According to Insider Trading Code, no Insider, which includes connected persons, designated person or any person in possession of or having access to UPSI, shall either on its own behalf or on behalf of any other person, communicate any UPSI or trade in listed securities or proposed to be listed securities on any stock exchanges when in possession of any UPSI.

Insiders are entitled to formulate trading plan subject to certain conditions as enumerated in the Insider Trading Code and approval of the Compliance Officer. The trading plan is to be implemented mandatorily. Designated Persons and their immediate relatives are not allowed to trade in securities when the Trading Window is closed. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/ Designated Employees are also required to disclose related information periodically as defined in the Code. Company Secretary has been designated as Compliance Officer for this Code.

12. B. Code of Corporate Fair Disclosure Practices for Prevention of Insider Trading

Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has laid down Code of Corporate Disclosure Practices for Prevention of Insider Trading (CODE) replacing the existing Code for the same. The CODE ensures timely and adequate disclosure of Unpublished Price Sensitive Information (UPSI). According to this CODE, General Manager (Finance-ISD), NTPC shall be the Chief Investor Relation Officer (CIRO) responsible for overseeing and coordinating disclosure of UPSI, dissemination of UPSI to analysts, institutional investors, etc. Handling of unanticipated questions and responding to market rumors.

13. WHISTLE BLOWER POLICY

The Company has a Board approved 'Whistle Blower Policy' for directors and employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provides safeguards against victimization of employees, who avail of the mechanism and for direct access to the Chairman of the Audit Committee.

No personnel of the company had been denied access to the audit committee.

The Whistle Blower Policy is available at the weblink:

http://www.ntpc.co.in/sites/default/files/downloads/WhistleBlowerPolicy.pdf

14. SECURITYHOLDERS' INFORMATION

i) Annual General Meeting

Date : September 20, 2016 (Tentative)
Time : 10.30 a.m.
Venue : Manekshaw Centre, Parade Road
New Delhi – 110010

ii) Financial Calendar for FY 2016-17

Particulars	Date
Accounting Period	April 1, 2016 to March 31, 2017
Unaudited Financial Results for the first three quarters	Announcement within stipulated period under SEBI LODR
Fourth Quarter Results	Announcement of Audited Accounts on or before May 30, 2017
AGM (Next year)	September 2017 Tentative

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed tentatively from September 10, 2016 to September 20, 2016 (both days inclusive).

iv) Payment of Dividend

The Board of Directors of the Company has recommended payment of final Dividend of ₹ 1.75 per share (17.5 % on the paid-up share capital) for the financial year ended March 31, 2016 in addition to the Interim Dividend of ₹1.60 per share (16% on the paid-up share capital) paid on February 15, 2016.

The record date for the payment of Dividend is September 9, 2016 (Tentative). The payment date for the Dividend shall be September 30, 2016 (Tentative).



v) **Dividend History**

Year	Total paid-up capital (₹ in crore)	Total amount of dividend paid (₹ in crore) and amount per share	Date of AGM in which dividend was declared	Date of payment of Dividend (Interim and Final)
2010-11	8245.46	3133.27 (₹ 3.80)	31.01.2011* 20.09.2011	14.02.2011 26.09.2011
2011-12	8245.46	3298.19 (₹4.00)	27.01.2012* 18.09.2012	09.02.2012 25.09.2012
2012-13	8245.46	4741.16 (₹ 5.75)	26.02.2013* 17.09.2013	12.03.2013 27.09.2013
2013-14	8245.46	4741.15 (₹ 5.75)	28.01.2014* 27.08.2014	10.02.2014 09.09.2014
2014-15	8245.46	2061.38 (₹ 2.50)	30.01.2015* 18.09.2015	13.02.2015 30.09.2015
2015-16	8245.46	1319.27# (₹ 1.60)#	29.01.2016	15.02.2016

* Date of Board Meeting in which interim dividend was declared

amount represents the interim dividend paid for the year 2015-16

vi) **Listing on Stock Exchanges**

NTPC equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited Address: Exchange Plaza, Plot No. C/1, G Block, Bandra (E), Mumbai - 400051 **Scrip Code of NTPC: NTPC EQ**	**BSE Limited** Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 **Scrip Code of NTPC: 532555**

Stock Code : ISIN – INE733E01010

The Annual Listing Fee for the financial year 2016-17 was paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2016. Also, the Annual Custodian Fee for the financial year 2016-17 has been paid to Central Depository Services (India) Limited. The payment shall be made to National Securities Depository Limited on receipt of bill and within due date.

vii) **Market Price Data**

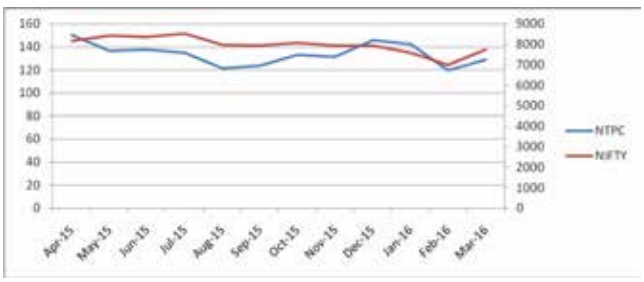
Market Price Data: High, Low during each month in the financial year 2015-16												
Months	BSE				NSE				MARKET CAPITALISATION		MARKET INDEX	
	HIGH	LOW	CLOSE PRICE	VOLUME	HIGH	LOW	CLOSE PRICE	VOLUME	BSE	NSE	SENSEX	NIFTY
	(in ₹)	(in ₹)	(in ₹)	(No. of Shares as at the close of the Month)	(in ₹)	(in ₹)	(in ₹)	(No. of Shares as at the close of the Month)	(₹ IN CRORE)	(₹ IN CRORE)		
April 2015	160.00	147.00	150.30	45,00,564	160.00	146.90	150.30	5757489	123,929.33	123,929.33	27011.31	8181.50
May 2015	153.00	131.35	136.70	63,62,694	153.05	131.30	136.55	46162369	112,715.50	112,591.82	27828.44	8433.65
June 2015	141.15	134.75	137.80	36,68,220	140.85	134.60	137.65	4654154	113,622.50	113,498.82	27780.83	8368.50
July 2015	139.70	128.15	134.90	73,41,471	139.70	128.15	135.05	4481205	111,231.31	111,355.00	28114.56	8532.85
August 2015	137.80	107.20	121.35	49,28,574	138.00	107.10	121.45	4023225	100,058.71	100,141.17	26283.09	7971.30
September 2015	130.00	111.80	123.75	40,28,272	130.00	112.40	123.75	2892321	102,037.62	102,037.62	26154.83	7948.90
October 2015	137.55	123.35	132.70	53,89,369	137.65	123.10	132.80	9124375	109,417.31	109,499.77	26656.83	8065.80
November 2015	139.45	127.30	131.00	34,27,150	139.30	129.70	130.90	7462346	108,015.58	107,933.13	26145.67	7935.25
December 2015	148.90	128.25	145.90	1,30,74,998	148.85	128.00	146.25	5139521	120,301.33	120,589.92	26117.54	7946.35



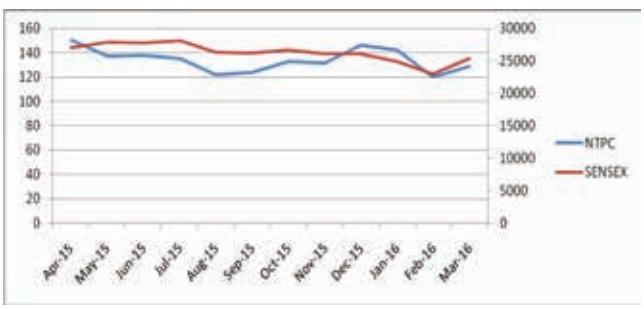
Market Price Data: High, Low during each month in the financial year 2015-16												
Months	BSE				NSE				MARKET CAPITALISATION		MARKET INDEX	
	HIGH	LOW	CLOSE PRICE	VOLUME	HIGH	LOW	CLOSE PRICE	VOLUME	BSE	NSE	SENSEX	NIFTY
	(in ₹)	(in ₹)	(in ₹)	(No. of Shares as at the close of the Month)	(in ₹)	(in ₹)	(in ₹)	(No. of Shares as at the close of the Month)	(₹ IN CRORE)	(₹ IN CRORE)		
January 2016	146.95	131.00	142.20	40,11,094	147.00	130.80	142.45	8003685	117,250.50	117,456.64	24870.69	7563.55
February 2016	143.95	116.80	119.70	1,16,91,558	144.15	116.90	119.50	5243125	98,698.21	98,533.30	23002.00	6987.05
March 2016	131.80	119.50	128.80	41,76,564	131.85	119.30	128.85	10480120	106,201.58	106,242.81	25341.86	7738.40

viii) **Performance in comparison to indices**

NSE NIFTY and NTPC Share Price



BSE Sensex and NTPC Share Price



ix) (a) **Registrar and Transfer Agent for Equity Shares, Tax Free Bonds, 2013 (Series 50), Bonus Debentures (Series 54) and Tax Free Bonds- 2015 (Series 56)**

Karvy Computershare Pvt. Ltd
Karvy Selenium Tower-B,
Plot No. 31 & 32,
Gachibowli Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 008
Phone No.: 040-67161518
Email: *einward.ris@karvy.com*

(b) **Registrar and Transfer Agent for Bonds (Series 19 to 26)**

MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area Phase-II,
New Delhi-110020
Telephone: +91 011 26387281,82,83
Fax: +91 011 26387384
Email: sm@masserv.com

(c) **Registrar and Transfer Agent for Bonds (Series 13A, 13B, 16, 17, 27 to 49, 51 to 53, 55 and 57 to 59)**

Beetal Financial & Computer Services (P) Ltd.
99, Madangir, Near Dada Harsukh Das Mandir,
New Delhi - 110062
Telephone :+91 011 29961281, +91 011 29961282
Fax: +91 011 29961284
Email : beetalrta@gmail.com

x) **Share Transfer System**

The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, verification, preparation of Memorandum of Transfers, etc. Shares transfers are approved by Sub-Committee of the Board for Allotment and Post-Allotment activities of NTPC's Securities.

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. A certificate to this effect under Regulation 7(3) of SEBI LODR for the half-year ending on 31.03.2016 duly signed by the Compliance Officer (Company Secretary) and Share Transfer Agent (Karvy) had been submitted to the Stock Exchanges.



Pursuant to Regulation 40(10) of SEBI LODR, certificate from Practicing Company Secretary on half-yearly basis confirming that all certificates had been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies had been submitted to Stock Exchange within stipulated time.

xi) Transfer of Unclaimed Amount of Dividend to Investor Education and Protection Fund (IEPF)

In accordance with Section 205C of the Companies Act, 1956, during the financial year 2015-16, an amount of ₹ 47.35 lakh pertaining to unclaimed final dividend amount for financial year 2007-08 and an amount of ₹ 124.45 lakh pertaining to unclaimed interim dividend amount for the financial year 2008-09 have been transferred to Investor Education and Protection Fund. Further, during the year an amount of ₹ 489 pertaining to matured deposits and interest thereon for the financial year 2008-09 has also been transferred to Investor Education and Protection Fund.

The Company has uploaded the details of shareholders/ depositors of the Company containing information like name, address, amount due to be transferred to IEPF and due date of transfer of amount to IEPF on its website. The Company has been issuing notices in the newspapers from time to time in order to invite attention of the shareholders who have not preferred their claims, to submit their claims towards the unpaid and unclaimed dividend. Kindly note that no claim lies against the Company or IEPF once the dividend/ other amounts as specified under Section 205(C) of the Companies Act, 1956 is deposited in IEPF.

xii) Offer for Sale of NTPC's Equity Shares by the Government of India

Offer for Sale of 5% NTPC's Equity Share Capital by the Government of India was made in terms of CCEA's approval in May 2015. The offer was opened on 23.02.2016 for non-retail investors and on 24.02.2016 for retail investors. Non-retail investors were allowed to place their bids for 80% of unreserved portion and retail investors had reserved portion of 20%. Retail investors had the option to place a price bid or opt for bidding at cut-off price, giving them the benefit of discovering the cut off price of first day and place their bids on next day on a more informed basis. The indicative price was ₹ 122.22 per share which was above the floor price (₹ 122 per share) and cut-off price was ₹ 122.05.

Consequent upon sale of 41,22,73,220 shares by Government of India, the equity holding of GOI in NTPC stands reduced to 69.96% of the paid-up capital from 74.96%.

Details of other debenture (bonds) issued and outstanding as at 31.03.2016 is furnished elsewhere in the Annual Report.

xiii) Debenture Trustees for various Series

(a) For Series 13A, 13B, 16, 17, 19, 44 to 49, 50, 53, 54, 55, 57 to 59

IL & FS Trust Company Limited
The IL&FS Financial Centre,
Plot No. C-22,
G-Block, Bandra – Kurla Complex, Bandra (East),
Mumbai – 400051
Tel : (+91 22) 26533908
Fax : (+91 22) 26533297
E-mail : *itclcomplianceofficer@ilfsindia.com*
Website : *www.itclindia.com*

(b) For Series 20 to 43, 51, 52 and 56

IDBI Trusteeship Services Limited
Address: Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel : +91 22 4080 7000
Fax : +91 22 6631 1776
E-mail : *itsl@idbitrustee.com*
Website: *http://www.idbitrustee.com*

xiv) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March 2016 are given below:

<u>According to Size</u>

a. Distribution of shareholding according to size, % of holding as on 31st March, 2016:

Number of shares	Number of shareholders	% of shareholders	Total No. of shares	% of shares
1-5000	6,80,115	99.59	13,93,05,104	1.69
5001-10000	1,236	0.18	88,53,430	0.11
10001-20000	519	0.08	75,35,962	0.09
20001-30000	163	0.02	40,53,736	0.05
30001-40000	78	0.01	27,58,790	0.03
40001-50000	81	0.01	36,91,299	0.04
50001-100000	157	0.02	1,14,57,601	0.14
100001 and above	598	0.09	8,06,78,08,478	97.85
Total	6,82,947	100.00	8,24,54,64,400	100.00

b. **Shareholding pattern on the basis of ownership**

Category	As on 31st March, 2016		As on 31st March, 2015		Change (%)
	Total no. of shares	Percentage to Equity	Total no. of shares	Percentage to Equity	
Promoter and Promoter Group					
Government of India	5,76,83,41,760	69.96	6,18,06,14,980	74.96	-5.00
Public Shareholder- Institutions					
FIIs	88,62,37,673	10.75	85,22,29,725	10.34	0.41
Mutual Funds	17,37,27,480	2.11	6,19,17,461	0.75	1.36
Banks & FI	1,15,69,16,459	14.03	90,13,14,976	10.93	3.10
Others	7,18,23,174	0.87	4,93,79,983	0.60	0.27
Public Shareholder- Non-Institutions					
Indian Public	15,59,66,743	1.89	15,92,17,172	1.93	-0.04
Private Corp. Bodies	1,69,70,935	0.20	2,51,49,680	0.30	-0.10
NRI	48,15,481	0.06	49,08,908	0.06	0.00
Others	1,06,64,695	0.13	1,07,31,515	0.13	0.00
Total	8,24,54,64,400	**100.00**	8,24,54,64,400	**100.00**	0.00

c. **Major Shareholders**

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2016 are given below:

Name of Shareholder	No. of Shares	Percentage to Paid-up Capital	Category
President of India	5,76,83,41,760	69.96	Promoter - Government
Life Insurance Corporation of India (including shares held in various funds/ schemes)	1,07,05,30,189	12.98	Public Shareholder - Institutions
ICICI Prudential Mutual Fund (in various schemes under same PAN)	8,35,48,388	1.01	Public Shareholder - Institutions

xv) **Dematerialisation of Shares and Liquidity**

The shares of the Company are in compulsory dematerialsed segment and are admitted with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

In pursuance of Article 7 of the Articles of Association of the Company and as per Rule 6 of the Companies (Share Capital and Debentures) Rules, 2014, the Company has prescribed a fee of ₹ 50/- per share/ bond certificate on issue of certificates on splitting/ consolidation/ rematerialisation/ duplicate on loss of shares.

Secretarial Audit Report for Reconciliation of the Share Capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

No. of shares held in dematerialized and physical mode as on 31.03.2016

	No. of shares	Percentage of total capital issued
Held in dematerialized form in CDSL	380,31,094	0.46
Held in dematerialized form in NSDL	8,20,73,26,513	99.54
Physical	1,06,793	0.00
Total	8,24,54,64,400	100.00



The names and addresses of the Depositories are as under:

1. National Securities Depository Ltd.
   Trade World, 4th Floor
   Kamala Mills Compound
   Senapathi Bapat Marg,
   Lower Parel, Mumbai-400 013
2. Central Depository Services (India) Limited
   Phiroze Jeejeebhoy Towers
   28th Floor, Dalal Street, Mumbai-400 023

xvi) Demat Suspense Account:

Details of shares/ debentures in the suspense accounts opened and maintained after Initial Public Offering, Further Public Offering of Equity Shares of NTPC, Employee OFS and Bonus Debentures as on 31st March, 2016 is furnished below:

Details of "NTPC LIMITED – IPO – Unclaimed Shares Demat Suspense Account" (account opened and maintained after IPO):

Opening Bal (as on 01.04.2015)		Requests received and Disposed off during 2015-16		Closing Bal (as on 31.03.2016)	
Cases	Shares	Cases	Shares	Cases	Shares
178	31,511	2	314	176	31,197

Details of "NTPC LIMITED – FPO Unclaimed Shares Demat Suspense Account" (account opened and maintained after FPO):

Opening Bal (as on 01.04.2015)		Requests received and Disposed off during 2015-16		Closing Bal (as on 31.03.2016)	
Cases	Shares	Cases	Shares	Cases	Shares
26	3,640	1	476	25	3,164

Details of "NTPC LIMITED – Employee OFS – Unclaimed Shares Demat Suspense Account" (account opened and maintained after Employee OFS):

Opening Bal (as on 01.04.2015)		Requests received and Disposed off during 2015-16		Closing Bal (as on 31.03.2016)	
Cases	Shares	Cases	Shares	Cases	Shares
1	1,400	0	0	1	1,400

The voting rights on the shares mentioned in the closing balance of above accounts shall remain frozen till the rightful owner of such shares claims the shares.

Details of "NTPC LIMITED – Bonus Debentures – Unclaimed Debentures Demat Suspense Account" (account opened and maintained after Issue of Bonus Debentures):

Opening Bal (as on 01.04.2015)		Requests received and Disposed off during 2015-16		Closing Bal (as on 31.03.2016)	
Cases	Shares	Cases	Shares	Cases	Shares
59	30,911	26	24,859	33	6,052

xvii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company.

xviii) Number of Shares held by the Directors as on 31st March, 2016

Directors	No. of shares
Shri Gurdeep Singh	Nil
Shri A.K. Jha	1440
Shri U.P. Pani	2362
Shri S.C. Pandey	3000
Shri K. Biswal	Nil
Shri K.K. Sharma	369
Dr. Pradeep Kumar	Nil
Shri Aniruddha Kumar	214
Shri Prashant Mehta	Nil
Shri Rajesh Jain	Nil
Dr. (Mrs.) Gauri Trivedi	Nil

xix) Locations of NTPC plants

National Capital Region

Thermal Power Stations

i) Badarpur Thermal Power Station- Badarpur, New Delhi
ii) National Capital Thermal Power Station - Distt. Gautam Budh Nagar, Uttar Pradesh

Gas Power Stations

i) Anta Gas Power Project – Distt. Baran, Rajasthan
ii) Auraiya Gas Power Project – Distt. Auraiya, Uttar Pradesh
iii) Faridabad Gas Power Project – Distt. Faridabad, Haryana
iv) National Capital Gas Power Project- Distt. Gautam Budh Nagar, Uttar Pradesh

Solar Power Stations

i) 5MWp, Dadri Solar Power Plant, Dadri, Distt. Gautam Budh Nagar, Uttar Pradesh
ii) 5MWp, Faridabad Solar Power Plant, Distt. Faridabad, Haryana



Eastern Region - I

Thermal Power Stations

i) Barh Super Thermal Power Project- Patna, Bihar

ii) Farakka Super Thermal Power Station – Distt. Murshidabad, West Bengal

iii) Kahalgaon Super Thermal Power Project- Distt. Bhagalpur, Bihar

iv) North Karanpura Super Thermal Power Project – Distt. Hazaribagh, Jharkhand

Eastern Region - II

Thermal Power Stations

i) Talcher Super Thermal Power Station- Distt. Angul, Odisha

ii) Talcher Thermal Power Station- Distt. Angul, Odisha

iii) Bongaigaon Thermal Power Project, Distt. Kokrajhar, Assam.

iv) Darlipalli Super Thermal Power Project, Distt. Sundergarh, Jharsuguda, Odisha

Solar Power Station

i) 10MWp Talcher Kaniha Solar Power Station, Distt. Angul, Odisha

Northern Region

Thermal Power Stations

i) Feroze Gandhi Unchahar Thermal Power Station – Distt. Raebareli, Uttar Pradesh

ii) Rihand Super Thermal Power Project – Distt. Sonebhadra, Uttar Pradesh

iii) Singrauli Super Thermal Power Station- Distt. Sonebhadra, Uttar Pradesh

iv) Tanda Thermal Power Station- Distt. Ambedkar Nagar, Uttar Pradesh

v) Vindhyachal Super Thermal Power Station- Distt. Singrauli, Madhya Pradesh

Solar Power Station

i) 10 MWp Unchahar PV Solar Power Station, Distt. Raebareli, Uttar Pradesh

ii) 15 MWp Singrauli Solar PV Power Stations, Distt. Sonebhadra, Uttar Pradesh

Southern Region

Thermal Power Stations

i) Ramagundam Super Thermal Power Station- Distt. Karimnagar, Telangana

ii) Simhadri Super Thermal Power Project- Distt. Vishakapatnam, Andhra Pradesh

iii) Telangana Super Thermal Power Project, Distt. Karimnagar, Telangana

Gas Power Stations

i) Rajiv Gandhi Combined Cycle Power Project – Distt. Alappuzha, Kerala

Solar Power Station

i) 5 MWp Solar PV Power Plant, Port Blair, A&N Islands

ii) 10 MWp Ramagundam Solar Power Station, Distt. Karimnagar, Andhra Pradesh

iii) 250 MWp Anantapur Solar PV Project, Distt. Anantapur, Andhra Pradesh

Western Region -I

Thermal Power Stations

i) Solapur Super Thermal Power Project – Distt. Solapur, Maharashtra

ii) Mouda Super Thermal Power Project – Distt. Nagpur, Maharashtra

iii) Kudgi Thermal Power Project, Distt. Bijapur, Karnataka

Gas Power Stations

i) Jhanor Gandhar Gas Power Project- Distt. Bharuch, Gujarat

ii) Kawas Gas Power Project- Distt. Surat, Gujarat

Solar Power Project

i) 260MWp Bhadla Solar Power Project, Distt. Jodhpur, Rajasthan

Western Region -II

Thermal Power Stations

i) Korba Super Thermal Power Station- Distt. Korba, Chhattisgarh

ii) Sipat Super Thermal Power Project-Distt. Bilaspur, Chattisgarh

iii) Gadarwara Super Thermal Power Project, Distt. Narsinghpur, Madhya Pradesh

iv) Lara Super Thermal Power Project, Distt. Raigarh, Chattisgarh

v) Khargone Super Thermal Power Project, Distt. Khargone, Madhya Pradesh

Solar Power Station

i) 50 MWp Solar PV Power Plant, Rajgarh, Madhya Pradesh

ii) 250MWp Mansaur Solar Power Project, Distt. Mandsaur, Madhya Pradesh

HYDRO POWER PROJECTS

i) Koldam Hydro Power Project – Distt. Bilaspur, Himachal Pradesh

ii) Tapovan – Vishnugad Hydro Power Project – Distt. Chamoli, Uttarakhand

iii) Lata Tapovan Hydro Power Projects – Distt. Chamoli, Uttarakhand

iv) Rammam – III Hydro Electric Power Project Distt. Darjeeling, West Bengal.

v) Singrauli Small Hydro Power Projects, Distt. Sonebhadra, Uttar Pradesh

JOINT VENTURE POWER PROJECTS

Thermal Power Stations

i) Rourkela CPP-II - Distt. Sundargarh, Odisha

ii) Durgapur CPP-II - Distt. Burdwan, West Bengal

iii) Bhilai CPP - Bhilai (East), Chattisgarh

iv) Ratnagiri Power Project - Distt. Ratnagiri, Maharashtra

v) Vallur Thermal Power Project – Chennai, Tamil Nadu

vi) Indira Gandhi Super Thermal Power Project - Distt. Jhajjar, Haryana

vii) Meja Super Thermal Power Project – Tehsil Meja, Allahabad

viii) Nabinagar Super Thermal Power Project – Distt. Aurangabad, Nabinagar, Bihar



Overseas Joint Venture Projects

Thermal Power Stations

i) Trincomalee Power Project, Trincomalee, Srilanka

ii) Power Project at Khulna, Bangladesh

POWER PROJECTS UNDER SUBSIDIARY COMPANIES

Thermal Power Projects

i) Muzaffarpur Thermal Power Station, Muzaffarpur, Bihar

ii) Nabinagar Thermal Power Project, Distt. Aurangabad, Nabinagar, Bihar (in JV with Railways-BRBCL)

COAL MINING SITES

i) Pakri Barwadih Coal Mining Project, Hazaribagh, Jharkhand

ii) Chatti-Bariatu Coal Mining Project, Hazaribag, Jharkhand

iii) Kerandari Coal Mining Project, Hazaribagh, Jharkhand

iv) Talaipalli Coal Mining Project, Raigarh, Chattisgarh

v) Dulanga Coal Mining Project, Sundargarh, Odisha

vi) Banai Coal Mining Project, Raigarh, Chattisgarh

vii) Bhalumunda Coal Mining Project, Raigarh, Chattisgarh

viii) Mandakini-B Coal Mining Project, Angul, Odisha

JOINT VENTURE COAL MINES

ix) Banhardih Coal Mining Project, Latehar, Jharkhand

x) Kudanali- Laburi Coal Mining Project, Angul, Odisha

xx)Address for correspondence:

NTPC Bhawan, SCOPE Complex
7, Institutional Area, Lodi Road,
New Delhi – 110003

The phone numbers and e-mail reference for communication are given below:

	Telephone No.	Fax No.
Registered Office	2436 0100	2436 1018
Chief Investor Relations Officer Ms. Sangeeta Bhatia General Manager (Investor Services Department)	2436 7072	2436 1724
E-mail id	sbhatia@ntpc.co.in	
Company Secretary Shri Anil Kumar Rastogi	2436 0071	2436 0241
E-mail id	akrastogi@ntpc.co.in	
E-mail ID (exclusive) for redressal of investors complaints	**For Shares and Tax Free Bonds, 2015:** isd@ntpc.co.in **For Tax Free Bonds, 2013:** tfb@ntpc.co.in **For Bonds including Bonus Debentures:** powerbonds@ntpc.co.in	

For and on behalf of Board of Directors

(Gurdeep Singh)
Chairman & Managing Director
DIN : 00307037

Place: New Delhi
Date: 30.05.2016

ANNEX-I

Non – Mandatory Requirements

Besides the mandatory requirements as mentioned in preceding pages, the status of compliance with discretionary requirements under Regulation 27(1) of SEBI LODR are as under:

1. **The Board:** The Company is headed by an Executive Chairman.
2. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under heading 'Means of Communication' and also hosted on the website of the Company. These results are not separately circulated. Significant events have been disclosed on the company website: ***www.ntpc.co.in*** under "Announcements" in the "Investors" section.
3. **Modified opinion(s) in audit report:** It is always Company's endeavour to present unqualified financial statements.
4. **Separate Posts of Chairman and CEO:** The Company has an Executive Chairman & Managing Director, who is also the CEO of the Company.
5. **Reporting of the Internal Auditor:** The Internal Auditor reports to the Audit Committee of the Board.

ANNEX-II

Schedule of Compliances with Presidential Directive issued during the financial year 2015-16 and during last three years preceding the financial year 2015-16:

Year	Content of Presidential Directives	Compliance
2015-16	NIL	NIL
2014-15	NIL	NIL
2013-14	NIL	NIL
2012-13	NIL	NIL



CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Gurdeep Singh, Chairman & Managing Director and K. Biswal, Director (Finance) of NTPC Limited to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 (stand alone and consolidated) and to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the company's various code(s) of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Company's auditors and the Audit Committee of NTPC's Board of Directors:

  (i) significant changes, if any, in internal control over financial reporting during the year;

  (ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

	(K. Biswal)	**(Gurdeep Singh)**
Place: New Delhi	Director (Finance)	Chairman & Managing Director
Date: 28th May, 2016	DIN : 03318539	DIN : 00307037



Mobile Clinics a unique CSR Initiative

AUDITORS' CERTIFICATE

The Members

NTPC Limited

We have examined the compliance of conditions of Corporate Governance by NTPC Limited for the year ended on 31st March 2016 as stipulated in the Listing Agreement/ SEBI LODR (as may be applicable) and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Agreement/ SEBI LODR (as may be applicable), Guidelines on Corporate Governance for Central Public Sector Enterprises and the Companies Act, 2013 except:

(a) Position of Independent Directors during the year was as under:

Period	Requirement as per the SEBI LODR	Requirement as per the Companies Act, 2013	Actual
01.04.2015-20.08.2015	9*	4*	2
21.08.2015-22.08.2015	8*	4*	2
23.08.2015-31.08.2015	8*	3*	1
01.09.2015-17.11.2015	7*	3*	1
18.11.2015-08.12.2015	7*	4*	3*
09.12.2015-03.02.2016	6*	3*	3*
04.02.2016-24.02.2016	7*	4*	3*
25.02.2016-31.03.2016	8*	4*	3*

*including one woman director

(b) For the period from 01.04.2015 to 17.11.2015, there was no woman director on the Board of the Company.

(c) During the period from 23.08.2015 to 30.11.2015, there were insufficient numbers of independent directors in the Audit Committee.

(d) Regarding compliance with the Board Evaluation Policy as explained in the Point No. 2.6 of the Report on Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For T R Chadha & Co LLP
Chartered Accountants
FRN- 006711N/N500028

[CA. Neena Goel]
Partner
M. No. 057986

For PSD & Associates
Chartered Accountants
FRN - 004501C

[CA. Thalendra Sharma]
Partner
M. No. 079236

For Sagar & Associates
Chartered Accountants
FRN - 003510S

[CA. V. Vidyasagar Babu]
Partner
M. No.027357

For Kalani & Co.
Chartered Accountants
FRN - 000722C

[CA. Vikas Gupta]
Partner
M. No. 077076

For P. A. & Associates
Chartered Accountants
FRN - 313085E

[CA. P. S. Panda]
Partner
M. No.051092

For S. K. Kapoor & Co.
Chartered Accountants
FRN - 000745C

[CA. V. B. Singh]
Partner
M. No. 073124

For B.M. Chatrath & Co.
Chartered Accountants
FRN - 301011E

[CA. P. R. Paul]
Partner
M. No. 051675

Place: New Delhi
Date: 30th May, 2016



ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

{PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014}

A. CONSERVATION OF ENERGY:

a) **Energy conservation measures taken:**

Some of the important energy conservation measures taken during the year 2015-16 in different areas are as under:

ENERGY AUDITS

As per BEE notification dt. 27th May, 2014, mandatory energy audits, covering all plant systems, were to be conducted in all stations before 26th November, 2016. Accordingly mandatory energy audits of 20 stations were conducted during the financial year.

AUXILIARY POWER CONSUMPTION

Some of the actions undertaken to reduce auxiliary power consumption at various stations are:

Replacement of inefficient BFP cartridges and attending BFP recirculation valves based on high SEC, Energy Efficient Coating on pump internals of Cooling Water / other large water pumps, HPBFP gear box modification to save energy, Installation of VFD's in various LT drives, Retrofitting of magnetic coupling in pumps, Retrofitting FRP blades in CT fans, Replacing existing motors with Energy Efficient motors, Installing grid-connected roof top Solar PV systems, Replacing old compressor with energy efficient screw compressor, De-staging of Condensate Extraction Pump, ESP hopper heater modification to save energy, Installing solar water heaters, Optimization of operation of CW pumps, ARCW, clarified water pumps & Cooling Tower Fans during part load operation and during low ambient temperature conditions, Using TDBFP during unit startups.

LIGHTING

To reduce energy conservation from lighting, replacement of conventional GLS lamps and FTLs with LED lighting and replacement of street lighting HPSV / Halogen / FTL fixtures with LED light fixtures were undertaken at various stations during the year.

HEAT ENERGY

Restoring & upgrading thermal insulation and replacement of high energy drain valves etc. were undertaken at some of the Stations to reduce loss of thermal energy.

b) **Additional investments and proposals for reduction in consumption of energy:**

Provision of ₹3,084 lac has been kept in BE 2016-17 for different energy conservation schemes like:

- Retrofitting VFD's in ID fans
- LED lighting
- Energy efficient LT motors
- Solar water heaters for houses and canteen
- Energy Efficient fan blades in Cooling Towers
- Installation of VFDs in LT drives

B. Impact of measures taken for energy conservation:

Savings achieved during 2015-16 on account of specific efforts for energy conservation:-

S.No.	Area/Activities	Energy Unit	Savings Qty. of units	₹ (Crore)
1	Electrical	MU	116.9	27.70
2	Heat Energy (equivalent MT of coal)	MT	7406	2.31
3	Heat Energy (equivalent MCM of gas)	MCM	0.085	0.13
	Grand Total			**30.14**

Savings achieved during 2014-15 - ₹ 31.94 Crore

C. Technology Absorption:

Efforts made towards technology absorption are contained in enclosed Form –B.



D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to export initiative taken to increase export, development of new export markets for products and services and export plan:

Total Foreign Exchange Used/ Earned (2015-16)	(₹ Crore)
1. Foreign Exchange Outgo	
a) Value of Imports calculated on CIF basis:	
-Capital Goods	949.67
-Spare Parts	91.00
b) Expenditure:	
-Professional and Consultancy Fee	8.18
-Interest	1045.91
-Others	125.29
2. Foreign Exchange Earned	
-Professional & Consultancy Fee	3.56
-Others	0.41

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

1.0 Specific areas in which NETRA activities have been carried out during 2015 - 16:

a. Completion of MOU Projects:

- In house design engineering and award of flue gas waste heat based desalination plant at NTPC-Simhadri,
- Award and commencement of setting up Solar Thermal and PV Labs in collaboration with German Research Institutions,
- Development of modified amine absorption based process to separate CO_2 from flue gas: Design & setting up of bench scale test facility.

b. Developmental Projects (ongoing):

- Indigenous Solar Thermal Projects,
- Flue gas based AC system and desalination plants,
- Development of Geothermal power Plant,
- Indigenous floater development,
- Solar Thermal Hybrid Plants,
- Setting up Solar Thermal and PV Labs,
- Water conservation,
- Ash Utilization,
- Carbon capture

c. Scientific Support to NTPC Stations (Continuous basis):

- Life enhancement & availability improvement of components.
- Enhancing reliability through robotic Inspections.
- Performance enhancement through CFD Analysis.
- Metallurgical Failure analysis of Boiler pressure parts components etc.
- Corrosion analysis, monitoring, control of power plants.
- Specialized analytical support for characterizing the turbine deposits, corrosion products, heavy metals in effluents.
- Condition Monitoring of transformers, Super heater / re-heater tubes, rotating machines.

d. Scientific Support to Other Utilities:

Provided to NSPCL, PSPCL-Bathinda, NHPC, HPGCL, APGCL, NTPC Joint Ventures, Tata Power, Ukai thermal power station, Adani Power, etc.

2.0 Benefits derived as a result of above Research & Technology Development:

NETRA activities have helped in increasing the availability, reliability and efficiency of the stations. Techniques developed are implemented at stations, which are enhancing the life of boiler & turbine components. Environmental



appraisals, rejuvenation treatments of resins, chemical cleaning/treatment and corrosion control measures supported the stations in improving the efficiency, availability and life of boilers, various heat exchangers/cooling towers etc.CFD based modifications have resulted in power saving and have been helpful in analyzing and resolving vibration problems in CW pumps. Studies on CO_2 fixation/utilization, solar thermal, bio-fuels will result into development of technologies for reduction in the impact on climate change and technologies for affordable renewable energy sources.

3.0 Future Plans:

Developmental Projects planned to be taken up in following areas:

- ❖ Water conservation and reclamation
- ❖ Ash Utilization and Waste management
- ❖ Carbon capture and fixation
- ❖ New and renewable energy
- ❖ Energy efficiency intensive projects
- ❖ Advance scientific support to stations

4.0 Major achievements during FY 15-16:

- ➢ Corrosion Meritorious Awards By NACE International , USA
- ➢ One of the best research Institute in Water, Energy & Allied Sectors by India Power Award
- ➢ Award for valued industry/business unit for promoting roof top Solar units in UP by NREDA, UP
- ➢ Award for outstanding performance in grid connected roof top PV in country by AREAS, MNRE, GoI
- ➢ Successful convening of R&D conference
- ➢ MNRE Excellence Award for Solar Thermal Cooking System at NTPC Dadri
- ➢ MoU signed between NCCBM, IITD, IITB, IITK nationally & with DLR Germany and ISE Fraunhaufer internationally.

5.0 Expenditure on R&D: 2015-16:

S.No.	Description	Expenditure in (₹/Crore)	
		2015-16	2014-15
a)	Capital	21.68	32.00
b)	Revenue	108.00	97.56
c)	Total	129.68	129.56
d)	Total R&D expenditure as a percentage of PAT of previous year	1.26%	1.18%

6.0 Technology Absorption, Adaptation and Innovation:

Particulars of some of the important technology imported during last five (5) years are as follows:

S.No.	Technology	Year	Stations
1	Ultra- supercritical Power plants with steam parameters 270 kg/cm2 steam pressure and 600/600 deg C at turbine end.	2014-16	Being implemented in Khargone (2X660 MW), Telangana –I (2X800 MW) and Lalam Koduru (4X1000 MW)
2	Air cooled condenser for super critical units	2013-14	Being implemented in (3x660 MW) North Karanpura.
3	Adoption of USC steam parameters 260 Kg/ cm^2 steam pressure and 593/593 deg C at turbine end	2013-14	Being implemented in (3x660 MW) North Karanpura.
4	Super critical technology with 256 Kg/cm^2 Steam Pressure and 568/596 deg C MS/RH steam temperature is being adopted at steam generator end for improvement in thermal efficiency and reduced emission of green house gasses.	2012-13	Being implemented in Mauda (2X660MW), Solapur (2X660MW), Meja (2X660MW), Nabinagar (3X660MW) through bulk tendering mechanism & for 9 units of 800 MW units (Kudgi, Darlipalli, Gadarwara & Lara) through bulk tendering.

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
DIN : 00307037

Place: New Delhi
Date: 3rd August, 2016



STASTICAL INFORMATION ON RESERVATION OF SCs/STs FOR THE YEAR 2015-16

Representation of SCs/STs as on 01.01.2016:

Group	Employees on Roll	SCs	%age	STs	%age
A	13,566	1,762	13.0	660	4.9
B	5,190	936	18.0	448	8.6
C	3,699	551	14.9	218	5.9
D	887	215	24.2	112	12.6
Total*	**23,342**	**3,484**	**14.90**	**1,438**	**6.2**

*The above data is inclusive of manpower posted at JVs and Subsidiaries and manpower of taken over projects.

Recruitment of SCs/STs during the year 2015:

Group	Total Recruitment	SCs	%age	STs	%age
A	95	12	12.6	9	9.5
B	0	0	0.0	0	0.0
C	104	28	26.9	7	6.7
D	7	2	28.6	2	28.6
Total	**206**	**42**	**20.40**	**18**	**8.70**

Promotions of SCs/STs during the year 2015:

Group	Total	SCs	%age	STs	%age
A	3,226	438	13.6	170	5.3
B	2,542	462	18.2	233	9.2
C	791	114	14.4	47	5.9
D	3	0	0.0	0	0.0
Total	**6,562**	**1,014**	**15.50**	**450**	**6.9**

For and on behalf of the Board of Directors

(Gurdeep Singh)
Chairman & Managing Director
DIN : 00307037

Place: New Delhi
Date: 3rd August, 2016

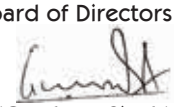


INFORMATION ON DIFFERENTLY ABLED PERSONS

With a view to focus on its role as a socially responsible and socially conscious organization, your Company has endeavored to take responsibility for adequate representation of Differently-abled Persons (DAPs) in its workforce. With this in view, the Company launched a massive recruitment drive to make up the shortfall of DAP in Group A during 2015-16. As on 01.01.2016, 469 DAP (94 VH, 106 HH and 269 OH) are on rolls of the Company. Reservation has been provided for PH as per rules/policy. Some of the other initiatives taken for the welfare of DAP over the years are as under:

- For individual needs of the Visually Hampered employees, screen reading software and Braille shorthand machines, are made available by the Projects. A website has been made DAP friendly, particularly for Low Vision Employees.
- Changes in the existing building have been/ are being made to provide barrier free access to physically challenge. Ramps have also been provided for unhampered movement of wheel chairs.
- At most of the Projects, wherever houses are located in multi-storied structures, allotments to DAP has been made on the ground floor. Special parking enclosures near the ramp at the office entrance as well as Physically Handicapped friendly toilet and lift at CC and Projects have been provided.
- Wheel chairs have been provided to employees with orthopaedics disabilities. If required, the assistance of an attendant has also been sanctioned.
- Whenever required, gates/ doors of the quarters have been widened.
- Petty contracts like book binding, scribbling pad preparation from waste paper, file binding, furniture repair, screen printing, spiral binding, painting contract are also being given to disabled persons.
- At CC procurement of stationery items like files, envelopes are mainly being done from NGOs/ Agencies like ADDI, MUSKAN, Blind Relief Association who are working for DAPs thereby creating indirect employment.
- Paintings made by disabled persons have also been procured and placed at different locations in the Company Offices.
- Medical camps have been organized in various projects of the Company for treatment and distribution of aids like artificial limbs, tricycles, wheelchairs, calipers etc.
- Shops have been allotted in Township to DAP so that they may earn their livelihood. Similarly, PCOs within/ outside plant premises are also allotted to DAP.
- Regular interactive meetings are being organized with DAPs.
- Number of Scholarships to specially abled students has been revised during 2015-16 from 10 numbers to 20 numbers and Scholarship amount has been revised from ₹ 1,500/- per month to ₹ 4,000 per month/ per PH student pursuing MBA/ PGDBM/Degree in Engineering Courses/ MBBS.
- Differently-abled (Orthopedically Handicapped) employees have been allowed to purchase a three wheeler vehicle with a hand fitted engine against their normal entitlement (advance for scooter/ motorcycle/ moped) under Conveyance Advance Rules.
- At all Projects/ Offices, Nodal Officers (Differently-abled) have been nominated.
- Reimbursement towards low vision aids, dark glasses etc. subject to maximum of ₹1,000/- every year. Similarly hearing aid; behind the ear model for each ear restricted to ₹10,000/- or actual cost whichever is lower. It may replaced every four years subject to condemnation by ENT Specialist.
- Relaxation in qualifying marks: Pass marks in lateral recruitment and 10% relaxation in Executive Trainee recruitment. 10% relaxation in written test and interview. The minimum performance level marks for promotions within the cluster are relaxed by 3 marks in case of employees belonging to SC/ ST/ differently abled category.

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
DIN : 00307037

Place: New Delhi
Date: 3rd August, 2016



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31,2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L40101DL1975GOI007966
2.	Registration Date	07th November 1975
3.	Name of the Company	NTPC Limited
4.	Category/Sub-category of the Company	Public Company / Government Company
5.	Address of the Registered office & contact details	NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 Telephone No : 011 24360100 /7072 Fax No : 011 24361018 /1724 E mail : isd@ntpc.co.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd Karvy Selenium Tower-B Plot No.31 to 32, Gachibowli Financial District Nanakramguda, Serilingampally, Hyderabad-500 008 Phone No.: 91 -40-67161518 Fax No.: 91-40-23420814 E-mail: einward.ris@karvy.com Website : www.ntpc.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Electric power generation by coal based thermal power plant	35102	92.27

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the company	CIN/GLN	% of shares held
Subsidiary Company {Section 2(87)(ii)}			
1	NTPC Vidyut Vyapar Nigam Limited NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40108DL2002GOI117584	100.00
2	NTPC Electric Supply Co. Limited NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40108DL2002GOI116635	100.00
3	Kanti Bijli Utpadan Nigam Limited NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40102DL2006GOI153167	65.00
4	Bhartiya Rail Bijlee Co. Limited NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40102DL2007PLC170661	74.00
5	Patratu Vidyut Utpadan Nigam Limited NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40300DL2015GOI286533	74.00
Associate Company {Section 2(6)}			
1	Utility Powertech Limited, H block, 3rd Floor , Dhirubhai Ambani knowledge City, Thane Belapur Road, Navi Mumbai, Mumbai	U45207MH1995PLC094719	50.00
2	NTPC SAIL Power Company Pvt Ltd., 4TH FLOOR NBCC TOWER , 15th Bhikaji Kama Place New Delhi	U74899DL1999PTC098274	50.00
3	NTPC Alstom Power Services Pvt. Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U74899DL1999PTC101702	50.00
4	NTPC Tamil Nadu Energy Company Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40108DL2003PLC120487	50.00
5	Ratnagiri Gas & Power Pvt. Ltd. , NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40105DL2005PTC138458	25.51
6	Aravali Power Co. Pvt. Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40105DL2006PTC156884	50.00
7	NTPC SCCL Global Ventures Pvt. Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40101DL2007PTC166472	50.00
8	Meja Urja Nigam Pvt. Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U74900DL2008PTC176247	50.00
9	NTPC BHEL Power Projects Private Limited, NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40102DL2008PTC177307	50.00
10	BF-NTPC Energy Systems Limited, 14th Floor,Antrikh Bhawan, 22 KG Marg, New Delhi	U40106DL2008PLC179793	49.00
11	Nabinagar Power Generating Company Pvt. Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40104DL2008PTC183024	50.00
12	National Power Exchange Limited, NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40100DL2008PLC185689	16.67
13	Transformers and Electricals Kerala Limited, Angamaly South, Ernakulam District Cochin, Kerala ,India.	U31102KL1963SGC002043	44.60
14	National High Power Test Laboratory Pvt. Ltd., NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U73100DL2009PTC190541	21.63
15	Energy Efficiency Services Limited, 4th Floor, Sewa Bawan , R K Puram, New Delhi	U40200DL2009PLC196789	28.80
16	CIL NTPC Urja Private Limited, NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U14105DL2010PTC202053	50.00
17	International Coal Ventures Pvt. Ltd., 20th Floor, Scope Minar, (Core-2), North Tower, Laxmi Nagar District Centre, Delhi	U10100DL2009PTC190448	0.13
18	Anushakti Vidhyut Nigam Ltd, 16th Floor, Centre 1 , World Trade Centre, Cuffe Parade, Mumbai	U40300MH2011GOI212727	49.00
19	Pan Asian Renewables Pvt. Limited, NTPC Bhawan, SCOPE Complex Lodi Road, New Delhi	U40108DL2011PTC226296	50.00
20	Trincomalee Power Co. Ltd., 3rd Floor, No.240, High Level Road, Kirulapone, Colombo – 00600, Sri Lanka	Not Applicable / Foreign Company	50.00
21	Bangladesh- India Friendship Power Co.(P) Ltd., 14th Floor, Bidyut Bhawan, 1 Abdul Gani Road, Dhaka	Not Applicable / Foreign Company	50.00



IV. (A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31/03/2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER / AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	6,18,06,14,980	0	6,18,06,14,980	74.96	5,76,83,41,760	0	5,76,83,41,760	69.96	-5.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**6,18,06,14,980**	**0**	**6,18,06,14,980**	**74.96**	**5,76,83,41,760**	**0**	**5,76,83,41,760**	**69.96**	**-5.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**6,18,06,14,980**	**0**	**6,18,06,14,980**	**74.96**	**5,76,83,41,760**	**0**	**5,76,83,41,760**	**69.96**	**-5.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	6,19,17,461	0	6,19,17,461	0.75	17,37,27,480	0	17,37,27,480	2.11	1.36
(b)	Financial Institutions /Banks	90,13,14,976	0	90,13,14,976	10.93	1,15,69,16,459	0	1,15,69,16,459	14.03	3.10
(c)	Central Government / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	4,93,79,983	0	4,93,79,983	0.60	7,18,18,984	0	7,18,18,984	0.87	0.27
(f)	Foreign Institutional Investors	85,22,29,725	0	85,22,29,725	10.34	88,62,37,673	0	88,62,37,673	10.75	0.41

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31/03/2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**1,86,48,42,145**	**0**	**1,86,48,42,145**	**22.62**	**2,28,87,00,596**	**0**	**2,28,87,00,596**	**27.76**	**5.14**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2,51,49,680	0	2,51,49,680	0.31	1,75,36,668	0	1,75,36,668	0.21	-0.09
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	14,37,38,071	72,077	14,38,10,148	1.74	14,02,73,021	58,593	14,03,31,614	1.70	-0.04
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1,53,81,800	0	1,53,81,800	0.19	1,56,27,958	0	1,56,27,958	0.19	0.00
(c)	Others									
	CLEARING MEMBERS	43,87,729	0	43,87,729	0.05	25,62,137	0	25,62,137	0.03	-0.02
	DIRECTORS	25,224	0	25,224	0.00	7,171	0	7,171	0.00	0.00
	FOREIGN BODIES	1,500	0	1,500	0.00	1,500	0	1,500	0.00	0.00
	FOREIGN NATIONALS	2,690	0	2,690	0.00	2,690	0	2,690	0.00	0.00
	NON RESIDENT INDIANS	48,60,131	48,777	49,08,908	0.06	47,67,281	48,200	48,15,481	0.06	0.00
	TRUSTS	**63,39,596**	**0**	**63,39,596**	**0.08**	**75,36,825**	**0**	**75,36,825**	**0.09**	**0.01**
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**19,98,86,421**	**1,20,854**	**20,00,07,275**	**2.43**	**18,83,15,251**	**1,06,793**	**18,84,22,044**	**2.29**	**-0.14**
	Total B=B(1)+B(2) :	**2,06,47,28,566**	**1,20,854**	**2,06,48,49,420**	**25.04**	**2,47,70,15,847**	**1,06,793**	**2,47,71,22,640**	**30.04**	**5.00**
	Total (A+B) :	**8,24,53,43,546**	**1,20,854**	**8,24,54,64,400**	**100.00**	**8,24,53,57,607**	**1,06,793**	**8,24,54,64,400**	**100.00**	**0.00**
(C)	Shares held by custodians, for GDRs/ADRs									
	GRAND TOTAL (A+B+C) :	**8,24,53,43,546**	**1,20,854**	**8,24,54,64,400**	**100.00**	**8,24,53,57,607**	**1,06,793**	**8,24,54,64,400**	**100.00**	



B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	PRESIDENT OF INDIA	6,18,06,14,980	74.96	0	5,76,83,41,760	69.96	0	-5.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Transaction during the year			Cumulative Shareholding during the year	
		No. of shares	% of total	Date	Increase/ Decrease in share holding	Reason	No. of shares	% of total shares of the company
1	At the beginning of the year	6,18,06,14,980	74.96				6,18,06,14,980	74.96
2	Offer for sale			25/02/2016	-41,22,73,220	Offer for sale	5,76,83,41,760	69.96
3	At the end of the year	5,76,83,41,760	69.96				5,76,83,41,760	69.96

D) Shareholding Pattern of top ten Shareholders (Closing Balance)
(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	LIC OF INDIA FORTUNE PLUS SECURED FUND				
	At the beginning of the year	81,75,85,952	9.92	81,75,85,952	9.92
	Bought during the year	25,31,45,914	3.07	1,07,07,31,866	12.99
	Sold during the year	2,01,677	0.01	1,07,05,30,189	12.98
	At the end of the year	1,07,05,30,189	12.98	1,07,05,30,189	12.98
2	PRUDENTIAL ICICI TRUST LTD-SENSEX PRUDENTIAL ICICI				
	At the beginning of the year	2,69,05,415	0.33	2,69,05,415	0.33
	Bought during the year	9,30,73,641	1.13	11,99,79,056	1.46
	Sold during the year	3,64,30,668	0.45	8,35,48,388	1.01
	At the end of the year	8,35,48,388	1.01	8,35,48,388	1.01
3	T. ROWE PRICE INTERNATIONAL STOCK FUND				
	At the beginning of the year	3,79,06,301	0.46	3,79,06,301	0.46
	Bought during the year	1,87,85,871	0.23	5,66,92,172	0.69
	Sold during the year	0	0.00	5,66,92,172	0.69
	At the end of the year	5,66,92,172	0.69	5,66,92,172	0.69
4	PLATINUM INTERNATIONAL FUND				
	At the beginning of the year	3,37,70,416	0.41	3,37,70,416	0.41
	Bought during the year	93,71,617	0.11	4,31,42,033	0.52
	Sold during the year	0	0.00	4,31,42,033	0.52
	At the end of the year	4,31,42,033	0.52	4,31,42,033	0.52

S. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	GOVERNMENT OF SINGAPORE				
	At the beginning of the year	3,90,25,042	0.47	3,90,25,042	0.47
	Bought during the year	66,45,186	0.08	4,56,70,228	0.55
	Sold during the year	88,46,331	0.10	3,68,23,897	0.45
	At the end of the year	3,68,23,897	0.45	3,68,23,897	0.45
6	ABU DHABI INVESTMENT AUTHORITY - BEHAVE				
	At the beginning of the year	5,93,74,928	0.72	5,93,74,928	0.72
	Bought during the year	84,45,846	0.10	6,78,20,774	0.82
	Sold during the year	3,63,41,055	0.44	3,14,79,719	0.38
	At the end of the year	3,14,79,719	0.38	3,14,79,719	0.38
7	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE				
	At the beginning of the year	3,67,26,562	0.45	3,67,26,562	0.45
	Bought during the year	3,12,015	0.00	3,70,38,577	0.45
	Sold during the year	64,05,567	0.08	3,06,33,010	0.37
	At the end of the year	3,06,33,010	0.37	3,06,33,010	0.37
8	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C				
	At the beginning of the year	52,84,280	0.06	52,84,280	0.06
	Bought during the year	3,16,18,421	0.39	3,69,02,701	0.45
	Sold during the year	67,73,725	0.08	3,01,28,976	0.37
	At the end of the year	3,01,28,976	0.37	3,01,28,976	0.37
9	PLATINUM ASIA FUND				
	At the beginning of the year	2,88,76,415	0.35	2,88,76,415	0.35
	Bought during the year	50,52,000	0.06	3,39,28,415	0.41
	Sold during the year	53,57,000	0.06	2,85,71,415	0.35
	At the end of the year	2,85,71,415	0.35	2,85,71,415	0.35
10	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED NR				
	At the beginning of the year	1,55,45,537	0.19	1,55,45,537	0.19
	Bought during the year	1,58,93,495	0.19	3,14,39,032	0.38
	Sold during the year	36,75,774	0.04	2,77,63,258	0.34
	At the end of the year	2,77,63,258	0.34	2,77,63,258	0.34
11	COPTHALL MAURITIUS INVESTMENT LIMITED				
	At the beginning of the year	2,55,07,644	0.31	2,55,07,644	0.31
	Bought during the year	39,94,981	0.05	2,95,02,625	0.36
	Sold during the year	1,76,01,294	0.22	1,19,01,331	0.14
	At the end of the year	1,19,01,331	0.14	1,19,01,331	0.14
12	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED				
	At the beginning of the year	2,25,64,025	0.27	2,25,64,025	0.27
	Bought during the year	1,38,34,285	0.17	3,63,98,310	0.44
	Sold during the year	3,49,23,269	0.42	14,75,041	0.02
	At the end of the year	14,75,041	0.02	14,75,041	0.02

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.



E) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Transaction during the year			Cumulative Shareholding during the year	
		No. of shares	% of total	Date	Increase/ Decrease in share holding	Reason	No. of shares	% of total shares of the company
1	Dr. Arup Roy Choudhury $	12,630	0.00	01-04-15			12,630	0.00
				31-03-16			12,630	0.00
2	Shri S. C. Pandey	4,000	0.00	01-04-15			4,000	0.00
				04-09-15	1000	Sale	3,000	0.00
				31-03-16			3,000	0.00
3	Shri A.K.Jha	1,440	0.00	01-04-15			1,440	0.00
				31-03-16			1,440	0.00
4	Shri K.K. Sharma	369	0.00	01-04-15			369	0.00
				31-03-16			369	0.00
5	Shri U.P. Pani	2,362	0.00	01-04-15			2,362	0.00
				31-03-16			2,362	0.00
6	Shri Aniruddha Kumar	214	0.00	01-04-15			214	0.00
				31-03-16			214	0.00
7	Shri A.Didar Singh $	426	0.00	01-04-15			426	0.00
				11-03-16	426	Sale	0	0.00
				31-03-16			0	0.00
8	Shri A.K. Rastogi	3,383	0.00	01-04-15			3,383	0.00
				10-04-15	1000	Sale	2,383	0.00
				31-03-16			2,383	0.00

$ KMP, Separated after completion of their terms of appointment as mentioned above.

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount in Crore

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as at 01.04.2015)				
i) Principal Amount	23,617.83	62,377.51	-	85,995.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	433.85	293.45	-	727.30
Total (i+ii+iii)	**24,051.68**	**62,670.96**	-	**86,722.64**
Change in Indebtedness during the financial year (2015-16)				
i) Addition in principal amount	2,456.93	10,628.60	-	13,085.53
ii) Reduction in principal amount	600.00	7,097.53	-	7,697.53
iii) Change in principal amount due to ERV	-	1,725.92	-	1,725.92
iv) Change in interest accrued but not due	53.59	(5.62)	-	47.97
Net Change (i-ii+iii+iv)	**1,910.52**	**5,251.37**	-	**7,161.89**
Indebtedness at the end of the financial year (as on 31.03.2016)				
i) Principal Amount	25,474.76	67,634.50	-	93,109.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	487.44	287.83	-	775.27
Total (i+ii+iii)	**25,962.20**	**67,922.33**	-	**93,884.53**



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.) Remuneration to Managing Director, Whole-time Directors and/or Manager

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager								Total Amount (₹)
		CMD/CEO	CMD/CEO	WTD/CFO	WTD	WTD	WTD	WTD	WTD	
		Dr. Arup Roy Choudhury (Up to 31.08.15)	Sh. Gurdeep Singh $	Sh.Kulamani Biswal	Sh. I.J.Kapoor (Up to 20.08.15)	Sh.A.K.Jha	Sh.U.P.Pani	Sh.S.C. Pandey	Sh.K.K. Sharma	
1	Gross salary									
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69,60,686	4,39,089	36,13,956	48,41,355	38,41,281	37,63,226	41,41,396	34,46,623	3,10,47,612
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,20,417	6,259	6,86,228	2,52,432	6,54,695	6,80,451	7,63,920	5,67,658	42,32,060
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961									
2	Stock Option									
3	Sweat Equity									
4	Commission - as % of profit - others, specify...									
5	Others, please specify									
	Total (A)	**75,81,103**	**4,45,348**	**43,00,184**	**50,93,787**	**44,95,976**	**44,43,677**	**49,05,316**	**40,14,281**	**3,52,79,672**
	Ceiling as per the Act	Not Applicable *								

$ Appointed as Chairman and Managing Director w.e.f. 4th February 2016

* Section 197 of Companies Act,2013 shall not apply vide MCA notification dated 5.6.2015 .

B.) Remuneration to other directors: (Refer Corporate Governance Report for details)

S. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify-Honorarium	Total Amount
1	**Independent Directors**				
	Sh.A.Didar Singh (upto 22.08.2015)	3,20,000	-	-	3,20,000
	Sh.Prashant Mehta	8,00,000	-	1,20,000	8,00,000
	Sh.Rajesh Jain (w.e.f. 18.11.2015)	1,80,000	-	-	1,80,000
	Dr (Mrs) Gauri Trivedi (w.e.f. 18.11.2015)	1,40,000	-	-	1,40,000
	Total (1)	14,40,000	-	1,20,000	15,60,000
2.	**Other Non-Executive Directors**	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	14,40,000	-	1,20,000	15,60,000
	Total Managerial Remuneration (A+B)				3,68,39,672
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)	Not Applicable			

* Section 197 of Companies Act,2013 shall not apply vide MCA notification dated 5.6.2015.

C.) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
		Sh.Anil Kumar Rastogi	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,26,333	30,26,333
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,78,495	4,78,495
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	
4	Commission - as % of profit	-	-
5	Others, please specify	-	-
	Total	**35,04,828**	**35,04,828**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
There were no penalties/ punishement / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.					

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
(DIN: 00307037)

Place: New Delhi
Date: 3rd August, 2016



FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   CSR has been synonymous with Company's core business of power generation. The Company's spirit of caring and sharing is embedded in its mission statement. The Company has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development (CD) activities which has been revised and updated from time to time. CD activities in green field area are initiated as soon as project is conceived and thereafter extensive community / peripheral development activities are taken up along with the project development. Separate CSR Community Development Policy, formulated in July 2004 and Sustainability Policy formulated in Nov 2012 were combined and revised in 2015 as "**NTPC Policy for CSR & Sustainability**" in line with Companies Act 2013 and DPE Guidelines for CSR. It covers a wide range of activities including implementation of key programmes through NTPC Foundation.

   CSR & Sustainability programs undertaken by Company include activities specified in Schedule VII of the Companies Act 2013 & rules made there under and any other activity for benefit of community at large.Focus areas of NTPC CSR & Sustainability activities are Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability.

   The Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

   Preference for CSR & Sustainability activities is given to local areas around Company's operations, ensuring that majority CSR funds are spent for activities in local areas. However, considering Inclusive Growth & Environment Sustainability and to supplement Government effort, activities are taken up anywhere in the country.During the year about 1000 villages and more than 1300 schools have been benefitted by NTPC's various CSR initiatives at different locations. NTPC's CSR initiatives have touched the lives of around 25 lakhs people in one or the other way, residing at remote locations.

   During the year special thrust has been given to the "Swachh Vidyalaya Abhiyan" making available about 29,000 toilets in government schools for the benefit of students, especially girl children, covering 82 Districts in 17 States across the country. The project was aimed to improve the health and hygiene among students, reduce girl child dropout and going forward and improve the health & hygiene of community by reducing open defecation. This project has spread the messages of cleanliness, good hygiene and proper sanitation among rural communities. Availability of about 29000 toilets ensured by NTPC will have direct positive impact on the lives of almost 20 lacs children.

   NTPC, being a member of Global Compact Network, India, confirms its involvement in various CSR activities in line with 10 Global Compact principles and shares its experience with the representatives of the world through Communication on Progress (COP). It submits COP to United Nations Global Compact on regular basis.

   Web link for accessing uploaded COP is given below:

   www.unglobalcompact.org/what-is-gc/participants/7032-NTPC-Ltd#cop

   Web Link to the CSR Policy & Projects or programs

   http://www.ntpc.co.in/en/corporate-citizenship/corporate-social-responsibility

2. **The Composition of the CSR Committee**

   The Board level Corporate Social Responsibility & Sustainability Committee comprising of three Directors with at least one Independent Director, recommends to the Board for approval, the amount of expenditure to be incurred on the activities and monitor from time to time the Policy for Corporate Social Responsibility & Sustainability approved by the Board.

3.	Average net profit of the Company for the previous 3 financial years	-	₹ 13567.43 Cr
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	-	₹ 271.35 Cr
	Unspent amount of 2014-15	-	₹ 78.30 Cr
	Total Prescribed CSR Expenditure	-	₹ 349.65 Cr
5.	Details of CSR spent during the financial year		
	(a) Total amount to be spent for the financial year	-	₹ 349.65 Cr
	Amount spent	-	₹ 491.80 Cr (3.62%)
	Amount exceeding prescribed CSR Exp.	-	₹ 142.15 Cr
	(b) Amount unspent, if any	-	NIL



(c) Manner in which the amount spent during the financial year is detailed below:

Amount (₹ cr)

5(c) Manner in which the amount spent during the financial year is detailed below :							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered./ Relevant Section of Schedule VII in which the project is covered (Note)	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads*: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period*	Amount spent: Direct or through implementing agency
1	Swachh Vidyalya Abhiyaan	i	CSR initiatives during the Financial Year 2015-16 have been taken up on PAN India basis around NTPC operations primarily in19 states mentioned below: Andhra Pradesh, Assam, Bihar,Chhattisgarh, Delhi, Gujarat ,Haryana,Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttar Pradesh, Uttarakhand, West Bengal	142.50	278.70	278.70	Through Implementing / Contracting Agency/NTPC Foundation/ Trusts/ societies
2	Healthcare & Sanitation	i		40.23	39.76	39.76	
3	Education & Skill Development	ii		65.09	54.49	54.49	
4	Rural Development	x		35.37	44.21	44.21	
5	Environment	iv		46.13	33.85	33.85	
6	Drinking Water	i		8.24	9.27	9.27	
7	Sports	vii		1.21	1.89	1.89	
8	Protection of National Heritage Art & Culture	v		1.33	3.17	3.17	
9	Other CSR Activities	ii , iii , iv		11.78	12.89	12.89	
10	Capacity Building (Overheads)			0.00	13.57	13.57	
	Total			351.88	491.80	491.80	

Note* Including expenditure on activities carried forward from previous years , which have been completed during 2015-16.

Note :

(i) Eradicating hunger, poverty and malnutrition, promoting healthcare incl. preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

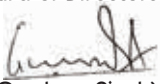
(x) Rural development projects;

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

   By spending ₹ 491.80 Cr during the financial year, the company has surpassed the prescribed two percent amount of ₹ 349.65 Cr by ₹ 142.15 Cr, thus achieving a CSR spend of 3.62%.

7. This is to state that of that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
(DIN: 00307037)

Place: New Delhi
Date: 3rd August, 2016



PROJECT-WISE ASH PRODUCED AND UTILISED

The quantity of ash produced, ash utilized and percentage of such utilization during 2015-16 from NTPC Stations is as under:

Sl.No.	Stations	Ash Produced (Lakh Tonnes)	Ash Utilization (Lakh Tonnes)	% Utilization (Amount in %)
1	Badarpur	5.12	6.68*	130.47*
2	Dadri	20.75	28.27*	136.24*
3	Singrauli	45.49	3.97	8.73
4	Rihand	43.75	6.57	15.02
5	Unchahar	17.87	18.18*	101.73*
6	Tanda	9.01	9.47*	105.10*
7	Vindhyachal	78.29	13.82	17.65
8	Mouda	3.92	3.15	80.36
9	Korba	59.32	18.06	30.45
10	Sipat	55.11	8.37	15.19
11	Ramagundam	50.24	44.82	89.21
12	Simhadri	29.23	10.33	35.34
13	Farakka	29.37	8.83	30.06
14	Kahalgaon	51.18	20.99	41.01
15	Barh	9.73	0.63	6.47
16	Talcher-Thermal	12.08	12.16*	100.66*
17	Talcher-Kaniha	67.82	28.93	42.66
	Total	**588.28**	**243.23**	**41.35**

* Figure includes Ash utilized from ash produced during previous years.

For and on behalf of the Board of Directors

(Gurdeep Singh)
Chairman & Managing Director
(DIN: 00307037)

Place: New Delhi
Date: 3rd August, 2016

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Power Station and Office Maintenance Agreement with Utility Powertech Limited (UPL) (a 50:50 Joint Venture between NTPC and Reliance Infrastructure Limited). UPL undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of power stations. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

Approval of the Members of the Company was taken in the Annual General Meeting held on 18.09.2015 for transactions with UPL subject to cumulative ceiling of 2% of the annual turnover of the Company as per the Audited Annual financial statement of the preceding financial year or ₹1,000 crore, whichever is more, in any financial year.

2. Details of material contracts or arrangement or transactions at arm's length basis:

There was no material contract or arrangement or transaction at arm's length basis during the period under review

a. Name(s) of the related party and nature of relationship - NA
b. Nature of contracts/arrangements/transactions - NA
c. Duration of the contracts / arrangements/transactions– NA
d. Salient terms of the contracts or arrangements or transactions including the value, if any – NA
e. Date(s) of approval by the Board, if any - NA
f. Amount paid as advances, if any - NA

For and on behalf of the Board

Gurdeep Singh
Chairman & Managing Director
(DIN: 00307037)

Place: New Delhi
Dated: 3rd August, 2016



NTPC BUSINESS RESPONSIBILITY REPORT (2015-16)

Section A : General information about the company

1. **CIN (Corporate Identity Number)** L40101DL1975GOI007966
2. **Name of the company** NTPC Limited
3. **Registered address** NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
4. **Website** www.ntpc.co.in
5. **Email id** akrastogi@ntpc.co.in
6. **FY reported** 2015-16
7. **Sector that company is engaged in** Power
8. **Product/services that the company manufacturers /provides (as in balance sheet):**
   i. Generation of Electricity
   ii. Consultancy
   iii. Coal Mining
9. **Total number of location where business activity is undertaken by the company:**
   International locations - 03 nos.
   a. Trincomalee Power Project, Srilanka
   b. Power Project at Khulna, Bangladesh
   c. Power Project at Siddhirganj, Bangladesh
   National locations - 70 nos.
10. **Markets served by the company :** National & International

Section B : Financial details of the company

S.No.	Particulars	₹ in Crores
1.	Paid up capital	₹ 8245.46
2.	Total Turnover(Gross)	₹ 71,696.07
3.	Total profit after taxes	₹ 10,242.91
4.	Total spending on CSR and Sustainable Development (SD) as % of PAT	4.80 % (₹ 491.80 Cr.) of PAT of FY 15-16
5.	List of activities in which expenditure in 4 above has been incurred	Broad areas of the activities : - Education & skill development - Swachh Vidhyalya Abhiyaan - Health care & Sanitation - Rural Development - Protection of National Culture and Heritage - Capacity Building - Women Empowerment - Roads & Infrastructure strengthening - Providing Drinking Water - Art & Culture and Sports - Biodiversity, Tree Plantation - Waste management - Environmental Studies - Promotion of Renewable Energy - Water management



Section C: Other Details

Subsidiaries: The company has the following five Subsidiary Companies as on 31-03-2016:

i. NTPC Electric Supply Company limited
ii. NTPC Vidyut Vyapar Nigam Limited
iii. Kanti Bijlee Utpadan Nigam Ltd.
iv. Bhartiya Rail Bijlee Company Limited
v. Patratu Vidyut Utpadan Nigam Limited

The Business Responsibility Initiatives of the parent company are applicable to the subsidiary companies also. However, none of the entities that the Company does business with, participate in the BR initiatives of the Company.

Section D: BR information

1. Individual Directors responsible for implementation of the BR policy / policies:

Principle No	Description	Policy / Policies	Director(s) Responsible
Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	1. Code of Conduct* 2. Core Values 3. Fraud Prevention Policy 4. CDA Rules 5. Whistle Blower Policy 6. Internal code of conduct for prevention of insider trading. 7. Code of Corporate Fair Disclosure Practices for prevention of insider trading. 8. Related Party Transaction Policy. 9. Policy for determination of materiality of events or information for disclosure. 10. Policy on maintenance & preservation of documents. 11. Policy for Determining Material Subsidiaries. 12. Training Policy for Directors of NTPC.	All Directors & Chief Vigilance Officer
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	1. Safety Policy 2. NTPC Policy for CSR and Sustainability	Director (Operations) Director (HR)
Principle 3 (P3)	Businesses should promote the well-being of all employees.	1.Human Resource (HR) Policies 2. Placement and Transfer Policy	Director (HR)
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	1. R&R Policy 2. Community Development (CD) Policy 3. HR Policies	Director (HR)
Principle 5 (P5)	Businesses should respect and promote human rights.	HR Policies	Director (HR)
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.	1. Environment Policy 2. NTPC Policy for CSR and Sustainability	Director (Operation) Director (HR)
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	1. Code of Conduct* 2. Core Values	All Directors
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.	1. R&R Policy 2. Community Development (CD) Policy	Director (HR)
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Commercial systems & Procedures	Director (Commercial)

* Code of Conduct for Board Members & Senior Management Personnel



2. **Details of Director/Directors responsible for BR as a whole**

a. **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

S.No.	Particulars	Details
1.	DIN Number	00307037
2.	Name	Shri Gurdeep Singh
3.	Designation	Chairman & Managing Director
4.	Telephone number	011-24360044
5.	e-mail id	cmd@ntpc.co.in

b. **Details of BR head : Same as above**

3. **Principle wise reply to each question BR Policy/Policies:**

	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the Principle	Y	Y	Y	Y	Y	Y	Y	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
3.	Does the policy conform to any national /international standards?	Y	Y	Y	Y	Y	Y	Y	Y	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	-
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	-
6.	Indicate the link for the policy to be viewed online?	(i)	(i)	(ii)	(i)	(ii)	(i)	(i)	(i)	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y$	Y	Y$	Y	Y	Y	-
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	-

$ Communicated to Internal Stakeholders only.

(i) Web links for the Policies :

a. Code of Conduct
http://www.ntpc.co.in/investors/code-of-conduct

b. R&R Policy :
http://www.ntpc.co.in/en/corporate-citizenship/r-and-r-policies

c. CSR and Sustainability Policy
http://www.ntpc.co.in/download/ntpc-policy-csr-sustainability

d. Fraud Prevention Policy
http://www.ntpctender.com/about/FraudPolicy.asp

e. Internal Code of Conduct for prevention of insider trading
http://www.ntpc.co.in/download/internal-code-conduct-prevention-insider-trading-dealing-securities-ntpc-limited

f. Code of Corporate fair discloser practices for prevention of insider trading http://www.ntpc.co.in/download/code-corporate-fair-disclosure-practices-prevention-insider-trading

g. Related Party Transaction Policy
http://www.ntpc.co.in/download/related-party-transaction-policy-ntpc



h. Whistle Blower Policy

http://www.ntpc.co.in/sites/default/files/downloads/WhistleBlowerPolicy.pd

i. Policy for determination of materiality of events or information for disclosure

http://www.ntpc.co.in/sites/default/files/downloads/NTPC%20-%20Policy%20For%20Determination%20of%20Materiality%20of%20events.pdf

j. Policy on maintenance & preservation of documents

http://www.ntpc.co.in/sites/default/files/downloads/Document%20Preservation%20Policy.pdf

k. Policy for Determining Material Subsidiaries

http://www.ntpc.co.in/download/policy-determining-material

l. Training Policy for Directors of NTPC

http://www.ntpc.co.in/download/training-policy-directors-ntpc

m. Community Development Policy

http://www.ntpc.co.in/download/initail-community-development-policy-2009

(ii) Policies not hosted on web :

a. Environment Policy: Policy is in hard copy only and not hosted on web. However, Principles of Environment Policy have been given on the website www.ntpc.co.in under Environment Head.

b. Safety Policy, HR Policies & Placement and Transfer Policy: Available for internal stakeholders only and not hosted on web.

4. If answer against any principle is 'No', please explain why:

Principle 9: All the sub-principles identified under principle -9 are duly followed by company through its commercial systems and procedures. However, Company feels that a separate Policy on Principle -9 is not required because:

- The Company supplies power to the Bulk Customers (State Electricity Distribution companies) majority of which are owned by the respective State Govts.
- The CERC, while finalizing Tariff and other Regulations engages all Stakeholders and takes views of them. CERC Tariff Regulations and relevant orders are being displayed on CERC Website www.cercind.gov.in.
- The Company & Our bulk customers i.e. Discoms works under Regulated Environment. NTPC strives for supplying cheapest power deploying all resources optimally in best possible ways resulting in well being of customers & Society.
- The company being a Government company is also subject to the various checks and balances mechanism such as audits etc.
- CERC while determining the tariff of NTPC stations does prudence check on the costs of company.
- NTPC never restricts the freedom of choice and free competition in any manner while supplying bulk Power.
- Needs of the customers is taken into account and accordingly PPA are signed and Allocation of Power is made by Ministry of Power as per existing guidelines & Policy to meet the requirement of customers. Unallocated quota of power is allocated by MoP as per demand and requirement of different States hence always keep customer first.
- Power Supply regularity, Performance and all other Commercial parameters are governed by Central Electricity Regulatory Commission and the company always excels in satisfying customers by disclosing all relevant information.
- Issues, if any, regarding operational issues etc are being discussed and resolved in common forums such as Regional Power Committees.
- The company has developed a Customer Satisfaction Index (CSI), which is evaluated through a questionnaire and the based on the feedbacks received, actions are taken.

  The company engages with customers and provides value to the customers in a responsible manner.

5. Governance related to BR

i.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	Within 3-6 months
ii.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The company has published Business Responsibility Report as a part of annual report 2014-15 and publicises Business Responsibility Report Annually



Section E: Principle – wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?

   i Code of Conduct for Board Members & Senior Management Personnel covers all the Directors and Senior Management Personnel of the Company.

   ii Fraud Prevention Policy applies to any fraud, or suspected fraud involving employees of the company as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency (ies) doing any type of business with NTPC.

   iii CDA Rules are applicable to all employees of company and employees posted in JVs/ Subsidiaries.

   iv Insider Trading Code is applicable to designated employee of the company.

   v However in line with NTPC, RGPPL and NTECL, JVs of company have also adopted Fraud Prevention Policy and CDA rules.

   vi Related Party Transaction Policy is framed intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

   vii The objective of Whistle Blower Policy is to build and strengthen a culture of transparency and trust in the organization and to provide employees with a framework / procedure for responsible and secure reporting of improper activities (whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity/ serious irregularities within the Company.

   viii The Policy for determination of materiality of events or information for disclosure was framed in terms of Regulation 30 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (LODR)

   ix The Policy on maintenance & preservation of documents was framed in pursuance to Regulation 9 of the SEBI (LODR).

   x The Policy for Determining Material Subsidiaries was framed in accordance with the requirement stated under the Listing Agreement.

   xi The Training Policy aims at providing Orientation & Training programs to be offered to the Board of Directors of the company.

   Integrity Pact has been implemented in the company since 2009. Presently tenders having estimated value of ₹10 Crore(excluding taxes and duties) and above are covered under the Integrity Pact. Presently NTPC is having 02 Independent External Monitors - Sh.V.S.Jain, Ex-Member, PESB and Sh. Satyananda Mishra, IAS(retd.) Ex.CIC to oversee the implementation of Integrity Pact Programme.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the period 01.04.2015 to 31.03.2016, total 154 new complaints were received. 65 complaints (including previously received) were closed after verification. 86 complaints (including previously received) were taken up for investigation and 39 were under verification as on 31.03.2016.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

   i. Generation of Electricity: The company produces Electricity through Coal, Gas, Hydro and Solar PV. These Systems have incorporated State of the Art technologies such as High Concentration slurry disposal (HCSD), Real time monitoring of Pollutants and Zero discharge in new projects.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Raw Material (Energy) Consumption per year:

Energy Source	2013-14		2014-15		2015-16	
	Qty.	Per Unit Consumption	Qty.	Per Unit Consumption	Qty.	Per Unit Consumption
Coal	158.2 MMT	0.718 Kg/kwh	162.1 MMT	0.707 Kg/kwh	160.6 MMT	0.70 Kg/kwh
Gas	6.88 MMSCMD	0.19 scm/kwh	6.44 MMSCMD	0.218 scm/kwh	5.21 MMSCMD	0.21 Scm/kwh
LDO	34733KL	0.16ml/kwh	23246KL	0.10ml/kwh	15862KL	0.07 ml/kwh

Water Withdrawal per year (in million KL):

S. No.	Type of water	Quantity Consumed		
		2013-14	2014-15	2015-16
1	Total Water withdrawal	4665	4546	4405
2	Per unit withdrawal	20.0 Litre/kwh	18.89 Litre/kwh	18.44Litre/kwh

Energy Saving per year:

Energy saved by the initiatives taken in the company power plants for energy conservation / efficiency improvement	2013-14	2014-15	2015-16
	115.1 MUs	115.4 MUs	116.9 MUs

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof,

   The Following procedures are in place for the sustainable sourcing of coal by the company for its different power station:

   i) **Coal Linkage:** Coal linkage for a new project is accorded by Standing Linkage Committee-Long Team (SLC-LT) under the aegis of Ministry of Coal, GOI. Accordingly, NTPC applies for coal linkage to SLC(LT) for its new projects On the direction of SLC-LT, Coal companies issue Letter of Assurance (LoA) to the Buyer valid for 24 months. On receipt of LOA, NTPC completes all the formalities enabling for signing of FSA.

   ii) **Fuel Supply Agreement (FSA):** FSA is signed between the Buyer and Coal Companies for a period of 20 years with a provision of review after every 5 years. Based on the terms & conditions of FSA, coal companies supply coal to the power stations.

   iii) **Bilateral MOUs:** Short term coal procurements are done as per requirement through Bilateral MoUs with coal companies for the quantity, price & period mutually agreed by buyer & Coal Company.

   iv) **E-Auctions:** Coal is also procured for critical stations by participating in E-Auctions conducted by Coal companies as approved by NTPC Board.

   v) **Import:** The company imports coal with the approval of NTPC Board. NTPC procures the coal on short term basis and in multi-packages to enable cost benefit to NTPC.

   During 2015-16, NTPC sourced about 152.34 Million Metric Tons of domestic coal and 9.48 Million Metric Tons of imported coal.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company adopts fair, equitable and transparent tendering procedures. To encourage Indian bidders and suppliers, provisions regarding price preference and deemed export benefits are stipulated in the bidding documents as per the extant policy of Government of India. Company has taken various initiatives to encourage participation in tender for local & small manufacturer including SMEs. The benefits include EMD exemption, tender document fee exemption and purchase preference of 15%.

   Further, the company is organizing regular vendor meet for local SMEs for development of items and services and encourage the local vendor for SME registration under Udyog Aadhaar.

   There are certain economic opportunities arising out of need for goods and services by the project and its township. The company provides opportunities to the local communities including Project Affected Persons (PAPs) for gainful employment by formation of Co-operative Societies and Self Help Groups. The preference for award of petty contracts etc for supplying goods and services is given to Project Affected Persons (PAPs).

   The company conducts regular capacity- building programmes for local communities including PAPs for better employability. The programs are conducted based on the findings of Need Assessment Surveys and Individual requirements and after due consultation with the community. The people are trained under various training programs through training institutes engaged by the company / State Govt.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Our Product viz. Electricity gets completely consumed and hence there is no scope of its recycling. Guidelines have been



issued in line with National Environment Policy for disposal of hazardous wastes from power stations. The hazardous wastes generated at our power stations such as used transformer oil, used lubricants, lead acid batteries etc. are sold only to government approved recyclers or given back to the sellers for recycling under buy back arrangements, which takes care of 100% recycling of such wastes.

Around 41.35% of the total ash generation from electricity generation has been used for various productive purposes during 2015-16. Important areas of ash utilization are – cement & asbestos industries, ready mix concrete plant (RMC), road embankment construction, brick/ block/ tile manufacturing, mine filling, ash dyke raising, and land development.

Principle 3: Businesses should promote the wellbeing of all employees

1. Number of Employees :

Category	2013-14	2014-15	2015-16
Executives	12,699	12,486	12,001
Non- Executives	10,712	10,010	9,632

2. Number of Employees hired on Temporary / Contractual / Casual basis :
   NTPC does not hire employees on temporary / casual basis. The no. of workers with Contractors are dynamic in nature and vary from time to time.
3. Number of permanent Women Employees: 1,376
4. Number of permanent Employees with Disabilities : 471
5. Do you have an employee association that is recognized by management:
   The company is a multi unit organization. Association(s) comprising of executives of the company need not be recognized in the absence of any statutory mandate. Workmen of various company Units have formed unions. The same are accorded recognition by the company as per applicable law / practice.
6. What percentage of your permanent employees is members of this recognized employee association?
   About 50-55% of the permanent employees in workmen category are members of the recognized union of workmen.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of previous year pending complaints	No. of complaints filed during the FY 15-16	No. of complaints pending as on 31-03-2016
1	Child labour / forced labour / involuntary labour	NIL	NIL	NIL
2	Sexual harassment	NIL	NIL	NIL
3	Discriminatory employment	NIL	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (Excluding joint venture companies)

Category of employee	Training for safety (% covered)	Training for skill up -gradation (% covered)
Permanent Employees	25.45	58.07
Permanent Women Employees	11.93	45.24
Casual / Temporary / Contractual Employees	84.54	6.30
Employees with Disabilities	28.51	46.27

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? : Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders
   The Company has a well structure R&R and CSR Policy to take care of the disadvantages, vulnerable and marginalized people in and around the plants.
   Vulnerable category of persons has been detailed in the company's CSR and R&R Policies. These include old-aged, women, PCPs, SC/ST/OBC etc. They are identified through Socio Economic Survey (SES), Need Assessment Survey (NAS) and other consultations with the stakeholders etc at the time of formulation of CSR/ R&R Plans.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
   Yes,
   The company has always been sensitive to the needs of disadvantaged, vulnerable and marginalized stakeholders.



As part of R&R, in addition to the entitlements and packages as envisaged for PAP's, the company makes special efforts for the welfare measures for this section of the society in the neighborhood community of plant locations. The initiatives to address the needs of differently abled include Information and Communication Technology (ICT) Centres and Disability Rehabilitation Centres by NTPC Foundation and inclusive education, distribution of equipments like tricycles, wheelchairs, vocational training etc.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   All HR Policies of company are applicable to all its employees posted in various stations, projects, offices, JVs and Subsidiaries. Human Rights provisions are also built in our bidding documents for supply cum erection and civil packages invited on competitive bidding basis covering our suppliers and contractors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No complaint on human rights, such as child labour, forced labour, involuntary labour, sexual harassment, discrimination, rights of the disabled etc was pending as on 31.3 2016. (refer principle 3)

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs /Others

   The environment policy of the company and implementation thereof covers the core business activity of producing thermal power through its power stations. However, the Joint Ventures / Suppliers / Contractors / Other stake holders are free to adopt the same voluntarily.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

   Yes,

   The company, as a responsible global citizen, has taken various steps i.e readjustment of NTPC's fuel / power generation mix by adopting more & more renewable, introduction of clean coal technologies etc in line with various GoI missions under National Action Plan on Climate Change (NAPCC).

   NTPC low carbon initiatives may be categorized into following broad categories:

   i) Re-adjustment of NTPC's fuel/ power generation mix
   ii) Introduction of Thermodynamically Efficient Technologies
   iii) Renovation & Modernization of old power stations
   iv) Induction of advanced clean coal technologies for power generation
   v) Establishment of NETRA for addressing climate change concerns

3. Does the company identify and assess potential environmental risks?

   The company has an elaborate and structured methodology for identifying and assessing potential environmental risks through an institutionalized "Enterprise Risk Management (ERM)" framework. ERM comprises of a functional Director level committee, which meets every quarter to review and mitigate risks. NTPC's risk portfolio includes "Compliance of emission, ash utilization and regulatory norms" risk, under which environmental risks are regularly identified, assessed & reviewed and steps for mitigation are evolved.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The company is pioneer in undertaking climate change issues proactively. The company has taken several initiatives in CDM Projects in Power Sector.

   The methodology prepared by NTPC viz. "Consolidated base line and monitoring methodology for new grid connected fossil fuel fired power plants using less GHG intensive technology" for Super Critical technology has been approved by "United Nations Frame Work Convention on Climate Change (UNFCCC)" under 'Approved Consolidated Methodology 13 (ACM0013)'. More green field CDM projects are in pipeline.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page or write up.

   Yes, the company has taken up several Initiatives for clean technology, energy efficiency and renewable energy. Information on conservation of energy, technology absorption and foreign exchange earning and outgo is separately mentioned as annexure to Directors Report. The Details are as follows :

   A – New & Renewable Energy

   - **Development of Geothermal Energy: Detail Project Report for establishment of 10MWe Geothermal based power plant at Tatapani, Chhattisgarh:**
   - **Integration of Solar thermal energy with conventional rankine cycle for efficient use of solar thermal energy:**
   - **Indigenous production of solar floating platforms for economical floating solar PV fields:**
   - **Setting up of solar thermal cooking system**



B – Clean coal & carbon Capture

- **CO_2 Capture and Utilization Technologies:**
- **CO_2 fixation by micro-algae:**
- **Development of modified amine absorption based process to separate CO_2 from flue gas:**
- **Setting Up Fly Ash Based Light Weight Aggregate Pilot Plant at NTPC-SIPAT**

C – Energy Efficiency

- **Utilization of low grade heat from power plant flue gas for various industrial applications:**
- **Development of HVAC system using low grade heat from Steam generator (SG) flue gas**
- **Design and Engineering of FG based desalination plant:**
- **Capacity building in areas CFD modelling, online performance optimization tools for thermal power stations using Artificial Neural Network, fuzzy system, Genetic algorithm etc:**

D. Renewable Energy:

INITIATIVES IN RENEWABLE ENERGY:

- The company has submitted its green Commitment to Government of India in February 2015 for developing 10,000 MW of Renewable Energy Projects during 2014-19. In addition to this, NTPC has been designated as the Nodal Agency for implementing of a scheme for setting up of 15,000 MW of Grid connected Solar PV power plants under National Solar Mission in five years from 2014-15 to 2018-19.
- The company has already developed 310 MW of solar PV projects. Out of this 55 MW projects are at its own stations at Dadri (5 MW), Ramagundam (10 MW), Talcher-Kaniha (10MW), Unchahar (10 MW), Faridabad (5 MW) and Singrauli (15 MW). And 255 MW solar PV projects at Ananthapuramu Ultra Mega solar park (200 MW), Rajgarh M.P.(50 MW) and Port Blair A.N. (5 MW) . **The solar project at Rajgarh is the first largest solar PV project in India which was build with domestically manufactured solar PV modules.**

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   All the legal parameters including emission norms and effluent (wastes) norms are being adhered to by the company stations. Change of Law in certain cases, has necessitated up-gradation of pollution control equipments which are being addressed through R&M Schemes for which actions plans have been submitted to the Regulators.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   All the complaints / notices are addressed timely.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

   The Company has taken Corporate Membership of 62 Chambers & association including SCOPE, FICCI, CII, TERI, ITRHD, WEC, SHRM, IIPE, IERE, IFGE, NACE, ICSI, ICAI etc.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   Your Company is a member of World Energy Council. Chairman and Managing Director of the company is also an ex-officio Member Secretary WEC India and its international counterpart WEC work towards sustainable use and supply of energy. Their work enables promoting policies which balance Energy Security, Energy Equity (Energy access/ inclusive growth) and Environmental Sustainability.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof. Yes,

   To achieve the aim of inclusive growth and equitable development, the Company has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development (CD) activities which has been revised and updated from time to time. CD activities in green field area are initiated as soon as project is conceived and thereafter extensive community / peripheral development activities are taken up along with the project development. Separate CSR community Development Policy, formulated in July 2004 and Sustainability Policy formulated in Nov 2012 have been combined and revised in 2015 as "NTPC Policy for CSR & Sustainability" in line with Companies Act 2013 and DPE Guidelines 2014. It covers a wide range of activities for inclusive growth including implementation of key programmes through a NTPC Foundation. Focus areas of the company CSR & Sustainability activities are Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Programmes are undertaken by well defined in – house team through specialized agencies, NGO's, government agencies/ bodies etc. Some of the activities are carried by NTPC Foundation.



3. Have you done any impact assessment of your initiative? Yes

Social Impact Evaluation (SIE) studies/ surveys are conducted by NTPC as per policy provisions for all its major community development activities at various stations/ projects at regular interval. Annual Internal Audit of CSR Activities are also carried out.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? Yes

Company as specified programmes for inclusive growth & equitable development not only at station level but also at National level. Details of the programmes and spending are listed below:

Total spending on CSR - ₹ 491.80 Cr. The details of major projects for community are given in Directors Report Annexure- VII.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Community Development initiatives in the company are taken in a planned way. The community is engaged in all steps of activities from planning to completion.

Bottom up approach is adopted for taking up these activities. CSR activities/ CD plans are identified after consultations with relevant stakeholders like community, village panchayats, local/ district administration & Village Development Advisory Committee based on Need Assessment Surveys.

Stakeholders participate at each stage of the activity and State Government also supervises the execution. People's involvement is also ensured during implementation and monitoring.

The company's flexible & open approach in this regard coupled with community participation along with local administration & village Panchayats leads to successful adoption & acceptability of initiatives by community. Assets are handed over to local authorities and gram panchayats for maintenance

Social Impact Evaluation (SIE) study/ survey are conducted through external agencies on completion of developmental initiatives. Social audit is done from time to time to evaluate whether all activities have been completed satisfactorily that gives recommendation for necessary modification/ corrective measures, if any, for the future projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1 Customer complaints / consumer cases are pending as on the end of financial year. There are no complaints as such from customers. However as part of the tariff determination process under the overall Regulatory System, following cases have been filed (as on 21.06.2016) by the company against CERC/ Customers or filed at the Appellate Tribunal/ Courts by different Beneficiaries against NTPC/ CERC.

Appellate Tribunal for Electricity (APTEL) : 9 Cases

Supreme Court and Other courts : 33 Cases

In addition 12 cases are pending on other matters.

2 Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable

3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4 Did your company carry out any consumer survey/ consumer satisfaction trends: Yes

As part of the Customer Relationship Management programme, the company conducts a Customer Satisfaction Survey to assess the satisfaction level of the customers, captured through an Index and to get feedback from the customers.

For and on behalf of the Board of Directors



(Gurdeep Singh)
Chairman & Managing Director
(DIN: 00307037)

Place: New Delhi
Date: 3rd August, 2016



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
NTPC Limited.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NTPC Limited** (hereinafter called NTPC/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the NTPC's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by NTPC for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) Compliances/processes/systems under following specific **applicable Laws** (as applicable to the industry) to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company:

  (a) The Electricity Act, 2003

  (b) Explosives Act, 1884

  (c) Mines Act, 1952

  (d) Mines and Mineral (Regulation and Development) Act, 1957

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India - Applicable w.e.f. 1st July, 2015-Generally complied with.

(ii) Listing Agreement and the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.

(iii) DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:



1. Regulation 17 (1) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 (II) (A) & (B) of the Listing Agreement) and Clause 3.1.2 & 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.

I further report that the Board of Directors of the Company has to be constituted in terms of the provisions of the Companies Act, 2013, DPE Guidelines and Regulation 17(1) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015. The number of Independent directors on the Board is less than 50% of the original strength of the Board.

***I further report that** as per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board was required to carry out evaluation of every director's performance. Further, Regulation 17(10) & 25(4) of SEBI (LODR) 2015 and the Code for Independent Directors pursuant to Section 149 (8) of the Companies Act, 2013 requires the performance evaluation of Independent Directors to decide their continuance or otherwise. Further, the MCA has vide its notification date 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies.*

The appointment of Functional Directors, Part Time Official Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of NTPC is made by Government of India (GOI). Further, terms & conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by Administrative Ministry. Upon request and representations as received from CPSEs, Department of Public Enterprises has also written to Department of Economic Affairs and Securities and Exchange Board of India to align the SEBI (LODR) Regulations, 2015 with the Companies Act, 2013 based on the exemptions under Companies Act, 2013 as provided to the Government Companies.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/ Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For **Agarwal S. & Associates,**
Company Secretaries,

(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: July 09, 2016

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



"Annexure A"

To,
The Members,
NTPC Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,

(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: July 09, 2016

NTPC Korba among the flagship Power Plants



BALANCE SHEET AS AT 31ST MARCH 2016

₹ Crore

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**8,245.46**	8,245.46
Reserves and surplus	3	**80,536.54**	73,411.89
		88,782.00	81,657.35
Deferred revenue	4	**1,946.62**	1,394.15
Non-current liabilities			
Long-term borrowings	5	**85,083.26**	78,532.33
Deferred tax liabilities (net)	6	**1,152.21**	979.07
Other long-term liabilities	7	**3,076.72**	2,628.85
Long-term provisions	8	**436.41**	1,115.71
Regulatory liabilities	8A	**295.65**	307.74
		90,044.25	83,563.70
Current liabilities			
Short-term borrowings	5A	**1,299.50**	-
Trade payables	9	**5,502.86**	5,953.15
Other current liabilities	10	**18,384.41**	16,807.62
Short-term provisions	11	**8,659.62**	7,758.75
		33,846.39	30,519.52
TOTAL		**214,619.26**	197,134.72
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**91,355.82**	78,586.91
Intangible assets	12	**273.99**	262.16
Capital work-in-progress	13	**66,216.04**	56,463.11
Intangible assets under development	13A	**217.61**	30.38
Non-current investments	14	**7,949.52**	7,154.07
Long-term loans and advances	15	**16,980.19**	15,527.89
Other non-current assets	15A	**1,879.78**	1,746.77
		184,872.95	159,771.29
Current assets			
Current investments	16	**343.63**	1,878.06
Inventories	17	**7,192.53**	7,453.00
Trade receivables	18	**7,843.99**	7,604.37
Cash and bank balances	19	**4,406.36**	12,878.81
Short-term loans and advances	20	**2,249.26**	2,407.59
Other current assets	21	**7,710.54**	5,141.60
		29,746.31	37,363.43
TOTAL		**214,619.26**	197,134.72
Significant accounting policies	1		

The accompanying notes 1 to 55 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP Chartered Accountants Firm Reg. No.006711N/N500028	For PSD & Associates Chartered Accountants Firm Reg. No. 004501C	For Sagar & Associates Chartered Accountants Firm Reg. No. 003510S
(Neena Goel) Partner M No.057986	(Thalendra Sharma) Partner M No.079236	(V. Vidyasagar Babu) Partner M No.027357

For Kalani & Co. Chartered Accountants Firm Reg. No. 000722C	For P. A. & Associates Chartered Accountants Firm Reg. No. 313085E	For S. K.Kapoor & Co. Chartered Accountants Firm Reg. No. 000745C	For B. M. Chatrath & Co. Chartered Accountants Firm Reg. No. 301011E
(Vikas Gupta) Partner M No. 077076	(P.S.Panda) Partner M No.051092	(V.B. Singh) Partner M.No.073124	(P.R.Paul) Partner M.No.051675

Place : New Delhi
Dated : 30th May 2016



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ Crore

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue			
Revenue from operations (gross)	22	**71,236.00**	73,906.58
Less: Electricity duty		**729.20**	669.64
Revenue from operations (net)		**70,506.80**	73,236.94
Other income	23	**1,189.27**	2,100.42
Total revenue		**71,696.07**	75,337.36
Expenses			
Fuel		**43,793.25**	48,833.57
Employee benefits expense	24	**3,609.32**	3,620.71
Finance costs	25	**3,230.36**	2,743.62
Depreciation, amortization and impairment expense	12	**5,425.32**	4,911.65
Generation, administration & other expenses	26	**5,787.39**	4,911.28
Prior period items (net)	27	**(196.15)**	(333.83)
Total expenses		**61,649.49**	64,687.00
Profit before tax and Rate Regulated Activities(RRA)		**10,046.58**	10,650.36
Add: Regulatory Income/(Expense) (refer Note 48)		**12.09**	(103.71)
Profit before tax		**10,058.67**	10,546.65
Tax expense			
Current tax			
Current year		**2,093.51**	2,314.22
Earlier years		**(2,453.48)**	(1,952.53)
Tax expense/(saving) pertaining to RRA		**2.58**	(35.25)
Deferred tax		**226.88**	888.75
Less: Deferred asset for deferred tax liability		**53.73**	959.40
Total tax expense		**(184.24)**	255.79
Profit for the year		**10,242.91**	10,290.86
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value ₹10/- each)	43		
Basic & Diluted (₹)		**12.42**	12.48

The accompanying notes 1 to 55 form an integral part of these financial statements.
There are no exceptional or extraordinary items in the above periods.

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP	For PSD & Associates	For Sagar & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No.006711N/N500028	Firm Reg. No. 004501C	Firm Reg. No. 003510S
(Neena Goel)	(Thalendra Sharma)	(V. Vidyasagar Babu)
Partner	Partner	Partner
M No.057986	M No.079236	M No.027357

For Kalani & Co.	For P. A. & Associates	For S. K.Kapoor & Co.	For B. M. Chatrath & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000722C	Firm Reg. No. 313085E	Firm Reg. No. 000745C	Firm Reg. No. 301011E
(Vikas Gupta)	(P.S.Panda)	(V.B. Singh)	(P.R.Paul)
Partner	Partner	Partner	Partner
M No. 077076	M No.051092	M.No.073124	M.No.051675

Place : New Delhi
Dated : 30th May 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

₹ Crore

Particulars		For the Year ended 31.03.2016	For the Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**10,058.67**	10,546.65
Adjustment for:			
Depreciation/amortisation & impairment expense	**5,425.32**		4,911.65
Prior period depreciation / amortisation	**(57.93)**		12.12
Provisions	**189.12**		224.78
Deferred revenue on account of advance against depreciation	**(129.26)**		(283.35)
Deferred foreign currency fluctuation asset	**(88.30)**		130.28
Deferred income from foreign currency fluctuation	**801.84**		(22.50)
Regulatory Liability	**(12.09)**		106.07
Fly ash utilisation reserve fund	**77.07**		401.14
Exchange differences on translation of foreign currency cash and cash equivalents	**(0.08)**		(0.02)
Interest charges	**3,190.20**		2,702.53
Guarantee fee & other finance charges	**40.16**		41.09
Interest/income on term deposits/bonds/investments	**(561.15)**		(1,527.88)
Dividend income	**(184.20)**		(276.75)
Provisions written back	**(175.43)**		(186.15)
Profit on disposal of fixed assets	**(1.66)**		(4.54)
Loss on disposal of fixed assets	**143.86**		146.05
		8,657.47	6,374.52
Operating profit before working capital changes		**18,716.14**	16,921.17
Adjustment for:			
Trade receivables	**(239.62)**		(2,384.46)
Inventories	**578.90**		(1,816.80)
Trade payables, provisions and other liabilities	**(193.69)**		584.31
Loans & advances and other current assets	**(3,022.48)**		2,850.41
		(2,876.89)	(766.54)
Cash generated from operations		**15,839.25**	16,154.63
Direct taxes paid		**(1,335.72)**	(1,919.93)
Net cash from operating activities - A		**14,503.53**	14,234.70
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	**(20,561.82)**		(17,128.27)
Disposal of fixed assets	**122.84**		5.69
Sale of investments	**1,651.46**		1,636.96
Investment in subsidiaries/joint ventures	**(802.34)**		(689.26)
Loans & advances to subsidiaries	**147.89**		(148.05)
Interest/income on term deposits/bonds/investments received	**972.40**		1,787.17
Income tax paid on interest income	**(137.28)**		(303.59)
Dividend received	**184.20**		276.75
Net cash used in investing activities - B		**(18,422.65)**	(14,562.60)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings	**11,786.03**		23,360.37
Repayment of long term borrowings	**(7,697.53)**		(4,751.15)
Proceeds from short term borrowings	**1,299.50**		-
Grants received	**125.07**		-
Security premium received	**0.12**		-
Interest paid	**(6,565.43)**		(5,586.31)
Guarantee fee & other finance charges paid	**(59.58)**		(104.16)
Dividend paid (including bonus debentures)	**(2,762.24)**		(12,368.21)
Tax on dividend (including tax on bonus debentures)	**(562.32)**		(2,428.62)
Net cash used in financing activities - C		**(4,436.38)**	(1,878.08)
D. Exchange differences on translation of foreign currency cash and cash equivalents		**0.08**	0.02
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		**(8,355.42)**	(2,205.96)
Cash and cash equivalents at the beginning of the year (see Note 1&2 below)		**13,105.41**	15,311.37
Cash and cash equivalents at the end of the period (see Note 1&2 below)		**4,749.99**	13,105.41



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

₹ Crore

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
NOTES:		
1. Cash and cash equivalents consist of cheques, drafts, stamps in hand, balances with banks and investments in liquid mutual funds. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note-16 and Note-19:		
Cash and cash equivalents	**1,367.16**	279.99
Deposits included in other bank balances	**2,253.39**	12,434.57
Earmarked balances*	**1,129.44**	390.85
Cash and cash equivalents as restated	**4,749.99**	13,105.41
* Earmarked balances consist of:		
(a) Towards redemption of bonds due for repayment within one year	**100.00**	100.00
(b) Fly ash utilisation reserve fund	**134.58**	36.66
(c) DDUGJY scheme of GOI	**521.78**	-
(d) Towards public deposit repayment reserve	**-**	0.08
(e) Unpaid dividend account balance	**15.05**	14.95
(f) Amount deposited as per court orders	**12.21**	12.21
(g) Unpaid interest/refund account balance - bonds	**2.15**	0.30
(h) Towards unpaid interest on public deposit	**0.03**	0.03
(i) Security with governement authorities	**0.01**	0.02
(j) Investments in liquid mutual funds earmarked for fly ash utilisation reserve fund	**343.63**	226.60
	1,129.44	390.85
2. Reconciliation of cash and cash equivalents as restated		
(a) Cash and bank balances-Note-19	**4,406.36**	12,878.81
(b) Current investments (investments in liquid mutual funds)-Note-16	**343.63**	226.60
	4,749.99	13,105.41

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

For and on behalf of the Board of Directors

(A. K. Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

This is the cash flow statement referred to in our report of even date

For T.R. Chadha & Co LLP Chartered Accountants Firm Reg. No.006711N/N500028		For PSD & Associates Chartered Accountants Firm Reg. No. 004501C	For Sagar & Associates Chartered Accountants Firm Reg. No. 003510S
(Neena Goel) Partner M No.057986		(Thalendra Sharma) Partner M No.079236	(V. Vidyasagar Babu) Partner M No.027357
For Kalani & Co. Chartered Accountants Firm Reg. No. 000722C	For P. A. & Associates Chartered Accountants Firm Reg. No. 313085E	For S. K.Kapoor & Co. Chartered Accountants Firm Reg. No. 000745C	For B.M. Chatrath & Co. Chartered Accountants Firm Reg. No. 301011E
(Vikas Gupta) Partner M No. 077076	(P.S.Panda) Partner M No.051092	(V.B. Singh) Partner M.No.073124	(P.R.Paul) Partner M.No. 051675

Place : New Delhi
Dated : 30th May 2016



Summary of significant accounting policies and other explanatory information

Note 1. Significant accounting policies

A. Basis of preparation

These financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with the generally accepted accounting principles in India, accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

B. Use of estimates

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

C. Grants-in-aid

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

D. Fly ash utilisation reserve fund

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

E. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation and impairment losses, if any.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
5. 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.
6. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/ assessments.

F. Capital work-in-progress

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

G. Rate Regulated Activities

1. Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per Central Electricity Regulatory Commission (the CERC) Tariff Regulations are recognized as 'Regulatory asset/liability'.
2. Regulatory asset/liability is adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.



H. Oil and gas exploration costs

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

I. Development of coal mines

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

J. Foreign currency transactions

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

K. Borrowing costs

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

L. Investments

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

M. Inventories

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

N. Income recognition

1. Sale of energy is accounted for based on tariff rates approved by the 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 considering the applicable CERC tariff regulations.
2. Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.
3. Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as per accounting policy no. J is adjusted in depreciation.
4. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff



Regulations are accounted as 'Regulatory asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/payable.

5. Premium, discount and exchange differences in respect of forward exchange contracts and mark to market losses in respect of other derivative contracts referred to in accounting policy no. J.5 recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognised in sales.

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

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

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

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

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

O. Expenditure

1. Depreciation/amortisation

1.1 Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

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

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

a) Kutcha Roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years

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

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

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

1.7 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.

1.8 Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

1.9 Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery, in accordance with Policy no. O.1.1 stated above.

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

1.11 Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of balance useful life of the project. Other leasehold land acquired for mining business is amortised over the lease period or balance life of the project whichever is less.

2. Other expenditure

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

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

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

2.4 Prepaid expenses and prior period expenses/income of items of ₹ 500,000/- and below are charged to natural heads of accounts.

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

P. Employee benefits

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

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

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

3. Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Q. Leases

1. Finance lease

1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.

1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. O.1.1 or O.1.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.

1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

2. Operating lease

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

R. Impairment

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



S. 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 embodying economic benefits 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.

T. Segment reporting

The policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.

U. Cash flow statement

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

V. Taxes on income

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

2. Share capital

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Equity share capital		
Authorised		
10,00,00,00,000 shares of par value ₹ 10/- each (previous year 10,00,00,00,000 shares of par value ₹ 10/- each)	**10,000.00**	10,000.00
Issued, subscribed and fully paid up		
8,24,54,64,400 shares of par value ₹ 10/- each (previous year 8,24,54,64,400 shares of par value ₹ 10/- each)	**8,245.46**	8,245.46

a) During the year, the Company has neither issued nor bought back any shares.

b) The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) During the year ended 31st March 2016, the amount of per share dividend recognised as distribution to equity share holders is ₹ **3.35** (previous year ₹ 2.50).

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

Particulars	31.03.2016		31.03.2015	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	**5,768,341,760**	**69.96**	6,180,614,980	74.96
- Life Insurance Corporation of India (including shares held in various Funds/Schemes)	**1,070,530,189**	**12.98**	817,585,952	9.92



3. Reserves and surplus

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Capital reserve		
As per last financial statements	**158.38**	158.28
Add : Transfer from surplus	**0.11**	0.12
Grants received during the year	**125.07**	-
Less: Adjustments during the year	**0.03**	0.02
	283.53	158.38
Securities premium account		
As per last financial statements	**2,228.34**	2,228.34
Add : Received during the year	**0.12**	-
	2,228.46	2,228.34
Bonds/Debentures redemption reserve		
As per last financial statements	**3,624.60**	2,764.91
Add : Transfer from surplus	**1,284.13**	1,156.19
Less: Transfer to surplus	**300.00**	296.50
	4,608.73	3,624.60
Fly ash utilisation reserve fund		
As per last financial statements	**401.14**	-
Add: Transfer from		
NTPC Vidyut Vyapar Nigam Ltd. (NVVN)	**1.67**	389.16
Revenue from operations	**113.37**	25.17
Other income	**24.60**	2.52
Less: Utilised during the year		
Capital expenditure	**5.26**	3.71
Employee benefits expense	**16.87**	3.08
Other administration expenses	**40.44**	8.92
	478.21	401.14
Corporate social responsibility (CSR) reserve		
As per last financial statements	**78.30**	-
Add : Transfer from surplus	**-**	78.30
Less: Transfer to surplus	**78.30**	-
	-	78.30
General reserve		
As per last financial statements	**66,331.63**	71,702.80
Add : Transfer from surplus	**6,000.00**	7,000.00
Less: Issue of bonus debentures	**-**	10,306.83
Dividend distribution tax on bonus debentures	**-**	2,060.76
Adjustments during the year	**-**	3.58
	72,331.63	66,331.63
Surplus		
As per last financial statements	**589.50**	715.53
Add: Profit for the year as per Statement of Profit and Loss	**10,242.91**	10,290.86
Transfer from bonds/debentures redemption reserve	**300.00**	296.50
Transfer from CSR reserve	**78.30**	-
Less: Transfer to bonds/debentures redemption reserve	**1,284.13**	1,156.19
Transfer to capital reserve	**0.11**	0.12
Transfer to CSR reserve	**-**	78.30
Transfer to general reserve	**6,000.00**	7,000.00
Dividend paid	**1,319.28**	618.42
Tax on dividend paid	**268.57**	123.65
Proposed dividend	**1,442.96**	1,442.96
Tax on proposed dividend	**289.68**	293.75
Net surplus	**605.98**	589.50
Total	**80,536.54**	73,411.89



a) Addition to securities premium account represents premium received on issue of tax free bonds through private placement.

b) Grant received during the year includes ₹ **125.00 crore** (previous year ₹ Nil) from Solar Energy Corporation of India under MNRE Scheme for setting up 1,000 MW of grid connected solar PV power projects.

c) In accordance with applicable provisions of the Companies Act, 2013 read with Rules and as per decision of Board of Directors, the Company has created Debenture Redemption Reserve (DRR) out of profits of the Company @ 50% of the value of debentures on a prudent basis, every year in equal installments till the year prior to the year of redemption of debentures/bonds.

d) Pursuant to gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

During the year, proceeds of ₹ **113.37 crore** (previous year ₹ 25.17 crore) from sale of ash/ash products, ₹ **24.60 crore** (previous year ₹ 2.52 crore) towards income on investment have been transferred to fly ash utilisation reserve fund. Further, interest on investments of ₹ 1.67 crore maintained by NVVN Ltd. has been transferred to fly ash utilisation reserve fund. An amount of ₹ **62.57 crore** (previous year ₹ 15.71 crore) has been utilized from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

Out of fund balance of ₹ 478.21 crore, ₹ 343.63 crore is invested in mutual funds (Note 16). Further, the balance amount has been kept in cash and bank balances (Note 19).

e) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The Company has spent an amount of ₹ **491.80 crore** during the year (previous year ₹ 205.18 crore). The amount equivalent to unspent CSR expenditure of ₹ 78.30 crore transferred in earlier year to CSR reserve from surplus has been transferred to surplus during the year on actual expenditure. Refer Note 54.

f) During the year, the Company has paid interim dividend of ₹ **1.60** (previous year ₹ 0.75) per equity share of par value ₹ 10/- each for the year 2015-16. Further, the Company has proposed final dividend of ₹ **1.75** (previous year ₹ 1.75) per equity share of par value ₹ 10/- each for the year 2015-16. Thus, the total dividend (including interim dividend) for the financial year 2015-16 is ₹ **3.35** (previous year ₹ 2.50) per equity share of par value ₹ 10/- each.

4. Deferred revenue

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
On account of advance against depreciation	**279.94**	409.20
On account of income from foreign currency fluctuation	**1,666.68**	984.95
Total	**1,946.62**	1,394.15

a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholders' funds and liabilities.

b) In line with significant accounting policy no. N.2 (Note 1), an amount of ₹ **129.26 crore** (previous year ₹ 75.03 crore) has been recognized during the year from the AAD and included in energy sales (Note 22).

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



5. Long-term borrowings

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Bonds/debentures		
Secured		
7.37% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2035 (Fifty Sixth Issue - Public Issue - Series 3A)[XI]	**182.58**	-
7.62% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2035 (Fifty Sixth Issue - Public Issue - Series 3B)[XI]	**165.74**	-
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2034 (Fifty First Issue C - Private Placement) [III]	**320.00**	320.00
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3A)[VII]	**312.03**	312.03
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3B)[VII]	**399.97**	399.97
7.28% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2030 (Fifty Sixth Issue - Public Issue - Series 2A)[XI]	**129.05**	-
7.53% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2030 (Fifty Sixth Issue - Public Issue - Series 2B)[XI]	**48.29**	-
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2029 (Fifty First Issue B - Private Placement) [III]	**105.00**	105.00
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2A)[VII]	**249.95**	249.95
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2B)[VII]	**91.39**	91.39
8.19% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 15th December 2025 (Fifty Seventh Issue - Private Placement)[XII]	**500.00**	-
7.11% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2025 (Fifty Sixth Issue - Public Issue - Series 1A)[XI]	**108.38**	-
7.36% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2025 (Fifty Sixth Issue - Public Issue - Series 1B)[XI]	**65.96**	-
7.15% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 10,00,000/- each redeemable at par in full on 21st August 2025 (Fifty Fifth Issue - Private Placement)[IX]	**300.00**	-
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 22nd September 2024 (Fifty Third Issue - Private Placement)[IX]	**1,000.00**	1,000.00
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 24th March 2024 (Fifty Second Issue - Private Placement)[III]	**750.00**	750.00
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4th March 2024 (Fifty First Issue A - Private Placement)[III]	**75.00**	75.00
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1A)[VII]	**488.02**	488.02
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1B)[VII]	**208.64**	208.64
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 04th May 2023 and ending on 04th May 2027 (Forty Fourth Issue - Private Placement)[VII]	**500.00**	500.00



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 1st May 2023 (Seventeenth Issue - Private Placement)[I]	**50.00**	50.00
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th April 2023 (Forty Ninth Issue - Private Placement)[VII]	**200.00**	200.00
8.49% Secured non-cumulative non-convertible redeemable taxable fully paid-up bonus debentures of ₹ 12.50 each redeemable at par in three annual installments of ₹ 2.50, ₹ 5.00 and ₹ 5.00 at the end of 8th year, 9th year and 10th year on 25th March 2023, 25th March 2024 and 25th March 2025 respectively (Fifty Fourth Issue -Bonus Debentures)[X]	**10,306.83**	10,306.83
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 7th March 2023 (Forty Eighth Issue - Private Placement)[VII]	**300.00**	300.00
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 25th January 2023 and ending on 25th January 2027 (Forty Second Issue - Private Placement)[III]	**500.00**	500.00
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th October 2022 (Forty Seventh Issue - Private Placement)[VII]	**390.00**	390.00
8.33% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 24th February 2021 (Fifty Ninth Issue - Private Placement)[XII] - Securitized in April 2016.	**655.00**	-
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 19th January 2021 (Thirty Seventh Issue - Private placement)[III]	**300.00**	300.00
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 31st March 2020 (Thirty Third Issue- Private Placement)[III]	**195.00**	195.00
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 9th March 2020 (Thirty First Issue- Private Placement)[III]	**500.00**	500.00
11.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in five equal annual installments commencing from 6th November 2019 and ending on 6th November 2023 (Twenty Seventh Issue - Private Placement)[III]	**350.00**	350.00
8.18% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 31st December 2020 (Fifty Eight Issue - Private Placement)[XII]	**300.00**	-
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 5th May 2019 (Thirtieth Issue - Private Placement)[III]	**700.00**	700.00
8.65% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th February 2019 (Twenty Ninth Issue - Private Placement)[III]	**550.00**	550.00
7.50% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 12th January 2019 (Nineteenth Issue - Private Placement)[II]	**50.00**	50.00
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 21st November 2018 (Twenty Eighth Issue - Private Placement)[III]	**1,000.00**	1,000.00
9.3473% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 20th July 2018 and ending on 20th July 2032 (Forty Sixth Issue - Private Placement)[VII]	**75.00**	75.00
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 16th May 2018 and ending on 16th May 2032 (Forty Fifth Issue - Private Placement)[VII]	**75.00**	75.00
8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 10,00,000/- each redeemable at par in full on 10th April 2018 (Sixteenth Issue -Private Placement)[I]	**100.00**	100.00



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
9.2573% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 2nd March 2018 and ending on 2nd March 2032 (Forty Third Issue - Private Placement)[III]	**75.00**	75.00
9.6713% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 23rd December 2017 and ending on 23rd December 2031 (Forty First Issue - Private Placement)[III]	**75.00**	75.00
9.558% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 29th July 2017 and ending on 29th July 2031 (Fortieth Issue - Private Placement)[III]	**75.00**	75.00
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 9th June 2017 and ending on 9th June 2031 (Thirty Ninth Issue - Private Placement)[III]	**105.00**	105.00
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 22nd March 2017 and ending on 22nd March 2031 (Thirty Eighth Issue - Private Placement)[III]	**70.00**	75.00
8.8086% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th December 2016 and ending on 15th December 2030 (Thirty Sixth Issue - Private Placement)[III]	**70.00**	75.00
8.785% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th September 2016 and ending on 15th September 2030 (Thirty Fifth Issue - Private Placement)[III]	**112.00**	120.00
8.71% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 10th June 2016 and ending on 10th June 2030 (Thirty Fourth Issue - Private Placement)[III]	**140.00**	150.00
8.8493% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 25th March 2016 and ending on 25th March 2030 (Thirty Second Issue - Private Placement)[III]	**91.00**	98.00
9.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty Fifth Issue - Private Placement)[III]	**142.50**	214.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty Sixth Issue - Private Placement)[III]	**142.50**	214.00
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty Fourth Issue - Private Placement)[IV]	**200.00**	250.00



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5th August 2011 and ending on 5th February 2021 (Twenty Third Issue - Private Placement)[IV]	**200.00**	250.00
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd July 2011 and ending on 2nd January 2021 (Twenty Second Issue - Private Placement)[IV]	**200.00**	250.00
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd August 2010 and ending on 2nd February 2020 (Twenty First Issue - Private Placement)[V]	**300.00**	400.00
7.552% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 23rd September 2009 and ending on 23rd March 2019 (Twentieth Issue - Private Placement)[VI]	**100.00**	150.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹ 10,00,000/- each with ten equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of the 6th year and in annual installments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth Issue - Part B - Private Placement)[VIII]	**75.00**	150.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹ 10,00,000/- each redeemable at par in ten equal annual installments commencing from the end of 6th year and upto the end of 15th year respectively from 18th April 2002 (Thirteenth Issue -Part A - Private Placement)[VIII]	**75.00**	150.00
	24,844.83	23,017.83
Foreign currency notes		
Unsecured		
4.250 % Fixed rate notes due for repayment on 26th February 2026	**3,345.00**	-
4.375 % Fixed rate notes due for repayment on 26th November 2024	**3,345.00**	3,159.50
4.750 % Fixed rate notes due for repayment on 3rd October 2022	**3,345.00**	3,159.50
5.625 % Fixed rate notes due for repayment on 14th July 2021	**3,345.00**	3,159.50
Term loans		
From Banks		
Unsecured		
Foreign currency loans	**7,692.59**	8,362.55
Rupee loans	**25,689.37**	20,835.85
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,130.61**	2,035.26
Other foreign currency loans	**3,172.33**	2,815.56
Rupee loans	**8,091.78**	11,918.65
Long term maturities of finance lease obligations		
Secured	**1.45**	-
Unsecured	**80.30**	68.13
Total	**85,083.26**	78,532.33



5. Long-term borrowings

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

₹ Crore

Particulars	Non current portion		Current portion		Total	
	As at 31.03.2016	As at 31.03.2015	**As at 31.03.2016**	As at 31.03.2015	**As at 31.03.2016**	As at 31.03.2015
Term loans						
Unsecured						
Foreign currency loans (guaranteed by GOI) - Others	**2,130.61**	2,035.26	**175.16**	154.61	**2,305.77**	2,189.87
Foreign currency loans - Banks	**7,692.59**	8,362.55	**1,328.91**	281.82	**9,021.50**	8,644.37
Other foreign currency loans - Others	**3,172.33**	2,815.56	**474.99**	406.02	**3,647.32**	3,221.58
Rupee loans - Banks	**25,689.37**	20,835.85	**2,573.75**	2,540.48	**28,263.12**	23,376.33
Rupee loans - Others	**8,091.78**	11,918.65	**1,534.38**	1,584.38	**9,626.16**	13,503.03
Total	**46,776.68**	45,967.87	**6,087.19**	4,967.31	**52,863.87**	50,935.18

i) Unsecured foreign currency loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 21 to 30 semi annual installments as of 31st March 2016.

ii) Unsecured foreign currency loans – Banks include loans of ₹ **586.98 crore** (previous year ₹ 642.54 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ **8,434.52 crore** (previous year ₹ 8,001.83 crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 24 semi annual installments as of 31st March 2016, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iii) Unsecured foreign currency loans – Others include loans of ₹ **3,153.09 crore** (previous year ₹ 2,516.58 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a and loans of ₹ **494.23 crore** (previous year ₹ 705.00 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR. These loans are repayable in 2 to 24 semi annual installments as of 31st March 2016, commencing after moratorium period if any, as per the terms of the respective loan agreements.

iv) Unsecured rupee term loans carry interest rate ranging from 6.571% p.a. to 11.00% p.a. with monthly/half-yearly rests. These loans are repayable in quarterly/half-yearly/yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of six years to sixteen years after a moratorium period of six months to six years.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four to seven years.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

Details of securities

I Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.

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

III Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.

IV Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.



V Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.

VI Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.

VII Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

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

IX Secured by English mortgage of the immovable properties pertaining to Solapur Super Thermal Power Project on first charge basis.

X Secured by Equitable mortgage of the immovable properties pertaining to Barh Super Thermal Power Project on first charge basis.

XI Secured by English mortgage, on pari-passu charge basis, of the immovable properties pertaining to Solapur Super Thermal Power Project.

XII Secured by Equitable mortgage, on pari-passu charge basis, of the immovable properties pertaining to Barh Super Thermal Power Project.

XIII Security cover mentioned at Sl. No. I to XII is above 100% of the debt securities outstanding.

5A. Short-term borrowings

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Loans repayable on demand		
From Banks		
Unsecured		
Cash Credit	**1,299.50**	-
Total	**1,299.50**	-

There has been no default in servicing of loan as at the end of the year.

6. Deferred tax liabilities (net)

₹ Crore

Particulars	As at 01.04.2015	Additions/ (Adjustments) during the year	As at 31.03.2016
Deferred tax liability			
Difference in book depreciation and tax depreciation	7,761.51	391.86	**8,153.37**
Less: Deferred tax assets			
Provisions	544.32	168.69	**713.01**
Statutory dues	129.64	44.80	**174.44**
Leave encashment	332.41	10.04	**342.45**
Others	156.30	(48.44)	**107.86**
	6,598.84	216.77	**6,815.61**
Less: Deferred asset for deferred tax liability	5,619.77	43.63	**5,663.40**
Total	979.07	173.14	**1,152.21**



a) The net increase during the year in the deferred tax liability of ₹ **173.14 crore** (previous year decrease of ₹ 70.65 crore) has been debited to the Statement of Profit and Loss.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

c) CERC Regulations, 2014 provide for recovery of deferred tax liability as on 31st March 2009 from the beneficiaries. Accordingly, deferred tax liability as on 31st March 2009 is recoverable on materialisation from the beneficiaries. For the period commencing from 1st April 2014, Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Deferred asset for deferred tax liability for the year will be reversed in future years when the related deferred tax liability forms part of current tax.

7. Other long-term liabilities

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables	**9.83**	8.96
Other liabilities		
Payable for capital expenditure	**3,015.42**	2,617.86
Others	**51.47**	2.03
Total	**3,076.72**	2,628.85

a) Disclosure with respect to micro and small enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is made in Note 50.

b) Other liabilities - Others represent deposits received from contractors, customers and other parties including ₹ **49.68 crore** (previous year ₹ Nil) for Deen Dayal Upadhayay Gram Jyoti Yojna (DDUGJY) Scheme of the GOI. Refer Note 10 c).

8. Long-term provisions

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits	**436.41**	1,115.71

Disclosures as per AS 15 on 'Employee benefits' is made in Note 38.

8A. Regulatory liabilities

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Exchange differences	**295.65**	307.74

In line with accounting policy no.G (Note 1), regulatory liability has been accounted. Refer Note 48 for detailed disclosures.

9. Trade payables

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
For goods and services	**5,502.86**	5,953.15

Disclosure with respect to micro and small enterprises as required by the MSMED Act is made in Note 50.



10. Other current liabilities

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Current maturities of long term borrowings		
Bonds - Secured	628.00	600.00
5.875% Foreign currency fixed rate notes - Unsecured	-	1,895.70
From Banks		
Unsecured		
Foreign currency loans	1,328.91	281.82
Rupee term loans	2,573.75	2,540.48
From Others		
Unsecured		
Foreign currency loans (guaranteed by GOI)	175.16	154.61
Other foreign currency loans	474.99	406.02
Rupee term loans	1,534.38	1,584.38
	6,715.19	7,463.01
Current maturities of finance lease obligations -Secured	0.48	-
Current maturities of finance lease obligations -Unsecured	10.83	-
Interest accrued but not due on borrowings	775.27	727.30
Unpaid dividends	15.05	14.95
Unpaid matured deposits and interest accrued thereon	0.19	0.21
Unpaid matured bonds and interest accrued thereon	2.28	0.72
Unpaid bond refund money-Tax free bonds	0.45	0.16
Book overdraft	400.00	546.01
Advances from customers and others	1,240.54	461.70
Payable for capital expenditure	7,926.23	6,421.73
Derivative MTM liability	0.04	4.59
Other payables		
Tax deducted at source and other statutory dues	298.95	286.11
Deposits from contractors and others	140.04	124.85
Payable to employees	269.17	318.74
Others	589.70	437.54
Total	18,384.41	16,807.62

a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in Note 5.

b) Unpaid dividends, matured deposits, bonds and interest include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/fixed deposits or are on hold pending legal formalities etc. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred.

c) NTPC Electric Supply Company Limited (NESCL), a wholly owned subsidiary of Company, was incorporated with the primary objective of supply & distribution of electrical energy. Simultaneously, implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), previously Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme of the GOI was also assigned to NESCL by the NTPC Ltd. The funds for the implementation of these schemes are provided by the agencies nominated by the GOI in this regard. NESCL in its extra ordinary general meeting held on 24th March 2015 approved transfer of the business operations related to DDUGJY Scheme to NTPC Ltd. w.e.f 1st April 2015. Consequently, balances relating to such operations have been transferred from NESCL to NTPC Ltd.



Advance received for the DDUGJY (including interest thereon) of ₹ **388.87 crore** (previous year ₹ Nil) is included in 'Advance from customers and others'.

d) Payable for capital expenditure includes liabilities of ₹ **109.92 crore** (previous year ₹ 142.92 crore) towards an equipment supplier pending evaluation of performance and guarantee test results of steam/turbine generators at some of the stations. Pending settlement, liquidated damages recoverable for shortfall in performance of these equipments, if any, have not been recognised.

e) The Company had obtained exemption from the Ministry of Corporate Affairs (MCA), GOI in respect of applicability of Section 58A from the erstwhile Companies Act, 1956 in respect of deposits held from the dependants of employees who die or suffer permanent total disability under the 'Employees Rehabilation Scheme' (said amount is included in Other payable - Others). Consequent upon enactment of the Companies Act, 2013, the Company has written to the MCA for clarification on continuation of above exemption granted earlier, which is still awaited. The Company has been advised that the amount accepted under the Scheme is not a deposit under the Companies Act, 2013.

f) Other payables - Others include amount payable to hospitals, retired employees, parties for stale cheques etc.

11. Short-term provisions

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for		
Employee benefits	**1,240.78**	1,174.66
Proposed dividend	**1,442.96**	1,442.96
Tax on proposed dividend	**289.68**	293.75
Current tax	**151.30**	-
Obligations incidental to land acquisition	**3,736.83**	3,098.72
Tariff adjustment	**1,234.41**	1,243.64
Others	**563.66**	505.02
Total	**8,659.62**	7,758.75

a) Disclosures required by AS 15 'Employee Benefits' is made in Note 38.

b) Disclosure required by AS 29 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 47.

c) Provision for tax for the year represents liability after adjustment of advance tax.

d) The Company aggrieved over many of the issues considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. Towards the above and other anticipated tariff adjustments, provision of ₹ **145.28 crore** (previous year ₹ 148.10 crore) has been made during the year and in respect of some of the stations, an amount of ₹ **154.51 crore** (previous year ₹ 180.16 crore) has been written back.

e) Provision for others comprise ₹ **65.35 crore** (previous year ₹ 58.64 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 45 (b) (ii)], ₹ **496.44 crore** (previous year ₹ 440.35 crore) towards provision for cases under litigation and ₹ **1.87 crore** (previous year ₹ 6.03 crore) towards provision for shortage in fixed assets on physical verification pending investigation.



12. Tangible assets

₹ Crore

Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block	
	As at 01.04.2015	Additions	Deduction/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deduction/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land (including development expenses)										
Freehold	6,523.21	527.69	256.92	**6,793.98**	-	-	-	-	**6,793.98**	6,523.21
Leasehold	3,166.04	1,639.20	103.40	**4,701.84**	499.69	65.00	239.24	**325.45**	**4,376.39**	2,666.35
Under submergence (refer footnote f)	-	-	(958.99)	**958.99**	-	25.09	(239.30)	**264.39**	**694.60**	-
Roads, bridges, culverts & helipads	852.00	125.16	(33.10)	**1,010.26**	257.73	33.12	(0.80)	**291.65**	**718.61**	594.27
Building										
Freehold										
Main plant	5,000.69	417.26	(108.05)	**5,526.00**	1,602.33	159.06	(10.49)	**1,771.88**	**3,754.12**	3,398.36
Others	3,180.50	404.18	(78.02)	**3,662.70**	1,183.39	129.90	(5.01)	**1,318.30**	**2,344.40**	1,997.11
Leasehold	50.00	-	-	**50.00**	31.09	1.85	-	**32.94**	**17.06**	18.91
Temporary erection	39.35	4.35	4.13	**39.57**	38.23	3.12	1.95	**39.40**	**0.17**	1.12
Water supply, drainage & sewerage system	720.54	21.50	(0.91)	**742.95**	357.02	23.84	(0.01)	**380.87**	**362.08**	363.52
Hydraulic works, barrages, dams, tunnels and power channel	-	4,104.35	(17.48)	**4,121.83**	-	163.22	-	**163.22**	**3,958.61**	-
MGR track and signalling system	1,542.01	75.18	(52.57)	**1,669.76**	723.19	58.55	-	**781.74**	**888.02**	818.82
Railway siding	750.73	110.62	(26.57)	**887.92**	231.46	35.48	-	**266.94**	**620.98**	519.27
Earth dam reservoir	290.10	10.41	(0.26)	**300.77**	136.22	10.50	-	**146.72**	**154.05**	153.88
Plant and equipment										
Owned	103,536.89	7,738.78	(2,331.86)	**113,607.53**	43,107.02	5,056.01	155.19	**48,007.84**	**65,599.69**	60,429.87
Leased	60.00	30.00	-	**90.00**	4.23	4.61	-	**8.84**	**81.16**	55.77
Furniture and fixtures	484.73	56.20	(1.49)	**542.42**	278.07	21.73	0.98	**298.82**	**243.60**	206.66
Vehicles including speedboats										
Owned	12.77	0.99	0.67	**13.09**	5.95	0.95	0.34	**6.56**	**6.53**	6.82
Leased	-	2.13	(0.06)	**2.19**	-	0.33	-	**0.33**	**1.86**	-
Office equipment	196.25	31.66	2.55	**225.36**	96.77	24.34	1.94	**119.17**	**106.19**	99.48
EDP, WP machines and satcom equipment	423.43	36.25	32.33	**427.35**	314.71	76.27	31.36	**359.62**	**67.73**	108.72
Construction equipments	193.35	29.24	8.63	**213.96**	102.72	12.44	0.66	**114.50**	**99.46**	90.63
Electrical installations	487.21	52.53	(12.36)	**552.10**	195.78	21.09	(0.26)	**217.13**	**334.97**	291.43
Communication equipments	106.96	12.50	0.12	**119.34**	61.45	16.85	0.67	**77.63**	**41.71**	45.51
Hospital Equipments	39.78	3.24	0.91	**42.11**	18.61	1.53	0.77	**19.37**	**22.74**	21.17
Laboratory and workshop equipments	70.10	20.05	0.11	**90.04**	19.23	3.71	0.01	**22.93**	**67.11**	50.87
Assets under 5 KM scheme of the GOI	116.87	-	116.87	-	46.11	-	46.11	-	-	70.76
Capital expenditure on assets not owned by the Company	217.99	-	217.99	-	163.59	-	163.59	-	-	54.40
Assets of government	2.81	-	-	**2.81**	-	-	-	-	**2.81**	2.81
Less:Grants from government	2.81	-	-	**2.81**	-	-	-	-	**2.81**	2.81
Assets for ash utilisation	17.30	4.29	(0.97)	**22.56**	-	-	-	-	**22.56**	17.30
Less: Adjusted from fly ash utilisation reserve fund	17.30	5.26	-	**22.56**	-	-	-	-	**22.56**	17.30
Total	**128,061.50**	**15,452.50**	**(2,878.06)**	**146,392.06**	**49,474.59**	**5,948.59**	**386.94**	**55,036.24**	**91,355.82**	78,586.91
Previous year	116,610.59	8,258.91	(3,192.00)	128,061.50	44,744.73	5,158.90	429.04	49,474.59	78,586.91	71,865.86

a) The conveyancing of the title to **10,735 acres** of freehold land of value ₹ **2,210.91 crore** (previous year 9,701 acres of value ₹ 1,963.33 crore), buildings & structures of value ₹ **50.43 crore** (previous year ₹ 50.43 crore) and also execution of lease agreements for **16,085 acres** of land of value ₹ **3,171.86 crore** (previous year 13,844 acres, value ₹ 1,718.54 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **3,044 acres** valuing ₹ **751.08 crore** (previous year 2,748 acres valuing ₹ 606.83 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include value of **33 acres** (previous year 33 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes 1,306 acres of value ₹ **234.94 crore** (previous year 1,302 acres of value ₹ 72.51 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **262.91 crore** (previous year ₹ 179.65 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

f) Gross block of land under submergence represents ₹ **496.37 crore** (previous year ₹ Nil) of freehold land and ₹ **462.62 crore** (previous year ₹ Nil) of leasehold land. The land has been amortised considering the rate of depreciation provided by the CERC in the tariff regulations and the fact that it will not have any economic value due to deposit of silt and other foreign materials.



g) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of freehold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value ₹ **0.21 crore** (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ **0.21 crore**. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note -10 - 'Other Current Liabilities' - as other liabilities.

h) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22nd September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ **6.24 crore** (previous year ₹ 6.24 crore) has been charged to the Statement of Profit and Loss.

i) Capital expenditure on assets not owned by the Company (enabling assets) was hitherto reflected as a distinct item in capital work in progress till the period of completion and thereafter in the tangible assets and was amortized over a period of 4 years from the month in which first unit of project concerned came into commercial operation & thereafter from the month in which the relevant asset became available for use. Capitalisation of such expenditure was allowed by the Guidance Note on Treatment of Expenditure during Construction Period till the financial year 2008-09.

Taking guidance from the Accounting Standards (AS) -10 on 'Property, Plant & Equipment' (PPE) notified by the Ministry of Corporate Affairs, GOI vide notification no. GSR 364 (E) dated 30th March 2016 effective from the financial year 2016-17, the Company has changed the treatment and has capitalized such expenditure retrospectively as part of cost of project. As a result, cost amortized till 31st March 2015 amounting to ₹ **75.36 crore** as per earlier policy has been written back as prior period adjustments and depreciation has been recalculated retrospectively following the rates and methodology notified by the CERC Tariff Regulations amounting to ₹ **21.95 crore** till 31st March 2015. Due to this change, prior period depreciation (net) till 31st March 2015 is (-) ₹ 53.41 crore, depreciation for the year is lower by ₹ 10.08 crore, profit for the year and fixed assets as at 31st March 2016 are higher by ₹ 63.49 crore. Also, refer Note 35 a).

j) Ministry of Power, GOI vide letter dated 27th April 2010 notified the Scheme for providing electricity in 5 KM area of all existing and upcoming power plants by CPSUs. The Scheme provided that expenditure incurred under this scheme will be booked by the CPSU under project cost and will be included in the tariff by the appropriate commission. Keeping in view the above, the expenditure incurred by the Company under the scheme was capitalised as a separate asset and was being depreciated over the remaining useful life of the related plant. During the year, the CERC while giving the tariff orders for some of the stations has directed that the actual expenditure should be reimbursed by the beneficiaries w.e.f. 1st April 2016 in equal monthly installments in the remaining three years of tariff period till March 2019 along-with interest instead of servicing the same as part of the capital cost. Consequently, cost of such tangible assets of ₹ 116.87 crore has been charged off as expenditure for the year and corresponding depreciation of ₹46.11 crore charged till 31st March 2015 has been written back. Consequently, revenue from operations of ₹ 108.19 crore (including interest of ₹ 3.05 crore) has been recognised during the year.

k) From the accounting periods commencing on or after 7th December 2006, the Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items relating to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

l) Refer Note 42 (a) (ii) regarding plant and equipment under finance lease.

m) Based on assessment, an impairment loss of ₹ **4.48 croread** (previous year Nil) has been recognized during the year in respect of plant and equipment of Andaman Solar PV Station of the Company. Refer Note 46.

n) Deduction/adjustments from gross block and depreciation/amortisation/impairment for the year includes:

₹ Crore

	Gross Block		Depreciation/Amortisation/Impairment	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Disposal of assets	**26.59**	11.80	**24.65**	9.56
Retirement of assets	**519.93**	582.82	**256.83**	437.86
Cost adjustments including exchange differences	**(3,225.79)**	(3,477.82)	**-**	-
Assets capitalised with retrospective effect/write back of excess capitalisation	**(200.45)**	(311.86)	**57.93**	(12.11)
Others	**1.66**	3.06	**47.53**	(6.27)
	(2,878.06)	(3,192.00)	**386.94**	429.04

o) The borrowing costs capitalised during the year is ₹ **3,442.62 crore** (previous year ₹ 2,969.11 crore). The Company capitalised the borrowing costs in the capital work-in-progress (CWIP). Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of fixed assets.



Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Crore

	For the year ended 31st March 2016		For the year ended 31st March 2015	
	Exchg. Difference incl. in fixed assets/ CWIP	Borrowing costs included in fixed assets/CWIP	Exchg. Difference incl. in fixed assets/CWIP	Borrowing costs included in fixed assets/CWIP
Building				
Main plant	**25.45**	**164.47**	(16.90)	168.57
Others	**3.23**	**49.33**	(1.71)	47.83
Hydraulic works, barrages, dams, tunnels and power channel	**22.99**	**202.71**	-	375.67
MGR track and signalling system	**0.21**	**14.62**	-	13.19
Railway siding	**0.01**	**19.13**	(1.39)	16.53
Plant and equipment	**1,466.46**	**2,496.70**	43.75	1,948.61
Others including pending allocation	**438.26**	**495.66**	322.21	398.71
Total	**1,956.61**	**3,442.62**	345.96	2,969.11

Intangible Assets

₹ Crore

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2015	Additions	Deduction/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deduction/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Software	111.55	3.65	(0.11)	**115.31**	98.77	6.26	(0.10)	**105.13**	**10.18**	12.78
Right of use										
- Land	56.46	14.33	(13.20)	**83.99**	10.79	2.78	-	**13.57**	**70.42**	45.67
- Others	248.08	-	-	**248.08**	44.37	10.32	-	**54.69**	**193.39**	203.71
Total	**416.09**	**17.98**	**(13.31)**	**447.38**	**153.93**	**19.36**	**(0.10)**	**173.39**	**273.99**	**262.16**
Previous year	381.47	19.23	(15.39)	416.09	136.50	17.46	0.03	153.93	262.16	244.97

a) The right of use of land & others are amortized over the period of legal right to use or life of the related plant, whichever is less.

b) Right of use – land includes ₹ **78.11 crore** (previous year ₹ 50.58 crore) and right to use-others represents ₹ **248.08 crore** (previous year ₹ 248.08 crore) which are amortised over a period of more than ten years considering the useful life of these assets as per the related agreements/arrangements.

c) Cost of acquisition of the right for drawl of water amounting to ₹ **248.08 crore** (previous year ₹ 248.08 crore) is included under intangible assets – Right of use - Others.

d) Deduction/adjustments from gross block and amortisation for the year includes:

₹ Crore

	Gross Block		Amortisation	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Cost adjustments	**(13.20)**	(15.42)	-	-
Others	**(0.11)**	0.03	**(0.10)**	0.03
	(13.31)	(15.39)	**(0.10)**	0.03

Depreciation/amortisation/impairment of tangible and intangible assets for the year is allocated as given below:

₹ Crore

	2015-16	2014-15
Charged to Statement of Profit and Loss	**5,425.32**	4,911.65
Allocated to fuel cost	**326.74**	276.35
Transferred to expenditure during construction period (net) - Note 28	**93.18**	76.62
Transferred to development of coal mines	**2.60**	1.86
Adjustment with deferred income from deferred foreign currency fluctuation	**120.11**	(90.12)
	5,967.95	5,176.36



13. Capital work-in-progress

₹ Crore

Particulars	As at 01.04.2015	Addition	Deduction/ Adjustment	Capitalised	As at 31.03.2016
Development of land	662.17	264.85	190.76	-	**736.26**
Roads, bridges, culverts & helipads	116.45	62.36	(21.50)	125.16	**75.15**
Piling and foundation	641.51	34.82	0.63	-	**675.70**
Buildings					
Main plant	2,728.88	1,214.74	370.41	416.22	**3,156.99**
Others	1,126.02	772.21	62.47	396.33	**1,439.43**
Temporary erection	44.84	66.23	70.23	3.90	**36.94**
Water supply, drainage and sewerage system	68.02	33.22	2.81	20.85	**77.58**
Hydraulic works, barrages, dams, tunnels and power channel	5,268.97	798.72	(1.00)	4,085.56	**1,983.13**
MGR track and signalling system	213.72	145.61	52.58	75.18	**231.57**
Railway siding	324.54	291.95	50.87	110.62	**455.00**
Earth dam reservoir	76.60	40.96	0.25	10.41	**106.90**
Plant and equipment	37,508.74	19,396.72	756.07	7,638.08	**48,511.31**
Furniture and fixtures	23.16	15.75	(9.48)	35.54	**12.85**
Office equipment	1.61	5.90	0.44	5.04	**2.03**
EDP/WP machines & satcom equipment	2.06	29.46	0.33	2.92	**28.27**
Construction equipments	1.82	-	0.01	1.81	-
Electrical installations	264.97	295.69	145.21	45.36	**370.09**
Communication equipments	2.19	2.40	0.71	1.53	**2.35**
Hospital equipments	0.13	0.07	-	0.13	**0.07**
Laboratory and workshop equipments	0.06	2.94	0.01	0.03	**2.96**
Capital expenditure on assets not owned by the company	76.37	41.39	117.76	-	-
Development of coal mines	1,086.49	199.14	-	-	**1,285.63**
	50,239.32	23,715.13	1,789.57	12,974.67	**59,190.21**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	166.26	-	73.31	-	**92.95**
Difference in exchange on foreign currency loans	1,528.42	893.96	501.69	-	**1,920.69**
Pre-commisioning expenses (net)	49.32	173.20	123.13	-	**99.39**
Expenditure during construction period (net)	725.88	4,465.56*	29.08	-	**5,162.36**
Other expenditure directly attributable to project construction	-	352.20	(117.76)	-	**469.96**
Less: Allocated to related works	-	4,259.93	-	-	**4,259.93**
	52,709.20	25,340.12	2,399.02	12,974.67	**62,675.63**
Less: Provision for unserviceable works	105.99	4.22	10.82	-	**99.39**
Construction stores (net of provision)	3,859.90	(220.10)	-	-	**3,639.80**
Total	**56,463.11**	**25,115.80**	**2,388.20**	**12,974.67**	**66,216.04**
Previous year	44,886.74	21,692.41	3,114.15	7,001.89	56,463.11

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



a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **7.40 crore** (previous year ₹ 4.69 crore).

b) Pre-commissioning expenses for the year amount to ₹ **328.16 crore** (previous year ₹ 292.74 crore) and after adjustment of pre-commissioning sales of ₹**154.96 crore** (previous year ₹ 50.04 crore) resulted in net pre-commissioning expenditure of ₹ **173.20 crore** (previous year ₹ 242.70 crore).

c) Additions to the development of coal mines include expenditure during construction period (net) of ₹ **199.14 crore** (previous year ₹ 153.90 crore).

d) In respect of projects which have not been completed till 31st March 2016, the balance of 'Capital expenditure on assets not owned by the Company' amounting to ₹ 117.76 crore has been transferred to 'Other expenditure directly attributable to project construction'. (Refer Note 12 i)).

13A. Intangible assets under development

₹ Crore

Particulars	As at 01.04.2015	Addition	Deduction/ Adjustment	Capitalised	As at 31.03.2016
Software	0.10	-	-	0.10	-
Right of use - Others	-	140.19	-	-	140.19
Exploratory wells-in-progress	37.92	69.24	22.10	-	85.06
	38.02	209.43	22.10	0.10	225.25
Less: Provision for unserviceable works	7.64	-	-	-	7.64
Total	30.38	209.43	22.10	0.10	217.61
Previous year	1.93	30.25	1.80	-	30.38

14. Non-current Investments

₹ Crore

Particulars	Number of shares/ bonds/securities Current year/ (previous year)	Face value per share/bond/security Current year/ (previous year) (₹)	As at 31.03.2016	As at 31.03.2015
Long term - Trade				
Equity instruments (fully paid up - unless otherwise stated)				
Quoted				
PTC India Ltd.	12000000 (12000000)	10 (10)	**12.00**	**12.00**
			12.00	12.00
Unquoted				
Subsidiary companies				
NTPC Electric Supply Company Ltd.	80910 (80910)	10 (10)	**0.08**	0.08
NTPC Vidyut Vyapar Nigam Ltd.	20000000 (20000000)	10 (10)	**20.00**	20.00
Kanti Bijlee Utpadan Nigam Ltd.	689979992 (650000000)	10 (10)	**689.98**	650.00
Bhartiya Rail Bijlee Company Ltd.	1172613850 (1172613850)	10 (10)	**1,172.61**	1,172.61
Patratu Vidyut Utpadan Nigam Ltd.	74000 (-)	10 (-)	**0.08**	-
			1,882.75	1,842.69
Share application money pending allotment in				
Kanti Bijlee Utpadan Nigam Ltd.			**31.04**	-



₹ Crore

Particulars	Number of shares/ bonds/securities Current year/ (previous year)	Face value per share/bond/security Current year/ (previous year) (₹)		As at 31.03.2016	As at 31.03.2015
Bhartiya Rail Bijlee Company Ltd.				**15.64**	-
Patratu Vidyut Utpadan Nigam Ltd.				**1.00**	-
				47.68	-
Joint venture companies					
Utility Powertech Ltd. (includes 1000000 bonus shares)	2000000 (2000000)	10 (10)		**1.00**	1.00
NTPC-Alstom Power Services Private Ltd.	3000000 (3000000)	10 (10)		**3.00**	3.00
NTPC-SAIL Power Company Private Ltd.	490250050 (490250050)	10 (10)		**490.25**	490.25
NTPC-Tamil Nadu Energy Company Ltd.	1345606112 (1325606112)	10 (10)		**1,345.61**	1,325.61
Ratnagiri Gas & Power Private Ltd.	974308300 (974308300)	10 (10)		**974.30**	974.30
Aravali Power Company Private Ltd.	1332008200 (1257508200)	10 (10)		**1,332.00**	1,257.51
NTPC-SCCL Global Ventures Private Ltd.	50000 (50000)	10 (10)		**0.05**	0.05
NTPC BHEL Power Projects Private Ltd.	50000000 (50000000)	10 (10)	**50.00**		50.00
Less: Provision for diminution in value			**6.61**		-
				43.39	50.00
Meja Urja Nigam Private Ltd.	841439800 (412429800)	10 (10)		**841.44**	412.43
BF-NTPC Energy Systems Ltd.	5880000 (5880000)	10 (10)	**5.88**		5.88
Less: Provision for diminution in value			**3.63**		3.35
				2.25	2.53
National Power Exchange Ltd.	2188325 (2188325)	10 (10)	**2.19**		2.19
Less: Provision for diminution in value			**1.06**		1.06
				1.13	1.13
Nabinagar Power Generating Company Private Ltd.	713300000 (511125000)	10 (10)		**713.30**	511.13
Transformers and Electricals Kerala Ltd.	19163438 (19163438)	10 (10)		**31.34**	31.34
National High Power Test Laboratory Private Ltd.	23900000 (23900000)	10 (10)		**23.90**	23.90
International Coal Ventures Private Ltd.	1400000 (1400000)	10 (10)		**1.40**	1.40
Energy Efficiency Services Ltd.	47500000 (22500000)	10 (10)		**47.50**	22.50
CIL NTPC Urja Private Ltd.	76900 (25000)	10 (10)		**0.08**	0.03
Anushakti Vidhyut Nigam Ltd.	49000 (49000)	10 (10)		**0.05**	0.05



₹ Crore

Particulars	Number of shares/ bonds/securities Current year/ (previous year)	Face value per share/bond/security Current year/ (previous year) (₹)		As at 31.03.2016	As at 31.03.2015
Pan-Asian Renewables Private Ltd.	1500000 (1500000)	10 (10)	**1.50**		1.50
Less: Provision for diminution in value			**1.28**		1.28
				0.22	0.22
Trincomalee Power Company Ltd. (* Srilankan rupees)	3286061 (2036061)	100* (100)*		**15.20**	9.26
Bangladesh-India Friendship Power Company Pvt.Ltd. (* Bangladeshi Taka)"	8750000 (2000000)	100* (100)*		**69.68**	15.53
				5,937.09	5,133.17
Share application money pending allotment in					
NTPC-Tamilnadu Energy Company Ltd.				**20.00**	-
Nabinagar Power Generating Company Private Ltd.				**50.00**	-
Aravali Power Company Private Ltd.				-	21.34
Meja Urja Nigam Private Ltd.				-	128.92
CIL NTPC Urja Private Ltd.				-	0.05
Bangladesh-India Friendship Power Company Pvt. Ltd.				-	15.90
				70.00	166.21
Cooperative societies				**#**	#
Total				**7,949.52**	7,154.07
Aggregate amount of quoted investments					
Book value				**12.00**	12.00
Market value				**76.80**	97.08
Aggregate amount of unquoted investments					
Book value				**7,937.52**	7,142.07
Aggregate amount of provision for diminution in the value of investments				**12.58**	5.69

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

a) Investments have been valued as per the accounting policy no.L (Note 1).

b) The Board of Directors of NTPC Limited in its meeting held on 28th April 2016 accorded in principle approval for withdrawal from PTC India Ltd. Pending withdrawl, no provision towards the diminution in the value of investment in PTC India Ltd. is required to be made.

c) The Board of Directors of NTPC Limited in its meeting held on 25th March 2015 accorded approval for voluntry winding up of NTPC SCCL Global Ventures Pvt. Ltd. (a Joint Venture of the Company). The shareholder of NTPC SCCL Global Ventures Pvt. Ltd.in Annual General Meeting held on 8th September 2015 approved the voluntry winding up. Winding up of the Company is underway. Pending winding-up, no provision towards the diminution in the value of investment in NTPC SCCL Global Ventures Pvt. Ltd. is required to be made.

d) The Board of Directors of NTPC Limited in its meeting held on 28th April 2016 accorded in principle approval for withdrawal from NTPC BHEL Power Projects Private Ltd. (a Joint Venture of the Company). Pending withdrawl, provision of ₹ **6.61 crore** (previous year ₹ Nil) towards the diminution in the value of investment has been made based on the unaudited accounts of NTPC BHEL Power Projects Private Ltd.



e) The Board of Directors of NTPC Limited in its meeting held on 19th June 2014 accorded in principle approval for withdrawal from BF-NTPC Energy Systems Ltd. (a joint venture of the Company). Pending withdrawl, provision of ₹ **3.63 crore** (previous year ₹ 3.35 crore) towards the diminution in the value of investment has been made based on the unaudited accounts of BF-NTPC Energy Systems Ltd.

f) The Board of Directors of NTPC Limited in its meeting held on 7th November 2012 accorded in principle approval for withdrawal from National Power Exchange Ltd. (NPEX) (a Joint Venture of the Company). Shareholder of NPEX in extra ordinary general meeting held on 28th October 2014, approved the proposal for voluntary winding up of NPEX. Winding up of the Company is underway. Pending winding-up, provision of ₹ **1.06 crore** (previous year ₹ 1.06 crore) towards the diminution in the value of investment has been made based on the audited accounts of NPEX.

g) The Board of Directors of NTPC Limited in its meeting held on 28th April 2016 accorded in principle approval for withdrawal from Transformers and Electricals Kerala Ltd. (a Joint Venture of the Company). Pending withdrawl, no provision towards the diminution in the value of investment in Transformers and Electricals Kerala Ltd. is required to be made.

h) The Board of Directors of NTPC Limited in its meeting held on 27th January 2012 accorded in principle approval for withdrawal from International Coal Ventures Private Ltd. (a Joint Venture of the Company). Approval of the GoI for the same is awaited, subsequent to which, the process of withdrawal shall commence. No provision towards the diminution in the value of investment is required to be made.

i) The Board of Directors of NTPC Limited in its meeting held on 31st October 2014 approved the proposal for voluntary winding up of Pan-Asian Renewables Private Ltd. (a Joint Venture of the Company). Accordingly, a liquidator has been appointed for dissolution of the Company. The liquidation process is underway. Pending winding-up, provision of ₹ **1.28 crore** (previous year ₹ 1.28 crore) towards the diminution in the value of investment has been made based on the audited accounts of Pan-Asian Renewables Private Ltd.

j) M/s Ratangiri Gas & Power Private Ltd (RGPPL), a joint venture of the Company, has accumulated losses of ₹ 3,577.95 crore at 31st March, 2016 as per their un-audited accounts. This includes ₹ 1,902.62 crore due to postponement of revenue recognition on conservative basis for the year 2013-14 and 2014-15 in view of dispute raised by the beneficiary, though these disputes have already been decided in favour of the RGPPL by the CERC and the APTEL. During the year, following developments took place:

- The beneficiary, Maharashtra State Electricity Distribution Company Limited (MSEDCL), apart from failure to make payment to RGPPL, had approached Hon'ble Supreme Court of India against the order of the APTEL, for stay. The stay application was disposed off by the Hon'ble Court in the absence of any coercive action against the appellant.
- During the year, the GOI advised to keep the recovery of the outstanding amount claimed by the Company in abeyance.
- RGPPL has started operation under Power System Development Support Scheme of the GOI and supplying around 500 MW power to the Indian Railways. Further, LNG terminal of RGPPL has received more than double the quantity of cargoes during the year;
- RGPPL has obtained in-principle approval from its Board of Directors for demerger of its power generation business and LNG business into separate companies effective from 1st January 2016. The management of RGPPL is hopeful that restructuring/concessions from the lenders in the borrowings and other areas after the aforesaid demerger shall result in further improvement in its financial position.

  Keeping in view the ongoing efforts for revival of RGPPL, no provision is considered necessary in respect of the Company's investment of ₹ **974.30 crore** (previous year ₹ 974.30 crore) in RGPPL as the diminution in the value is considered as temporary.

k) Restrictions for the disposal of investments held by the Company and commitments towards certain Subsidiary & Joint Venture entities are disclosed in Note 53 (b) to 53 (f).

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

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Capital advances		
Secured	**17.34**	16.48
Unsecured		
Covered by bank guarantee	**3,611.07**	4,050.18
Others	**3,554.91**	3,654.03
Considered doubtful	**1.92**	2.06
Less: Allowance for bad & doubtful advances	**1.92**	2.06
	7,183.32	7,720.69

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Security deposits (unsecured)	**79.87**	89.78
Loans		
Related parties		
Unsecured	**0.60**	-
Employees (including accrued interest)		
Secured	**398.75**	401.59
Unsecured	**166.02**	137.84
Loan to state government in settlement of dues from customers (Unsecured)	-	47.86
Others		
Secured	**30.00**	35.00
Unsecured	**0.86**	3.17
	596.23	625.46
Advances		
Contractors & suppliers		
Unsecured	**2,294.41**	2,278.48
Advance tax & tax deducted at source	**16,210.46**	11,692.79
Less: Provision for tax	**9,384.10**	6,879.31
	6,826.36	4,813.48
Total	**16,980.19**	15,527.89
a) Due from directors and officers of the Company		
Directors	**0.02**	-
Officers (* ₹3,728/- and # ₹49,873/-)	*	#
b) Loans to related parties include:		
Key management personnel (* ₹3,728/ and # ₹49,873/-)	*	#
c) Above include amounts given as advance against works to the following private companies in which one or more directors of the Company are directors:		
NTPC-Alstom Power Services Private Ltd.	**5.11**	17.96
NTPC BHEL Power Projects Private Ltd.	**154.10**	162.24

d) Capital advances include ₹ **224.48 crore** (previous year ₹ 268.72 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted in the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.

e) Capital advances include advances to related parties of ₹ **5.11 crore** (previous year ₹17.96 crore).

f) Other loans include loan of ₹**30.00 crore** (previous year ₹ 35.00 crore) given to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) and ₹**0.86 crore** (previous year ₹ 2.57 crore) to Kanti Bijlee Utpadan Nigam Ltd. The said loan to KBUNL was given prior to enactment of Section 185 of the Companies Act, 2013.

g) Advances to contractors & suppliers include payments to Railways under Customer funding model as per policy on 'Participative model for rail-connectivity and capacity augmentation projects' issued by Ministry of Railways, GOI. As per the policy, the railway projects agreed between the company and Railways will be constructed, maintained and operated by Railways and ownership of the line and its operations & maintenance will always remain with them. Railways will pay upto 7% of the amount invested through freight rebate on freight volumes every year till the funds provided by the Company are recovered with interest at a rate equal to the prevailing rate of dividend payable by Railways to General exchequer at the time of signing of the agreement, which is pending as at 31st March 2016.



15 A. Other non-current assets

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred foreign currency fluctuation asset	1,368.79	1,280.49
Claims recoverable	510.99	466.28
	1,879.78	1,746.77

a) In line with accounting policy no. N.3 (Note 1), deferred foreign currency fluctuation asset has been accounted and **(-) ₹ 712.19 crore** (previous year (-) ₹ 110.15 crore) being exchange fluctuations on account of foreign currency loans has been recognised in energy sales in Note 22.

b) Claims recoverable include ₹ **469.73 crore** (previous year ₹ 466.28 crore) towards the cost incurred upto 31st March 2016 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power (MOP), GOI which includes ₹ **185.41 crore** (previous year ₹ 214.34 crore) in respect of arbitration awards challenged by the Company before High Court. In the event the High Court grants relief to the Company, the amount would be adjusted against Short-term provisions - Others (Note 11). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary.

16. Current Investments

₹ Crore

Particulars	Number of bonds/securities Current year/ (previous year)	Face value per bond/security Current year/ (previous year) (₹)	As at 31.03.2016	As at 31.03.2015
Trade				
Current maturities of long term investments				
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of				
Andhra Pradesh	- (1260650)	- (1000)	-	126.07
Assam	- (51464)	- (1000)	-	5.15
Bihar	- (1894400)	- (1000)	-	189.44
Chattisgarh	- (483220)	- (1000)	-	48.32
Gujarat	- (837240)	- (1000)	-	83.73
Haryana	- (1075000)	- (1000)	-	107.50
Himachal Pradesh	- (33388)	- (1000)	-	3.34
Jammu and Kashmir	- (367360)	- (1000)	-	36.74
Jharkhand	- (960136)	- (1000)	-	96.01
Kerala	- (1002400)	- (1000)	-	100.24
Madhya Pradesh	- (830840)	- (1000)	-	83.08
Maharashtra	- (381400)	- (1000)	-	38.14



₹ Crore

Particulars	Number of bonds/securities Current year/ (previous year)	Face value per bond/security Current year/ (previous year) (₹)	As at 31.03.2016	As at 31.03.2015
Orissa	- (1102874)	- (1000)	-	110.29
Punjab	- (346230)	- (1000)	-	34.62
Rajasthan	- (290000)	- (1000)	-	29.00
Sikkim	- (34196)	- (1000)	-	3.42
Uttar Pradesh	- (3989900)	- (1000)	-	398.99
Uttaranchal	- (399650)	- (1000)	-	39.96
West Bengal	- (1174248)	- (1000)	-	117.42
			-	1,651.46
Investment in mutual funds				
UTI Liquid Cash Plan-IP-Direct-DDR*			**159.58**	151.36
IDBI Liquid Fund-Direct-DDR*			**79.30**	75.24
SBI Premier Liquid Fund - Direct - DDR*			**104.75**	-
Total			**343.63**	1,878.06
Aggregate amount of unquoted investments				
Book value			**343.63**	1,878.06

* Investments out of fly ash utilization reserve fund.

a) Investments have been valued as per accounting policy no.L (Note 1).

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

17. Inventories

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Coal	**3,490.12**	3,827.37
Fuel oil	**249.24**	344.06
Naphtha	**118.54**	139.81
Stores & spares	**2,775.69**	2,631.31
Chemicals & consumables	**78.32**	66.21
Loose tools	**7.89**	7.22
Steel scrap	**24.88**	20.59
Others	**540.75**	502.21
	7,285.43	7,538.78
Less: Provision for shortages	**5.63**	4.48
Provision for obsolete/unserviceable items/ diminution in value of surplus inventory	**87.27**	81.30
Total	**7,192.53**	7,453.00
Inventories include material-in-transit		
Coal	**323.71**	421.24
Stores & spares	**37.88**	35.59
Chemicals & consumables	**1.16**	0.38
Loose tools	**0.07**	0.04
Others	**0.63**	0.84
	363.45	458.09

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

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



18. Trade receivables

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	20.77	17.19
Considered doubtful	0.20	0.20
	20.97	17.39
Others		
Unsecured, considered good	7,823.22	7,587.18
	7,844.19	7,604.57
Less: Allowance for bad & doubtful receivables	0.20	0.20
Total	7,843.99	7,604.37

19. Cash and bank balances

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Cash & cash equivalents		
Balances with banks		
Current accounts	61.75	189.41
Deposits with original maturity upto three months	1,305.00	-
Cheques & drafts on hand	0.32	59.66
Balance with Reserve Bank of India	-	30.80
Others (stamps on hand)	0.09	0.12
	1,367.16	279.99
Other bank balances		
Deposits with original maturity of more than three months and maturing within one year*	2,253.39	12,434.57
Earmarked balances with banks #	785.81	164.25
Total	4,406.36	12,878.81
# Earmarked balances with banks consist of:		
Towards redemption of bonds due for repayment within one year	100.00	100.00
Fly ash utilisation reserve fund**	134.58	36.66
DDUGJY Scheme of the GOI***	521.78	-
Towards public deposit repayment reserve	-	0.08
Unpaid dividend account balance	15.05	14.95
Amount deposited as per court orders	12.21	12.21
Unpaid interest/refund account balance - Bonds	2.15	0.30
Towards unpaid interest on public deposit	0.03	0.03
Security with government authorities	0.01	0.02
	785.81	164.25

* Includes deposits of ₹ **Nil** (previous year ₹ 2,750.00 crore) with more than twelve months maturity from the date of deposit.

** Refer Note 3 d) regarding fly ash utilization reserve fund.

*** Out of advance for DDUGJY Scheme of the GOI. Refer Note 10 c).



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

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Loans		
Related parties		
Unsecured	-	0.01
Employees (including accrued interest)		
Secured	**76.07**	76.40
Unsecured	**121.98**	94.62
Considered doubtful	-	0.02
Loan to State Government in settlement of dues from customers		
Unsecured	**47.87**	95.73
Others		
Secured	**5.00**	5.00
Unsecured	**0.86**	0.86
Less: Allowance for bad & doubtful loans	-	0.02
	251.78	272.62
Advances		
Related parties		
Unsecured	**13.26**	7.37
Employees		
Unsecured	**11.89**	11.52
Considered doubtful	**0.04**	0.03
Contractors & suppliers		
Secured	**1.38**	-
Unsecured	**1,075.63**	983.88
Considered doubtful	**1.66**	1.59
Others		
Unsecured	**266.00**	375.43
Less: Allowance for bad & doubtful advances	**1.70**	1.62
	1,368.16	1,378.20
Security deposits (unsecured)	**629.32**	756.77
Total	**2,249.26**	2,407.59
a) Due from Directors and Officers of the Company		
Directors	**0.08**	-
Officers (* ₹ 8,260/-)	*	0.01
b) Loans to related parties include:		
Key management personnel (# ₹ 8,260/-)	**#**	0.01
c) Advance to related parties include:		
Joint venure companies	**13.26**	7.37
d) Advances include amounts due from the following private companies in which one or more directors of the Company are directors:		
NTPC-Alstom Power Services Private Ltd.	**0.44**	0.53
NTPC-SAIL Power Company Private Ltd.	**1.74**	1.96
Aravali Power Company Private Ltd.	**4.24**	1.98
NTPC BHEL Power Projects Private Ltd.	**3.77**	2.62
Meja Urja Nigam Private Limited	**3.25**	8.54
Nabinagar Power Generating Company Private Ltd.	**3.04**	0.71
Pan-Asian Renewables Private Ltd.	-	0.04
Bangladesh India Friendship Power Company Pvt.Ltd.	**8.97**	4.58

e) Other loans represent loans of ₹ **5.00 crore** (previous year ₹ 5.00 crore) given to APIIC and ₹ **0.86 crore** (previous year ₹ 0.86 crore) to Kanti Bijlee Utpadan Nigam Ltd. (KBUNL). The said loan to KBUNL was given prior to enactment of Section 185 of the Companies Act, 2013.



f) Other advances include prepaid expenses amounting to ₹ **84.52 crore** (previous year ₹ 69.55 crore), amount recoverable from JV/subsidiary Companies ₹ **150.76 crore** (previous year ₹ 278.80 crore) etc.

g) Security deposits (unsecured) include ₹ **32.60 crore** (previous year ₹ 224.15 crore) towards sales tax deposited with sales/commercial tax authorities, ₹ **346.30 crore** (previous year ₹ 306.30 crore) deposited with Courts and ₹ **165.51 crore** (₹ 160.97 crore) deposited with LIC for making annuity payments to the land oustees.

21. Other current assets

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Interest accrued on		
Bonds	**35.09**	105.28
Term deposits	**54.96**	396.02
Others	**53.92**	36.43
	143.97	537.73
Claims recoverable		
Unsecured, considered good	**2,601.14**	2,074.46
Considered doubtful	**13.13**	13.40
Less: Allowance for doubtful claims	**13.13**	13.40
	2,601.14	2,074.46
Unbilled revenue	**4,953.50**	2,502.33
Assets held for disposal	**1.93**	2.12
Hedging cost recoverable	**0.04**	4.59
Others	**9.96**	20.37
Total	**7,710.54**	5,141.60

a) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **6,579.06 crore** (previous year ₹ 6,384.00 crore) billed to the beneficiaries after 31st March for energy sales.

b) Other current assets - Others include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.

22. Revenue from operations (gross)

₹ Crore

Particulars		For the Year ended 31.03.2016	For the Year ended 31.03.2015
Energy sales (including electricity duty)		**70,661.33**	73,197.61
Consultancy, project management and supervision fee		**117.05**	109.78
		70,778.38	73,307.39
Sale of fly ash/ash products	**113.37**		25.17
Less: Transferred to fly ash utilisation reserve fund	**113.37**		25.17
		-	-
Energy internally consumed		**81.82**	86.21
Other operating revenues			
Interest from beneficiaries		**221.29**	332.82
Provisions for tariff adjustments written back		**154.51**	180.16
		375.80	512.98
Total		**71,236.00**	73,906.58



a) The CERC notified the Tariff Regulations, 2014 in February 2014 (Regulations, 2014). Pending issue of provisional/final tariff orders w.e.f. 1st April 2014 for all the stations, beneficiaries are billed in accordance with the tariff approved and applicable as on 31st March 2014 as provided in the Regulations 2014. The energy charges in respect of the coal based stations are provisionally billed based on the GCV 'as received' measured after the secondary crusher. The amount provisionally billed for the year ended 31st March 2016 is ₹ **69,950.05 crore** (previous year ₹ 73,703.99 crore).

b) The Company has filed a writ petition before the Hon'ble Delhi High Court contesting certain provisions of the Tariff Regulations, 2014. On directions from the Hon'ble High Court on the issue of point of sampling for measurement of GCV of coal 'as received', CERC has issued an order dated 25th January 2016 (subject to final decision of the Hon'ble High Court) that samples for measurement of coal 'as received' basis should be collected from loaded wagons at the generating stations. Company has filed a review petition in respect of this CERC order on 1st March 2016 and the matter is still sub-judice.

Pending disposal of the review petition and issue of provisional/final tariff orders under Regulations, 2014 by the CERC, Sales have been provisionally recognized at ₹ **71,546.92 crore** (previous year ₹ 73,133.81 crore) on the basis of said Regulations, wherein energy charges included in sales, in respect of the coal based stations have been recognized based on the GCV 'as received' measured after secondary crusher which is generally within the station and at a distance less than one KM from the unloading point of the wagons.

Further, vide order dated 19th February 2016 in respect of a petition filed by a beneficiary, CERC issued directions that the grade slippage between the loading point at the mines' end and unloading point at the generating stations is to be passed on through tariff to the beneficiaries. In the meantime, in compliance to the CERC directions issued vide said order dated 19th February 2016, efforts are being made to explore the mechanism for measurement of GCV of coal 'as received', from the loaded wagons at the generating stations.

In the absence of suitable measurement mechanism of comparable GCV, the financial impact, if any, of the difference between the GCV 'as received' measured after collection of samples from loaded wagons at the generating stations and that of GCV 'as received' measured after secondary crusher, cannot be quantified and considering the distance between both the measuring points the difference will not be material.

c) Sales for the year ended 31st March 2016 include ₹ **50.74 crore** (previous year ₹ 679.62 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) Sales for the year ended 31st March 2016 include (-) ₹ **1,693.65 crore** (previous year (-) ₹ 1,399.42 crore) on account of income-tax payable to the beneficiaries as per Regulations, 2004. Sales for the year ended 31st March 2016 also include ₹ **28.12 crore** (previous year ₹ 113.96 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2014.

e) Electricity duty on energy sales amounting to ₹ **729.20 crore** (previous year ₹ 669.64 crore) has been reduced from sales in the Statement of Profit and Loss.

f) Revenue from operations include ₹ **81.82 crore** (previous year ₹ 86.21 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges in Note 26.

g) CERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **221.29 crore** (previous year ₹ 332.82 crore) has been accounted as 'Interest from beneficiaries'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 26.

h) One of the power stations of the Company, having three units of 95 MW each and two units of 210 MW each, was issued consent to operate (Renewal) order by Delhi Pollution Control Committee (DPCC) on 2nd January 2014 which was valid till 31st January 2018 with a condition that particulate level omission level shall not exceed 150 mg/ Nm3. During the year, in a volte face on 8th July 2015 DPCC issued a Show Cause Notice to the station as to why four units out of five units of plant ought not to be closed down for failing to bring down its particulate level emission level below 50 mg/ Nm3. Further, vide order dated 31st December 2015, DPCC directed four units out of five units of plant shall not operate. Further, vide order dated 21st March 2016, DPCC allowed operation of two units of 210 MW subject to meeting the SPM of 50 mg/Nm3. Company's petition to direct beneficiaries for payment of fixed charges from 31st December 2015 under change in law is pending disposal before the CERC. Pending disposal of the petition, capacity charges of ₹ 27.88 crore have not been recognised for the period, these units were not allowed to operate.

23. Other income

₹ Crore

Particulars		For the Year ended 31.03.2016	For the Year ended 31.03.2015
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**105.28**	245.04
Others			
Loan to state government in settlement of dues from customers (8.5% tax free)		**10.17**	18.31
Loan to subsidiary companies		**0.45**	1.04
Loan to employees		**30.12**	31.13
Advance to contractors		**49.48**	49.67
Deposits with banks/Reserve Bank of India		**428.91**	1,263.49
Deposits with banks out of fly ash utilisation reserve fund	**7.57**		0.92
Less : Transferred to fly ash utilisation reserve fund	**7.57**		0.92
		-	-
Deposits with banks - DDUGJY funds	**29.40**		-
Less : Transferred to DDUGJY Advance from customers (refer Note 10 c)	**29.40**		-
		-	-
Income tax refunds	-		36.40
Less : Refundable to beneficiaries	-		36.40
		-	-
Others		**20.00**	20.71
Dividend from			
Long-term investments in			
Subsidiaries		-	26.00
Joint ventures		**131.76**	90.61
Equity instruments		**2.64**	2.40
Current investments in			
Mutual funds		**49.80**	157.74
Current investments in mutual funds out of fly ash utilisation reserve fund	**17.03**		1.60
Less : Transferred to fly ash utilisation reserve fund	**17.03**		1.60
		-	-
Other non-operating income			
Surcharge received from beneficiaries		**142.28**	49.97
Hire charges for equipment		**2.09**	4.01
Discount on forward exchange contract		**5.07**	-
Sale of scrap		**58.17**	80.18
Profit on redemption of current investments		**16.34**	-
Liquidated damages recovered		**10.69**	10.90
Excess depreciation written back		**44.75**	-
Miscellaneous income		**133.12**	127.53
Profit on disposal of fixed assets		**1.66**	4.54
Provisions written back			
Unservicable capital works		**10.69**	-
Others		**10.23**	5.99
		1,263.70	2,189.26
Less: Transferred to expenditure during construction period (net) - Note 28		**72.57**	83.22
Transferred to development of coal mines		**1.86**	5.62
Total		**1,189.27**	2,100.42

a) Interest from others includes interest on advance to APIIC for drawal of water and deposits with LIC towards annuity to the land loosers.

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

c) Excess depreciation written back relates to 5 KM Scheme of the GOI (Refer Note 12 j)

d) Provisions written back - Others include provision for doubtful loans, advances, claims, debts and provision for shortage/ obsolescence in stores and shortage in fixed assets.



24. Employee benefits expense

₹ Crore

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Salaries and wages	**3,561.94**	3,522.61
Contribution to provident and other funds	**543.58**	520.45
Staff welfare expenses	**544.78**	577.50
	4,650.30	4,620.56
Less: Allocated to fuel cost	**216.81**	208.03
Transferred to development of coal mines	**38.99**	38.53
Transferred to fly ash utilisation reserve fund	**16.87**	15.75*
Transferred to CSR expenses	**50.23**	49.07
Reimbursements for employees on deputation	**65.95**	67.62
Transferred to expenditure during construction period (net)- Note 28	**652.13**	620.85
Total	**3,609.32**	3,620.71

a) Disclosures as per AS 15 in respect of provision made towards various employee benefits are made in Note 38.

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

* Includes ₹ 12.67 crore tranferred to NTPC Vidyut Vyapar Nigam Ltd. for reimbursement from fly ash utilization reserve fund.

25. Finance costs

₹ Crore

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Interest on		
Bonds	**1,963.17**	1,182.58
Foreign currency term loans	**315.69**	244.32
Rupee term loans	**3,609.66**	3,635.60
Public deposits	**-**	0.03
Foreign currency bonds/notes	**720.67**	542.72
Cash credit	**1.95**	-
Others	**2.26**	3.32
	6,613.40	5,608.57
Other borrowing costs		
Guarantee fee	**26.28**	31.55
Management/arrangers fee	**5.81**	40.48
Foreign currency bonds/notes expenses	**8.25**	17.28
Others	**19.24**	14.85
	59.58	104.16
Sub-Total	**6,672.98**	5,712.73
Less: Transferred to expenditure during construction period (net) - Note 28	**3,334.55**	2,881.28
Transferred to development of coal mines	**108.07**	87.83
Total	3,230.36	2,743.62

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



26. Generation, administration & other expenses

₹ Crore

Particulars		For the Year ended 31.03.2016	For the Year ended 31.03.2015
Power charges	223.95		191.48
Less: Recovered from contractors & employees	23.89		24.67
		200.06	166.81
Water charges		515.12	488.86
Contribution to water conservation fund		303.72	-
Stores consumed		53.89	48.34
Rent	38.07		37.02
Less: Recoveries	10.50		9.57
		27.57	27.45
Load dispatch centre charges		3.09	37.24
Repairs & maintenance			
Buildings	246.49		194.92
Plant & machinery	2,167.19		2,029.22
Others	157.85		137.03
		2,571.53	2,361.17
Insurance		115.30	123.08
Interest to beneficiaries		49.91	98.11
Rates and taxes		46.13	46.64
Water cess & environment protection cess		29.98	34.90
Training & recruitment expenses	32.48		26.23
Less: Receipts	1.34		1.29
		31.14	24.94
Communication expenses		59.17	43.64
Travelling expenses		208.86	204.93
Tender expenses	33.35		36.09
Less: Receipt from sale of tenders	2.03		2.82
		31.32	33.27
Payment to auditors		4.36	3.96
Advertisement and publicity		17.32	19.74
Security expenses		500.70	421.48
Entertainment expenses		24.81	22.43
Expenses for guest house	25.13		23.25
Less: Recoveries	2.78		2.93
		22.35	20.32
Education expenses		39.51	36.24
Donation		0.05	-
Ash utilisation & marketing expenses		27.45	10.32
Directors sitting fee		0.18	0.47
Professional charges and consultancy fee		37.90	28.53
Legal expenses		47.14	38.27
EDP hire and other charges		20.38	18.05
Printing and stationery		14.89	12.17
Oil & gas exploration expenses		32.77	29.63
Hiring of vehicles		80.53	74.20
Rebate to customers & reimbursement of LC charges on sales realization		468.16	603.42
Net loss in foreign currency transactions & translations		31.00	(122.16)
Cost of hedging		1.70	8.95



₹ Crore

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Horticulture expenses	33.94	30.61
Hire charges of helicopter/aircraft	14.93	12.37
Hire charges of construction equipments	9.58	8.95
Transport vehicle running expenses	6.76	7.89
Demurrage charges	2.81	11.62
Loss on disposal/write-off of fixed assets	143.86	146.05
Miscellaneous expenses	224.99	75.26
	6,054.86	5,258.15
Less: Allocated to fuel cost	388.60	342.67
Transferred to development of coal mines	31.95	19.05
Transferred to hedging cost recoverable/(payable) from/to beneficiaries	(4.56)	4.59
Transferred to Corporate Social Responsibility (CSR) expense	33.36	34.93
Transferred to fly ash utilisation reserve fund	40.44	19.68
Transferred to expenditure during construction period (net) - Note 28	456.64	354.07
	5,108.43	4,483.16
Corporate Social Responsibility (CSR) expense*	489.84	203.34
Provisions for		
Tariff adjustments	145.28	148.10
Diminution in value of long term investments in joint venture	6.89	4.63
Obsolescence in stores	8.88	13.97
Unserviceable capital works	4.22	41.95
Unfinished minimum work programme for oil and gas exploration	6.71	5.00
Others	17.14	11.13
	189.12	224.78
Total	5,787.39	4,911.28
a) Spares consumption included in repairs and maintenance	1,150.04	1,106.24
b) Contribution to water conservation fund represents the amount payable by the Company pursuant to the Resolution No. 11011 dated 18th May 2015 of Department of Water Resource, Government of Odisha.		
c) Details in respect of payment to auditors:		
As auditor		
Audit fee	1.17	1.16
Tax audit fee	0.41	0.41
Limited review	0.70	0.70
In other capacity		
Other services (certification fee)	0.70	0.56
Reimbursement of expenses	0.95	0.73
Reimbursement of service tax	0.43	0.40
Total	4.36	3.96

Payment to the auditors includes ₹**0.50 crore** (previous year ₹ 0.24 crore) relating to earlier year.

d) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ **49.91 crore** (previous year ₹ 98.11 crore) has been accounted and disclosed as 'Interest to beneficiaries'.

e) Miscellaneous expenses include expenditure on books & periodicals, operating expenses of DG sets, brokerage & commission, bank charges, furnishing expenses etc.

f) Provisions - Others include provision for doubtful loans, advances & claims, debts, arbitration cases and shortage in stores & fixed assets.

g) * Refer Note 54.



27. Prior period items (net)

₹ Crore

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Revenue		
Sales	139.54	208.32
Others	1.79	1.81
	141.33	210.13
Expenditure		
Fuel	5.34	-
Employee benefits expense	-	0.37
Finance costs		
Interest	-	(132.29)
Depreciation and amortisation	(57.93)	12.12
Generation, administration and other expenses		
Repairs and maintenance	5.89	4.77
Rates and taxes	(5.99)	0.04
Others	(0.50)	11.20
	(53.19)	(103.79)
Net expenditure/(revenue)	(194.52)	(313.92)
Less: Transferred to expenditure during construction period (net)-Note 28	1.63	20.46
Transferred to development of coal mines	-	(0.55)
Total	(196.15)	(333.83)

28. Expenditure during construction period (net)

₹ Crore

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A. Employee benefits expense		
Salaries and wages	528.73	506.44
Contribution to provident and other funds	70.67	67.26
Staff welfare expenses	52.73	47.15
Total (A)	652.13	620.85
B. Finance costs		
Interest on		
Bonds	1,066.58	623.58
Foreign currency term loans	151.95	101.96
Rupee term loans	1,768.97	1,871.58
Foreign currency bonds/notes	327.73	221.09
Other borrowing costs		
Management/arrangers fee	5.81	40.48
Foreign currency bonds/notes expenses	7.95	16.41
Others	5.56	6.18
Total (B)	3,334.55	2,881.28
C. Depreciation and amortisation	93.18	76.62

₹ Crore

Particulars		For the Year ended 31.03.2016	For the Year ended 31.03.2015
D. Generation, administration & other expenses			
Power charges	131.34		95.85
Less: Recovered from contractors & employees	2.96		2.76
		128.38	93.09
Water charges		10.14	4.34
Rent		4.68	6.36
Repairs & maintenance			
Buildings	10.96		8.98
Plant and machinery	0.74		0.65
Others	46.75		37.59
		58.45	47.22
Insurance		1.33	1.39
Rates and taxes		15.90	8.56
Communication expenses		8.33	5.42
Travelling expenses		46.61	44.10
Tender expenses		5.79	9.63
Advertisement and publicity		2.29	1.35
Security expenses		70.14	55.82
Entertainment expenses		5.78	5.10
Expenses for guest house		4.48	4.21
Professional charges and consultancy fee		5.20	6.13
Legal expenses		10.36	6.36
EDP hire and other charges		2.53	1.63
Printing and stationery		2.36	1.80
Miscellaneous expenses		73.89	51.56
Total (D)		456.64	354.07
E. Less: Other income			
Interest from contractors		37.19	35.22
Interest others		15.58	15.49
Hire charges for equipment		1.31	1.82
Sale of scrap		0.73	0.73
Miscellaneous income		17.76	29.96
Total (E)		72.57	83.22
F. Prior period items (net)		1.63	20.46
Grand total (A+B+C+D-E+F)		4,465.56*	3,870.06*

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

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

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

31. a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will



be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

32. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

33. The environmental clearance ("clearance") granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's ongoing project was challenged before the National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MoEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgment of the NGT and for referring the matter to the Expert Appraisal Committee ("Committee") for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Aggregate cost incurred on the project upto 31st March 2016 is ₹ **11,774.77 crore** (previous year ₹ 8,732.44 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

34. The Company is executing a hydro power project in the state of Uttrakhand, where all the clearances were accorded. A case was filed in Hon'ble Supreme Court of India after the natural disaster in Uttrakhand in June 2013 to review whether the various existing and ongoing hydro projects have contributed to environmental degradation. Hon'ble Supreme Court of India on 7th May 2014, ordered that no further construction shall be undertaken in the projects under consideration until further orders, which included the said hydro project of the Company. In the proceedings, Hon'ble Supreme Court is examining to allow few projects which have all clearances which includes the project of the Company where the work has been stopped. Aggregate cost incurred on the project up to 31st March 2016 is ₹ **157.31 crore** (previous year ₹ 154.57 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

35. Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies'

During the year, following changes in accounting policies have been made:

a) For more appropriate presentation of the financial statements, the accounting policy relating to capital expenditure on assets not owned by Company has been discontinued with retrospective effect. Based on the guidance available in AS 10 notified by MCA on 30th March 2016 such expenditure on assets not owned by the Company have been capitalised retrospectively as part of the cost of project. As a result, cost amortized till 31st March 2015 amounting to ₹ 75.36 crore as per earlier policy has been written back as prior period adjustments and depreciation has been recalculated retrospectively following the rates and methodology notified by the CERC Tariff Regulations. Due to this change, prior period depreciation (net) till 31st March 2015 is (-) ₹ 53.41 crore, depreciation for the year is lower by ₹ 10.08 crore, profit for the year and fixed assets as at 31st March 2016 are higher by ₹ 63.49 crore. Refer Note 12 i).

b) Consequent to adoption of the guidance note on Rate Regulated Activities issued by the ICAI, Policy no. G has been inserted. Detailed disclosure in this regard has been made in Note 48.

c) Considering the adoption of new policy no. G, policy no. N.4 has been modified by replacing the word 'Deferred foreign currency fluctuation asset/liability' with 'Regulatory asset/liability'.

d) Policy no. O.2.4 related to charging off of the items of prepaid & prior period expenses/income to the natural head of accounts has been modified by increasing the threshold limit from ₹ 1 lakh to ₹ 5 lakh. Consequently, Short term loans & advances (Note 20) are lower by ₹ 0.79 crore, Generation, administration and other expenses are higher by ₹ 4.19 crore (Note 26), Prior period items (Net) (Note 27) is lower by ₹ 3.40 crore and profit for the year is lower by ₹ 0.79 crore.

e) Policy N. 1 & O.1.9 related to income recognition & amortization of machinery spares has been modified for better disclosures.

There is no impact on the accounts due to the changes at sl.no. (b) (c) & (e) above.

36. Disclosure as per Accounting Standard - 5 on 'Net Profit or Loss for the Period' - Change in accounting estimate

The Company has reviewed and revised the estimated useful life of certain assets as mentioned in accounting policy no. O 1.3, based on technical evaluation. These assets were earlier depreciated as per CERC Regulations as mentioned in



accounting policy no. O 1.1. Consequently, with prospectively application, profit for the year ended 31st March 2016 is lower by ₹ 27.43 crore, fixed assets as at 31st March 2016 are lower by ₹ 28.93 crore and capital work-in-progress as at 31st March 2016 are higher by ₹ 1.50 crore. (Refer Note 1, Policy no. O.1.3).

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

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

i) The amount of exchange differences (net) debited to the Statement of Profit & Loss is ₹ **22.55 crore** (previous year credit of ₹ 15.32 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of fixed assets is ₹ **1,956.61 crore** (previous year ₹ 345.96 crore).

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

General description of various employee benefit schemes are as under:

1. Defined Contribution Plans

A. Provident Fund

The 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 ₹ **242.60 crore** (previous year ₹ 236.48 crore) to the trust for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligitions are as under:

₹ Crore

Particulars	31.03.2016	31.03.2015
Obligations at the end of the year	**6,832.89**	6,143.59
Fair value of plan assets at the end of the year	**6,892.37**	6,197.85

B. Pension

The defined contribution pension scheme of the Company for its employees which is effective from 1st January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contribution of ₹ **223.24 crore** (previous year ₹ 225.39 crore) to the funds for the year is recognized as an expense and charged to the Statement of Profit and Loss.

2. Defined Benefit Plans

A. Gratuity & Pension

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

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

The existing schemes stated at (a) and at one of the power stations at (b) above are funded by the Company and are managed by separate trusts. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation. Based on acturial valuation, best estimate of the contribution towards gratuity/pension for the next financial year is ₹ **19.68 crore.**

B. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses 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 annually on the basis of actuarial valuation. During the year, a trust has been constituted for its employees superannuated on or after 1st January 2007, for the sole purpose of providing post retirement medical benefit to them. The liability as



at 31st March 2016 ascertained as per actuarial valuation amounting to ₹ 890.00 crore has been funded to the trust by actual payment.

C. Terminal Benefits

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

D. Leave

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

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

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

(Figures given in { } are for previous year and figures in ( ) represent negative figures)

i) **Expenses recognised in Statement of Profit and Loss**

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Current service cost	70.43 {69.56}	21.93 {17.80}	58.23 {55.94}	7.23 {7.26}
Interest cost on benefit obligation	123.32 {129.19}	58.20 {47.57}	80.49 {79.21}	29.03 {26.55}
Expected return on plan assets	(115.82) {(110.55)}	- {-}	- {-}	- {-}
Net actuarial (gain)/loss recognised in the year	(63.47) {(87.62)}	110.00 {125.24}	171.99 {149.44}	3.90 {32.86}
Less: Expenses transferred to capital work-in-progress	(0.84) {(1.59)}	7.06 {6.46}	12.05 {14.84}	- {-}
Expenses recognised in the Statement of Profit & Loss	15.30 {2.17}	183.07 {184.15}	298.66 {269.75}	40.16 {66.67}
Actual return on plan assets	127.74 {134.56}	- {-}	- {-}	- {-}

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

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2016	1,565.35 {1,541.62}	889.78 {727.49}	1,082.61 {1,006.11}	384.67 {363.01}
Fair value of plan assets as at 31.03.2016	1,465.69 {1,449.42}	890.00 {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	99.66 {92.20}	(0.22) {727.49}	1,082.61 {1,006.11}	384.67 {363.01}

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

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2015	1,541.62 {1,519.91}	727.49 {559.65}	1,006.11 {931.87}	363.01 {312.40}
Interest cost	123.32 {129.19}	58.20 {47.57}	80.49 {79.21}	29.03 {26.55}
Current service cost	70.43 {69.56}	21.93 {17.80}	58.23 {55.94}	7.23 {7.26}
Benefits paid	(118.48) {(113.42)}	(27.84) {(22.77)}	(234.21) {(210.35)}	(18.50) {(16.06)}
Net actuarial (gain)/loss on obligation	(51.54) {(63.62)}	110.00 {125.24}	171.99 {149.44}	3.90 {32.86}
Present value of the defined benefit obligation as at 31.03.2016	1,565.35 {1,541.62}	889.78 {727.49}	1,082.61 {1,006.11}	384.67 {363.01}

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

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2015	1,449.42 {1,383.31}	- {-}	- {-}	- {-}
Expected return on plan assets	115.82 {110.55}	- {-}	- {-}	- {-}
Contributions by employer	- {39.29}	890.00 {-}	- {-}	- {-}
Benefit paid	(111.48) {(107.73)}	- {-}	- {-}	- {-}
Net actuarial gain/(loss)	11.93 {24.00}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2016	1,465.69 {1,449.42}	890.00 {-}	- {-}	- {-}

v) **Other disclosures:**

₹ Crore

Gratuity & pension	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**
Present value of obligation as at	**1,565.35**	1,541.62	1,519.91	1,433.87	1,288.86
Fair value of plan assets as at	**1,465.69**	1,449.42	1,383.31	1,256.05	1,162.97
Surplus/(Deficit)	**(99.66)**	(92.20)	(136.60)	(177.82)	(125.89)
Experience adjustment on plan liabilities (loss)/gain	**51.54**	61.19	3.12	(50.04)	(18.87)
Experience adjustment on plan assets (loss)/gain	**11.93**	24.12	14.38	9.37	12.29

PRMF	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**
Present value of obligation as at	**889.78**	727.49	559.65	451.06	369.49
Fair value of plan assets as at	**890.00**	-	-	-	-
Surplus/(Deficit)	**0.22**	(727.49)	(559.65)	(451.06)	(369.49)
Experience adjustment on plan liabilities (loss)/gain	**(110.00)**	(123.37)	(73.63)	(19.53)	(30.60)
Experience adjustment on plan assets (loss)/gain	-	-	-	-	-



Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	**1082.61**	1006.11	931.87	853.42	739.57
Experience adjustment on plan liabilities (loss)/gain	**(171.99)**	(150.14)	(179.57)	(180.46)	(89.90)

Terminal Benefits	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	**384.67**	363.01	312.40	271.85	229.34
Experience adjustment on plan liabilities (loss)/gain	**(3.90)**	(34.89)	(26.39)	(25.49)	(24.38)

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

	Increase by	Decrease by
Service and interest cost	13.41	11.21
Present value of obligation	125.74	112.68

E. Details of the Plan Assets

The details of the plan assets at cost are:

₹ Crore

	31.03.2016	31.03.2015
i) State government securities	-	0.30
ii) Central government securities	**16.14**	92.90
iii) Corporate bonds/debentures including fixed deposits with banks	**121.84**	286.06
iv) Money market instruments	-	2.50
v) Investment with insurance companies	**1,306.32**	1,051.92
Total (excluding interest accrued)	**1,444.30**	1,433.68

Plan assets of ₹ 889.00 crore towards the post retirement medical benefit trust has been invested after 31st March 2016.

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

F. Actual return on plan assets ₹ **127.74 crore** (previous year ₹ 134.56 crore).

G. Other Employee Benefits

Provision for long service award and family economic rehabilitation scheme amounting to ₹ **5.05 crore** (previous year ₹ 28.76 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

H. Actuarial Assumptions

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

	31.03.2016	31.03.2015
i) Method used	**Projected Unit Credit Method**	
ii) Discount rate	8.00%	8.00%
iii) Expected rate of return on assets:		
- Gratuity	8.00%	8.00%
- Pension	7.50%	7.50%
iv) Annual increase in costs	6.00%	6.00%
v) Future salary increase	6.00%	6.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

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

Borrowing costs capitalised during the year are ₹ **3,442.62 crore** (previous year ₹ 2,969.11 crore).



40 Disclosure as per Accounting Standard - 17 on 'Segment Reporting'

Segment information:

(a) Business segments

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

(b) Segment revenue and expense

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

(c) Segment assets and liabilities

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

₹ Crore

	Business Segments				Total	
	Generation		Others			
	Current year	Previous year	**Current year**	Previous year	**Current year**	Previous year
Segment Revenue						
Sale of energy/consultancy, project management and supervision fee *	**69,932.13**	72,527.97	**117.05**	109.78	**70,049.18**	72,637.75
Other income	**847.89**	877.12	**3.03**	3.11	**850.92**	880.23
Unallocated corporate interest and other income					**795.97**	1,819.38
Total	**70,780.02**	73,405.09	**120.08**	112.89	**71,696.07**	75,337.36
Segment result #	**13,640.47**	12,554.39	**(16.43)**	(4.45)	**13,624.04**	12,549.94
Unallocated corporate interest and other income					**795.97**	1,819.38
Unallocated corporate expenses, interest and finance charges					**4,361.34**	3,822.67
Profit before tax					**10,058.67**	10,546.65
Income tax (net)					**(184.24)**	255.79
Profit after tax					**10,242.91**	10,290.86
Other information						
Segment assets	**117,925.20**	102,792.19	**2,501.24**	1,530.68	**120,426.44**	104,322.87
Unallocated corporate and other assets					**94,192.82**	92,811.85
Total assets	**117,925.20**	102,792.19	**2,501.24**	1,530.68	**214,619.26**	197,134.72
Segment liabilities	**14,051.74**	13,643.72	**1,577.64**	710.60	**15,629.38**	14,354.32
Unallocated corporate and other liabilities					**110,207.88**	101,123.05
Total liabilities	**14,051.74**	13,643.72	**1,577.64**	710.60	**125,837.26**	115,477.37
Depreciation/amortisation/impairment (including prior period)	**5,303.06**	4,884.94	**0.32**	0.36	**5,303.38**	4,885.30
Non-cash expenses other than depreciation	**174.45**	213.58	**6.71**	5.21	**181.16**	218.79
Capital expenditure	**27,029.46**	20,932.49	**1,161.51**	989.58	**28,190.97**	21,922.07

* Includes (-) ₹ **1,642.91 crore** (previous year (-) ₹ 719.80 crore) for sales related to earlier years.

\# Generation segment result would have been ₹ **15,283.38 crore** (previous year ₹ 13,274.19 crore) without including the sales related to earlier years.

(d) The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.



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

a) Related parties:

i) Joint ventures:

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

ii) Key Managerial Personnel (KMP):

Shri Gurdeep Singh	Chairman and Managing Director[1]
Shri Arup Roy Choudhury	Chairman and Managing Director[2]
Shri I.J. Kapoor	Director (Commercial)[3]
Shri A.K.Jha	Director (Technical)[4]
Shri U.P.Pani	Director (Human Resources)[5]
Shri S.C.Pandey	Director (Projects)
Shri K.Biswal	Director (Finance)
Shri K.K.Sharma	Director (Operations)
Shri A.K.Rastogi	Company Secretary

1. W.e.f. 4th February 2016 2. Upto 31st August 2015 3. Upto 20th August 2015

4. Acted as Chairman and Managing Director for the period from 1st September 2015 to 3rd February 2016

5. Holding additional charge of Director (Commercial) w.e.f 2nd September 2015

iii) Others:

NTPC Education and Research Society

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

₹ Crore

Particulars	Current year	Previous year
i) Transactions during the year		
• Contracts for works/services for services received by the Company:		
- Utility Powertech Ltd.	**601.70**	522.02
- NTPC-Alstom Power Services Private Ltd.	**56.27**	30.82
- NTPC Education and Research Society	**4.28**	-
• Contracts for works/services for services provided by the Company:		
- Utility Powertech Ltd.	**0.01**	0.02
- Trincomalee Power Company Ltd.	**4.25**	1.16
• Deputation of Employees:		
- Utility Powertech Ltd.	**0.32**	0.39
- NTPC-Alstom Power Services Private Ltd.	**0.95**	0.77
- Trincomalee Power Company Ltd.	**1.69**	1.77
- Pan-Asian Renewables Private Ltd.	-	0.35
- Bangladesh-India Friendship Power Company Private Ltd.	**4.67**	3.10
ii) Dividend received:		
- Utility Powertech Ltd.	**7.00**	7.00
- NTPC-Alstom Power Services Private Ltd.	**0.60**	0.47
iii) Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	-	0.19
- NTPC-Alstom Power Services Private Ltd.	**5.11**	17.96
- NTPC Education and Research Society	**0.60**	-
iv) Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**96.16**	81.27
- NTPC-Alstom Power Services Private Ltd.	**13.97**	8.18



₹ Crore

Particulars	Current year	Previous year
v) Amount recoverable for contracts for works/services provided:		
- Utility Powertech Ltd.	-	0.01
- BF-NTPC Energy Systems Ltd.	**0.12**	0.12
- Trincomalee Power Company Ltd.	**3.19**	1.62
vi) Amount payable for contracts for works/services provided:		
- Trincomalee Power Company Ltd.	**0.74**	0.92
vii) Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**0.32**	0.10
- NTPC-Alstom Power Services Private Ltd.	**0.44**	0.53
- Trincomalee Power Company Ltd.	**3.53**	1.90
- Pan-Asian Renewables Private Ltd.	-	0.04
- Bangladesh-India Friendship Power Company Private Ltd.	**8.98**	4.44
viii) Equity contributions made:		
- Trincomalee Power Company Ltd.	**5.94**	2.54
- Bangladesh-India Friendship Power Company Private Ltd.	**38.25**	25.31

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of ₹ **17.82 crore** (previous year ₹ 7.67 crore).

c) **Details of remuneration to the KMP are as under:**

₹ Crore

Managerial remuneration to Key management personnel	Current year	Previous year
Shri Gurdeep Singh	**0.05**	-
Shri A.K.Jha	**0.51**	0.48
Shri U.P.Pani	**0.47**	0.43
Shri S.C.Pandey	**0.49**	0.37
Shri K.Biswal	**0.42**	0.35
Shri K.K.Sharma	**0.47**	0.16
Shri Arup Roy Choudhury	**0.71**	0.50
Shri I.J. Kapoor	**0.53**	0.56
Shri N.N.Misra	-	0.64
Shri A.K. Rastogi	**0.47**	0.44
Total	**4.12**	3.93

Amount of dues outstanding to the Company as at 31st March 2016 are ₹ **0.10 crore** (previous year ₹ 0.01 crore).

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

a) **Finance leases**

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

₹ Crore

	31.03.2016	31.03.2015
a) Obligations towards minimum lease payments		
• Not later than one year	**0.71**	-
• Later than one year and not later than five years	**1.71**	-
• Later than five years	-	-
Total	**2.42**	-
b) Present value of (a) above		
• Not later than one year	**0.48**	-
• Later than one year and not later than five years	**1.46**	-
• Later than five years	-	-
Total	**1.94**	-
c) Finance charges	**0.48**	-

(ii) The Company has entered into an agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility has been completed and is under operation. Fair value of the entire facility is ₹ 90 crore.



₹ Crore

	31.03.2016	31.03.2015
a) Obligations towards minimum lease payments		
• Not later than one year	**20.60**	15.45
• Later than one year and not later than five years	**82.41**	82.41
• Later than five years	**24.04**	46.36
Total	**127.05**	144.22
b) Present value of (a) above		
• Not later than one year	**10.83**	7.83
• Later than one year and not later than five years	**57.88**	52.31
• Later than five years	**22.42**	39.51
Total	**91.13**	99.65
c) Finance charges	**35.92**	44.57
d) Contingent rent for the year	**9.52**	5.16

b) Operating leases

The Company's other significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 24 - Employee benefits expense includes **₹35.10 crore** (previous year ₹ 42.83 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Note 26 – 'Generation, administration and other expenses'. Further, the Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges is included in 'Hire charges of helicopter/aircraft' in Note 26.

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

The elements considered for calculation of earning per share (Basic and Diluted) are as under:

	Current year	Previous year
Net profit after tax used as numerator - ₹ crore	**10,242.91**	10,290.86
Weighted average number of equity shares used as denominator	**824,54,64,400**	824,54,64,400
Earning per share (Basic and Diluted) - ₹	**12.42**	12.48
Nominal value per share - ₹	**10/-**	10/-

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

Research expenditure charged to revenue during the year is ₹ **108.00 crore** (previous year ₹ 97.56 crore).

45. Disclosure as per Accounting Standard - 27 on 'Financial Reporting of Interest in Joint Ventures'

a) Joint Venture Entities:

₹ Crore

Company	Proportion of ownership interest as at (excluding share application money)	
	31.03.2016 (%)	31.03.2015 (%)
A. Joint Ventures incorporated in India		
1. Utility Powertech Ltd.	**50.00**	50.00
2. NTPC - Alstom Power Services Private Ltd.*	**50.00**	50.00
3, NTPC - SAIL Power Company Private Ltd.	**50.00**	50.00
4. NTPC -Tamilnadu Energy Company Ltd.	**50.00**	50.00
5. Ratnagiri Gas and Power Private Ltd.*	**25.51**	28.91
6. Aravali Power Company Private Ltd.	**50.00**	50.00
7. NTPC - SCCL Global Ventures Private Ltd.**	**50.00**	50.00
8. Meja Urja Nigam Private Ltd.	**50.00**	50.00
9. NTPC - BHEL Power Projects Private Ltd.*	**50.00**	50.00
10. BF - NTPC Energy Systems Ltd.	**49.00**	49.00

Company	Proportion of ownership interest as at (excluding share application money)	
	31.03.2016 (%)	31.03.2015 (%)
11. Nabinagar Power Generating Company Private Ltd.	**50.00**	50.00
12. National Power Exchange Ltd.**	**16.67**	16.67
13. International Coal Ventures Private Ltd.**	**0.13**	0.27
14. National High Power Test Laboratory Private Ltd.	**21.63**	21.63
15. Transformers & Electricals Kerala Ltd.*	**44.60**	44.60
16. Energy Efficiency Services Ltd.*	**28.80**	25.00
17. CIL NTPC Urja Private Ltd.*	**50.00**	50.00
18. Anushakti Vidyut Nigam Ltd.*	**49.00**	49.00
19. Pan-Asian Renewables Private Ltd.**	**50.00**	50.00
B. Joint Ventures incorporated outside India		
1. Trincomalee Power Company Ltd.* (incorporated in Srilanka)	**50.00**	50.00
2. Bangladesh-India Friendship Power Company Private Ltd.* (incorporated in Bangladesh)	**50.00**	50.00

The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2016 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

₹ Crore

	31.03.2016	31.03.2015
A. Assets		
• Non current assets	**18,755.32**	16,480.65
• Current assets	**3,304.07**	2,540.88
Total	**22,059.39**	19,021.53
B. Liabilities		
• Non current liabilities	**11,726.30**	10,438.13
• Current liabilities	**4,301.25**	3,323.96
Total	**16,027.55**	13,762.09
C. Contingent liabilities	**610.38**	600.02
D. Capital commitments	**9,701.57**	6,113.95
	Current year	Previous year
E. Income	**5,686.93**	4,779.76
F. Expenses	**5,522.48**	4,867.10

* The accounts are unaudited.

** During the year, the Company has reviewed the investments made in NTPC SCCL Global Ventures Pvt. Ltd., National Power Exchange Ltd., Pan Asian Renewable Pvt. Ltd. and International Coal Ventures Pvt. Ltd., Joint Ventures of the Company, considering the provisions of AS 27 'Financial Reporting of Interests in Joint Ventures'. The Company is of the view that the provisions of AS-27 are not applicable to the investments made in these JV companies and hence these companies have not been considered for consolidation and accounted for as per AS-13 'Accounting for Investments' in the consolidated financial statements. (Refer Note-14)

b) Joint venture operations:

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

In the case of Block AN-DWN-2009/13 & KG-OSN-2009/1, the Company along-with the consortium partners has decided to relinquish both the blocks and Oil and Natural Gas Commission (ONGC), the operator has submitted an application to Directorate General of Hydrocarbons (DGH) in this regard.

Based on the un-audited statement of the accounts for the above blocks forwarded by ONGC, the operator, the Company's share in respect of assets and liabilities as at 31st March 2016 and expenditure for the year are given below:

₹ Crore

Item	**2015-16 (Un-audited)**	2014-15 (Un-audited)
Expenses	**7.05**	29.67
Assets	**0.03**	0.62
Liabilities	**3.15**	2.41
Capital commitments (Unfinished MWP)	**30.69**	92.54



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

ii) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions & withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year, provision in this respect has been updated to ₹ **65.35 crore** from ₹ 58.64 crore along with interest. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

The Company has accounted for expenditure of ₹ **0.06 crore** (previous year (-) ₹ 0.77 crore) towards the establishment expenses of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities as at 31st March 2016 and expenditure for the year is as under:

₹ Crore

Item	**2015-16 (Un-audited)**	2014-15 (Un-audited)
Expenses*	**0.06**	(0.77)
Assets	**9.19**	9.19
Liabilities	**1.88**	1.82
Contingent liabilities	**65.85**	57.43

*Expenses for the year 2014-15 are negative due to the difference observed on audit of accounts for the year 2013-14.

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

As required by Accounting Standard (AS) 28 'Impairment of Assets', an assessment of impairment of assets was carried out and based on such assessment, the Company has accounted an impairment loss of ₹ **4.48 crore** (previous year Nil) which has been recognised in 'Depreciation/Amortisation and Impairment expense' in the Statement of Profit and Loss in respect of assets falling under 'Generation Segment'. Also refer Note 12(m) in this regard. Further, the amount of impairment loss is not material considering the size of the company, hence other disclosures required by the AS 28 are not applicable to the Company.

47. Disclosure as per Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets'-(Refer Note-11)

₹ Crore

Particulars	Balance as at 01.04.2015	Additions during the year	Payments during the year	Reversal / adjustments during the year	**Balance as at 31.03.2016**
Provision for obligations incidental to land acquisition	3,098.72	965.37	274.14	53.12	**3,736.83**
Provision for tariff adjustment	1,243.64	145.28	-	154.51	**1,234.41**
Others	505.02	259.12	48.86	151.62	**563.66**
Total	**4,847.38**	**1,369.77**	**323.00**	**359.25**	**5,534.90**

48. Guidance Note (GN) on Rate Regulated Activities issued by the ICAI is applicable mandatorily from the financial year 2015-16.

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC through tariff regulations. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return. The Company has applied the GN in preparation of financial statements for the year, considering the provisions of Tariff Regulations issued by the CERC.

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost from declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of the GN.



In view of the above, exchange differences arising from settlement/translation of monetary item 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 recognized as 'Regulatory asset/liability' by credit/debit to 'Regulatory income/expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

₹ Crore

Particulars	Regulatory Liabilities
A. Opening balance as on 01.04.2015*	**307.74**
B. Addition during the year	**(8.45)**
C. Amount collected/refunded during the year	**3.64**
D. Regulatory income/(expense) recognized in the Statement of Profit & Loss (B-C)	**12.09**
E. Closing balance as on 31.03.2016 (A-D)	**295.65**

*Such exchange differences were hitherto accounted as 'Deferred foreign currency fluctuation asset/liability' pursuant to an opinion pronounced by the Expert Advisory Committee of the ICAI. The related figures for the previous year have also been regrouped to make them comparable.

49. Foreign currency exposure

a) Hedged by a derivative instrument

The derivative contracts outstanding as at the year end are as under:

Particulars	Currency	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Currency & interest rate swap	**JPY**	**10.69**	14.96	**6.38**	7.89
Principal only swap	**EURO**	**0.80**	1.00	**60.74**	68.56

MTM loss on the above contract as at 31st March 2016 is as under:

₹ Crore

Particulars	Amount (₹ Crore)	
	31.03.2016	31.03.2015
Currency & interest rate swap	0.04	1.15
Principal only swap	-	3.44

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

b) Not hedged by a derivative instrument or otherwise

Particulars	Amount in Foreign Currency (Crore)			Amount (₹ Crore)	
	Currency	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015
Borrowings, including interest accrued but not due thereon.	USD	**358.08**	341.34	**23,955.62**	21,569.23
	JPY	**4,592.28**	4,887.59	**2,743.90**	2,577.72
	EURO	**23.14**	19.69	**1,757.04**	1,350.02
Trade payables/deposits and retention monies	USD	**27.41**	37.80	**1,833.73**	2,388.58
	EURO	**10.69**	9.18	**811.69**	629.38
	Others	**66.65**	133.21	**47.62**	85.13
Trade receivables and bank balances	USD	**0.05**	0.05	**3.30**	3.11
	Others	**1.32**	1.14	**0.89**	0.76
Unexecuted amount of contracts remaining to be executed	USD	**68.08**	76.00	**4,554.55**	4,802.44
	EURO	**45.48**	50.97	**3,453.30**	3,494.50
	Others	**1,281.02**	1,517.82	**806.99**	869.49



50. Information in respect of micro and small enterprises as at 31st March 2016 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ Crore

Particulars	Amount
a) Amount remaining unpaid to any supplier:	
Principal amount	**174.77**
Interest due thereon	**0.09**
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	**0.01**
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	**0.09**
d) Amount of interest accrued and remaining unpaid	**0.05**
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-

51. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A. Loans and advances in the nature of loans:

1. To Subsidiary Companies

₹ Crore

Name of the company	Outstanding balance as at		Maximum amount outstanding during	
	31.03.2016	31.03.2015	**2015-16**	2014-15
Kanti Bijlee Utpadan Nigam Ltd. *	**1.71**	3.43	**3.43**	8.00

* Loan given prior to enactment of Section 185 of the Companies Act, 2013.

2. To Firms/companies in which directors are interested : Nil

B.Investment by the loanee (as detailed above) in the shares of NTPC : Nil

52. Contingent Liabilities:

a) Claims against the company not acknowledged as debts in respect of:

(i) Capital works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for ₹ **8,768.55 crore** (previous year ₹ 7,660.88 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

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

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/courts which are yet to be settled. Against such cases, contingent liability of ₹ **332.34 crore** (previous year ₹ 312.37 crore) has been estimated.



(iii) **Fuel suppliers**

Pending resolution of the issues with fuel companies, an amount of ₹ **2,179.93 crore** (previous year ₹ 567.22 crore) towards surface transportation charges, customs duty on service margin on imported coal, grade slippage pursuant to third party sampling etc. has been estimated by the Company as contingent liability

(iv) **Others**

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, non agricultural land assessment tax, water royalty etc. and by others, contingent liability of ₹ **312.94 crore** (previous year ₹ 896.34 crore) has been estimated.

(v) **Possible reimbursement**

The contingent liabilities referred to in (i) above, include an amount of ₹ **1,298.80 crore** (previous year ₹ 1,172.56 crore) relating to the hydro power project stated in Note 15 A (b) - Other non current assets, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement by way of recovery through tariff as per Regulations is ₹ **2,051.77 crore** (previous year ₹ 423.36 crore).

b) **Disputed tax matters**

Disputed income tax/Sales tax/Excise and other tax matters pending before various Appellate Authorities amount to ₹ **7,499.37 crore** (previous year ₹ 4,161.87 crore). Many of these matters were disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In respect of disputed cases, the Company estimate possible reimbursement of ₹ **3,602.24 crore** (previous year ₹ 1,508.46 crore).

c) **Others**

Other contingent liabilities amount to ₹ **164.55 crore** (previous year ₹ 309.36 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.

53. Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2016 is ₹ **55,449.01 crore** (previous year ₹ 58,398.91 crore).

b) In respect of investments of ₹ **1,910.35 crore** (previous year ₹ 1,822.61 crore) in subsidiary Companies, the Company has restrictions for their disposal as at 31st March 2016 as under:

Name of the Subsidiary	Period of restrictions for disposal of investments as per related agreements	Amount invested (₹ crore)	
		As at 31.03.2016	As at 31.03.2015
Bhartiya Rail Bijlee Company Ltd.	5 years from the date of commercial operation.	**1,188.25**	1,172.61
Kanti Bijlee Utpadan Nigam Ltd.	5 years from the date of commercial operation. Further, as per loan agreement, minimum equity of 51% shall be maintained at all times untill final settlement of loan i.e., 4 years moratorium period and subsequently 11 years for repayment.	**721.02**	650.00
Patratu Vidyut Utpadan Nigam Ltd.	5 years from the date of signing of agreement or till the date of commercial operation of the last new unit of Phase-I, whichever is later.	**1.08**	-
Total		**1,910.35**	**1,822.61**



c) In respect of investments of ₹ **1,800.08 crore** (previous year ₹ 1,693.88 crore) in the joint venture entities, the Company has restrictions for their disposal as at 31st March 2016 as under:

Name of the Joint Venture Company	Period of restrictions for disposal of investments as per related agreements	Amount invested (₹ crore)	
		As at 31.03.2016	As at 31.03.2015
Pan-Asian Renewables Private Ltd.	2 years from the date of commercial operation of the project having minimum capacity of 100 MW of renewable energy project or 5 years from the date of incorporation (i.e.14.10.2011) whichever is earlier. Also refer Note 14 i).	**1.50**	1.50
Transformers and Electricals Kerala Ltd.	3 years from the date of acquisition (i.e.19.06.2009) or upgradation capacity enhancement scheme whichever is later. Also refer Note 14 g).	**31.34**	31.34
NTPC BHEL Power Projects Private Ltd.	3 years from the date of completion of first EPC contract of single order value of not less than ₹500 crore or till further such time as mutually agreed. Also refer Note 14 d).	**50.00**	50.00
National High Power Test Laboratory Private Ltd.	5 years from the date of incorporation (i.e. 22.05.2009) or completion of project whichever is later.	**23.90**	23.90
NTPC-SCCL Global Ventures Private Ltd.	5 years from the date of incorporation (i.e. 31.07.2007) or commercial operation whichever is later. Also refer Note 14 c).	**0.05**	0.05
National Power Exchange Ltd.	5 years from the date of commencement of business i.e trading operation or company issues shares to public at large (IPO) whichever is earlier. Also refer Note 14 f).	**2.19**	2.19
CIL NTPC Urja Private Ltd.	5 years from the date of incorporation (i.e. 27.04.2010) or commercial operation whichever is later.	**0.08**	0.08
International Coal Ventures Private Ltd.	5 years from the date of incorporation (i.e. 20.05.2009) or till such time an undertaking for non-disposal of such share is given to FI/Banks for their assistance to the company. Also refer Note 14 h).	**1.40**	1.40
Trincomalee Power Company Ltd.	12 years from the initial operation date.	**15.20**	9.26
Bangladesh-India Friendship Power Company Private Ltd.	15 years from the date of commercial operation date.	**69.68**	31.43
Meja Urja Nigam Private Ltd.	5 years from the date of incorporation (i.e. 02.04.2008) or commercial operation whichever is later. Further, NTPC shall hold atleast 50% of equity and voting rights until final settlement of loan i.e., 5 years moratorium period and subsequently 10 years for repayment.	**841.44**	541.35
Nabinagar Power Generating Company Private Ltd.	5 years from the date of incorporation (09.09.2008) or commercial operation whichever is later. Further, NTPC shall not transfer/assign or pledge shares of the JV until final settlement of loan i.e. 5 years moratorium and subsequently 15 years for repayment.	**763.30**	511.13
NTPC SAIL Power Company Private Ltd.	3 years from the date of allotment (last allotment made on 30.09.2012)	-	490.25
Total		**1,800.08**	1,693.88

d) The Company has commitments of ₹ **3,258.51 crore** (previous year ₹ 3,638.40 crore) towards further investment in the joint venture entities as at 31st March 2016.

e) The Company has commitments of ₹ **1,145.14 crore** (previous year ₹ 131.82 crore) towards further investment in the subsidiary companies as at 31st March 2016.

f) The Company has commitments of bank guarantee of 0.50 % of total contract price to be undertaken by NTPC-BHEL Power Projects Private Ltd. limited to a cumulative amount of ₹ **75.00 crore** (previous year ₹ 75.00 crore).

g) Company's commitment towards the minimum work programme in respect of oil exploration activity of Cambay Block (100% owned by the company) is ₹ **35.94 crore (USD 5.42 million)** (previous year ₹ 140.27 crore, USD 22.41 million).

h) Company's commitment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 45 (b).

i) Company's commitment in respect lease agreements has been disclosed in Note 43.

54. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Crore

Particulars	2015-16	2014-15
A. Amount required to be spent during the year	**271.35**	283.48
B. Shortfall amount of previous year	**78.30**	-
C. Total (A+B)	**349.65**	283.48
D. Amount spent on CSR - Revenue expenses (Refer Note 26)	**489.84**	203.34
- Capital expenses (Note 12 & 13)	**1.96**	1.84
- Total	**491.80**	205.18
Shortfall amount appropriated to CSR reserve	-	78.30

Accordingly, the Company had spent more than the required amount on CSR activities including the shortfall for the previous year.

E. Out of total amount of ₹ 491.80 crore, ₹ 459.80 crore has been spent in cash and the balance amount of ₹ 32.00 crore is yet to be paid in cash as at 31st March 2016.

F. Break-up of the CSR expenses under major heads is as under:

₹ Crore

Particulars	Amount
1. Swachh vidyalaya abhiyan	**278.70**
2. Healthcare and sanitation	**39.76**
3. Education and skill development	**54.49**
4. Rural development	**44.21**
5. Environment	**33.85**
6. Drinking water	**9.27**
7. Sports	**1.89**
8. Capacity building	**13.57**
9. Protection of National Heritage Art & Culture	**3.17**
10. Other CSR activities	**12.89**
Total	**491.80**



55. Other disclosures as per Schedule III of the Companies Act, 2013

Particulars			Current year	Previous year
a) Value of imports calculated on CIF basis:				
Capital goods			**949.67**	2,788.44
Spare parts			**91.00**	80.16
b) Expenditure in foreign currency:				
Professional and consultancy fee			**8.18**	10.98
Interest			**1,045.91**	821.59
Others			**125.29**	49.54
c) Value of components, stores and spare parts consumed (including fuel):	**Current year**		Previous year	
	%age	**Amount**	%age	Amount
Imported	**11.77**	**5,297.29**	16.85	8,427.22
Indigenous	**88.23**	**39,699.89**	83.15	41,572.55
			Current year	Previous year
d) Earnings in foreign exchange:				
Professional & consultancy fee			**3.56**	2.94
Others			**0.41**	0.47

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP	For PSD & Associates	For Sagar & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No.006711N/N500028	Firm Reg. No. 004501C	Firm Reg. No. 003510S
(Neena Goel)	(Thalendra Sharma)	(V. Vidyasagar Babu)
Partner	Partner	Partner
M No.057986	M No.079236	M No.027357

For Kalani & Co.	For P. A. & Associates	For S. K.Kapoor & Co.	For B. M. Chatrath & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000722C	Firm Reg. No. 313085E	Firm Reg. No. 000745C	Firm Reg. No. 301011E
(Vikas Gupta)	(P.S.Panda)	(V.B. Singh)	(P.R.Paul)
Partner	Partner	Partner	Partner
M No. 077076	M No.051092	M.No.073124	M.No.051675

Place : New Delhi

Dated : 30th May 2016



INDEPENDENT AUDITORS' REPORT

To

The Members of NTPC Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of NTPC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profits and its cash flows for the year ended on that date.

Emphasis of Matter

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

(a) Note No. 12 (i) & 35 (a) in respect of change in accounting of capital expenditure on assets not owned by the Company with retrospective effect taking guidance available in AS 10 notified by MCA on 30th March 2016 effective from the financial year 2016-17.

(b) Note No. 22 (a) & (b) regarding billing & recognition of sales on provisional basis and measurement of GCV of coal on 'as received' basis after secondary crusher pending disposal of the matter by CERC/Hon'ble Delhi High Court and related matters as mentioned in said note;

(c) Note No. 33 in respect of a Company's ongoing project where the order of NGT has been stayed by the Hon'ble Supreme Court of India and the matter is sub-judice.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms



of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure 1** a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure 2** on the directions and sub-directions issued by The Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 3.**
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 33, 34 & 52 to the financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
      iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under.

For T R Chadha & Co LLP
Chartered Accountants
FRN- 006711N/N500028

[CA. Neena Goel]
Partner
M. No. 057986

For PSD & Associates
Chartered Accountants
FRN - 004501C

[CA. Thalendra Sharma]
Partner
M. No. 079236

For Sagar & Associates
Chartered Accountants
FRN - 003510S

[CA. V. Vidyasagar Babu]
Partner
M. No.027357

For Kalani & Co.
Chartered Accountants
FRN - 000722C

[CA. Vikas Gupta]
Partner
M. No. 077076

For P. A. & Associates
Chartered Accountants
FRN - 313085E

[CA. P. S. Panda]
Partner
M. No.051092

For S. K. Kapoor & Co.
Chartered Accountants
FRN - 000745C

[CA. V. B. Singh]
Partner
M.No.073124

For B.M. Chatrath & Co.
Chartered Accountants
FRN - 301011E

[CA. P. R. Paul]
Partner
M. No. 051675

Place : New Delhi
Dated : 30th May 2016



ANNEXURE 1 TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of NTPC LIMITED on the accounts for the year ended 31st March 2016

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) There is a regular programme of physical verification of all fixed assets over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company except as follows:

Description of Asset	No. of cases	Area in acres	Gross Block as on 31.03.2016	Net Block as on 31.03.2016	Remarks (If Any)
Land					The Company is taking appropriate steps for completion of legal formalities
- Freehold	2,016	10,735	**2,210.91**	**2,210.91**	
- Leasehold	1,086	16,085	**3,171.86**	**2,869.11**	
Building & Structures	2	-	**50.43**	**17.27**	

(ii) The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

(iii) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013.

In view of the above, the clauses 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable.

(iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of investment in the Subsidiary and Joint Venture Companies, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted deposits from the public. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company. The Company has obtained deposits from the dependants of employees who die or suffer permanent total disability for which the Company has applied to the Ministry of Corporate Affairs, Government of India for continuation of the exemption earlier obtained in respect of applicability of Section 58 A of the Companies Act, 1956, which is still awaited (refer Note 10 e) of the Financial Statements). No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2016 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) The disputed statutory dues aggregating to ₹ 891.02 crore that have not been deposited on account of matters pending before appropriate authorities are detailed below:

Sl. No	Name of Statute	Nature of dues	Forum where the dispute is pending	Amount (₹ in crore)
1	Central Sales Tax and Sales Tax / VAT Acts of various states	Sales Tax/ VAT	Additional Commissioner of Sales Tax	9.13
			Commissioner of Sales Tax	41.39
			Dy. Commissioner of Sales Tax	0.02
			High Court*	823.34
			Sales/Trade Tax Tribunal	3.05
			Appellate Tribunal	4.24
2.	Central Excise Act, 1944	Central Excise Duty / Service Tax	CESTAT & Appellate Tribunal of CEST	9.63
3.	Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	0.04
			Asst. Commissioner of Income Tax	0.18
	Total			**891.02**



* Includes ₹ 538.71 crore towards the demand for electricity duty raised by Dy. Commissioner, Commercial Tax which has been stayed by the Hon'ble High Court.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(ix) The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of debt instruments and term loans have been applied for the purpose for which they were obtained.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.

(xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For T R Chadha & Co LLP
Chartered Accountants
FRN- 006711N/N500028

[CA. Neena Goel]
Partner
M. No. 057986

For PSD & Associates
Chartered Accountants
FRN - 004501C

[CA. Thalendra Sharma]
Partner
M. No. 079236

For Sagar & Associates
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[CA. V. Vidyasagar Babu]
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[CA. Vikas Gupta]
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FRN - 313085E

[CA. P. S. Panda]
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For S. K. Kapoor & Co.
Chartered Accountants
FRN - 000745C

[CA. V. B. Singh]
Partner
M.No.073124

For B.M. Chatrath & Co.
Chartered Accountants
FRN - 301011E

[CA. P. R. Paul]
Partner
M. No. 051675

Place : New Delhi
Dated : 30th May 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our report of even date to the members of NTPC LIMITED on the accounts for the year ended 31st March 2016

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/ lease deeds are not available.	The Company is having clear title/lease deeds for entire freehold and leasehold land except 10,735 acres of freehold land valuing ₹ 2,210.91 crore and 16,085 acres of leasehold land valuing ₹ 3,171.86 crore. According to information and explanation given to us, reasonable steps have been taken by the Company for getting the titles of these land in its favour.	Nil
2	Whether there are any cases of waiver/write off of debts/loans/ interest etc., if yes, the reasons thereof and the amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/ loans/interest etc.	Nil
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	Proper records are maintained for inventories lying with third parties and also for assets received as gift from Government or other authorities.	Nil

For T R Chadha & Co LLP
Chartered Accountants
FRN- 006711N/N500028

[CA. Neena Goel]
Partner
M. No. 057986

For PSD & Associates
Chartered Accountants
FRN - 004501C

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[CA. V. B. Singh]
Partner
M.No.073124

For B.M. Chatrath & Co.
Chartered Accountants
FRN - 301011E

[CA. P. R. Paul]
Partner
M. No. 051675

Place : New Delhi
Dated : 30th May 2016



ANNEXURE 3 TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of NTPC LIMITED on the accounts for the year ended 31st March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NTPC Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For T R Chadha & Co LLP Chartered Accountants FRN- 006711N/N500028	For PSD & Associates Chartered Accountants FRN - 004501C	For Sagar & Associates Chartered Accountants FRN - 003510S
[CA. Neena Goel] Partner M. No. 057986	[CA. Thalendra Sharma] Partner M. No. 079236	[CA. V. Vidyasagar Babu] Partner M. No.027357

For Kalani & Co. Chartered Accountants FRN - 000722C	For P. A. & Associates Chartered Accountants FRN - 313085E	For S. K. Kapoor & Co. Chartered Accountants FRN - 000745C	For B.M. Chatrath & Co. Chartered Accountants FRN - 301011E
[CA. Vikas Gupta] Partner M. No. 077076	[CA. P. S. Panda] Partner M. No.051092	[CA. V. B. Singh] Partner M.No.073124	[CA. P. R. Paul] Partner M. No. 051675

Place : New Delhi
Dated : 30th May 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC LIMITED FOR THE YEAR ENDED 31 MARCH 2016 AND MANAGEMENT REPLIES THEREON

Sl.No.	Comment	Management Reply
	The preparation of financial statements of NTPC Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2016. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NTPC Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.	



Sl.No.	Comment	Management Reply
	1. Balance Sheet **Tangible Assets (Note -12) ₹ 91,355.82 crore** **Capital work-in-progress (Note -13)** **'Expenditure pending allocation- other expenditure directly attributable to project construction':- ₹ 469.96 crore** A reference is invited to the comment of the Comptroller and Auditor General of India on the annual accounts of the Company for the year 2014-15 on accounting treatment of expenditure amounting to ₹ 130.77 crore on the assets not owned by the company. As per opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India of May 2010 and reiterated in July 2011, expenditure incurred on enabling assets not owned by the Company should be charged off to revenue in the accounting period in which such expenditure is incurred. Up to the year 2014-15, Company distinctively showed such expenditure under the head 'Capital expenditure on assets not owned by the Company' both under 'Tangible Assets' and 'Capital work in progress'. On commissioning of the power stations, expenditure under Capital work in progress was capitalized and amortized over a period of four years. However, in the year 2015-16, the Company changed this policy and reversed the amortization made up to 2014-15 and provided depreciation according to CERC approved rates. As a result, Net Block was increased by ₹86.90 crore. Similarly, ₹117.76 crore was included against 'Other expenditure directly attributable to project construction' under 'Capital work in progress' with the objective of capitalizing the same in future. The above accounting treatment of expenditure on enabling assets by the Company is not in line with the Accounting Standard 10 and opinion of Expert Advisory Committee of ICAI. This has resulted in overstatement of 'Tangible Assets' by ₹ 86.90 crore and 'Capital Work in Progress' by ₹ 117.76 crore. Consequently, 'Profit for the year' is overstated by ₹204.66 crore.	The Company is a Rate Regulated Entity. Accounting of capital expenditure on the assets not owned by the Company was being done by the Company considering the Guidance Note on 'Treatment of Expenditure during Construction Period' since long. With the withdrawal of the above guidance note, accounting of such expenditure is being done in line with the provisions of Para 9.1 and 10 of AS 10 on 'Accounting for Fixed Assets' which provides that expenditure on assets which is directly attributable to the construction of the power project should be capitalized. Expenditure incurred on these assets is directly attributable to the construction of the power projects without which the construction of the projects of the Company would not be possible. In the opinion of the Management, such expenditure is necessary for bringing the asset to the location and condition necessary for it to be capable for operating in the manner intended by the management. AS-10 on 'Property, Plant and Equipment' (PPE) notified by Ministry of Corporate Affairs GOI vide notification no. GSR 364 (E) dated 30 March 2016 effective from the financial year 2016-17 and Ind AS-16 on 'Property, Plant and Equipment', permit that such expenditure shall form part of the project cost considering the principles of 'Unit of Measure'. The AS 10 on PPE has transitional provisions facilitating retrospective application and therefore permits its application from earlier period. Taking guidance from the AS 10 on PPE, the Company has changed the treatment of such expenditure and capitalized retrospectively as part of cost of project. Adequate disclosure in this regards has also been made in the Note no.35 (a) forming part of the financial statements for the year 2015-16.
	2. Independent Auditors' Report **Annexure 1 to the Independent Auditors' Report** A reference is invited to item (vii) (b) of Annexure I to Independent Auditors' Report containing details of disputed statutory dues aggregating to ₹ 891.02 crore that have not been deposited on account of matters pending before appropriate authorities along with forum where the dispute is pending. As per para 43(g) of the Guidance Note on CARO 2016 issued by ICAI, the fact of disputed amount of statutory dues deposited under protest should be brought out by the auditor in his report. As per Note No.52(b) of the financial statements, Company made a disclosure that 'Disputed income tax/sales tax/excise and other tax matters pending before various appellate Authorities amount to ₹7,499.37 crore'. It was noticed that the Company deposited ₹ 6,545.43 crore on account of disputed demand of statutory dues with the appropriate authorities. However, this fact has not been reported by the Joint Statutory Auditors in their Independent Auditor's Report. As such, Independent Auditors' Report is deficient to the above extent.	No comments.

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

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

Place : New Delhi
Dated: 28 July 2016

For and on behalf of the
Board of Directors

(Gurdeep Singh)
Chairman and Managing Director

Place : New Delhi
Dated : 29 July,2016



EMPLOYEE COST SUMMARY

₹ Crore

Description	2011-12	2012-13	2013-14	2014-15	**2015-16**
A. Salary, Wages and benefits (Incl. Provident fund and other contributions)	3461.58	3774.64	4323.07	4043.06	**4105.52**
B. Other Benefits					
1. Welfare Expenses	131.91	193.40	248.30	369.95	**324.16**
2. Township	120.08	136.33	163.53	194.85	**218.16**
3. Educational and School facilities	23.95	11.99	12.98	13.33	**28.61**
4. Medical Facilities	116.30	130.24	160.27	168.76	**178.79**
5. Subsidised Transport	5.31	7.55	6.08	7.51	**8.26**
6. Social and Cultural activities	11.62	7.51	13.06	12.77	**8.72**
7. Subsidised Canteen	27.46	32.91	35.22	39.29	**40.78**
Total (B)	436.63	519.93	639.44	806.46	**807.48**
Total (A+B)	**3898.21**	**4294.57**	**4962.51**	**4849.52**	**4913.00**
8. Year end No. of Employees	24,011	23,865	23,411	22,496	**21,633**
9. Average No. of Employees	23,904	23,938	23,638	22,954	**22,065**
10. Average Salary, wages and benefits per employee per annum (₹)	1,448,117	1,576,840	1,828,865	1,761,375	**1,860,648**
11. Average Cost of Other Benefits per employer per annum (₹)	182,660	217,199	270,514	351,337	**365,955**
12. Average cost of employees remuneration and benefits per annum (₹)	1,630,777	1,794,039	2,099,379	2,112,712	**2,226,603**

Note: 1. Staff welfare expenses are net of amounts included in Sl. no. 2 to Sl. no. 7.





Revenue Expenditure on Social Overheads for the year ended 31st March 2016

in ₹ Crore

S.No	Particulars	Township	Educational & School Facilities	Medical Facilities	Subsidised Transport	Social and Cultural Activities	Subsidised Canteen	Total	Previous Year
1	Payment to Employees	51.62	-	146.47	0.62	-	-	**198.71**	211.32
2	Materials Consumed	20.28	-	10.19	-	-	-	**30.47**	25.54
3	Rates & Taxes	1.93	-	-	-	-	-	**1.93**	1.84
4	Welfare Expenses	3.10	20.83	148.04	5.10	8.18	40.47	**225.72**	212.36
5	Others incl. Repairs & Maintenance	172.22	5.20	25.21	3.83	-	0.07	**206.53**	183.55
6	Depreciation	47.79	2.58	4.18	-	0.54	0.24	**55.33**	46.20
7	Sub Total (1 To 6)	296.94	28.61	334.09	9.55	8.72	40.78	**718.69**	680.81
8	Less: Recoveries	27.16	-	8.83	0.67	-	-	**36.66**	32.98
9	**Net Expenditure (7-8)**	**269.78**	**28.61**	**325.26**	**8.88**	**8.72**	**40.78**	**682.03**	**647.83**
10	Previous Year	247.26	13.33	327.19	7.99	12.77	39.29	**647.83**	





NTPC ELECTRIC SUPPLY COMPANY LIMITED
(A wholly owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report on the working of the Company for the financial year ended on 31st March 2016 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ Crore)

	2015-16	2014-15
Total Revenue	**1.40**	**23.64**
Total Expenses	0.26	22.04
Profit/(Loss) before Tax	**1.14**	**1.60**
Tax expenses	0.23	0.33
Profit/(Loss) after Tax	**0.91**	**1.27**

DIVIDEND

During the financial year 2015-16, Directors have not recommended any dividend.

OPERATIONAL REVIEW

Your Company has transferred and vested existing operations, with effect from April 1, 2015, namely but not limited to

(i) Deposit works under Rajiv Gandhi Gramin Vidyutikaran Yojana; and

(ii) other deposit / consultancy works,

together with all assets and liabilities including but not limited to contracts, agreements, licenses, permits, rights, obligations, consents and approvals relating to existing operations of the Company to NTPC Limited, the holding company.

Your Company was incorporated for the distribution business and later started deposit and consultancy works. The transfer and vesting of existing operations would enable a focused business approach by the Company in the area of distribution, the objective for which the Company was incorporated.

During the financial year under review your Company has withdrawn from the Joint Venture Company, KINESCO Power and Utilities Private Limited.

Although currently the Company does not have any business operations in retail distribution but, the same will be taken-up at an appropriate time when the opportunity becomes visible.

A detailed discussion on operations and performance for the year is given in "Management Discussion and Analysis", Annexure - I included as a separate section to this report.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31st March 2016.

AUDITORS' REPORT

The Comptroller & Auditor General of India (C&AG) appointed M/s. P.R.Kumar & Company, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2015-16.

In their report, the Statutory Auditors of the Company have drawn attention of the members on three issues. The first issue calls attention to the use of the going concern concept as brought out in Note 1, Accounting Policies para no. 1 read alongwith Note No.18 to the Financial Statements of the Company for the year. The Auditors have mentioned that the parent company has taken over all the assets and liabilities, except Bank Balances, Advance Taxes and Income Tax Provisions, at historical cost carried in the books of accounts on the date of transfer of such assets and liabilities of the Company and these conditions alongwith other matters set forth in Note No. 18 indicate the material uncertainty and that may cast significant doubt about the Company's ability to continue as a Going Concern. The Auditors further mention that however, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

The second issue highlighted by the Auditors pertains to Note-1 'Accounting policies' para no. 5.1, pertaining to recognizing revenue from Project Management Services on the basis of actual progress / technical assessment. The Company has written back the income, amounting to ₹22,28,000/- recognized during the earlier years due to the errors in determination of the project cost as disclosed under Note No. 17 (Prior Period Items-Net).

The third issue highlighted by the Auditors is regarding all the assets including Fixed Assets and Liabilities, except Bank Balances, Advance Taxes and Income Tax Provisions, of the Company has been transferred at a cost carried at the historical cost in the books of accounts on the date of transfer of such assets and liabilities to the Parent Company, which reflects that the Company has discontinued its operation w.e.f. 01.04.2015.

All the above issues have been adequately explained in the relevant notes to the accounts.

C&AG REVIEW

The Comptroller and Auditor General (C&AG) of India, through letter dated July 4, 2016 have communicated that based on the financial reporting by the Management and the independent audit carried out by Statutory Auditors, C&AG has decided not to conduct the Supplementary Audit of the Financial Statements of the Company for the year ended 31st March 2016 under Section 143(6)(a) of the Act. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

PARTICULARS OF EMPLOYEES

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. As your company is a Government company, the information has not been included as a part of the Directors' Report. However, the Company had no employees during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable



accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2015-16 and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

During the financial year under review Shri Gurdeep Singh, (DIN: 00307037) Chairman & Managing Director, NTPC Limited, consequent upon nomination received from NTPC Limited, appointed as an Additional Director and designated as the Chairman of the Company w.e.f. February 17, 2016. Shri Gurdeep Singh holds office up to the date of this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC Limited, proposing his candidatures for the office of Director liable to retire by rotation. Dr. Arup Roy Choudhury, (DIN: 00659908) consequent upon completion of tenure from services of NTPC Limited has ceased to be the Chairman of the Company w.e.f. August 31, 2015.

Shri A.K. Jha, (DIN: 03590871) consequent upon nomination received from NTPC Limited appointed as the Chairman w.e.f. September 17, 2015 and ceased to be the Chairman and Director w.e.f. February 17, 2016. Shri J Kar, (DIN: 03584953) consequent change of nomination by NTPC Limited, ceased to be Director of the Company w.e.f. February 17, 2016.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Dr. Arup Roy Choudhury, Shri A.K. Jha and Shri J Kar during their association with the Company.

In accordance with the provisions of Companies Act, 2013, Shri Kulamani Biswal, Director (DIN: 03318539) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

Number of meetings of the Board

During the financial year under review, 6 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
May 18, 2015	4	4
June 24, 2015	4	4
July 28, 2015	4	4
November 18, 2015	4	3
December 10, 2015	4	3
March 29, 2016	3	3

The details of the number of meetings attended, during the financial year under review, by each director are as follows:

Name of the Director	Designation	Attendance during 2015-16
Shri Gurdeep Singh (appointed w.e.f. 17.02.2016)	Chairman	1
Dr. Arup Roy Choudhury (ceased w.e.f. 31.08.2015)	Chairman	3
Shri A.K. Jha (ceased w.e.f. 17.02.2016)	Chairman	2
Shri U.P. Pani	Director	6
Shri Kulamani Biswal	Director	6
Shri J. Kar (ceased w.e.f 17.02.2016)	Director	3

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your company has constituted the Corporate Social Responsibility (CSR) Committee consisting of 3 directors.

During the financial year under review no meeting of the CSR committee was held.

As per the provisions of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Responsibility Policy) Rules, 2014, during the financial year under review, the Company was not required to spend on CSR activities. The annual report on CSR activities is at Annexure-II.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, have taken place between financial year ended March 31, 2016, to which the financial statements relates and the date of this Directors' Report, which affects the financial position of the Company.

EXTRACT OF ANNUAL RETURN

As per requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in form MGT-9 is given under Annexure-III.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The company has not entered into any contracts or arrangements with related parties during the financial year 2015-16.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

During the financial year under review the Company does not have any operations and have no significant particulars, relating to conservation of energy, technology absorption under Rule 8 of the Companies (Accounts) Rules, 2014.

During the period under review, there are no foreign exchange earnings and expenditure in foreign currency.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the support, contribution and co-operation extended by the Ministry of Power, various state governments, state utilities, customers, contractors, vendors, the Auditors, the Bankers, NTPC Limited and the untiring efforts made by all employees to ensure that the company continues to perform and excel.

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 28, 2016

Annexure - I to Directors' Report of NESCL

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

DISTRIBUTION

The electricity sector in India has been operated under a monolithic structure. With the growing requirements for improvement in the sector, various models to bring in improvements and investments into the sector have been contemplated. Unbundling of the state electricity boards into functional companies is already a reality. In order to bring in accelerated improvements, further restructuring of the distribution segment is being contemplated. Restructuring contemplates breaking down the distribution business into smaller business units, with induction of expertise from private sector management, through - Distribution Franchisee Operations.

Distribution and retail supply is the most important component in the power sector value chain which interfaces with end customers and provides revenue for the entire value chain. Sustenance of other sector like manufacturing & production etc. is dependent on the commercial performance and financial viability of the distribution sector in India. Over the past 15-16 years, a number of states have worked to improve the commercial performance of their state utilities, unbundling state entities, creating independent regulatory systems, and putting in place measures to control losses and theft. However, progress has been difficult and slower than envisaged.

There is substantial potential for reform and growth in distribution sector where industrial and commercial consumers are willing to pay commensurate tariffs for quality and reliable power whereas Discoms due to their poor financial condition are unable to purchase power and service the customers. Keeping this in mind, your Company is contemplating for acquisition of distribution circles either through franchisee bidding mode/ PPP or through acquisition on nomination basis.

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC Limited having a formidable track record in power project, engineering, construction, commissioning, operation and maintenance for the last 40 years. NTPC's formidable network, rapport and credibility with customer utilities, Discoms, its downstream power market and trading arm are added advantages to your Company.

OPPORTUNITIES AND OUTLOOK

The Electricity Act, 2003 and Government of India scheme for Financial Restructuring of State owned Distribution Companies for financial turnaround by restructuring their debt with support through a Transitional Finance Mechanism, has provided an opportunity to your Company to get involved aggressively in distribution business in cities and other areas. In the Financial Restructuring program, involvement of private participation in any mode has been made a mandatory condition for getting financial assistance from government. To bring in competition and efficiency in the supply of electricity with more than one supply licensee offering supply of electricity to consumers in the same area, separation of carriage (wire network) and content (electricity) in the distribution sector is being looked at by the Government of India. Ministry of Power is planning to introduce multiple supply licensees in the content (electricity supply business) based on market principles. In this regard Power Ministry has proposed various amendments in certain sections of the Electricity Act, 2003. The proposed amendments will mandate distribution licensees to only operate and maintain the distribution system (wire business) with no concern for commercial supply of electricity. Your Company is continuously looking into these opportunities for making a footprint in this changed scenario of electricity distribution business as Distribution Network Operator and supply licensee as well.

RISKS AND CONCERNS

So far the main thrust area of your Company was on project implementation on deposit work basis under RGGVY. But subsequent to the transfer of all business operations to NTPC w.e.f April 1, 2015, all manpower has been repatriated back to NTPC.

Although new Electricity Act, 2003 provides ample opportunities to new players in the field of retail distribution but in reality the state owned Discoms have not implemented the same in spirit. The Act envisaged growth of electricity distribution business through private licensees, introduction of open access and phased withdrawal of cross subsidy. But, so far, these goals are quite far from realization. Therefore, one of the major risks anticipated by your Company is inability to make a perceptible presence in the distribution sector under prevalent scenario.

Your Company being the wholly owned subsidiary of NTPC Limited is governed by the framework of Risk Management in NTPC Limited. Key risks are regularly monitored through reporting of key performance indicators of identified risks.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Your Company has adopted the internal control system of its holding company viz. NTPC Limited. The authorities vested in various levels are exercised within framework of appropriate checks and balances. The effectiveness of the checks and balances and internal control systems are reviewed during internal audit carried out by Internal Audit Department of NTPC Limited. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited.

PERFORMANCE DURING THE YEAR

Operations

Currently the Company does not have any business operations in retail distribution but, the same will be taken-up at an appropriate time when the opportunity becomes visible.

Financial Performance

During the financial year under review the Company did not have any



operations and the main revenue of your Company is from Interest on bank deposits and miscellaneous receipts.

(₹ Crore)

	2015-16	2014-15
Revenues from Operations	-	16.85
Other income	**1.40**	6.79
Total	**1.40**	23.64

The expenditure incurred by your Company on account of Administration & other expenses for the current financial year as well as previous financial year is as follows:

(₹ Crore)

	2015-16	2014-15
Employee benefits expense	-	6.95
Administration & other expenses	**0.04**	4.04
Prior period items (Net)	**0.22**	10.93
Total operating expenses	**0.26**	21.92

The Company during the year under review does not have any operations resulting decrease in total operating expenses (excluding prior period items) mainly due to nil Employee benefits expense and decrease in Administration & other expenses.

The total expenses including operating expenses of the Company are as follows:-

(₹ Crore)

	2015-16	2014-15
Total operating expenses	**0.26**	21.92
Depreciation and amortization expense	-	0.12
Total expenses including operating expenses	**0.26**	22.04

Due to transfer of all business operations of the company together with all the assets the depreciation and amortization expenses are nil

(₹ Crore)

	2015-16	2014-15
Profit/(Loss) before tax	**1.14**	1.60
Tax expenses	**0.23**	0.33
Profit /(Loss) for the year	**0.91**	1.27

During the current financial year, the Company has earned a profit of ₹0.91 Crore as compared to profit of ₹1.27 Crore during the previous financial year.

Reserves & Surplus

During the current financial year a sum of ₹0.91 Crore has been added to Reserves and Surplus as compared to ₹1.01 Crore transferred during the previous year.

Current Assets

The current assets at the end of the financial year under review were ₹0.17 Crore as compared to ₹590.89 Crore in previous year.

(₹ Crore)

	31.3.2016	31.3.2015
Trade receivables	-	34.89
Cash and bank balances	**0.17**	502.10
Other current assets	-	53.90
Total Current Assets	**0.17**	590.89

The decrease in current assets was mainly on account of transfer of trade receivables, cash and bank balance and other current assets to NTPC Limited, the holding Company

Current Liabilities

During the financial year 2015-16, current liabilities have decreased to ₹35.04 Crore as compared to ₹603.20 Crore in the financial year 2014-15 mainly on account of decrease in other current liabilities relating to deposit works.

(₹ Crore)

	31.3.2016	31.3.2015
Trade payables	-	19.01
Other current liabilities	**35.04**	584.19
Total Current Liabilities	**35.04**	603.20

Cash Flow Statement

(₹ Crore)

	2015-16	2014-15
Opening Cash and cash equivalents	**502.10**	650.65
Net cash from operating activities	**(503.91)**	(148.22)
Net cash from investing activities	**1.98**	6.69
Net cash flow from financing activities	-	(7.02)
Net Change in Cash and cash equivalents	**(501.93)**	(148.55)
Closing cash and cash equivalents	**0.17**	502.10

The closing cash and cash equivalents for the financial year ended March 31, 2016 has decreased to ₹0.17 Crore from ₹502.10 Crore.

Financial Indicators

The various performance indicators for the current year as compared to previous year are as under:

	2015-16	2014-15
Capital employed in ₹Crore	**42.65**	41.74
Net worth in ₹Crore	**42.65**	41.74
Return on capital employed (PBT/CE)	**2.67%**	3.84%
Return on net worth (PAT/NW)	**2.13%**	3.03%
Dividend as % of equity capital	-	-
Earning per share in ₹	**111.91**	156.40

The capital employed as well as net worth has increased due to profit earned during the financial year 2015-16.

PROCUREMENT FROM MSEs

Your Company does not have any operations during the financial year under review, hence no procurement of goods and services were made from MSEs (including MSEs owned by SC/ST entrepreneurs), as required under the Public Procurement Policy for Micro and Small Enterprises (MSEs), Order, 2012.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE.

During the financial year under review the company did not have any employee. Since incorporation all the employees of the company were on secondment basis from holding company viz. NTPC Limited. In line with the requirement of Sexual Harassment of Women at the



Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees were regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

HUMAN RESOURCES

As on 31st March 2016, there were no employees posted on secondment basis from holding company viz NTPC Limited. The NESCL manpower structure/resource is reviewed from time to time to align it with the requirements of its assignments.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward-looking" statements within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 28, 2016

Annexure - II to Directors' Report of NESCL

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited and also undertaking CSR activities through NTPC Limited.

   NTPC Limited is executing the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy of NTPC Limited is formulated keeping in view the requirements of the Department of Public Enterprises and the Companies Act, 2013. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under schedule VII of the Companies Act, 2013.

2. **The Composition of the CSR Committee.**

Name of the Director	Designation
Shri Gurdeep Singh	Chairman
Shri U.P. Pani	Director
Shri Kulamani Biswal	Director

3. **Average net profit of the company for last three financial years.**

   The Company has incurred the average net loss during the three immediately preceding financial years i.e. 2012-13, 2013-14 and 2014-15 of ₹1.10 crore.

4. **Prescribed CSR Expenditure.**

   The Company, during the financial year under review, as per the requirement of the Companies Act, 2013, is not required to spend on CSR activities.

5. **Details of CSR spent during the financial year 2015-16.**

(a)	**Total amount spent for the financial year**	:	**Nil**
(b)	**Amount unspent, if any**	:	Nil
(c)	**Manner in which the amount spent during the financial year**	:	Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR project or activity identified.**	Sector in **Which the Project is covered.**	**Projects or Programs (1) Local area or other (2)Specify the State and the district where projects or progams was undertaken.**	**Amount outlay (budget) Project or Programs wise**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads:**	**Cumulative expenditure upto to the reporting period.**	**Amount spent: Direct or through implementing agency**
				N.A.			



6. Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof.

Not Applicable

7. **A responsibility statement of the CSR Committee**

The Responsibility Statement of the Corporate Social Responsibility Committee is reproduced below:

The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 28, 2016

Annexure - III to Directors' Report of NESCL

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U40108DL2002GOI116635
ii)	Registration Date	:	August 21, 2002
iii)	Name of the Company	:	NTPC Electric Supply Company Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by shares
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003, Ph. No. 011-24360071
vi)	Whether listed company Yes / No	:	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the company
1.	N.A	N.A.	N.A.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NTPC Limited NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003	L40101DL1975GOI007966	Holding	100	Section 2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. **(NTPC Limited)**	-	80,210	80,210	99	-	80,210	80,210	99	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other... **(Nominees of NTPC)**	-	700	700	1	-	700	700	1	-
Sub-total (A) (1):-	-	**80,910**	**80,910**	**100**	-	**80,910**	**80,910**	**100**	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) +A(2)	-	**80,910**	**80,910**	**100**	-	**80,910**	**80,910**	**100**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	80,910	80,910	100	-	80,910	80,910	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the Shareholding during the year
1.	NTPC Limited	80,210	99	-	80,210	99	-	-
2.	Nominee of NTPC	700	1	-	700	1	-	-



(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	80,910	100	80,910	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	No change	No change	No change	No change
	At the End of the year	80,910	100	80,910	100

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of Top 10 shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri Gurdeep Singh, Chairman (As Nominee of NTPC Limited)**				
	At the beginning of the year	-	-	-	-
	Equity shares transferred on 17.02.2016, as nominee of NTPC	100	-	100	-
	At the End of the year	100	-	100	-
2.	**Shri U.P.Pani, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	100	-	100	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	No change	No change	No change	No change
	At the End of the year	100	-	100	-
3.	**Shri Kulamani Biswal, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	100	-	100	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	No change	No change	No change	No change
	At the End of the year	100	-	100	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	**Gross Salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company secretary	CFO	Total
1.	Gross Salary	N.A	N.A	N.A	N.A
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	N.A	N.A	N.A	N.A
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	N.A	N.A	N.A	N.A
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	N.A	N.A	N.A	N.A
2.	Stock Option	N.A	N.A	N.A	N.A
3.	Sweat Equity	N.A	N.A	N.A	N.A
4.	Commission - as % of profit - others, specify...	N.A	N.A	N.A	N.A
5.	Others, please specify	N.A	N.A	N.A	N.A
	Total	N.A	N.A	N.A	N.A

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 28, 2016



NTPC ELECTRIC SUPPLY COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in ₹)

Particulars	Note	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	809,100	809,100
Reserves and Surplus	3	425,682,917	416,627,929
		426,492,017	**417,437,029**
Current liabilities			
Trade payables	4	-	190,086,386
Other current liabilities	5	350,440,153	5,841,892,044
Short-term provisions	6	-	-
		350,440,153	**6,031,978,430**
TOTAL		**776,932,170**	**6,449,415,459**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	-	3,868,320
Intangible assets	7	-	57,167
Non-current Investments	8	-	500,000
Long Term Loan & Advances	9	775,196,840	536,100,312
		775,196,840	**540,525,799**
Current assets			
Trade receivables	10	-	348,955,382
Cash and bank balances	11	1,735,330	5,020,970,736
Other current assets	12	-	538,963,542
		1,735,330	**5,908,889,660**
TOTAL		**776,932,170**	**6,449,415,459**
Significant accounting policies	1		

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

This is the Balance Sheet referred to in our report of even date.**For M/S. P R KUMAR & CO.**
Chartered Accountants
Firm Reg No - 003186N

For and on behalf of the Board of Directors

Sd/-
(Rahul Kathuria)
Partner
M. No. 090657

Sd/-
(Arun Kumar Gupta)
Chief Executive Officer

Sd/-
(Kulamani Biswal)
Director

Sd/-
(Gurdeep Singh)
Chairman

Place : New Delhi

Dated: 17th May 2016



NTPC ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

Particulars	Note	31.03.2016	31.03.2015
Revenue from operations	13	-	168,563,071
Other income	14	14,047,564	67,874,797
Total revenue		**14,047,564**	**236,437,868**
Expenses			
Employee benefits expense	15	-	69,481,746
Depreciation and amortization expense	7	-	1,180,472
Administration & other expenses	16	436,490	40,430,595
Prior period Items (Net)	17	2,228,000	109,335,332
Total expenses		**2,664,490**	**220,428,145**
Profit before tax		**11,383,074**	**16,009,723**
Tax expense:			
Current tax			
Current Year (MAT)		**2,328,086**	3,355,719
Less : MAT Credit Entitlement		-	-
Total tax expense		**2,328,086**	3,355,719
Profit for the year		**9,054,988**	**12,654,004**
Significant accounting policies	1		
Earnings per equity share (Par value of ₹ 10/- each)	19		
Basic		**111.91**	**156.40**
Diluted		**111.91**	**156.40**

The accompanying notes form an integral part of these financial statements.
There are no extraordinary items in the above period.

This is the Statement of Profit & Loss
referred to in our report of even date.
For M/S. P R KUMAR & CO.
Chartered Accountants
Firm Reg No - 003186N

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Rahul Kathuria)	**(Arun Kumar Gupta)**	**(Kulamani Biswal)**	**(Gurdeep Singh)**
Partner	Chief Executive Officer	Director	Chairman
M. No. 090657			

Place : New Delhi
Dated: 17th May 2016



Annexure 1

NTPC ELECTRIC SUPPLY COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Amount in ₹)

		31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		11,383,074	16,009,723
Adjustment for:			
Depreciation		-	1,180,472
Provisions		-	-
Interest Received		(12,800,917)	(67,683,564)
Operating Profit before Working Capital Changes		**(1,417,843)**	**(50,493,369)**
Adjustment for:			
Trade & Other Receivables	348,955,382		(268,060,204)
Trade Payables & Other Liabilities	(5,606,369,211)		(1,201,052,209)
Other Current Assets	461,194,476		89,521,862
Loans & Advances	-	(4,796,219,353)	6,544,034
Cash generated from operations		**(4,797,637,196)**	(1,423,539,886)
Direct Taxes Paid		241,424,614	58,663,566
Net Cash from Operating Activities - A		**(5,039,061,810)**	**(1,482,203,452)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase / Sale of Fixed Assets		3,925,487	(843,750)
Interest Received		12,800,917	67,683,564
Investment in Joint Venture		3,100,000	-
Net cash flow from Investing Activities - B		**19,826,404**	**66,839,814**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		-	(60,000,000)
Tax on Dividend		-	(10,197,000)
Net Cash flow from Financing Activities - C		-	(70,197,000)
Net Increase/Decrease in Cash & Cash equivalents (A + B + C)		**(5,019,235,406)**	(1,485,560,638)
Cash & cash equivalents (Opening balance) (see Note below)		**5,020,970,736**	6,506,531,374
Cash & cash equivalents (Closing balance) (see Note below)		**1,735,330**	5,020,970,736

Notes: Cash & Cash equivalents consist of Balance with Banks. Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amount as per Note 11.

Cash and cash equivalents	1,735,330	109,779,097
Demand deposit included in other bank balance	-	4,911,191,639
	1,735,330	**5,020,970,736**

In terms of Our Audit Report attached
for P R Kumar & Co.
Chartered Accountants
Firm Reg. No.: 003186N

For & on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Rahul Kathuria)	**(Arun Kumar Gupta)**	**(Kulamani Biswal)**	**(Gurdeep Singh)**
Partner	Chief Executive Officer	Director	Chairman
M. No. 090657			

Place : New Delhi
Dated: 17th May 2016



Note No. 1 - Significant Accounting Policies

1 Basis of Preparation

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

- Tangible Assets are carried at historical cost less accumulated depreciation / amortisation.
- Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4 Investments

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

5 Statement of Profit & Loss

5.1 Income Recognition

5.1.1 Income from consultancy, project management and supervision 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 incidental expenditure are recognised as other income, as per the terms of consultancy service contracts. Adjustment in income accrued due to reduction in scope of work has been recognised as negative income.

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

5.2 Expenditure

5.2.1 Depreciation is charged on straight line method following the rates specified in Schedule II of the Companies Act, 2013.

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

a) Photocopiers and Fax Machines	5 years
b) Water Coolers, Refrigerators and Air Conditioners	5 years

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

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

5.2.5 Cost of software recognized as intangible asset is amortised on straight line method over a period of legal right to use or 3 years, whichever is less.

5.2.7 Expenses on ex-gratia payments under voluntary retirement scheme and training and recruitment are charged to revenue in the year incurred.

5.2.8 Amount received from the holding company (NTPC Limited) towards reimbursement of expenditure incurred over and above the service charges from REC Limited in respect of projects implemented under the RGGVY scheme has been recognised as reduction in expenditure.

5.2.9 Expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.

5.2.10 Pre-paid expenses and prior period expenses/ income of items of ₹ 1,00,000/- and below are charged to natural heads of accounts.

5.2.11 Employee Benefits include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In respect of employee seconded from NTPC Ltd., company's contribution towards these employee benefits, is determined as a percentage of basic pay and dearness allowance under an agreement, and is recognised in the Statement of Profit and Loss.

6 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.

7 Cash Flow Statements

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

8 Taxes on income

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961. Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability. No deferred tax being recognized in the absence of any forseeable future income.



Note No. 2 - Share Capital

(Amount in ₹)

As at	31.03.2016	31.03.2015
Equity Share Capital		
AUTHORISED		
1,00,00,000 shares of par value of ₹ 10/- each previous year 1,00,00,000 shares of par value of ₹ 10/- each)	100,000,000	100,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
80,910 shares of par value of ₹ 10/- each (previous year 80,910 shares of par value of ₹10/- each) are held by the holding company, NTPC Ltd. and its nominees.	809,100	809,100

a) During the year, the Company has not issued/bought back any shares.

b) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **80,910 equity shares valuing ₹ 8,09,100** (previous year 80,910 equity shares valuing ₹ 8,09,100) are held by the holding company i.e. NTPC Ltd. and its nominees.

Note No. 3 - Reserve and Surplus

(Amount in ₹)

As at	31.03.2016	31.03.2015
Reserves		
General reserve		
As per last balance sheet	92,059,148	94,617,000
Add: Transfer from surplus balance in the statement of profit & loss	-	-
Less: Adjustments during the year	-	2,557,852
Closing balance	**92,059,148**	**92,059,148**
Surplus		
As per last balance sheet	324,568,781	311,914,777
Add: Profit for the year from Statement of Profit & Loss	9,054,988	12,654,004
Net Surplus	**333,623,769**	**324,568,781**
Total	**425,682,917**	**416,627,929**

Note No. 4 - Trade Payables

(Amount in ₹)

As at	31.03.2016	31.03.2015
For goods and services	-	190,086,386
Total	-	**190,086,386**

a) No amounts are payable to Micro, Small and Medium Enterprises during the year as well as previous year.

Note No. 5 - Other Current Liabilities

(Amount in ₹)

As at	31.03.2016	31.03.2015
Advances from customers and others	-	318,038,671
Other payables		
Tax deducted at source and other statutory dues	-	35,762,996
Amount received against deposit works	-	5,315,513,223
Payables to Employees	-	13,145,877
Payable to NTPC Ltd.	350,440,153	157,420,608
Others - Payable to JV company	-	2,010,669
Total	**350,440,153**	**5,841,892,044**

Note No. 6 - Short Term Provisions

(Amount in ₹)

As at	31.03.2016	31.03.2015
Provision for proposed dividend		
As per last balance sheet	-	60,000,000
Additions during the year	-	-
Amounts used during the year		60,000,000
Closing balance	-	-
Provision for tax on proposed dividend		
As per last balance sheet	-	10,197,000
Additions during the year	-	-
Amounts paid during the year		10,197,000
Amounts reversed during the year	-	-
Closing balance	-	-
Provision for shortage in fixed assets pending investigation		
As per last balance sheet	-	18,407
Additions during the year	-	-
Amounts reversed during the year		18,407
Closing balance	-	-
Total	-	-

Note No. 7 - Non-Current Assets
TANGIBLE ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Furniture and Fixtures	3,366,848	-	3,366,848	-	2,327,405	-	2,327,405	-	-	1,039,443
Office Equipment	3,409,804	-	3,409,804	-	2,618,726	-	2,618,726	-	-	791,078
EDP, WP Machines and Satcom Equipment	7,106,241	-	7,106,241	-	5,068,441	-	5,068,441	-	-	2,037,800
Total	**13,882,893**	-	**13,882,893**	-	**10,014,572**	-	**10,014,572**	-	-	**3,868,320**
Previous year	**18,405,101**	**1,821,485**	**6,343,693**	**13,882,893**	**11,672,800**	**1,131,472**	**2,789,700**	**10,014,572**	**3,868,320**	**6,732,301**



INTANGIBLE ASSETS

(Amount in ₹)

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Software	694,076		694,076	-	636,909	-	636,909	-	-	57,167
Total	**694,076**	**-**	**694,076**	**-**	**636,909**	**-**	**636,909**	**-**	**-**	**57,167**
Previous year	**1,025,343**	**-**	**331,267**	**694,076**	**919,176**	**49,000**	**331,267**	**636,909**	**57,167**	**106,167**

Deduction/adjustments from gross block and amortisation for the year includes:

(Amount in ₹)

	Gross Block		Depreciation/Amortisation	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Disposal of Assets	14,576,969	6,674,960	10,651,481	31209 67
	14,576,969	**6,674,960**	**10,651,481**	**3,120,967**

In pursuance of Note No. 19, all the fixed assets have been transferred to parent company on first day of the Fianancial Year,i.e., 01st April 2015 at the historical cost carried on by the individual assets.

Note No. 8 - Non-Current Investment

(Amount in ₹)

As at	Number of shares Current Year / (Previous Year)	Face value per share Current Year / (Previous Year) (₹)	31.03.2016	31.03.2015
Trade				
Equity instruments (fully paid up - unless otherwise stated)				
Unquoted				
Joint Venture Companies				
KINESCO Power and Utilities Pvt. Ltd.	- (50,000)	- (10)	-	500,000
			-	**500,000**

a) Investments have been valued considering the significant accounting policy no. 4 disclosed in Note no. 1 to these financial statements.

Note No. 9 - Long-Term Loans and Advances

(Considered good, unless otherwise stated)

(Amount in ₹)

As at	31.03.2016	31.03.2015
Advances (Unsecured)		
Advance tax deposit & tax deducted at source	1,032,709,990	791,250,024
Less: Provision for current tax	257,513,150	255,149,712
Total	**775,196,840**	**536,100,312**

Note No. 10 - Trade Receivables

(Considered good, unless otherwise stated)

(Amount in ₹)

As at	31.03.2016	31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured	-	19,930,346
Others - Unsecured	-	329,025,036
Total	**-**	**348,955,382**

Note No. 11 - Cash and Bank Balances

(Amount in ₹)

As at	31.03.2016	31.03.2015
Cash & cash equivalents		
Balances with banks	1,735,330	109,779,097
Other bank balances		
Deposits with original maturity of more than three months but not more than twelve months	-	4,911,191,639
Total	**1,735,330**	**5,020,970,736**

a) Bank balances include ₹ Nil (Previous year ₹ 419,86,49,374) towards advances received from REC Ltd. for RGGVY works.

Note No. 12 - Other Current Assets

(Amount in ₹)

As at	31.03.2016	31.03.2015
Interest accrued on :		
- Term deposits		
- Deposit Work Amount of REC Ltd.	-	75,169,066
- Advance to Contractors	-	7,233,533
Project Fund Recoverable	-	453,960,943
Share application money due for Refund		
- KINESCO Power and Utilities Pvt. Ltd.	-	2,600,000
	-	**538,963,542**
Total	**-**	**538,963,542**

Note No. 13 - Revenue from Operations

(Amount in ₹)

For the Year ended	31.03.2016	31.03.2015
Consultancy, project management and supervision fees (including turnkey construction projects)	-	168,563,071
Total	**-**	**168,563,071**

Note No. 14 - Other Income

(Amount in ₹)

For the Year ended	31.03.2016	31.03.2015
Interest from		
Others		
Indian banks	12,800,917	67,683,564
Other non-operating income		
Other Misc Receipts	1,246,647	191,233
Total	**14,047,564**	**67,874,797**



a) Interest from Indian Banks is net of ₹ 16,551 (previous year ₹ 49,48,23,811) towards interest earned on investment of advances received from REC Ltd.which is not the income of the Company as it is attributable to REC Ltd. and has been transferred to amount received against deposit works from REC.

b) Other Misc receipts include the old retention of ABB Ltd. for ₹ 3,62,725/-, MPKVVCL (Shivpuri - APDRP) ₹ 8,66,605 pertains to FY 2007-08 & 2010-11 .

Note No. 15 - Employee Benefits Expense

(Amount in ₹)

For the Year ended	31.03.2016	31.03.2015
Salaries and wages	-	137,549,971
Contribution to provident and other superannuation benefits	-	36,225,357
Staff welfare expenses	-	7,192,158
Reimbursement from NTPC	-	(111,485,740)
Total	**-**	**69,481,746**

Note No. 16 - Administration and Other Expenses

(Amount in ₹)

For the Year ended		31.03.2016	31.03.2015
Power charges		-	368,586
Rent		-	2,630,194
Repairs & maintenance		-	360,268
Insurance		-	16,146
Training & recruitment expenses		-	1,785,800
Communication expenses		-	3,944,935
Travelling expenses		-	17,697,750
Tender expenses	-		10,614,491
Less: Receipt from sale of tenders	-		1,650,000
		-	8,964,491
Payment to auditors (refer details below)		91,600	233,731
Security expenses		-	2,366,052
Entertainment expenses		-	1,484,817
Expenses for guest house		-	224,247
Brokerage & commission		-	4,500
Community development and welfare expenses		-	522,333
Books and periodicals		-	55,920
Professional charges and consultancy fees		7,470	39,383,497
Legal expenses		140,576	298,340
EDP hire and other charges		-	756,266
Printing and stationery		-	474,086
Hiring of vehicles		-	7,799,091
Bank charges		286	22,311
Miscellaneous expenses		196,558	2,643,906
Loss on disposal/write-off of fixed assets		-	575,342
Reimbursement from NTPC		-	(52,182,014)
Total		**436,490**	**40,430,595**
Details in respect of payment to auditors:			
As auditor			
Audit fee	91,600		100,000
Tax audit fee	-		27,000
Reimbursement of expenses	-		106,731
		91,600	**233,731**

Note No. 17 - Prior Period Items (Net)

(Amount in ₹)

For the Year ended	31.03.2016	31.03.2015
Prior period Items (Net)		
Revenue	2,228,000	108,227,000
Expenditure	-	1,108,332
	-	1,108,332
Total	**2,228,000**	109,335,332

Other Notes to Financial Statements

18 The shareholders of the Company in its Extra-ordinary General Meeting held on March 24, 2015, inter alia, approved the proposal for transfer and vesting of all existing operations of the company together with all assets and liabilities relating to such operations to NTPC Limited, the holding company, with effect from April 1, 2015. After obtaining the aforesaid approval, the company entered into an agreement with NTPC Limited to implement such transfer. Accordingly, all the assets and liabilities has been transferred to NTPC Ltd. at the same values appearing in the books of the company as on 1st April 2015. The company does not have any operations w.e.f 1st April 2015.

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

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

(Amount in ₹)

	Current Year	Previous Year
Net Profit after Tax used as numerator	**9,054,988**	12,654,004
Weighted average number of equity shares used as denominator	**80,910**	80,910
Earning Per Share (Basic & Diluted)	**111.91**	156.40
Face value per share	**10.00**	10.00

20 The common services being utilized by the Company for it's' office are provided without any charges by the Holding Company.

21 Information in respect of consultancy contracts on deposit work basis:

(Amount in ₹)

Sl.	Particulars	Current Year	Previous Year
1	Amount of revenue recognised on consultancy contract on deposit work basis	-	135,927,745
2	Amount disbursed for consultancy contracts on deposit work basis	-	2,171,142,616
3	Amount of advance received from customers for consultancy contracts on deposit work basis	-	393,202,277
4	Gross amount due from customers for consultancy contracts on deposit work as an asset	-	307,514,191
5	Gross amount due to customers for consultancy contracts on deposit work basis as a liability	-	318,038,671



22 Disclosure as per Accounting Standard - 18 on Related Party Disclosures

The company has one related party Utility Powertech Ltd (UPL), Details of transactions with UPL during the year in respect of services rendered by them are given below:

(Amount in ₹)

Details	Current Year	Previous Year
Expenditure on services received during the year	-	2,740,079
Amount payable for services rendered	-	12,074,732

23 Disclosure of Joint Venture

The Joint venure agreement between the Company & Kinesco Power & Utilities Pvt Ltd. has been terminated w.e.f. 15.12.2015 vide resolution passed at 66th Board of Directors held on Dec 10, 2015.

24 Contingent Liabilities:

24.1 Orders to pay service tax along with interest and penalty have been served on the company for various years by the Commissioner of Service Tax as tabled below. For serial numbers 1 to 3, the demands are a pass through item, the liability of which is on REC Ltd. as per terms of contract. The orders have been challenged before CESTAT and are pending disposal. Demand at serial number 4 pertains to services provided to Cochin Port Trust by the company and filing of appeal is in process.

Sl.	Particulars	Financial Year	Amount in (₹)
1	Service Tax on Deposit Works (RGGVY)	**2007-2011**	9,243,924,286
2	Service Tax on Deposit Works (RGGVY)	**2011-2012**	559,042,597
3	Service Tax on Deposit Works (RGGVY)	**2012-2013**	3,712,103
4	Service Tax on Deposit Works (others)	**2011-2012**	33,433,005
5	**Total**		9,840,111,991

24.2 The company has received notice of demand from the Income Tax Department and in relation to such demand the company has filed an appeal with the appropriate authorities and the same has been tabled below :

Sl.	Particulars	Financial Year	Amount in (₹)
1	Case pending at ITAT	2008-09	103,809,985
2	Demand u/s 143 (3) with CIT (A)	2010-11	225,592,750
3	Demand u/s 143 (3)	2012-13	145,187,040

25 Other disclosures as per Schedule III of Companies Act, 2013

(Amount in ₹)

Particulars	Current Year	Previous Year
a) Expenditure in foreign currency:		
Others	-	**43,477**

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

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
(Arun Kumar Gupta)	**(Kulamani Biswal)**	**(Gurdeep Singh)**
Chief Executive Officer	Director	Chairman

These are the notes referred to in Balance Sheet and Statement of profit and Loss .

For M/S. P R KUMAR & CO.
Chartered Accountants
Firm Reg No - 003186N

Sd/-
(Rahul Kathuria)
Partner
M. No. 090657

Place : New Delhi
Dated: 17th May 2016



Providing drinking water to villagers near NTPC's Plant

INDEPENDENT AUDITOR'S REPORT

To the members of

NTPC ELECTRIC SUPPLY COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **M/s NTPC Electric Supply Company Limited** (a wholly owned subsidiary of M/s NTPC Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Company's Act ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies Act (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters:

(a) Note – 1 'Accounting Policies' para no. 1 related to Going Concern of the company read alongwith Note No. 18 of the Notes to Financial Statements suggest that the parent company has taken over all the assets and liabilities, except Bank Balances, Advance Taxes and Income Tax Provisions, at a historical cost carried in the books of accounts on the date of transfer of such assets and liabilities of the company, and these conditions alongwith other matters set forth in Note No. 18 indicate the material uncertainty and that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

(b) Note-1 'Accounting policies' para no. 5.1 of recognizing revenue from Project Management Services on the basis of actual progress / technical assessment. The company has written back the income, amounting to Rs. 22,28,000, recognized during the earlier years due to the errors in determination of the project cost as disclosed under Note No. 17 (Prior Period Items - Net).

(c) As all the assets including Fixed Assets and Liabilities, except Bank Balances, Advance Taxes and Income Tax Provisions, of the Company has been transferred at a cost carried at the historical cost in the books of accounts on the date of transfer of such assets and liabilities to the Parent Company, which reflects that the company has discontinued its operation w.e.f. 01.04.2015.

Our opinion is not modified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure-I** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable,

2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-II** on the directions and sub-directions issued by the Comptroller and Auditor General of India.



3. As required by section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. The going concern matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have adverse effect on the functioning of the company;

f. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company;

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure III**;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 24 to the financial statements;

ii) The company did not have long term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N

Sd/-
(Rahul Katuria)
Partner
M. No.: 090657

Place : New Delhi
Dated : 17th May 2016

Annexure-I

ANNEXURE OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) The company has transferred all the Fixed Assets of the Company to its Parent Company (M/s NTPC Limited) on the first day of the financial year and consequently, clauses (i) (a) to (c) of paragraph 3 of the Order are not applicable

(ii) The company does not have any inventory and consequently, clauses (ii) of paragraph 3 of the Order are not applicable.

(iii) According to the information and explanations provided to us, the Company has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, consequently, provisions of sub-clause (iii)(a),(b)&(c) of the Paragraph 3 of the Order are not applicable.

(iv) The Company has not given any loan, guarantee, security or made investment as stipulated under Sections 185 & 186 of the Companies Act, consequently, clause (iv) of the Paragraph 3 of the Order is not applicable.

(v) According to the information and explanation given to us, the Company has not accepted deposits as per the provisions of the Companies Act, 2013 and consequently, directives issued by the Reserve Bank of India; the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable.

(vi) The provisions of the maintenance of the cost records as has been specified under sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable to the company as the company is not engaged in the distribution of the electricity.

(vii) (a) According to the information and explanations given to us, the liability related to Income Tax is being discharged by its Holding Company, i.e., M/s NTPC Limited as whole of the operations of the company has been transferred on the first day of the financial year, however, no other Statutory Dues is pending as on March 31, 2016.

(b) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on March 31, 2016 as given below :

Statute	Nature of Dues	Amount (₹)	Forum where disputes are pending
Income Tax Act, 1961	Tax Demanded u/s 143 (3) (2008-09)	10,38,09,985/-	ITAT Delhi
Income Tax Act, 1961	Tax Demanded u/s 143 (3) (FY 2010-11)	14,20,92,750/-	CIT (Appeals) Delhi
Income Tax Act, 1961	Tax Demanded u/s 143 (3) (FY 2012-13)	14,51,87,040/-	CIT (Appeals) Delhi
Finance Act, 1994	Service Tax on Deposit Works (2006-07 to 2010-11)	924,39,24,286/-	CESTAT, Delhi
Finance Act, 1994	Service Tax on Deposit Works (2011-12)	56,27,54,700/-	CESTAT, Delhi
Finance Act, 1994	Service Tax on Deposit Works (2012-13)	3,34,33,005/-	CESTAT, Delhi

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to a debenture holder, hence provisions under clause (viii) of the Paragraph 3 of the Order is not applicable to the company.

(ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer (including debt instruments) and no term loan has been raised during the year, hence provisions under clause (ix) of the Paragraph 3 of the Order is not applicable to the company.

(x) In our opinion and according to the information and explanations given to us, no fraud has been noticed or reported by or upon the company during the year, hence the provisions of clause (x) of the Paragraph (3) of the Order is not applicable to the company.

(xi) The company has not paid or provided for the managerial remuneration during the financial year under audit, accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xi) of the Order is not applicable.

(xii) The company is not a Nidhi Company, hence in our opinion and according to the information and explanations given to us, clause 3 (xii) of the Order is not applicable.

(xiii) The company has transacted with the related party, i.e., M/s NTPC Limited (Parent Company) as per the provisions of the Section 177 and 188 of the Companies Act, 2013, however, such transactions have been carried out at arm's length price as per the information and explanations provided to us. Being the State Controlled Enterprise, the company is exempted from disclosure of such transactions as prescribed by the Accounting Standard – 18 (Related Parties Transactions).

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly executable debentures during the year under review, accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xiv) of the Order is not applicable.

(xv) The company has not entered into any non cash transactions with directors or persons connected with him, accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xvi) of the Order is not applicable.

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N

Sd/-
(Rahul Katuria)
Partner
M. No.: 090657

Place : New Delhi
Dated : 17th May 2016

Annexure-II

ANNEXURE OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (2) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

Sl. No.	Query	Response
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	Co doesn't have any leasehold/freehold land, hence not applicable.
2.	Whether there are any cases of waiver/write off of debts/ loans/interest etc. If yes, the reasons thereof and amount involved.	There were no cases of waiver / write-off of debts/loans/ interest.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant(s) from the Government or other authorities.	There are no cases of inventories lying with third parties & assets received as gift from Govt. or other authorities

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N

Sd/-
(Rahul Katuria)
Partner
M. No.: 090657

Place : New Delhi
Dated : 17th May 2016

Annexure - III

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NTPC ELECTRICITY SUPPLY COMPANY LIMITED

(Referred to paragraph {3(g)} under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

[Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")]

We have audited the internal financial controls over financial reporting of M/s NTPC Electricity Supply Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N

Sd/-
(Rahul Katuria)
Partner
M. No.: 090657

Place : New Delhi
Dated : 17th May 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC ELECTRIC SUPPLY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of NTPC Electric Supply Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of NTPC Electric Supply Company Limited for the year ended 31 March 2016 under Section 143(6) (a) of the Act.

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

Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 06.07.2016



NTPC Vidyut Vyapar Nigam Limited
(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To
Dear Members,

Your Directors have immense pleasure in presenting the Fourteenth Annual Report on the working of the Company for the financial year ended on 31st March 2016 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ in Crore)

	2015-16	2014-15
Total Revenue	4122.61	3887.96
Total Expenses	4044.85	3821.48
Profit/(Loss) before Tax	77.76	66.48
Tax expenses	27.44	22.87
Profit/(Loss) for the year	50.32	43.61

DIVIDEND

During the financial year 2015-16, the Board of Directors have declared an interim dividend of ₹20 Crore @ ₹10 per equity share on the face value of fully paid-up equity share capital of ₹10 each. Your Directors have not recommended any final dividend.

ENERGY TRADING AND OTHER BUSINESS

In accordance with Central Electricity Regulatory Commission (CERC) notification, your Company has a trading Licensee under Category I (highest category).

In the Financial Year 2015-16, your Company achieved highest ever power trading volume of 12600 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 166 MUs.

During the financial year under review, margin was ₹66.78 Crore from trade of 12766 million units including 5789 million units traded under solar & thermal bundled power, 1092 million units traded under SWAP arrangements, 2416 million units under bilateral trade, 1508 million units traded through exchange and 1961 million units traded under Cross Border Trading, as compared to margin of ₹55.36 Crore from trade of energy of 10421 million units including 5175 million units traded under solar & thermal bundled power, 1094 million units traded under SWAP arrangements, 2112 million units under bilateral trade, 295 million units traded through exchange and 1745 million units traded under Cross Border Trading. The overall volume of energy traded by the Company during the financial year 2015-16 has increased by 22.50% and margins increased by 20.60% over last financial year 2014-15.

BUSINESS INITIATIVES

The Government of India designated your Company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM) with a mandate for purchase of power from the solar power projects connected to grid at 33 KV and above, at tariff regulated by CERC and for sale of such power bundled with the power sourced from NTPC coal power stations to Distribution Utilities under Phase I of JNNSM which envisages setting up of 1000 MW solar capacity. As on 31.03.2016 the total commissioned capacity under the Scheme of Batch I of Phase I of JNNSM is 733 MW as against the 718 MW as on 31.03.2015.

During the Financial Year 2015-16, a total of 5789 MUs of bundled solar power (including 1027 MUs of Solar Power) have been supplied to Discoms/ Utilities of the states of Rajasthan, Punjab, Maharashtra, Andhra Pradesh, Uttar Pradesh, Tamil Nadu, Karnataka, Assam, West Bengal, Odisha, Telengana, Chhattisgarh and Damodar Valley Corporation.

Your Company has been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. As per the Power Purchase Agreement (PPA) for supply of 250 MW power for 25 years from NTPC stations, signed between the Company and Bangladesh Power Development Board (BPDB), power is being supplied by the Company to Bangladesh from Oct'2013. During the year PPA between BPDB and the Company and back to back Power Sale Agreement (PSA) has also been signed with Tripura State Electricity Corporation Limited (TSECL) for supply of upto 100 MW of power for a period of 5 years. Under this agreement power is being supplied by the Company to BPDB with effect from March 17, 2016.

Your Company is appointed as the nodal agency by the Ministry of Power, Government of India on February 9, 2016 for cross border power trading with Nepal. PPA was signed between the Company and Nepal Electricity Authority (NEA) for supply of upto 80MW power through newly commissioned 400kV Muzaffarpur- Dhalkebar A/C line under radial mode from Indian Market. The Power supply commenced from February 18, 2016.

Your Company has excelled in many fields including expanding customer base, selling captive power, selling power of Independent Power Producers (IPPs), entering into power banking arrangement, trading of Power and RECs on the platform of Power Exchange(s) etc. The customer base of the Company has increased to more than 100 customers including state government utilities, private power utilities, IPPs and captive power generators, Industrial customers in all five power regions of India.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31st March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) had appointed M/s S.S. Kothari Mehta & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2015-16.

The Statutory Auditors of the Company have given unqualified report on the financial statements of the Company for the financial year 2015-16.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated July 4, 2016 have communicated that based on the financial reporting by the Management and the independent audit carried out by Statutory Auditors, C&AG has decided not to conduct the Supplementary Audit of the Financial Statements of the Company for the year ended 31st March 2016 under Section 143(6)(a) of the Act. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

PARTICULARS OF EMPLOYEES

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the Government Companies is exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company being a Government company is not required to include aforesaid information as a part of the Directors' Report. However, during the period under review the Company had no employees of the category falling Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Agarwal S. & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company, for the financial year 2015-16. The Report of the Secretarial Auditors is enclosed at Annexure-II.

Secretarial Auditors have expressed their observation on appointment of Independent Directors. The Management replies to the Secretarial Auditors observations are as under:

Secretarial Auditors observation:

During the financial year, the composition of the Board and Committees of the Board should be in compliance with the provisions of the Companies Act, 2013, with respect to appointment of Independent Directors & consequential non-compliances thereof



Management reply

NTPC by virtue of Maharatna powers, and previously Navratna powers, in order to achieve its corporate aim, formed your Company, as a wholly owned subsidiary. As per provisions of Articles of Association of the Company, all Board level appointments are made by NTPC.

In case of a Government Company, the independent directors are to be appointed by the Government of India. NTPC has been writing letters to the Department of Public Enterprises, Government of India, requesting to authorize NTPC for nominating Independent Directors on the Board of its subsidiaries. The reply on the same is awaited.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2015-16 and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis.

(v) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

BOARD OF DIRECTORS

During the financial year under review Shri Gurdeep Singh, (DIN: 00307037) Chairman & Managing Director, NTPC Limited, consequent upon nomination received from NTPC Limited, appointed as an Additional Director and designated as the Chairman of the Company w.e.f. February 17, 2016. Shri Gurdeep Singh holds office up to the date of this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC Limited, proposing his candidature for the office of Director liable to retire by rotation. Dr. Arup Roy Choudhury, (DIN: 00659908) consequent upon completion of tenure from services of NTPC Limited has ceased to be the Chairman of the Company w.e.f. August 31, 2015.

Shri I.J. Kapoor, (DIN: 02051043), consequent upon resignation from services of NTPC Limited, has tendered his resignation and accordingly ceased to be Director of the Company w.e.f. August 20, 2015.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Dr. Arup Roy Choudhury and Shri I.J. Kapoor during their association with the Company.

In accordance with the provisions of Companies Act, 2013, Mrs. A. Sathyabhama, Director (DIN: 06904946) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers herself for reappointment.

Number of meetings of the Board

During the financial year under review, 8 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
May 8, 2015	6	6
July 28, 2015	6	5
July 28, 2015	6	5
September 29, 2015	4	4
September 29, 2015	4	4
October 29, 2015	4	3
January 28, 2016	4	4
March 29, 2016	5	5

The details of the number of meetings attended, during the financial year under review, by each director are as follows:

Name of the Director	Designation	Attendance during 2015-16
Shri Gurdeep Singh (Chairman w.e.f.17.2.2016)	Chairman	1
Dr. Arup Roy Choudhury (ceased w.e.f.31.8.2015)	Chairman	3
Shri I.J. Kapoor (ceased w.e.f.20.8.2015)	Director	3
Shri A.K. Jha	Director	8
Shri Kulamani Biswal	Director	8
Shri K.K. Sharma	Director	8
Mrs. A. Sathyabhama	Director	5

Declaration of Independent Director.

Your Company is yet to appoint independent Directors. A statement on declaration by Independent directors under section 149(6) of the Companies Act, 2013, will be provided on appointment of the same.

AUDIT COMMITTEE

Your Company has an Audit Committee of the Board comprising of 3 Directors of the Company. Nomination of independent director on Audit Committee will be made on appointment of the same.

During the financial year under review 5 meeting of the Audit Committee were held on the following dates:

Date of Audit Meeting Committee	Total strength of the Directors	No. of Directors present
May 8, 2015	3	3
July 28, 2015	3	3
September 29, 2015	3	3
January 28, 2016	3	3
March 29, 2016	3	3

The details of the number of Audit committee meetings attended, during the financial year under review, by each director are as follows:

Name of the Director	Designation	Attendance during 2015-16
Shri Kulmani Biswal (Chairman w.e.f.29.9.2015)	Chairman	5
Shri I.J. Kapoor (ceased w.e.f.20.8.2015)	Chairman	2
Shri A.K. Jha (ceased w.e.f. 29.9.2015)	Director	2
Shri K.K. Sharma (appointed w.e.f. 29.9.2015)	Director	3
Mrs. A. Sathyabhama (appointed w.e.f. 29.9.2015)	Director	3

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility (CSR) Committee consisting of 3 directors. Nomination of independent director on CSR committee will be made on appointment of the same.

During the financial year under review 4 meeting of the CSR committee were held on the following dates:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
July 28, 2015	3	3
September 29, 2015	3	3
January 28, 2016	3	3
March 29, 2016	3	3



The details of the number of CSR committee meetings attended, during the financial year under review, by each director are as follows:

Name of the Director	Designation	Attendance during 2015-16
Shri Gurdeep Singh (Chairman w.e.f.17.2.2016)	Chairman	1
Dr. Arup Roy Choudhury (ceased w.e.f.31.8.2015)	Chairman	1
Shri I.J. Kapoor (ceased w.e.f.20.8.2015)	Director	1
Shri A.K. Jha	Director	4
Shri Kulamani Biswal (appointed w.e.f.29.9.2015)	Director	3
Shri K.K. Sharma (ceased w.e.f. 17.2.2016)	Director	2

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Responsibility Policy) Rules, 2014 the annual report on CSR activities is at Annexure-III.

Disclosure on the Nomination and Remuneration Committee.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, your Company has the Nomination and Remuneration Committee consisting of 3 directors. Nomination of independent director on Nomination and Remuneration committee will be made on appointment of the same.

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the Government Companies is exempted to comply with the provisions of sub-sections 2, 3 and 4 of Section 178 of the Companies Act, 2013. Your Company being a Government company is not required to formulate and disclose policy, as a part of the Directors' Report, as envisaged.

During the financial year under review 2 meeting of the Nomination and Remuneration Committee were held on the following dates:

Date of the Nomination and Remuneration Committee	Total strength of the Directors	No. of Directors present
July 28, 2015	3	3
September 29, 2015	3	3

The details of number of the Nomination and Remuneration Committee meetings attended, during the financial year under review, by each director are as follows:

Name of the Director	Designation	Attendance during 2015-16
Shri A.K. Jha	Chairman	2
Shri Kulmani Biswal	Director	2
Shri K.K. Sharma	Director	2

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, have taken place between financial year ended March 31, 2016, to which the financial statements relates and the date of this Directors' Report, which affects the financial position of the Company.

EXTRACT OF ANNUAL RETURN

As per requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in form MGT-9 is given under Annexure-IV.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As per requirement of Section 188 (2) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements, during the financial year 2015-16, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-V.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Being the trading company the norms for conservation of energy and technology absorption is not applicable on the Company.

During the financial year under review the Company has earned ₹446.17 crore from trade of power in foreign currency as compared to ₹445.95 crore foreign currency earned during the financial year 2014-15. An expenditure of ₹0.09 crore, during the financial year under review, in foreign currency has been incurred mainly towards travelling of employees and other payments/ reimbursements as compared to ₹0.03 crore expenses incurred towards travelling of employees during the financial year 2014-15.

ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, the Ministry of Power and the Ministry of New Renewable Energy of Government of India, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Power utilities, Statutory Auditors, Office of the Comptroller and Auditor General of India and the Bankers of the Company.

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 20, 2016

Annexure - I to Directors' Report of NVVN

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Trading is an essential tool which plays an important role for optimisation of resources by utilizing the surpluses of seasons or time of day of a state / utility to meet the unmet demand / deficits of the same or another state / utility/ consumers by way of sale/purchase or swap arrangements. Power traders play a key role for identification of such sources of surplus (supply) and deficits (consumers), tie up open access, and arrange scheduling for matching supply and demand at optimum cost charging a very small margin of their own.

The short term market constitutes about 9-10%of the total power generation. However, there has been significant increase in direct transaction among Discoms (50%) as well as through Power Exchanges (21%) vis a vis last year. Your Company traded 1508 MUs in power exchange as compared to 295 MUs in the previous year.

CERC has fixed a ceiling trading margin for short term trade at 7 paise per kWh in case the sale price is exceeding ₹3 per kWh and 4 paise per kWh where sale price is less than or equal to ₹3 per kWh. However, Transactions through power swapping/ banking are out of purview of the CERC Regulations for Short Term Trading.

During the last four years, 43 traders have obtained licenses for serving the needs of the various clients. The traders are issued license under categories I, II or III depending on the volume of units proposed to be traded and net worth. During 2015-16 out of the electricity generation of approximately 1103 Billion units, approximately 94 Billion units were traded, representing 8.52 % of trading to total generation.

Structure of Power Market in India*

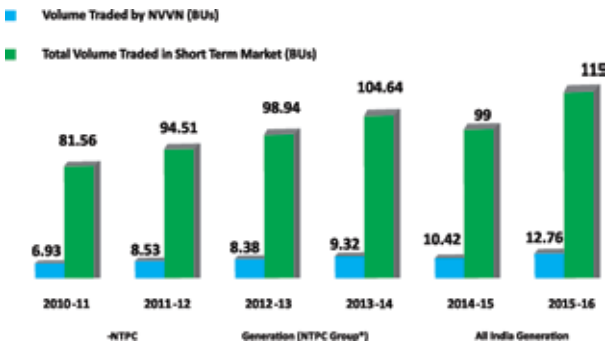
(i)	Long –Term (89.6 %)	988 BU
(ii)	Power Trading (8.5 %)	94 BU
(iii)	Balancing Market (UI) (1.9 %)	21 BU
	Total	**1103 BU**



The trading of Power in India*

(i)	Bilateral Trading	36 BU
(ii)	Bilateral Direct	24 BU
(iii)	Through Power Exchange	34 BU
	Total	**94 BU**

*Source: CERC (2015-16)



*Source: CERC (2015-16)

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with strong promoter viz. NTPC Limited having formidable network, established rapport, credibility with potential buyers & sellers and backed with professional manpower from NTPC and trading capabilities built over the years.

Your Company is exposed to credit risk due to buyer's inability to make timely payments without strong payment security mechanism in place.

OPPORTUNITIES AND THREATS

The inter-regional power transfer capacity has increased to 57450 MW (*Source: Ministry of Power website) and is planned for enhancement to 68050 MW by end of 12th Plan period. This is expected to provide considerable opportunities for enhancement of trading volumes. With the passage of time short term power market has shifted from a seller's market to a buyers' market due to large availability of merchant power. Many states have joined UDAY scheme and with the implementation of UDAY scheme, the financial position of the State Discoms is expected to improve.

In recent times with the increase in entry of number of private traders the trading market has seen increased competition leading to power being traded without proper back-to-back payment security mechanism being in place making transactions prone to higher payment risk. The financial position of many State DISCOMs / Utilities is also a cause for concern for your Company.

OUTLOOK

Your Company was designated Nodal Agency for Cross Border trading of power with Bangladesh. The Power Purchase Agreement between the Company and BPDB for supply of 250 MW power from NTPC stations for 25 years was signed on February 28, 2012. The Power supply to Bangladesh commenced from October 5, 2013. Your Company has signed another Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB) and back to back Power Sale Agreement with Tripura State Electricity Corporation Limited (TSECL) valid for the period of 5 years. Upto 100 MW of power is being supplied under this PPA by the Company to BPDB under radial mode from March 17, 2016.

Your Company is appointed as the nodal agency by GoI/ MoP on February 09, 2016 for cross border power trading with Nepal. Power Purchase Agreement was signed between the Company and Nepal Electricity Authority (NEA) for supply of 80MW power upto June 2016, through newly commissioned 400kV Muzaffarpur- Dhalkebar A/C line under radial mode from Indian Market. The Power supply commenced on February 18, 2016.

Your Company is also designated Nodal Agency under JNNSM Phase-I for buying power from solar power developers in India and selling to distribution utilities after bundling with thermal power from NTPC coal based stations. The business of selling bundled power to Discoms commenced from financial year 2011-12 and has grown with progressive commissioning of capacities.

Your Company is exploring new avenues for enhancement of future business in the Cross Border Trading of Power, Renewable Power Sector and trading in Power Exchange and expects to consolidate its business in these segments for achieving long term growth.

RISKS, CONCERNS AND THEIR MANAGEMENT

Your Company is trading power on back-to-back basis, with the approval of the Board. It means that terms & conditions both for purchase/sale are on back-to-back basis. Deviation, if any, is reported to Board.

The trading margin capped by CERC for electricity trading limits revenues of trading companies. The risk gets further enhanced due to large number of private players offering lower trading margin than the capped trading margin. Your Company continues to focus on increasing its market share in power trading with emphasis on back-to-back arrangements in order to mitigate risks while making endeavors to increase the business.

Your Company being the wholly owned subsidiary of NTPC Limited is governed by the framework of Risk Management in NTPC Limited. Key risks are regularly monitored through reporting of key performance indicators of identified risks.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Your Company has adopted the internal control system of its holding company viz. NTPC Limited. A well defined internal control framework has been developed identifying key controls. The authorities vested in various levels are exercised within framework of appropriate checks and balances. Effectiveness of all checks and balances and internal control systems is reviewed during internal audit carried out by Internal Audit Department of NTPC Limited. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited. The Internal Audit Reports are regularly reviewed by the Audit Committee of the Board of Directors.

PERFORMANCE DURING THE YEAR

Operations

Your Company has been issued license under category "I" which allows trading of 1000 million units and above every year without any upper limit.

The details of the energy traded by the Company are as follows:

	2015-16	2014-15
Trading of Power	Million units	
Bilateral Trading	**2416**	2112
Power SWAP Arrangements	**1092**	1094
Solar Bundled Power	**5789**	5175
Cross Border Trading	**1961**	1745
Trading through exchange	**1508**	295
Total	**12766**	10421

During the Financial Year 2015-16, your Company traded 12766 million units of power, which includes 5789 MUs of bundled solar power under Jawaharlal Nehru National Solar Mission. The overall volume of power traded by Company has increased by 22.50% over last year.

In the past three years your company has developed a good customer base and has served over 100 customers including State Government/ Private Power Utilities, Captive Power Generators etc. in all five regions in the country.

Financial Performance

The revenue of your Company comprises of mainly sales from Energy traded and it contributes to 99.49% of total revenue.

₹ in Crore

	2015-16	2014-15
Sales		
Energy	**4054.58**	3835.22
Other operating income	**47.10**	38.38
Fly Ash and Cenosphere	-	87.42
Less: Transfer to Fly Ash Utilization Fund	-	87.42
Other income	**20.93**	14.36
Total	**4122.61**	3887.96

The Company has transferred the Ash Business to NTPC Limited, the holding company w.e.f. January 1, 2015.



The Total operating expenses of the Company are as follows:-

₹ in Crore

	2015-16	2014-15
Purchase of energy	**3987.80**	3779.85
Rebate on energy sale	**33.11**	24.92
Employee benefits expense	**13.97**	10.16
Administration & other expenses	**9.79**	6.36
Total operating expenses	**4044.67**	3821.29

The total expenses including operating expenses of the Company are as follows:-

₹ in Crore

	2015-16	2014-15
Total operating expenses	**4044.67**	3821.29
Finance cost	**0.05**	0.02
Depreciation & amortization expense	**0.13**	0.17
Total expenses including operating expenses	**4044.85**	3821.48

The depreciation cost as compared to total expense is negligible since the fixed assets in the Company are represented by furniture and fixtures, EDP machines and software etc. and the Gross Block was of the order of ₹0.78 Crore as on 31.3.2016.

During the year the Company earned profit after tax of ₹50.32 Crore registering an increase of 15.39% over the previous year.

₹ in Crore

	2015-16	2014-15
Profit before tax	**77.76**	66.48
Tax expenses	**27.44**	22.87
Profit for the year	**50.32**	43.61

Dividend

During the financial year 2015-16, the Board of Directors on March 29, 2016 approved an interim dividend of ₹20 Crore @ ₹10 per equity share on the face value of fully paid-up equity share capital of ₹10 each which was distributed on April 1, 2016. Your Directors have not recommended any final dividend.

Reserves & Surplus

During the financial year 2015-16, a sum of ₹26 Crore have been added to General Reserve as compared to ₹19 Crore in the previous year.

Current Assets

The current assets at the end of the financial year 2015-16 were ₹1226.49 Crore as compared to ₹1136.32 Crore in financial year 2014-15 registering an overall increase of 7.94%.

₹ in Crore

	31.03.2016	31.03.2015
Trade receivables	**560.20**	485.84
Cash and Bank balances	**333.72**	347.44
Short term loan and advances	**2.21**	1.07
Other current assets	**330.36**	301.97
Total Current Assets	**1226.49**	1136.32

The cash and bank balance has reduced mainly due to transfer of ash fund balance to NTPC Limited w.e.f 1-1-2015 and consequently the transfer of Term Deposits with Banks on maturity to NTPC as part of Ash fund. As on 31-3-2016 trade receivables has increased to ₹560.20 Crore as compared to ₹485.84 Crore as on 31-3-2015. The receivables are equivalent to 50 days as on 31-3-2016 against 46 days as on 31-3-2015. The major amount of receivables has now been recovered from various buyers and balance amount would be realized soon. The Other Current assets has increased to ₹330.36 Crore from ₹301.97 Crore mainly due to increase in unbilled revenue.

Current Liabilities

During the financial year 2015-16, Current Liabilities have increased to ₹1023.86 Crore as compared to ₹959.92 Crore in the financial year 2014-15, mainly on account of increase in trade payables.

₹ in Crore

	31.03.2016	31.03.2015
Trade payables	**638.33**	530.46
Other current liabilities	**341.37**	424.31
Short-term provisions	**44.16**	5.15
Total Current Liabilities	**1023.86**	959.92

Cash Flow Statement

₹ in Crore

	2015-16	2014-15
Opening cash and cash equivalents	**347.44**	637.60
Net cash from operating activities	**(30.91)**	(312.12)
Net cash from investing activities	**21.19**	41.96
Net cash flow from financing activities	**(4.00)**	(20.00)
Net change in cash and cash equivalents	**(13.72)**	(290.16)
Closing cash and cash equivalents	**333.72**	347.44

The closing cash and cash equivalent for the financial year ended March 31, 2016 has decreased by 3.95% from ₹347.44 Crore in the previous year to ₹333.72 Crore in the current year.

Financial Indicators

The various performance indicators for the financial year 2015-16 as compared to financial year 2014-15 are as under:-

₹ in Crore

	Description	2015-16	2014-15
A	i) Capital employed	**232.14**	205.90
	ii)Net worth	**232.14**	205.90
B	i) Return on Capital Employed (PBT/CE)	**33%**	32%
	ii) Return on net worth (PAT/NW)	**22%**	21%
C	Dividend as % of Equity Capital	**100**	100
D	Earning per share in ₹ (EPS) before exceptional item	**25.16**	21.81

The capital employed as well as net worth has increased due to addition of profit earned during the current financial year and such increase has also resulted increase in Return on Capital Employed, Return on Net Worth and EPS of the Company.

Procurement from MSEs

Your Company during the financial year under review has not procured any goods and services from Micro and Small Enterprises (MSEs).

Sexual Harassment of women at workplace

All the employees of the Company are on secondment basis from holding company viz. NTPC Limited. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

Human Resources

As on 31st March 2016, there were 46 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious growth targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing in various technical, financial and commercial issues.

Your Company has achieved all Human Resource Management targets of MoU 15-16 which includes actualization of training plan, implementation of Bell Curve and Employee Communication.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describes the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place: New Delhi
Date: July 20, 2016



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,

The Members,

NTPC Vidyut Vyapar Nigam Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NTPC Vidyut Vyapar Nigam Limited** (hereinafter called NVVNL/the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of NVVNL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - Not Applicable

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - Not Applicable

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;- Not Applicable
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - Not Applicable
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - Not Applicable
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable

(vi) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate placed before the Board of Directors of the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement and the Securities Exchange Board of India (Listing Obligation & Disclosure requirements) Regulations, 2015 - Not Applicable.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. During the financial year, the composition of the Board and Committees of the Board should be in compliance with the provisions of the Companies Act, 2013, with respect to appointment of Independent Directors & consequential non-compliances thereof.

I further report that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.

For Agarwal S. & Associates,
Company Secretaries,
Sd/-
(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi

Date: June 10, 2016

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



"Annexure A"

To,

The Members,

NTPC Vidyut Vyapar Nigam Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,

Sd/-
(Sachin Agarwal)

Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: June 10, 2016



T G Hall of NTPC Vindyachal

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited and also undertaking CSR activities through NTPC Limited.

NTPC Limited is executing the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy of NTPC Limited is formulated keeping in view the requirements of the Department of Public Enterprises and the Companies Act, 2013. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under schedule VII of the Companies Act, 2013. The CSR policy is also available on the website of the Company: www. nvvn.co.in.

2. **The Composition of the CSR Committee.**

Name of the Director	Designation
Shri Gurdeep Singh	Chairman
Shri A.K. Jha	Director
Shri Kulamani Biswal	Director

3. **Average net profit of the company for last three financial years.**

The average net profit of the Company for three immediately preceding financial years i.e. 2012-13, 2013-14 and 2014-15 is ₹ 73.60 crore.

4. **Prescribed CSR Expenditure.**

The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 73.60 crore i.e. ₹ 1.47 Crore in the financial year 2015-16.

5. **Details of CSR spent during the financial year 2015-16.**

(a)	**Total amount spent for the financial year**	:	**₹ 1,47,24,870**
(b)	**Amount unspent, if any**	:	₹ 61,89,405
(c)	**Manner in which the amount spent during the financial year**	:	**Detailed below**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR project or activity identified.**	**Sector in Which the Project is covered.**	**Projects or Programs (1) Local area or other (2)Specify the State and the district where projects or progams was undertaken.**	**Amount outlay (budget) Project or Programs wise (Amount in ₹ lakh)**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹ lakh)**	**Cumulative expenditure upto to the reporting period. (Amount in ₹ lakh)**	**Amount spent: Direct or through implementing agency**
1.	Construction of Toilets and washrooms for orphans and children of destitute families	Sanitation	Sarai Kale Khan, Delhi	6.140	6.140	6.140	Implementing Agency
2.	Implementation and commissioning of solar power Integrated Domestic Energy System in 300 households in 3 villages	Rural Development/ Environment sustainability	In 3 villages of Chhatarpur District of Madhya Pradesh	39.776	9.1087	9.1087	Implementing Agency
3.	Construction of Toilets under Swacch Vidyalaya Abhiyan	Sanitation	In villages schools of Dist. Kanpur, Uttar Pradesh	101.084	101.084	101.084	Implementing Agency
4.	Construction of Hall/Library Hall for students in the High School	Promoting Education	Khandagiri, Bhubaneswar, Orissa	*89.160	8.9160	89.160	Direct
5.	Installation of Industrial RO Plants for providing clean drinking water for passengers at Railways stations	Safe Drinking water	In 3 railways stations- Ajmer, Bhilwara and Abu Road in Rajasthan	55.000	22.000	22.000	Implementing Agency
Total				**291.160**	**147.2487**	**227.4927**	

* The project was undertaken during the financial year 2014-15. Out of budgeted amount of ₹ 89.160 Lakh an amount of ₹ 80.244 Lakh was incurred on 2014-15 and remaining ₹ 8.910 Lakh was incurred on 2015-16

6. **Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof.** Entire CSR budget for the financial year 2015-16, as per the provisions of the Companies Act, 2013, has been committed for CSR activities and remaining unspent amount shall be utilized in subsequent financial year 2016-17 onwards as spill over for CSR activities.

7. **A responsibility statement of the CSR Committee** The Responsibility Statement of the Corporate Social Responsibility Committee is reproduced below:

The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Sd/-
(N.K. Sharma)
Chief Executive Officer

Place: New Delhi
Date: July 20, 2016

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U40108DL2002GOI117584
ii)	Registration Date	:	November 1, 2002
iii)	Name of the Company	:	NTPC Vidyut Vyapar Nigam Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by shares
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003, Ph. No. 011-24360071
vi)	Whether listed company Yes / No	:	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the company
1.	Power Trading	N.A.	99.49

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NTPC Limited NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003	L40101DL1975GOI007966	Holding	100	Section 2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. (NTPC Limited)	-	1,99,99,300	1,99,99,300	100	-	1,99,99,300	1,99,99,300	100	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other... (Nominees of NTPC)	-	700	700	-	-	700	700	-	-
Sub-total (A) (1):-	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) +A(2)	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2. Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B) (1)+(B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the Shareholding during the year
1.	NTPC Limited	1,99,99,300	100	-	1,99,99,300	100	-	-
2.	Nominee of NTPC	700	-	-	700	-	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,00,00,000	100	2,00,00,000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	No change	No change	No change	No change
	At the End of the year	2,00,00,000	100	2,00,00,000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of Top 10 shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri A.K. Jha, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	NIL	-	NIL	-
	Equity shares transferred on 29.10.2015, as nominee of NTPC	100	No change	100	No change
	At the End of the year	100	-	100	-
2.	**Shri Kulamani Biswal, Director (As Nominee of NTPC Limited)**				
	At the beginning of the year	NIL	-	NIL	-
	Equity shares transferred on 29.10.2015, as nominee of NTPC	100	No change	100	No change
	At the End of the year	100	-	100	-



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	**Gross Salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company secretary	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	45,41,359	15,13,667	33,50,013	**94,05,039**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,98,449	48,554	1,69,724	**7,16,727**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify (Leave encashment)	4,32,000	-	-	-
	Total	**54,71,808**	**15,62,221**	**35,19,737**	**1,05,53,766**



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors
Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place : New Delhi
Date : July 20, 2016

Annexure - V to Directors' Report of NVVN

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis			
(a)	Name(s) of the related party and nature of relationship	:	Utility Powertech Limited. A Joint Venture Company of Holding Company viz. NTPC Limited
(b)	Nature of contracts/arrangements/ transactions	:	The contract was for hiring of skilled and non-skilled manpower for carrying out the day-to-day activities of the Company.
(c)	Duration of the contracts / arrangements/ transactions	:	All contracts were for 1 years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Total contract value was ₹ 80,00,000
(e)	Justification for entering into such contracts or arrangements or transactions	:	Utility Powertech Limited (UPL), a Joint venture Company of NTPC Limited, the holding Company, is providing manpower to joint venture and subsidiaries of NTPC. Since incorporation of the Company, UPL is providing skilled and non-skilled manpower.
(f)	Date(s) of approval by the Board	:	March 29, 2016
(g)	Amount paid as advances, if any:	:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis			
(a)	Name(s) of the related party and nature of relationship	:	Not Applicable
(b)	Nature of contracts/arrangements /transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements /transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	Not Applicable
(e)	Date(s) of approval by the Board, if any:	:	Not Applicable
(f)	Amount paid as advances, if any:	:	Not Applicable

For and on behalf of the Board of Directors

Sd/-
(GURDEEP SINGH)
CHAIRMAN
DIN: 00307037

Place : New Delhi
Date : July 20, 2016

NTPC VIDYUT VYAPAR NIGAM LIMITED
BALANCE SHEET AS AT 31ST MARCH 2016

Amount in ₹

PARTICULARS	Note	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	200,000,000	200,000,000
Reserves and surplus	3	2,121,428,326	1,858,958,021
		2,321,428,326	2,058,958,021
Fly Ash Utilization Fund	4	-	-
Non-current liabilities			
Deferred tax liability (net)	5	-	182,623
Current liabilities			
Trade payables	6	6,383,315,898	5,304,572,603
Other current liabilities	7	3,413,741,366	4,243,118,212
Short-term provisions	8	441,614,166	51,492,397
		10,238,671,430	9,599,183,212
TOTAL		12,560,099,756	11,658,323,856
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1,720,853	2,473,646
Intangible assets	9	449,547	768,974
Capital work in progress	10	340,811	340,811
Deferred tax assets (net)	5	12,443	-
Long-term loans and advances	11	292,655,882	291,586,680
		295,179,536	295,170,111
Current assets			
Trade receivables	12	5,602,018,357	4,858,394,637
Cash and bank balances	13	3,337,172,499	3,474,391,374
Short-term loans and advances	14	22,135,691	10,658,009
Other current assets	15	3,303,593,673	3,019,709,725
		12,264,920,220	11,363,153,745
TOTAL		12,560,099,756	11,658,323,856
Significant Accounting Policies	1		

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

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Alka Saigal)	(N.K.Sharma)	(K. Biswal)	(Gurdeep Singh)
Company Secretary	CFO	CEO	Director	Chairman

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

For S S Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.000756N

Sd/-
(Naveen Aggarwal)
Partner
(M.No.94380)

Place : New Delhi
Dated: 17.05.2016



NTPC VIDYUT VYAPAR NIGAM LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Amount in ₹

Particulars	Note	31.03.2016	31.03.2015
Revenue from operations	16	41,016,870,788	38,736,009,488
Other income	17	209,291,788	143,680,565
Total Revenue		41,226,162,576	38,879,690,053
Expenses			
Purchase of energy	18	39,878,047,272	37,798,557,473
Rebate on energy sale		331,054,357	249,184,221
Cost of fly ash/ash products	19	-	-
Employee benefits expense	20	139,735,736	101,617,828
Finance costs	21	523,127	151,770
Depreciation and amortization expense	9	1,307,002	1,670,866
Administration & other expenses	22	97,896,521	63,658,474
Total expenses		40,448,564,016	38,214,840,632
Profit/(Loss) before tax		777,598,560	664,849,421
Tax expense:			
Current tax		274,608,027	229,016,592
Deferred tax		(195,066)	(281,018)
Total Tax expense		274,412,961	228,735,574
Profit/(Loss) for the period		503,185,599	436,113,847
Significant Accounting Policies	1		
Earnings per equity share (Par value of ₹ 10/- each)			
Basic & Diluted		25.16	21.81

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

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Alka Saigal)	(N.K.Sharma)	(K. Biswal)	(Gurdeep Singh)
Company Secretary	CFO	CEO	Director	Chairman

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

For S S Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.000756N

Sd/-
(Naveen Aggarwal)
Partner
(M.No.94380)

Place : New Delhi
Dated: 17.05.2016

NTPC VIDYUT VYAPAR NIGAM LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Amount in ₹

	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	**777,598,560**	664,849,421
Adjustment for:		
Depreciation	**1,307,002**	1,670,866
Interest Charges	**522,865**	151,770
Interest income	**(114,325,007)**	(113,429,277)
Profit on disposal of fixed asset	**(3,365)**	(4,141)
(Decrease)/Increase in Fly Ash Utilization Fund	-	(3,470,019,336)
	(112,498,505)	(3,581,630,118)
Operating Profit before Working Capital Changes	**665,100,055**	(2,916,780,697)
Adjustment for:		
Trade and other receivables	**(1,109,405,245)**	(2,427,839,281)
Inventories	-	111,244
Trade payable and other liabilities	**420,921,190**	2,428,916,354
Loans and advances	**(48,491,984)**	5,511,260
	(736,976,039)	6,699,577
Cash generated from operations	**(71,875,984)**	(2,910,081,120)
Direct taxes paid	**(237,268,906)**	(211,095,157)
Net Cash from Operating Activities-A	**(309,144,890)**	(3,121,176,277)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	**(499,537)**	(1,536,399)
Disposal of fixed assets	**268,121**	934,620
Interest on Investments Received	**232,236,886**	466,927,130
Income Tax on Interest on Investments	**(20,091,215)**	(46,762,426)
Net Cash used in Investing Activities -B	**211,914,255**	419,562,925
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	**(200,000,000)**
Tax on dividend	**(39,988,240)**	-
Net Cash flow from Financing Activities-C	**(39,988,240)**	**(200,000,000)**
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	**(137,218,875)**	**(2,901,613,352)**
Cash and Cash equivalents (Opening balance) *	**3,474,391,374**	6,376,004,726
Cash and Cash equivalents (Closing balance)*	**3,337,172,499**	3,474,391,374

NOTES

1. Cash and Cash Equivalents consist of Cash in Hand & Balance with Banks. Cash & cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 13.

Cash and cash equivalents	**243,513,082**	314,220,595
Deposits included in other bank balances	**2,956,835,526**	1,464,684,042
Other bank balances-Others #	**136,823,891**	1,695,486,737
Cash & cash equivalent as restated (Note 13-Cash & bank balances)	**3,337,172,499**	3,474,391,374
# Amounts which are not available for use towards:		
Term deposit as security with Sales Tax Authorities	**25,000**	25,000
Term Deposits Fly Ash Utilisation Fund	-	1,571,139,084
Term Deposit as per the directive from the Hon'ble High Court of Delhi	**136,798,891**	124,322,653
	136,823,891	1,695,486,737

2. Previous period figures have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Alka Saigal)	(N.K.Sharma)	(K. Biswal)	(Gurdeep Singh)
Company Secretary	CFO	CEO	Director	Chairman

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

For S S Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.000756N

Sd/-
(Naveen Aggarwal)
Partner (M.No.94380)

Place : New Delhi
Dated: 17.05.2016



NTPC VIDYUT VYAPAR NIGAM LIMITED
NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2016

1. Significant Accounting Policies

A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standard specified under Section 133 of Companies Act 2013, read with rule 7 of Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act 1956.

B. Use of estimates

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

C. Fixed Assets

1. Tangible Assets are carried at historical cost less accumulated depreciation.
2. Intangible assets are stated at their cost of acquisition less accumulated amortisation.

D. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate.

E. Income recognition

1. Sale of energy is accounted for based on the rates agreed with the customers.
2. Commission on trading through Exchange recognized as agreed with the client.
3. The surcharge on late payment/overdue trade receivables for sale of energy and liquidated damages are recognized when no significant uncertainty as to measurability or collectability exists.

F. Expenditure

a) Depreciation /amortisation

1. Depreciation is charged on straight line method according to useful lives specified in Schedule II of the Companies Act, 2013.
2. Depreciation on additions to/ deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.
3. Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.
4. Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

b) Other expenditure

1. Expenses on training &recruitment and research & development are charged to revenue in the year incurred.
2. Prepaid expenses and prior period expenses/income of items of ₹ 5,00,000/- and below are charged to natural heads of accounts.

G. Employee benefits

The employees of the Company are on secondment from the holding company. Employee benefits include provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the Holding Company, the Company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the Company. Accordingly, these employee benefits are treated as defined contribution schemes.

H. 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.

I. Provisions and contingent liabilities

A provision is recognized 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.

J. Cash flow statement

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

K. Taxes on Income

Current tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax liability/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable / virtual certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their reasonability.

2. Share Capital

Amount in ₹

As at	31.03.2016	31.03.2015
Equity Share Capital		
Authorised		
2,00,00,000 shares of par value of ₹10/- each (Previous year 2,00,00,000 shares of par value of ₹10/- each)	200,000,000	200,000,000
Issued, subscribed and fully paid-up		
2,00,00,000 shares of par value of ₹10/- each (Previous year 2,00,00,000 shares of par value of ₹10/- each)	200,000,000	200,000,000

a) During the period, the company has not issued/bought back any equity shares.

b) The company has only one class of equity shares having par value of ₹10/- each.

c) The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of its shareholders subject to approval of the shareholders.

d) During the year the company has approved the payment of interim dividend of ₹10/- per equity share of par value ₹10/- each, amounting to interim dividend of ₹20,00,00,000/- (previous year ₹20,00,00,000/-).

e) Details of shareholders holding more than 5% shares in the company:

Particulars	31.03.2016		31.03.2015	
	No. of shares	%age holdings	No. of shares	%age holdings
NTPC Limited and its nominees	20,000,000	100	20,000,000	100

3. Reserves and Surplus

Amount in ₹

As at	31.03.2016	31.03.2015
General Reserve		
As per last financial statements	1,847,938,002	1,657,938,002
Add/(Less) : Transfer from/ to Surplus in the Statement of Profit and Loss	260,000,000	190,000,000
Closing balance	2,107,938,002	1,847,938,002
Corporate Social Responsibility (CSR) Reserve		
As per last financial statements	6,214,275	-
Add : Transfer from surplus	6,189,405	6,214,275
Less : Transfer to surplus	6,214,275	-
Closing balance	6,189,405	6,214,275
Surplus in the Statement of Profit and Loss		
As per last financial statements	4,805,744	4,894,412
Add : Profit/(Loss) after tax for the period from the Statement of Profit and Loss	503,185,599	436,113,847
Transfer from CSR Reserve	6,214,275	-
Less: Transfer to General Reserve	260,000,000	190,000,000
Transfer to CSR Reserve (Note 31)	6,189,405	6,214,275
Interim Dividend	200,000,000	200,000,000
Tax on Interim Dividend	40,715,294	39,988,240
Net surplus/(deficit)	7,300,919	4,805,744
Total	2,121,428,326	1,858,958,021



a) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, the company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy.The company has spent an amount of ₹147,24,870/- during the year and the unspent balance amount of ₹ 61,89,405/- has been appropriated to CSR reserve from surplus. Refer Note 31.

b) During the year the company has approved the payment of interim dividend of ₹10/- per equity share of par value ₹ 10/- each, amounting to interim dividend of ₹ 20,00,00,000/- (previous year ₹ 20,00,00,000/-).

4. Fly Ash Utilization Fund

Amount in ₹

As at	31.03.2016	31.03.2015
As per last financial statements	-	3,262,301,631
Add: Transfer from sales (Note 16)	-	874,234,784
Transfer from other Income (Note 17)(Net of tax)	-	207,717,705
Less: Utilized during the year		
Cost of fly ash/ash products (Note 19)	-	22,311,593
Employee benefits expense (Note 20)	-	40,219,471
Administration & other expenses (Note 22)	-	42,891,315
Fly ash utilisation expenses incurred by holding company	-	347,207,619
	-	452,629,998
Net Fly ash utilisation fund	-	3,891,624,122
Less: Fly Ash Fund Transferred to NTPC Limited		3,891,624,122
Total	-	-

5. Deferred Tax Liabilities (net)

Amount in ₹

As at	31.03.2016	31.03.2015
Deferred tax liability		
Difference of book depreciation and tax depreciation	64,764	258,452
Less: Deferred tax asset		
Provisions & other disallowances for tax purposes	77,207	75,829
Total	(12,443)	182,623

a) The net change in deferred tax of ₹1,95,066/- (Previous period ₹2,81,018/-) has been credited in Statement of Profit and Loss.

b) Deferred tax asset and deferred tax liability have been offset as they relate to the same governing law.

6. Trade Payables

Amount in ₹

As at	31.03.2016	31.03.2015
Trade Payable	6,383,315,898	5,304,572,603
Total	6,383,315,898	5,304,572,603

Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 30.

7. Other Current Liabilities

Amount in ₹

As at	31.03.2016	31.03.2015
Advances from customers and others	5,474,129	1,561,825
Payable for capital expenditure	340,811	340,811
Other payables		
- Tax deducted at source and other statutory dues	15,374,287	41,055,022
- Deposits from customers and others	9,460,481	3,025,636
- Payable to holding company	26,154,652	1,815,401,012
- Payable to employees	10,514,217	11,190,154
- Retention on A/c BG encashment (Solar)	1,876,491,452	1,991,185,630
- Payable to Solar Payment Security Accounts	1,243,174,521	176,729,785
- Others	226,756,816	202,628,337
Total	3,413,741,366	4,243,118,212

a) Other payables-Retention on A/c BG encashment (solar) comprises of:

Amount in ₹

Particulars	As at 01.04.2015	For the year ended 31.03.2016	As at 31.03.2016
Amount received as liquidated damages on late commissioning of solar power plants	1,840,719,007	88,870,003	1,929,589,010
Add: Interest accrued on above (Note 17)	181,890,653	-	181,890,653
Less: Legal expenses	31,424,030	32,009,440	63,433,470
Less: Liability on a/c of arbitration cases where award has been pronounced	-	171,554,741	171,554,741
Net Balance-Retention on A/c BG encashment (Solar)	**1,991,185,630**	**(114,694,178)**	**1,876,491,452**

- The above treatment in "Retention on A/c BG encashment (Solar)" is made as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29.06.2012 and clarifications thereafter.
  -The Company utilised ₹187,64,91,452/- from "Retention on A/c BG encashment (Solar)" for non payment of dues by its customers under JNNSM scheme .

b) Other payables-Payable to Solar Payment Security Account : Upto current year, the company has withdrawn an amount of ₹124,31,74,521/- (net of SPSA Management Fees @ 1%) on account of default by its customers from Solar Payment Security Account as per the directions received from the Ministry of New and Renewable Energy (MNRE).

c) Other payables- Others include the amount received on encashment of the Bank Guarantee of ₹9,50,65,000/- on 02.11.2011 invested in Fixed Deposit as per the directive from the Hon'ble High Court of Delhi till the matter is settled through Arbitration. Further, interest accrued thereon upto current year

amounting to ₹ 4,50,65,556/- (upto previous year ₹ 3,38,52,887/-) also stands credited in the said account.

d) Considering the directions received from MNRE and opinion of the tax consultant, there is a transfer of proceeds from BG encashment by overriding effect because the proceeds from BG encashment do not belong to the company since it has to be used for specified purposes and there will be no tax liability.

8. Short-Term Provisions

Amount in ₹

As at	31.03.2016	31.03.2015
Provision for Current Tax		
Opening balance	**11,504,157**	-
Additions during the period	**283,981,995**	275,498,557
Less: Set off against taxes paid/refund	**266,142,021**	263,994,400
Closing balance	**29,344,131**	11,504,157

Continued Note 8

Amount in ₹

As at	31.03.2016	31.03.2015
Provision for Interim dividend		
Opening balance	-	-
Additions during the period	**200,000,000**	200,000,000
Amounts paid during the period	-	200,000,000
Closing balance	**200,000,000**	-
Provision for tax on Interim dividend		
Opening balance	**39,988,240**	-
Additions during the period	**40,715,294**	39,988,240
Amounts paid during the period	**39,988,240**	-
Closing balance	**40,715,294**	39,988,240
Provision for Arbitration Case		
Opening balance -	-	
Additions during the period	**171,554,741**	-
Amounts paid during the period	-	-
Closing balance	**171,554,741**	-
Total	**441,614,166**	51,492,397

9. Fixed Assets

Amount in ₹

	Gross Block				Depreciation/Amortisation				Net Block	
	As At 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the period	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
A. Tangible Assets										
Plant and machinery(including associated civil works)	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	1,223,795	-	-	**1,223,795**	418,241	**136,908**	-	**555,149**	**668,646**	805,554
Office equipment	572,833	229,740	30,125	**772,448**	421,853	**78,742**	28,619	**471,976**	**300,472**	150,980
EDP, WP machines and satcom equipment	4,510,954	269,797	267,126	**4,513,625**	3,089,382	**764,678**	3,877	**3,850,183**	**663,442**	1,421,572
Communication equipments	111,146	-	-	**111,146**	15,606	**7,247**	-	**22,853**	**88,293**	95,540
Total (A)	**6,418,728**	**499,537**	**297,251**	**6,621,014**	**3,945,082**	**987,575**	**32,496**	**4,900,161**	**1,720,853**	2,473,646
Previous year	8,955,563	584,418	3,121,253	6,418,728	4,580,419	1,479,459	2,114,796	3,945,082	2,473,646	4,375,144

Deduction/adjustments from gross block and depreciation/amortisation for the year includes:

	Gross Block		Depreciation/Amortisation	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Disposal of assets	297,251	1,597,384	32,496*	666,905
Retirement of assets		1,523,869		1,447,891
	297,251	3,121,253	32,496	2,114,796

*Net of depreciation of assets added during the year (Accumulated depreciation on addition of assets ₹242818/- & Disposal of assets ₹275314/-)

B. Intangible Assets										
Software	1,207,472	-	-	**1,207,472**	438,498	319,427	-	**757,925**	**449,547**	768,974
Total (B)	**1,207,472**	-	-	**1,207,472**	**438,498**	**319,427**	-	**757,925**	**449,547**	768,974
Previous year	255,491	951,981	-	1,207,472	247,091	191,407	-	438,498	768,974	8,400

10. Capital work-in progress

Amount in ₹

	As At 01.04.2015	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2016
EDP, WP machines and satcom equipment	340,811	-	-	-	340,811
Total	**340,811**	-	-	-	**340,811**
Previous year	340,811	-	-	-	340,811

11. Long-Term Loans and Advances

Amount in ₹

As at	31.03.2016	31.03.2015
(Unsecured, considered good, unless otherwise stated)		
Deposits*	**3,550,000**	2,550,000
Advances		
Refund due from Income Tax Authority	**13,844,251**	13,844,251
Advance tax & tax deducted at source	**1,303,061,981**	1,027,494,222
Less:- Provision for taxation	**1,027,800,350**	752,301,793
	289,105,882	**289,036,680**
Total	**292,655,882**	**291,586,680**

*** Deposit with Indian Energy Exchange (IEX) ₹ 25,00,000/- (previous year ₹ 25,00,000/-), Power Exchange of India Ltd. (PXIL) ₹ 10,00,000/- (previous year Nil) and Sales Tax Authority ₹ 50,000/- (previous year ₹ 50,000/-).**

12. Trade Receivables

Amount in ₹

As at	31.03.2016	31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	**1,425,351,606**	1,406,326,566
Considered doubtful	**223,091**	223,091
Less: Allowance for bad & doubtful receivables	**223,091**	223,091
	1,425,351,606	1,406,326,566
Others		
Unsecured, Considered good	**4,176,666,751**	3,452,068,071
Total	**5,602,018,357**	4,858,394,637

Unbilled revenues of ₹ 3,25,22,29,249/- (previous year ₹ 2,88,74,47,724/-) is stated in Note 15.

13. Cash & Bank Balances

Amount in ₹

As at	31.03.2016	31.03.2015
Cash & cash equivalents		
Balances with banks		
- Current Accounts	**243,513,082**	313,896,538
- Current Account-Fly Ash	**-**	324,057
Other bank balances		
Bank deposits with original maturity of more than three months but not more than twelve months	**2,956,835,526**	1,464,684,042
Others #	**136,823,891**	1,695,486,737
Total	**3,337,172,499**	3,474,391,374
# Not available for use to the Company and include:		
Term deposit as security with Sales Tax Authorities	**25,000**	25,000
Term Deposits Fly Ash Utilisation Fund	**-**	1,571,139,084
Term Deposit as per the directive from the Hon'ble High Court of Delhi	**136,798,891**	124,322,653
	136,823,891	1,695,486,737

14. Short-Term Loans and Advances

Amount in ₹

As at	31.03.2016	31.03.2015
(Unsecured, considered good, unless otherwise stated)		
Advances		
Deposits	**19,862,260**	1,300,000
Others	**2,273,431**	9,358,009
Total	**22,135,691**	10,658,009

a) Deposits include margin money with Indian Energy Exchange (IEX) & Power Exchange of India Ltd. (PXIL).

b) Others include advance to Arbitrators ₹ Nil (previous year ₹ 86,48,349/-)

15. Other Current Assets

Amount in ₹

As at	31.03.2016	31.03.2015
(Unsecured, considered good, unless otherwise stated)		
Interest accrued on term deposits	**11,372,501**	129,284,380
Amounts recoverable	**39,915,944**	2,901,643
Asset held for disposal	**75,978**	75,978
Unbilled revenues*	**3,252,229,249**	2,887,447,724
Total	**3,303,593,673**	3,019,709,725

* Unbilled revenues are for sale of energy for which the bills have been raised to customers subsequent to the reporting date.

16. Revenue from Operations

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Revenue		
Sale of Energy	**40,530,679,726**	38,349,199,880
Commission	**15,172,575**	2,990,564
	40,545,852,301	38,352,190,444
Fly Ash / Fly ash product	**-**	874,234,784
Less: Transferred to Fly Ash Utilization Fund (Note 4)	**-**	874,234,784
	-	-
	40,545,852,301	38,352,190,444
Other Operating Income		
Rebate on energy purchase	**471,018,487**	383,819,044
Total	**41,016,870,788**	38,736,009,488

a) Sale of bilateral energy and energy under SWAP arrangements in million units (Mus) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Sale of bilateral energy includes compensation received of ₹ 93,95,888/- (previous period ₹ 6,76,52,381/-) due to lesser supply/drawl of power by the supplier /buyers and open access charges on energy trading borne by the company.

c) Sale of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR) / Regional Energy Account (REA) issued by the concerned authorities.

d) Sale of energy under Swap arrangements is billed by margin only to buyers.

e) Commission on energy trading through exchange recognised as agreed with the client.



17. Other income

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Interest from		
Banks	**139,900,317**	453,100,027
Less: Transferred to Fly Ash Utilisation Fund/Holding Co. (Note 4/Note 7) *	**25,575,310**	314,676,117
Less: Transferred to retention on A/c BG encashment (Solar) (Note 7)	-	24,994,633
	114,325,007	113,429,277
Other non-operating income		
Surcharge/ other recoveries from Customers	**73,026,862**	20,289,478
Management fees	**12,068,541**	9,047,199
Profit from disposal of fixed assets	**3,365**	4,141
Miscellaneous Income #	**9,868,013**	910,470
Total	**209,291,788**	143,680,565
* amount transferred (net of tax)	16,724,207	207,717,705

Miscellaneous income includes sundry balance written back, liquidated damages recovered etc.

18. Purchase of energy

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Purchase of Energy	**39,878,047,272**	37,798,557,473
Total	**39,878,047,272**	37,798,557,473

a) Purchase of energy in million units (Mus) are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Bilateral energy purchase includes compensation payment of ₹ 89,75,540/- (previous year ₹ 6,76,36,551/-) due to lesser supply/drawl of power by the Company.

c) Purchase of Solar and thermal bundled energy in million units are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

19. Cost of Fly Ash/Ash Products

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Fly Ash-duty & taxes	-	22,039,473
Cenosphere -collection & packing charges	-	272,120
	-	22,311,593
Less: Transferred to Fly Ash Utilization Fund (Note 4)	-	22,311,593
Total	-	-

20. Employee Benefits Expense

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Salaries and wages	**112,661,648**	113,561,556
Contribution to provident and other funds	**20,138,824**	21,858,851
Staff welfare expenses	**6,935,265**	6,416,892
	139,735,736	141,837,299
Less: Transferred to Fly Ash Utilization Fund (Note 4)	-	40,219,471
Total	**139,735,736**	101,617,828

a) All the employees of the Company are on secondment from NTPC Limited. Pay , allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with NTPC Ltd. As per the agreement, amount equivalent to a fixed percentage of basic & DA of the seconded employees is payable by the company for employee benefits such as provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

b) In accordance with Significant Accounting policy No. G of Note 1, an amount of ₹ **2,01,38,824**/-(previous year ₹ 2,18,58,851/-) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ **68,42,828**/- (previous year ₹ 68,05,918/-) towards leave & other benefits are paid/ payable to the holding Company and included under Employee benefits.

21. Finance Costs

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Interest on :		
Others*	**523,127**	151,770
Total	**523,127**	151,770

*Others include interest accrued on income tax under the provisions of the Income Tax Act, 1961 during the year.

22. Administration & Other Expenses

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Power charges	**1,831,180**	1,530,227
Rent	**46,417,590**	41,376,689
Repairs & maintenance		
Office	**2,453,218**	3,281,018
Others	**141,163**	387,636
	2,594,381	3,668,654
Insurance	**3,316**	18,876
Rates and taxes	**4,000,000**	4,000,000
Training & recruitment expenses	**93,800**	129,516
Communication expenses	**2,537,160**	2,693,563
Inland Travel	**7,553,649**	8,100,074
Foreign Travel	**2,081,959**	886,954
Tender expenses	**872,244**	1,339,654
Less: Receipt from sale of tenders	-	115,000
	872,244	1,224,654
Payment to auditors		
Audit fee to statutory auditors	**170,680**	140,450
Statutory Auditor-Other capacity	-	56,180
	170,680	196,630
Entertainment expenses	**1,208,442**	1,230,087
Brokerage & commission	**13,950**	310,642
Corporate Social Responsibility (CSR) Expenses	**14,724,870**	8,024,400
Ash utilisation & marketing expenses	-	687,259
Books and periodicals	**22,016**	74,373
Professional charges	**3,677,476**	26,055,766
Surcharge expenses	-	972,882
Legal expenses	**2,426,733**	259,321
EDP hire and other charges	**109,840**	48,831



Printing and stationery	**164,929**	428,670
Hiring of vehicles	**298,969**	468,815
Bank charges/LC Charges	**4,179,667**	1,063,369
Miscellaneous expenses	**2,913,669**	2,876,446
	97,896,521	106,326,698
Less: Transferred to Fly Ash Utilization Fund (Note 4)	-	42,891,315
	97,896,521	63,435,383
Provision for doubtful debts	-	223,091
Total	**97,896,521**	63,658,474

23 The Central Government in consultation with National Advisory Committee on Accounting Standards, has vide Gazette Notification No. 364 (E) dated 30th March 2016 notified Companies (Accounting Standards) Amendment Rules, 2016 (amended rules) thereby amending the Companies (Accounting Standards) Rules 2006 (principle rules). The Company believes that Rule 3(2) of the principle rules has not been withdrawn or replaced by the amended rules. Accordingly, the amended rules shall come into effect for the accounting periods commencing on or after 30th March 2016

24 a) Some of the balances of receivables, trade/other payables and loans and advances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

25 Disclosure as per Accounting Standard - 1 on "Disclosure of Accounting Policies
During the year, following changes in accounting policies have been made:

a) Accounting policy no. E 2 - Commission on trading through Exchange has been added to bring more clarity.

b) Policy No. F b) 2 has been modified increasing the threshold limit of prepaid expenses and prior period expenses/ income of items from ₹ 1 lakh to ₹ 5 lakh for charging the same to natural heads of accounts.

There is no impact on the accounts due to changes at a) & b).

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

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a) Related party: Utility Powertech Ltd., Joint Venture Company of NTPC Limited (Holding Company)		
Transactions with the related party Utility Powertech Ltd. are as follows:		
Contracts for services received by the Company:	**4,900,138**	27,327,135
Amount payable for services received	**2,145,299**	1,631,869
b) Key Management Personnel:		
Shri N. K. Sharma Chief Executive Officer Managerial remuneration	**5,471,808**	3,765,000

The company's management is of the opinion that its domestic transactions with related parties are at arms length and will not have any impact on financial statements for the year ended 31.03.2016

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

"The Company's significant leasing arrangement are in respect of operating leases of the premises for residential use of the employees amounting to ₹**44,91,924**/- (Previous period ₹ 50,80,687/-) and are included in Note 20-"Employees Benefits Expense". Similarly, lease payments in respect of premises for offices amounting to ₹**4,64,17,590**/- (Previous period ₹ 4,13,76,689/-) are shown in Rent in Note 22-"Administration and Other Expenses". The significant leasing arrangements for such leases are entered into by the Company and its Holding Company i.e. NTPC Limited and these leasing arrangements are usually renewable on mutually agreed terms but are not non-cancelable."

28 Disclosure as per Accounting Standard - 20 on 'Earnings Per Share' :

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

	Year ended 31.03.2016	Year ended 31.03.2015
Net profit/(loss) after Tax used as numerator(₹)	**503,185,599**	436,113,847
Weighted average number of equity shares used as denominator	**20,000,000**	20,000,000
Earning per share (Basic & Diluted)-(₹)	**25.16**	21.81
Face Value per share-(₹)	**10.00**	10.00

29 There are no external/internal indicators which leads to any impairment of assets of the company as required by Accounting Standard (AS) 28 'Impairment of Assets' notified under the Companies (Accounting Standards) Rules, 2006.

30 "Disclosure in respect of Micro, Small and Medium Enterprises as at 31.03.2016 as required by Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 'Nil' (previous year ₹ 'Nil')."

31 As per Section 135 of Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expenses for the year are as under:

Particulars	(Amount in ₹)
A. Balance amount of previous year to be spent	6,214,275
B. Amount required to be spent during 2015-16	14,700,000
C. Amount spent during the year (incl. Rs.101,08,400/- spent in collaboration with NTPC)	14,724,870
D. Shortfall amount appropriated to CSR Reserve	6,189,405

32 Contingent Liabilities:

a) -Various solar power developers challenged the encashment/ forfeiture of EMD/Bid bond under provisions of PPA before arbitrator/High Courts. The contingent liability of ₹ **2,34,69,84,157**/- and interest claim of ₹ **89,58,78,419**/- thereon (previous year contingent liability ₹ 2,21,00,22,510/- and interest of ₹ 62,06,56,992/) has been estimated. Any possible liability crystalised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 7).

b) -One party has challenged the invocation of BG of ₹ 1,00,00,000/- on the ground of non conclusion of contract with the company for Ash Business. Interest on above has been estimated till current year ₹ 77,07,945/- (till previous year ₹ 63,51,781/-).

c) - 480.89 Million units supplied by the sellers under SWAP arrangements are yet to be returned- Amount uncertainable.

		Year ended 31.03.2016	Year ended 31.03.2015
33	a) Expenditure in foreign currency (₹):		
	Travelling Expenses	903,766	345,771
	b) Earning in foreign currency (₹)		
	Trading of Power	4,461,748,180	4,459,493,332

34 Figures in the Financial Statements have been rounded off to nearest rupee.

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

For and on behalf of the Board of Directors

Sd/- (Nitin Mehra) Company Secretary	Sd/- (Alka Saigal) CFO	Sd/- (N.K.Sharma) CEO	Sd/- (K. Biswal) Director	Sd/- (Gurdeep Singh) Chairman

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

For S S Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No.000756N

Place: New Delhi
Dated: 17.05.2016

Sd/-
(Naveen Aggarwal)
Partner
(M.No.94380)

Independent Auditors Report

To

The Members

NTPC Vidyut Vyapar Nigam Limited

We have audited the accompanying financial statements of NTPC Vidyut Vyapar Nigam Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

The Company Board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013("Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of adequate accounting policies; making judgment and estimates that are reasonable and prudent; the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

(b) in the case of the of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Legal and Other Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of subsection (11) of Sec 143 of the Act, we give in the Annexure (A) a statement on the matters specified in paragraph 3 & 4 of the order.

2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanation given to us, in the Annexure (B) on the directions and sub-directions issued by Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with us this Report are in agreement with the books of account

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 30 of the financial statement.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.S.Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

Sd/-
(Naveen Aggarwal)
Partner
Membership Number: 094380

Place: New Delhi
Date : 17.05.2016

Annexure (A) to the Independent Auditor's Report

The Annexure as referred in paragraph (1) 'Report on Legal and Other Regulatory Requirements of our Independent Auditors' Report to the members of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2016, we report that:

We report that:

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) There is no immovable property in the name of the Company, therefore clause (3)(i)(c) of "the Order" is not applicable to the company.

(ii) There is no inventory in the company during the year under audit. Accordingly clause (3)(ii) of "the Order" is not applicable to the company

(iii) The company has not granted any loans secured or unsecured to any company, firm or other party listed in the register maintained under Section 189 of the Companies Act, 2013.

Accordingly (3)(iii) (a), clause (3)(iii) (b), and clause (3)(iii) (c) of "the Order" are not applicable to the company.

(iv) The company has not made any loan, investments, guarantees and security under provisions of section 185 and 186 of the Companies Act,2013.

Accordingly clause (3) (iv) of "the Order" is not applicable to the company.

(v) The company has not accepted deposits from the public, therefore provision of section 73-76 of Companies Act 2013 is not applicable to the company. Accordingly provision of clause 3(v) of "the Order" is not applicable to the company.

(vi) The Central Government has not prescribed maintenance of cost accounts and records under section 148 of the Companies Act, 2013

(vii) (a) The employees of the company are on secondment basis from its holding company i.e. NTPC Ltd. As explained to us, the holding company is regular in depositing undisputed statutory dues including provident fund, employee state insurance etc. According to the information and explanation given to us, according to the records of the company income tax, sales tax and service tax are being deposited by the company on regular basis with the appropriate authority during the year. Duty of customs, duty of excise, value added tax, cess and other related statues are not applicable to the company. According to the information and explanations given to us, there are no undisputed provident fund, income tax, sales tax & service tax in arrear as at 31st March, 2016 for a period of more than six month from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax and service tax which have not been deposited on account of any dispute. Duty of customs, duty of excise, value added tax, cess and other related statues are not applicable to the company.

(viii) In our opinion and according to the information and explanation given to us the company has not taken any loan from the financial institutions, banks or raised money against debentures. Accordingly provisions of clause 3 (viii) of "the Order" is not applicable to the company.

(ix) The Company has neither raised any money by way of initial public offer or further public offer nor they have taken any term loan during the year under audit, Accordingly clause 3(ix) of "the Order" is not applicable to the company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

(xi) The Company has not paid or provide any managerial remuneration. Accordingly provisions of clause 3 (xi) of "the Order" is not applicable to the company.

(xii) The Company is not a Nidhi Company. Accordingly provisions of clause 3 (xii) of "the Order" is not applicable to the company.

(xiii) All the transactions undertaken by the Company are in compliance with provisions of sec: 177 and 188 of the Companies Act, 2013.

(xiv) The Company has not made any preferential allotment or private placement of shares or debentures during the year under review. Accordingly provisions of clause 3 (xiv) of "the Order" is not applicable to the company.



(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of clause 3 (xv) of "the Order" is not applicable to the company

(xvi) The Company is not required to obtain any registration under section 45-IA of the Reserve Bank of India Act, 1934.

Accordingly provision of clause 3 (xvi) of "the Order" is not applicable to the company.

For S.S.Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

Sd/-
(Naveen Aggarwal)
Partner
Membership Number: 094380

Place: New Delhi
Date: 17.05.2016

Annexure B to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of NTPC Vidyut Vyapar Nigam Limited on accounts for the year ended 31st March 2016.

S. N	Direction/Sub-direction	Actions Taken	Impact on financial Statement
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	There is no freehold and leasehold land in the Company. Therefore requirements under clause 1 of the directions are applicable during the year.	Not Applicable
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes the reasons there of and amount involved.	There are no waiver/write off of debts/loans/ interest etc. by the company during the year, therefore requirements under clause 2 of the directions are not applicable during the year.	Not Applicable
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant(s) from the Government or other authorities.	During the year under audit no inventory of the Company was lying with third party and no assets have been received as gift from Govt. or other authorities, therefore requirements under clause 3 of the directions are not applicable during the year.	Not Applicable

For S.S.Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

Sd/-
(Naveen Aggarwal)
Partner
Membership Number: 094380
Place: New Delhi
Date: 17.05.2016

Annexure C to the independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 3(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of NTPC Vidyut Vyapar Nigam Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.S.Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

Sd/-
(Naveen Aggarwal)
Partner
Membership Number: 094380

Place: New Delhi
Date: 17.05.2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC VIDYUT VYAPAR NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on Independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2016.

I, on behalf of the Comptroller and Auditor General of the India, have decided not to conduct the supplementary audit of the financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2016 under Section 143 (6) (a) of the Act.

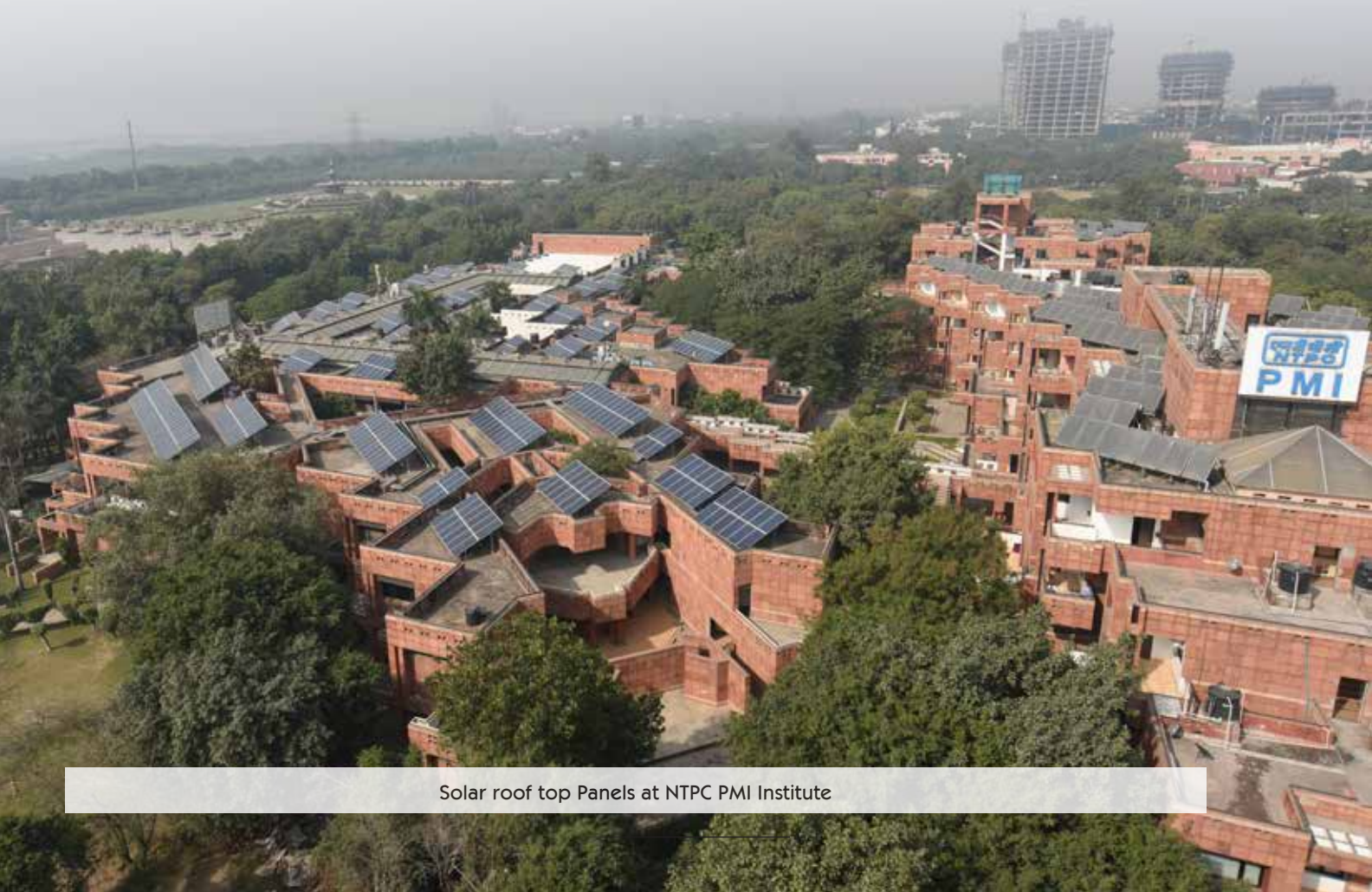
For and on behalf of the Comptroller & Auditor General of India

Sd/-
(Ritika Bhatia)

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

Place: New Delhi

Dated : 04 July, 2016



Solar roof top Panels at NTPC PMI Institute

KANTI BIJLEE UTPADAN NIGAM LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 10th Annual Report on the business and operations of the Company along with Audited Financial Statements and Auditors' Report thereon for year ended on 31st March 2016.

PERFORMANCE OF THE COMPANY

Pursuant to Memorandum of Agreement dated 26.12.2005 signed between NTPC, Government of Bihar and Bihar State Electricity Board for reviving and operating Stage-I (2X110 MW), your Company was entrusted with the work of renovating and modernizing (R&M) of existing (2x110 MW) units of Muzaffarpur Thermal Power Plant (MTPP).

After completion of R&M of both the units of 110 MW of Stage-I, first unit is under commercial operation since 01.11.2013 and the second unit since 15.11.2014.

After commercial operation, Unit # 1 has generated 346.835 MUs with a PLF of 35.89% & Unit # 2 has generated 432.123 MUs with a PLF of 44.72% during the financial year 2015-16. The total generation of the station is 778.96 MUs with a PLF of 40.31%.

Out of total 2,54,211 MT ash generated from Stage - 1 during the period under review, 10834 MT of ash has been utilized for civil construction activities and 2512 MT ash has been issued to brick manufacturing units.

Your Company is also implementing expansion of MTPP by adding 2X195 MW units in the available land. First unit of Stage-II was synchronized on 31.03.2015 and second unit of Stage-II was synchronized on 24.03.2016.

Coal handling plant package was awarded in Aug'15 for Stage-II after termination of earlier contract. The work of the said package is in progress. Work of make up water pump house is also progressing with completion of intake well sinking in Budhi Gandhak River.

To take care of environmental norms, your Company is carrying out ambient air quality monitoring, analysis of drinking water and effluent water quality monitoring on monthly basis at plant and township area to keep check on emission of pollutants in the air and to maintain the quality of the air and water around the project. On-line stack monitoring system is provided in both the units of Stage - I. Offline stack monitoring of Unit # 1 & Unit # 2 is also being done regularly twice in a month.

Company is also in the process of establishing online monitoring of ambient air quality monitoring system (AAQMS) & effluent quality monitoring system (EQMS).

Your Company organized environmental awareness program amongst employees and people in and around plant. World Environment Day was celebrated on 05.06.2015. On this day, 125 nos. of saplings were planted. Employees & other habitants took environment walk and oath for environment protection. Distribution of environment friendly carry bags were done to avoid use of polythene bags.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2015 and 31st March 2016 are as under:-

(Amount in ₹)

Balance Sheet Items as at	31.03.2016	31.03.2015
Paid-up Share Capital	10,61,50,76,800	10,00,00,00,000
Reserves and Surplus	2,62,10,01,786	3,60,42,30,324
Share Capital Deposit Pending Allotment	47,74,70,261	-
Non-current liabilities	22,77,99,62,367	19,76,45,95,250
Current liabilities	5,92,50,40,671	4,90,98,68,272
Non-current assets	39,83,63,52,255	35,19,90,35,548
Current assets	2,58,21,99,630	3,07,96,58,298
Items from Statement of Profit and Loss for the year ended	**31.03.2016**	**31.03.2015**
Total Revenue	3,77,62,53,781	4,60,45,25,574
Total Expenses	4,53,34,53,256	4,15,30,05,363
Profit/ (Loss) before Tax	(75,71,99,475)	45,15,20,211
Total Tax Expenses	(17,51,70,545)	27,90,72,533
Profit/ (Loss) for the year	(58,20,28,930)	17,24,47,678

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and other regulations are as under:

(1) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

(i) Energy conservation activities

- Capacity test of cooling tower – Energy audit of Unit # 2 cooling tower was carried out with the help of CENPEEP.
- Thermovision scanning of high energy drain system & corrective action has been started to prevent energy loss.

(ii) Technological Absorption- Nil

(iii) During the period under review, there was no earning and no outgo in foreign exchange.

(2) Information on Number of Meetings of the Board held during the year:

During the year, six Meetings of the Board were held on 21.05.2015, 09.07.2015, 22.07.2015, 10.09.2015, 23.12.2015 and 29.02.2016. The attendance of Directors in these Meetings are as under:

Date of the Meeting/ Name of the Director	21.05.15	09.07.15 (Original)*	09.07.15 (Adjourned)*	22.07.15	10.09.15 (Original)*	10.09.15 (Adjourned)*	23.12.15	29.02.16
Dr. Arup Roy Choudhury, Chairman (upto 14.08.2015)	Yes	Yes	Yes	Yes	NA	NA	NA	NA
Shri K.K. Sharma, Chairman (w.e.f. 02.11.2015)	NA	NA	NA	NA	NA	NA	Yes	Yes
Shri U.P. Pani, Chairman (upto 21.09.2015)**	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA
Shri P. Amrit, Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri K.S. Garbyal, Director	Yes	Yes	Yes	No	Yes	Yes	No	No
Shri Manish Kumar Verma,Director (upto 23.02.2016)	Yes	No	No	No	Yes	Yes	Yes	NA
Ms. Sangeeta Bhatia, Director	Yes	No	No	Yes	Yes	Yes	No	Yes
Shri A.K. Gupta, Director (w.e.f. 10.09.2015)	NA	NA	NA	NA	No	No	Yes	Yes

NA indicates that the Director was not inducted on the Board or has ceased to be the Director on the Board of the Company.

*The Board meetings held on 09.07.2015 and 10.09.2015 were adjourned and held on the same day.

** Shri U.P. Pani was the Director till 19.08.2015 and designated as the Chairman of the Company from 20.08.2015 to 21.09.2015.



(3) Audit Committee

As on 31st March 2016, the Audit Committee of the Company comprises Shri P. Amrit, Shri K.S. Garbyal, Shri A.K. Gupta and Ms. Sangeeta Bhatia, Directors. Nomination of Independent Director in the Audit Committee shall be made on appointment of the same.

During the year, four Meetings of the Committee were held on 21.05.2015, 22.07.2015, 10.09.2015 and 23.12.2015. The attendance of Directors in these Meetings are as under:

Date of the Meeting	21.05.2015	22.07.2015	10.09.2015	23.12.2015
Shri U.P. Pani	Yes	Yes	NA	NA
Shri P. Amrit	Yes	Yes	Yes	Yes
Shri K.S. Garbyal	Yes	No	Yes	No
Shri A.K. Gupta	NA	NA	No	Yes
Shri Manish Kumar Verma	Yes	No	Yes	Yes
Ms. Sangeeta Bhatia	Yes	Yes	Yes	No

NA indicates that the Director was not inducted on the Board or has ceased to be the Director on the Board of the Company.

(4) Corporate Social Responsibility Committee

As on 31st March 2016, Corporate Social Responsibility Committee of the Board comprised Shri K.K. Sharma as Chairman and Shri P. Amrit and Shri K.S. Garbyal as Members of the Committee. Nomination of Independent Director in CSR Committee shall be made on appointment of the same.

During the year, one resolution was passed by the Members of the Committee on 29.02.2016 through Circulation for utilization of budget of CSR for FY 2015-16, which was agreed to by all the Members.

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR for the Financial Year 2015-16 is at Annex-III.

(5) During the year the Company undertook the following activities under CSR as a responsible corporate citizen in and around plant:

(i) Installation of 2 nos. water cooler at Govt. health centre

(ii) Distribution of 500 blankets

(iii) Distribution of 12 Tricycle to physically challenged persons

(iv) Sponsorship to Matdata Jagrukta Abhiyan (Distribution of 1000 nos caps & T shirt each)

(v) Providing 5 sets of multiseater chair at Govt. public health Centre

(vi) Construction of 1 no shed at Govt. public health Centre

(vii) Organizing one medical camp

(6) Statutory Auditors

The Comptroller & Auditor General of India through letter dated 25.08.2015 had appointed M/s Goel Mintri & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2015-16. The Statutory Auditors of the Company for the financial year 2016-17 are yet to be appointed by the Comptroller & Auditor General of India.

(7) Management comments on Statutory Auditors' Report

The Statutory Auditors of the Company have given an unqualified report on the accounts of the Company for the financial year 2015-16.

(8) Review of accounts by Comptroller & Auditor General of India

The comments of the Comptroller and Auditor General of India for the year 2015-16 and Management Replies thereto forms part of this Annual Report and placed elsewhere in the Report.

(9) COST AUDIT

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by the Company.

M/s V.P. Gupta & Co., Cost Accountants, had been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 for the financial year 2015-16.

The Cost Audit Report for your Company for the Financial Year ended on 31.03.2015 was filed with the Central Government on 30.09.2015.

The Cost Audit Report for the financial year ended March 31, 2016 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

(10) Your Company, being subsidiary of NTPC, is covered under the Enterprise Risk Framework established by Holding Co., NTPC Limited. Details about risks with the Company are covered in the Management Discussion & Analysis Report which forms part of this Report and placed at Annex-I.

(11) Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annex- II to this Report.

(12) Performance Evaluation of the Directors and the Board

As required under the Companies Act, 2013, evaluation of performance of directors including that of the Independent Directors/ Board/ Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors.

The Ministry of Corporate Affairs, through Notification dated 05.06.2015, has exempted the Government Companies from evaluation of Directors. As per the Articles of Association of KBUNL, all the Directors are nominated by NTPC and Bihar State Power Generation Company Limited (earlier BSEB). The Directors nominated by NTPC or BSPGCL are being evaluated under a well laid down procedure for evaluation of Functional Directors & CMD as well as of Government Directors by Administrative/ respective Ministry/ Department. Also, the performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Holding Company i.e. NTPC Limited.

(13) Secretarial Audit

The Board has appointed M/s Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annex- IV to this Report.

The Management's Replies on the observations of Secretarial Audit are as under:

Observations	Management's Reply
During the financial year, the composition of the Board and Committees of the Board should be in compliance with the provisions of the Companies Act, 2013 with respect to appointment of Independent Directors & consequential non-compliances thereof.	Kanti Bijlee Utpadan Nigam Limited (KBUNL) is a subsidiary of NTPC Limited, a Government Company, as such, KBUNL is a Government Company. Its Independent Directors shall be appointed by the Government of India. As per the Articles of Association of KBUNL, all the Directors are nominated by NTPC and Bihar State Power Generation Company Limited (earlier BSEB). NTPC (Holding Company) has requested the Government to either permit NTPC or to appoint requisite number of Independent Directors on the Board of KBUNL.

(14) Particulars of contracts or arrangements with related parties

During the period under review, the Company had not entered into any contract or arrangement with related parties.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

(15) Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL. Contingent Liabilities are detailed in Note –37 of Notes to Accounts to Financial Statements for the FY 2015-16. The details of undisputed statutory dues pending before appropriate authorities is detailed in Annexure to Independent Auditors' Report.

(16) Adequacy of internal financial controls with reference to the financial reporting: The Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.



(17) Procurement from MSEs

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total purchase made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2015-16 is ₹ 1,42,87,719/-.

(18) Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

(19) Issue of Shares in the Financial Year:

During the year under review, the Company issued shares to NTPC and Bihar State Power Generation Company Limited. The details are as under:

Date of Allotment/ Name of Allottee	23.12.2015	29.02.2016
NTPC Limited	3,05,50,000 shares of ₹ 10/- each at par with existing equity holders	94,29,992 shares of ₹ 10/- each at par with existing equity holders
Bihar State Power Generation Company Limited	1,64,50,000 shares of ₹ 10/- each at par with existing equity holders	50,77,688 shares of ₹ 10/- each at par with existing equity holders

(20) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

(21) Establishment of vigil mechanism/ whistle blower policy:

Your Company has established Whistle Blower Policy as required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(22) The Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

(23) The Company has not accepted any deposits during the year.

(24) The Company has no subsidiary or joint venture.

(25) No Presidential Directive was issued by the Government during the year under review.

(26) The Company has not declared any dividend during the year.

(27) KBUNL, being subsidiary of NTPC, it is covered under the Internal Complaints Committee constituted by NTPC under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2015-16 and of the loss of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the Annual Accounts on a going concern basis; and
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

During the year, Dr. Arup Roy Choudhury ceased to be the Chairman of the Company with effect from 14.08.2015 consequent upon withdrawal of his nomination from NTPC. After that, Shri U.P. Pani, Director was nominated as the Chairman of the Company. The Board appointed him as the Chairman of the Company w.e.f. 20.08.2015.

Shri U.P. Pani ceased to be the Chairman of the Company with effect from 21.09.2015 and NTPC nominated Shri K.K. Sharma, Director (Operations), NTPC as the Chairman of the Company. The Board appointed him as the Chairman of the Company w.e.f. 02.11.2015.

On nomination of Shri A.K. Gupta, Executive Director, NTPC as Director of the Company, the Board appointed him as the Director of the Company w.e.f. 10.09.2015.

Shri Manish Kumar Verma ceased to be the Director of the Company with effect from 23.02.2016 consequent upon withdrawal of his nomination from Bihar State Power Generation Company Limited (BSPGCL). BSPGCL nominated Shri R. Lakshmanan, Managing Director, BSPGCL as Director on the Board of KBUNL in place of Shri Manish Kumar Verma. The board appointed him as Director of the Company with effect from 25.04.2016.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Dr. Arup Roy Choudhury, Shri U.P. Pani and Shri Manish Kumar Verma during their association with the Company.

As per the provisions of the Companies Act, 2013, Smt. Sangeeta Bhatia, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

ACKNOWLEDGEMENT

Your Directors acknowledge, with deep sense of appreciation, the co-operation extended by Ministry of Power/ Government of India, Government of Bihar, Bihar State Power Generation Company Limited (erstwhile Bihar State Electricity Board), Planning Commission, Central Electricity Regulatory Commission, Ministry of Environment, Forests & Climate Change and Airports Authority of India.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Auditors, Bankers, Contractors, Vendors and Consultants of the Company.

We wish to place on record our appreciation for the untiring efforts and contributions by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of Board of Directors

Place: New Delhi
Date: 28th July 2016

(K.K. Sharma)
Chairman
DIN : 03014947

Annex-I to the Directors' Report of KBUNL

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power Sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. The achievements and developments along with various issues in various segments of the Industry have been discussed in the ensuing paragraphs:

Snap Shot 2015-16

- Gross annual generation of the country was 1107.82 BUs as compared to 1048.67 BUs in the previous year, a growth of 5.64%.
- Generation capacity of 23976.60 MW added during the year surpassing 22566.31 MW added in the previous year.
- 28114 Ckms of transmission lines added during the year as compared to 22101 Ckms in the previous year.
- 81742 MVA of transformation capacity added during the year as against 65554 in the previous year.



- Marginal decline in PLF of thermal stations from 64.25% in financial year 2014-15 to 62.29% in the financial year 2015-16.
- Peak energy deficit and energy deficit was 3.2% and 2.1% respectively as against 4.7% and 3.6% during financial year 2014-15.

(Source: Central Electricity Authority)

Existing Installed Capacity

The total installed capacity in the country as on March 31, 2016 was 298059.97 MW with private sector contributing 40% of the installed capacity followed by State Sector with 34% share and Central Sector with 26% share.

	Total Capacity (MW)	% share
State	101760.59	34
Centre	76296.75	26
Private	120002.63	40
Total*	**298059.97**	**100.00**

(Source: Central Electricity Authority)

During the financial year 2015-16, capacity of 23976.60 MW was added. With this the total capacity addition during the four years of XII plan period is 84990.72 MW which is about 96% of the planned capacity of 88537 MW for the XII Plan.

Capacity Utilization and Generation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF).

Sector wise Generation and PLF (Thermal)

Sector	2014-15	2015-16
State	59.85	55.41
Central	74.20	72.52
Private	59.33	60.59
All India	64.25	62.29

PLF of Thermal stations declined from 64.25% to 62.29%. The major decline in PLF is in state sector. The overall decline in PLF was mainly on backing down/ shut down of units on account of low schedule from beneficiary states (Source: Central Electricity Authority). The out-look of generation look promising with expected increased industrial production and Government of India's mission to provide 24 x 7 electricity to all.

Existing Generation

The total power available in the country during the financial year 2015-16 was 1107.82 billion units as compared to 1048.67 billion units during last year, registering a growth of 5.64%. (Generation figures pertains to monitored capacity by CEA)

Sector wise and fuel wise break-up of generation (BUs) for the year 2015-16 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Imp	Total
Central	315.25	56.68	37.41	-	409.34
State	291.83	53.16	0	-	345.00
Pvt/IPP	336.71	11.53	0	-	348.24
Bhutan Imp	0.00	0.00	0	5.24	5.24
Total	943.79	121.38	37.41	5.24	1107.82

(Source: Central Electricity Authority)

As far as Thermal generation is concerned, based on the monitored capacity by CEA, the generation contribution of central sector is 33.40% with installed capacity share of 27.95%, state sector contributes 30.92% of generation with installed capacity share of 34.06% and private sector contributes 35.67% of generation with installed capacity share of 37.98%. Central Sector utilities have better performing stations as compared to those of State utilities and Private Sector.

Consumption

In terms of per capita power consumption, India ranks among the lowest in the world. The per capita consumption of power in India is just 957 units in financial year 2013-14 (provisional). *(Source: Central Electricity Authority)*

Major end users of power can be broadly classified into industrial, agricultural, domestic and commercial consumers. These consumers represented approximately 44%, 18%, 22% and 9%, respectively, of power consumption measured by units of electricity consumed in financial year 2013-14. Traction & Railways and others represented about 7% of power consumption. The electricity consumption in Industry sector and commercial sector has increased at a much faster pace compared to other sectors during 2005-06 to 2013-14 with CAGR of 10.97% and 8.82% respectively *(Source: Ministry of Statistics and Programme Implementation- Energy Statistics 2015).*

Energizing the Power Sector – Key Initiatives and Reforms

The last 15 months has been the period of many positive developments in the Indian Power Sector and is now poised for leap frog growth in the coming years.

A chain is as strong as its weakest link and the same hold true for power value chain. Each link has to keep pace with other to achieve a sustainable performance. In Indian Power Sector, the weakest link has been the Distribution segment marred by huge financial losses due to high transmission and distribution losses, huge gap between cost and revenue and poor revenue realization. However, for healthy growth of the entire sector, Government of India has taken several initiatives which are briefly discussed below:

(A) Ujwal Discom Assurance Yojana (UDAY)

The UDAY, the most comprehensive power sector reform scheme ever, was launched by the Central Government in November, 2015 to facilitate the revival of the discoms which have been struggling with losses and mounting debt. Within few months of launch of Scheme, 18 states and 1 union territory have agreed to participate in the Scheme, covering about 90% of the total discom debt. The total outstanding debt as on September 30,2015 was about ₹ 4,30,000 crore with average interest rate of 12%. UDAY provides an opportunity to discoms to break-even in next couple of years through reduction in interest burden, cost of power, cutting down on AT&C losses and enhanced operational efficiency. Discoms would benefit from improvement in their credit ratings as a result of financial and operational efficiencies and would help in raising cheaper funds for future capital investments.

(B) Amendment to Tariff Policy

In January, 2016 Tariff Policy 2006 was amended with comprehensive changes to align it with the current state of the power sector. The changes focus on four E's: electricity for all, efficiency to ensure affordable tariffs, environment for sustainable future and ease of doing business to attract investments.

(C) Atomic Energy (Amendment) Act,2015

The Parliament passed the bill in December, 2015 paving the way for participation of PSU's in setting-up of Nuclear Power Plants, which was so far limited to NPCIL and BHAVINI under the administrative control of Department of Atomic Energy. It has expanded the definition of Government Company to include Companies where the entire paid-up share capital is held by one or more Government Companies. Further, to allow participation of PSU's, amendments allows the central government to issue licenses for JV companies to set up nuclear power plants.

(D) Fuel Reforms

Historically availability of fossil fuel, particularly coal has been the cause of serious concern for thermal power generators. However, the last 15 months has proved to be quite dynamic with slew of measures taken by Central Government which inter-alia include coal mining reforms which focused on two key aspects- competitive auctions for coal mines and commercial mining. Competitive auction of coal mines would result in transfer of economic benefits to end consumers in the form of lower tariffs.

In May, 2016 a new policy for coal linkage allocation to increase flexibility in the utilization of domestic coal linkages was approved by the Cabinet. Under the framework, all long term linkages of individual state generating stations/central generating stations would be clubbed and assigned to the respective state(s)/ company owning the generation stations. Subsequent allotment of coal would be based on plant efficiency, coal transportation cost, transmission charges and overall cost of power.

The Ministry of Coal finalized the guidelines for the automatic coal linkage transfer policy to enable seamless transfer of fuel from old thermal power stations that have been scrapped to new super critical plants to enhance generation capacity, ensure lower emissions and optimize land as well as water usage.

On the gas front, Government introduced a scheme for gas-based power projects, applicable for 2015-16 and 2016-17 for reviving the gas



based capacity as many of the gas-based power plants were stranded or operating at sub-optimal levels due to non-availability of gas. The scheme envisaged sacrifices made by all stakeholders as well as support from Power System Development Fund. The scheme resulted in revival of 11,717 MW of stranded gas based power projects with supply of Re-gasified Liquefied Natural Gas through transparent e-auction.

(E) Demand Side Management

Based on encouraging results of Cycle 1 of Perform Achieve and Trade mechanism, Cycle 2 for the period 2016-17 to 2018-19 has been further broadened with inclusion of more units from the existing sectors and addition of units from 3 new sectors i.e refineries, railways and electricity discoms. The designated customers selected in Cycle 2 account for 50% shares in total energy consumption based on 2009-10 levels.

Government identified lighting as key focus area for energy efficiency. Under the Unnat Jyoti by Affordable LEDs for All (UJALA), more than 11 crore LED Bulbs have been distributed which resulted in cost saving of ₹ 16.24 crore per day and over 4 crore KWh per day and at the same time helped in reduction of CO_2 to the extent of 32,877 tonne per day thereby reiterating India's commitment made at Conference of Parties (COP) 21 Summit held in Paris, to reduce its energy intensity. (Source: www.ujala.gov.in).

Demand, Supply and Consumption Position

All the regions in the country namely Northern, Western, Southern , Eastern and North-Eastern Regions continued to experience energy as well as peak power shortage of varying magnitude on an overall basis, although there were short-term surpluses depending on the season or time of day. The surplus power was sold to deficit states or consumers either through bilateral contracts, power exchanges or traders. The energy shortage varied from 0.2% in the Western Region to 5.2% in the North-Eastern Region. (Source : Load Generation and Balance Report 2015-16) .

During the year 2015-16, though the total ex-bus energy availability increased by 5.8% over the previous year and the peak met increased by 5.2%. The energy requirement registered a growth of 4.3% during the year against the projected growth of 8.7% and Peak demand registered a growth of 3.5% against the projected growth of 5.9%.

The power supply position in Eastern Region and Bihar during 2015-16 is as under:

Particulars	Year 2015-16			Year 2016-17 (Anticipated)		
	Req	Avail	Surplus/ (Deficit)	Req	Avail	Surplus/ (Deficit)
Energy Requirement						
Eastern Region (in MU)	1,24,653	1,23,646	(1007 MUs) (0.8%)	1,51,336	1,35,713	(15,622 MUs) 2.0%
Bihar (in MU)	23,960	23,658	(302 MUs) (1.3%)	26,369	19,713	(6,656 MUs) (25.2%)
Peak Requirement						
Eastern Region (In MW)	18,169	18,056	(113 MW) (0.6%)	21,387	22,440	1,053 MW 4.9%
Bihar (In MW)	3,735	3,484	(251 MW) (6.7%)	3,900	3,183	(717 MW) (18.4%)

From the above, it is evident that there have been energy and peak shortages in the Eastern Region as well as in Bihar during the year 2015-16. In the year 2016-17 also, there shall be energy and peak shortages in Bihar and whole of the Eastern Region.

SWOT ANALYSIS

Strength/ Opportunity:

In the scenario of high demand versus low supply of power, implementing the Company's project is justified. It has full support of NTPC, the promoter and major stake holder. The holding Company, i.e. NTPC Limited is providing engineering and management expertise from planning to commission and operating power plant.

The other promoter i.e. Bihar State Power Generation Company Limited (erstwhile Bihar State Electricity Board) is also the beneficiary of the Company.

Unit#1 and Unit#2 of 110 MW each of Stage-I have been declared commercial. Unit#3 and Unit # 4 of Stage-II has been synchronised on 31.03.2015 and 24.03.2016 respectively.

For Stage-I, Power Purchase Agreement for entire power exists with transmission companies of Bihar State Power Holding Company Limited. For Stage-II, Power Purchase Agreement has been signed with transmission companies of Bihar State Power Holding Company Limited for 67.7 % of power and balance has been signed with the GRIDCO, DVC, Sikkim, Jharkhand State Electricity Board and West Bengal State Electricity Board.

Weakness/ Threats:

The beneficiary i.e. South Bihar Transmission Co. Ltd. and North Bihar Transmission Co. Ltd has overdue payment towards energy bills raised by the Company and thus the working capital is required to be channelized from other sources.

Delayed payment of Energy Bills from Beneficiaries causes stoppage of coal supply which results into shutting down of operating units.

RISK AND CONCERN

The risks to which company is exposed and the initiatives taken by the company to mitigate such risks are given below:

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake or cyclone, floods etc.

Risk associated with protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the govt. authorities and company is formulating its own guidelines in this regard. Risk arising out of accidents, fire etc is protected through insurance policies and limited through contractual agreements wherever possible.

Financial Risks:

As per the revised schedule agreed by the consortium of Banks, the Company has to declare it's both the units under Stage-II commercial by Jan 2017 so that the account of the Company remains standard in the Books of Lenders.

The outstanding dues from the beneficiaries on account of Energy Bill stood ₹ 212.74 crores (including late payment surcharge & other charges of ₹ 28.52 Crores) as on 13.07.2016. The dues beyond 60 days stood at ₹ 88.90 crores & ₹ 52.28 crores beyond 30 days but less than 60 days. As such, during the Financial Year 2015-16, the Company paid compensation to Eastern Coalfields Limited and Bharat Coking Coalfields Limited for non-lifting of coal as per annual contracted quantity.

Operational Risks:

Water linkage and quantity:

At present water requirement is being met through under-ground water with running of Deep Tube Well. CWC has given their consent for 45 Cusecs of water on 19.02.2010 from river Budhi Gandak (15 Cusecs for Stage-I and 30 Cusecs for Stage-II). Water Resources Department, GoB has made their commitment of 45 Cusecs of water from Budhi Gandak. Readiness of Make-up water system and availability of cooling water both for Stage – I and Stage – II is required for uninterrupted operation of the plant.

Risk: Land Acquisition for around 25.5 Acres of land for make up water pipe line laying not yet completed. Non- Completion of makeup water system may affect the operation of Stage-II units. However, alternate arrangement of water from Canal has been taken up with Irrigation Deptt. Govt.of Bihar. Distributary Canal cleaning work has been completed by KBUNL & ready for charging.

Ash Disposal System for Stage – I & II and Coal Handling Plant of Stage-II:

Ash Dyke Stage-I –New Ash dyke (Lagoon –III) along with AWRS (Ash Water Recirculation System) to be constructed as per directive of CPCB.The work has not been awarded yet. A bank guarantee has been submitted to Bihar State Pollution Control Board in compliance of CPCB directive. NOC for consent to operate & consent to discharge issued by BSPCB is valid till 30.11.2018.

Risk - A program for construction of Ash Dyke (Lagoon –III) & AWRS has been submitted , Revised time line is to be submitted again for consideration of CPCB. CPCB may give any direction as per EP Act.

Ash Dyke for Stage – II is to be completed for disposal of Ash generated as a result of Stage – II generation after COD. Contract has been awarded & work is progressing.

Risk: Payment for part land for ash pipe corridor has been done & the survey work has been undertaken by the company. Due to non completion of payment for balance land by Distt. Authority, entire stretch of the corridor is not available for work. However, it has been planned to dump Ash in Stage-I for the time being as contingency measure, till ash dyke Stage-II & ash pipe line work is completed.

Coal Handling Plant for Stage-II is not yet constructed and CHP of



Stage-I is being linked for feeding Stage-II. Due to this, even after commissioning of both the units of Stage-II, the plant is not yet been declared commercial.

The policies and process framework of the company supported by the proactive approach of management mitigate operational risks to great extent.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The accounts are being prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India from time to time and as per the guidelines issued from NTPC Limited. The Company has implemented SAP in all modules. It is helping the Company a lot in retrieving data and maintaining systematic backup.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in coordination with Internal Audit Department of NTPC Limited. The Company has constituted an Audit Committee to oversee the financial performance of the company. The scope of this Committee includes compliance and adequacy of Internal Control Systems in the Company.

FINANCIAL DISCUSSION AND ANALYSIS

During the financial year 2015-16, 3,99,79,992 shares were issued to NTPC and 2,15,27,688 shares were issued to Bihar State Power Generation Company Limited (BSPGCL) (erstwhile BSEB). The equity share capital of the Company has reached ₹ 1,061.51 crore, which is in the ratio of 65:35 between NTPC and BSPGCL at the end of financial year 2015-16. The Company has enhanced the authorized share capital of the Company from ₹ 1,000 crore to ₹ 1,400 crore. Share application money pending allotment was ₹ 47,74,70,261/-

The grants received from Backward Region Grants Fund (Rashtriya Sam Vikas Yojna) was credited to capital reserve account initially and the same was treated as income in the same proportion as the depreciation written off on the assets acquired out of grants. Although no grant was received during the year, but grant of ₹ 40.12 crore received out of grants of previous years has been recognised as income during the year.

Secured term loan as on 31.03.2016 was ₹ 22,20,97,60,451 from consortium led by State Bank of India. The unsecured loan from the Holding Company stood at ₹ 85,71,426 at the end of the financial year. Your company has made no defaults in repayment of any of the loans or interest thereon as at the end of the year.

The net tangible assets as at 31.03.2016 were ₹ 6,77,39,36,846 as compared to ₹ 6,73,00,73,761 as at 31.03.2015. The net intangible assets as at 31.03.2016 were ₹ 3,22,509 as compared to ₹ 2,48,709 as at 31.03.2015. The capital work-in-progress was ₹ 32,22,40,35,669 as at 31.03.2016 as compared to ₹ 27,65,66,93,350 as at 31.03.2015. Long-term loans and advances was ₹ 83,80,57,231 as on 31.03.2016 as compared to ₹ 81,20,19,728 as on 31.03.2015. The current assets stood at ₹ 2,58,21,99,630 as at 31.03.2016, while the current assets as at 31.03.2015 were ₹ 3,07,96,58,298.

Borrowing costs attributable to the fixed assets during construction, renovation and modernisation have been capitalised. Such borrowing costs have been 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. The borrowing costs capitalised during the year ended 31.03.2015 amounted to ₹ 2,11,39,06,933 (Previous year ₹ 2,15,71,63,016).

The generation from Unit#1 was 346.835 MUs and Unit#2 was 432.123 MUs. Commercial operation of Unit#1 had commenced from 01.11.2013 and for Unit#2 from 15.11.2014.

For Unit#1, Central Electricity Regulatory Commission issued tariff order dated 09.02.2016 for the period 01.11.2013 to 31.03.2014. KBUNL has filed a petition for review of CERC order dated 09.02.2016.

In view of CERC order dated 09.02.2016, Unit # 1 billing was revised w.e.f. 01.11.2013 (COD of U# 1) as per order. Unit # 2 billing is as per 85 % of fixed charges, filed in the petition before CERC for 2014-19.

The revenue from operations amounting to ₹ 3,76,51,44,728 during the financial year included energy sales, energy internally consumed, capital grants recognised and provisions written back as income during the year. The other income of ₹ 1,11,09,053 included interest from banks, income from sale of scrap and other receipts from contractors/ suppliers. The expenses were ₹ 4,53,34,53,256, which included expenditure towards fuel, employee benefit expenses, finance cost, depreciation & amortisation expenses, generation & administration expenses and prior period expenses. Total tax amounted to ₹ 17,51,70,545. The Company incurred loss of ₹ 58,20,28,930/- as against for the last year's profit of ₹ 17,24,47,678.

Total sales of ₹ 330.12 Cr recorded for the year 2015-16. CERC has issued final tariff order for U#1 for the period 01.11.2013-31.03.2014 in tariff regime 2009-14. Accounting of sales has been done for the FY 2013-14, 2014-15 & FY 2015-16 based on this order. Accordingly, Sales to the tune of (-) ₹ 43.20 Cr for the FY 2013-14 & FY 2015-16 has been adjusted in current FY 2015-16.

Company has made Net Loss after Tax of ₹ 58,20,28,931/- . The Gross Loss of the company for the FY 2015-16 is ₹ 75,71,99,476/. The reasons for the loss are as below:-

1. During the FY 2015-16, Stage-I could achieve Plant Availability Factor of 43.25% only due to major breakdowns of both Units and coal shortage. Due to the breakdowns Repair maintenance of P&M expenditure has increased by ₹ 10.99 Cr.

2. CERC in its tariff order for U#1 has reduced the life of P&M after Renovation & Modernization to 10 years from 15 years as admitted in its provisional order. Accordingly Depreciation for the year has increased by ₹ 20.63 Cr.

If the non cash expenditure (depreciation) and previous year's sales adjustment are added back then the company has made net cash profit of ₹ 19.02 Cr for the FY 2015-16.

HUMAN RESOURCE

Presently, the Company has total strength of 201 employees, out of which, 195 employees are deputed from the Holding Company i.e. NTPC Limited and 6 employees are on the rolls of KBUNL. Out of the total strength, the company has employed 27 SC candidates, 10 ST candidates and 44 OBC candidates as a socially responsible and conscious organisation.

The Company is paying adequate perks and also making employees part of profit sharing by giving Profit Related Payment. They are being imparted training / participated in seminar for their professional up gradation from time to time as an endeavour of your company to become a learning organisation. The Company had incurred ₹ 41,94,83,213 (previous year ₹ 35,77,24,661) - towards Salaries, Wages, Allowances, Benefits, Contribution to Provident and other Funds and welfare expenses. Out of ₹ 41,94,83,213, the amount transferred to Expenditure during Construction amounted to ₹ 14,84,96,768 and transferred to fuel cost amounted to ₹ 2,06,31,973.

During the year, the Company organised four meetings with the employees/ representatives & an open house with all executives to know their problems and to resolve the same to make the environment congenial.

Safe methods are practised in all areas of Operation & Maintenance and Construction & erection activities for the protection of workers against injury and diseases. Occupational safety at workplace is given utmost importance.

OUTLOOK

The company's outlook is very bright. It is generating revenue for growth and development of the company after becoming operational. It is also boosting employment opportunities to the local inhabitants.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic condition, Government policies and other incidental/ related factors.

For and on behalf of Board of Directors

(K.K. Sharma)
Chairman
DIN : 03014947

Place: New Delhi
Date: 28th July 2016



Form No. MGT-9
Extract of Annual Return
as on financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U40102DL2006GOI153167
ii)	Registration Date	:	September 6, 2006
iii)	Name of the Company	:	Kanti Bijlee Utpadan Nigam Limited
iv)	Category / Sub-Category of the Company	:	Public Company / Government Company
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003 Ph. No.: 011-2436 0071 Fax No.: 011-24360241 E-mail: ruchimittal@ntpc.co.in
vi)	Whether listed company (Yes / No)	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the Company
1	Electric Power Generation by coal based thermal power plant	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% shares held	Applicable Section
1	NTPC Limited Address: NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	L40101DL1975GOI007966	Holding	65%	2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a)Individual/ HUF (i) As Nominee of NTPC (ii) As Nominee of Bihar State Power Generation Company Limited	- -	300 300	300 300	0.00 0.00	- -	300 300	300 300	0.00 0.00	- -
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.(s)	-	-	-	-	-	-	-	-	-
d)Bodies Corp. NTPC Limited	-	64,99,99,700	64,99,99,700	65%	-	68,99,79,692	68,99,79,692	65%	-
Bihar State Power Generation Company Limited	-	34,99,99,700	34,99,99,700	35%	-	37,15,27,388	37,15,27,388	35%	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	1,00,00,00,000	1,00,00,00,000	100%	-	1,06,15,07,680	1,06,15,07,680	100%	-
(2) Foreign									
a) NRIs- individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	1,00,00,00,000	1,00,00,00,000	100%	-	1,06,15,07,680	1,06,15,07,680	100%	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**1,00,00,00,000**	**1,00,00,00,000**	**100%**	-	**1,06,15,07,680**	**1,06,15,07,680**	**100%**	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the shareholding during the year
1.	NTPC Limited	64,99,99,700	65%	-	68,99,79,692	65%	-	-
2.	Bihar State Power Generation Company Limited	34,99,99,700	35%	-	37,15,27,388	35%	-	-
3.	Nominees of NTPC	300	0.00	-	300	0.00	-	-
4.	Nominees of Bihar State Power Generation Company Limited	300	0.00	-	300	0.00	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,00,00,00,000	100%	1,00,00,00,000	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	Allotment made on 23.12.2015	4,70,00,000	100%	1,04,70,00,000	100%
	Allotment made on 29.02.2016	1,45,07,680	100%	1,06,15,07,680	100%
	At the End of the year	**1,06,15,07,680**	100%	**1,06,15,07,680**	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sl No.	For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri K.K. Sharma** **Chairman & Nominee of NTPC**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Transfer from Shri U.P. Pani to Shri K.K. Sharma on 02.11.2015	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
2.	**Shri P. Amrit** **Director & Nominee of BSPGCL**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00
3.	**Shri K.S. Garbyal** **Director & Nominee of NTPC**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Transfer from Dr. Arup Roy Choudhury to Shri K.S. Garbyal on 20.08.2015	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
4.	**Shri Manish Kumar Verma** **Director & Nominee of BSPGCL**				
	At the beginning of the year	200	0.00	200	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	200	0.00	200	0.00
5.	**Ms. Sangeeta Bhatia** **Director & Nominee of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,934,814,349.00	34,285,710.00	-	18,969,100,059.00
ii) Interest due but not paid	0	0	-	-
iii) Interest accrued but not due	0	0	-	-
Total (i + ii + iii)	**18,934,814,349.00**	**34,285,710.00**	-	**18,969,100,059.00**
Change in Indebtedness during the financial year				
• Addition	3,266,374,676.00	0	-	3,266,374,676.00
• Reduction	0	17,142,856.00	-	17,142,856.00
Net Change	3,266,374,676.00	(17,142,856.00)	-	3,24,92,31,820.00
Indebtedness at the end of the financial year				
i) Principal amount	22,201,189,025.00	17,142,854.00	-	22,218,331,879.00
ii) Interest due but not paid	0	0	-	
iii) Interest accrued but not due	0	0	-	
Total (i + ii + iii)	**22,201,189,025.00**	**17,142,854.00**	-	**22,218,331,879.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-



C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	31,33,785	10,72,501	29,96,488	72,02,774
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,34,676	50,951	3,61,507	7,47,134
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**34,68,461**	**11,23,452**	**33,57,995**	**79,49,908**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors

(K.K. Sharma)
Chairman
DIN : 03014947

Place: New Delhi
Date: 28th July 2016



Annual Report on Corporate Social Responsibility Activities

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited.

   KBUNL has executed the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy is formulated keeping in view the requirements of the Department of Public Enterprises and the Companies Act, 2013. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under Schedule VII of the Companies Act, 2013.

2. **The composition of the CSR Committee as on 31.03.2016*:**

Name of the Director	Designation
Shri K.K. Sharma	Chairman
Shri P. Amrit	Director
Shri K.S. Garbyal	Director

*However, on 25th April 2016, the composition of CSR Committee was changed and the present members are Shri K.S. Garbyal, Chairman, Shri P. Amrit, Director, Smt. Sangeeta Bhatia, Director and Shri R. Lakshmanan, Director.

3. **Average net profit of the company for last three financial years.**

   The average net profit of the Company for three immediately preceding financial years i.e. 2012-13, 2013-14 and 2014-15 is ₹ 10,11,50,136.

4. **Prescribed CSR Expenditure.**

   The Company as per the requirement of the Companies Act, 2013 is required to spend 2% of ₹ 10,11,50,136.00 i.e. ₹ 20,23,003.00 in the financial year 2015-16.

5. **Details of CSR spent during the financial year 2015-16**

(a)	**Total amount spent for the financial year**	:	₹ 7,73,221
(b)	**Amount unspent, if any**	:	₹ 12,49,782
(c)	**Manner in which the amount spent during the financial year**	:	Detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR project or activity identified**	**Sector in Which the Project is covered**	**Projects or Programs (1) Local area or other (2)Specify the State and the district where projects or progams was undertaken**	**Amount outlay (budget) Project or Programs wise (Amount in ₹)**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹)**	**Cumulative expenditure upto to the reporting period (Amount in ₹)**	**Amount spent: Direct or through implementing agency**
1	Distribution of blankets	Community Welfare	Muzaffrapur, Bihar	1,75,000	1,75,000	1,75,000	Direct
2	Distribution of Tricycle to Physically Challanged Persons	Community Welfare	Muzaffrapur, Bihar	84,000	84,000	84,000	Direct
3	Sponsorship of Matdata Jagrukta Abhiyan (procurement of Caps & T shirt)	Awareness activities	Muzaffrapur, Bihar	1,07,000	1,07,000	1,07,000	Direct
4	Sponsorship of the programe organised for Prohibition of liquor	Preventive Health Care	Muzaffrapur, Bihar	1,00,000	1,00,000	1,00,000	Direct



5	Installation of Water cooler at Govt. Public Health Centre	Availabilities of safe drinking water	Muzaffrapur, Bihar	91,800	91,800	91,800	Direct
6	Providing Multiseater Seating chair at Govt. Public Health Centre	Community welfare	Muzaffrapur, Bihar	70,475	70,475	70,475	Direct
7	Construction of shed in Govt. Public Health Centre	Community welfare	Muzaffrapur, Bihar	75,348	75,348	75,348	Direct
8	Medical Camps	Preventive Health Care	Muzaffrapur, Bihar	69,598	69,598	69,598	Direct
Total				**7,73,221**	**7,73,221**	**7,73,221**	

6. Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof.

Contract proposals initiated for following activities:-

- Construction of PCC road.
- Installation of water cooler in Govt. PHC.
- Distribution of tricycle among physically challenged persons.
- Providing multiseater chairs in Govt. PHC.

However, award/ delivery did not materialize during the FY-2015-16. Hence, the amount toward CSR could not be spent fully. Entire CSR budget for the financial year 2015-16, as per the provisions of the Companies Act, 2013, has been committed for CSR activities and remaining unspent amount shall be utilized in subsequent financial year 2016-17 onwards as spill over for CSR activities.

7. A responsibility statement of the CSR Committee

The Responsibility Statement of the Corporate Social Responsibility Committee is reproduced below:

The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of Board of Directors

(K.K. Sharma)
Chairman
DIN : 03014947

Place: New Delhi
Date: July 28th 2016

(Rajiva Kumar Sinha)
Chief Executive Officer

Annex - IV to Directors' Report of KBUNL

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
KANTI BIJLEE UTPADAN NIGAM LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanti Bijlee Utpadan Nigam Limited** (hereinafter called KBUNL/the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the KBUNL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;
II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;- **Not Applicable**
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not Applicable**
IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;- **Not Applicable**
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - **Not Applicable**



(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - **Not Applicable**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable**

(i) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.

I have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India Applicable w.e.f. 1st July, 2015.

(b) The Listing Agreement and the Securities Exchange Board of India (Listing Obligations & other Disclosure Requirements) Regulations, 2015. - **Not Applicable.**

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. During the financial year, the composition of the Board and Committees of the Board should be in compliance with the provisions of the Companies Act, 2013 with respect to appointment of Independent Directors & consequential non-compliances thereof.

I further report that the Board of Directors of the Company is not duly constituted due to non-appointment of Independent Directors on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.

I further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For **Agarwal S. & Associates,**
Company Secretaries,

(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: June 20, 2016

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
KANTI BIJLEE UTPADAN NIGAM LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,

(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: June 20, 2016



KANTI BIJLEE UTPADAN NIGAM LTD
BALANCE SHEET AS AT

Amount in ₹

PARTICULARS	Note	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**10,61,50,76,800**	10,00,00,00,000
Reserves and surplus	3	**2,62,10,01,786**	3,60,42,30,324
Share application money pending allotment	4	**47,74,70,261**	-
Non-current liabilities			
Long-term borrowings	5	**22,20,97,60,451**	18,96,05,28,631
Deferred tax liabilities (net)	6	-	17,51,70,545
Other Long term liabilities	7	**57,02,01,916**	62,88,96,074
Current liabilities			
Short term borrowing	8	**1,87,76,81,734**	1,48,51,36,158
Trade payables	9	**87,88,88,379**	46,33,40,645
Other current liabilities	10	**2,97,97,46,270**	2,67,38,72,700
Short-term provisions	11	**18,87,24,288**	28,75,18,769
Total		**42,41,85,51,885**	38,27,86,93,846
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**6,77,39,36,846**	6,73,00,73,761
Intangible assets	12	**3,22,509**	2,48,709
Capital work-in-progress	13	**32,22,40,35,669**	27,65,66,93,350
Long-term loans and advances	14	**83,80,57,231**	81,20,19,728
Current assets			
Inventories	15	**40,68,25,717**	28,18,17,992
Trade receivables	16	**1,54,35,76,124**	1,10,45,93,397
Cash and bank balances	17	**18,31,85,728**	58,28,40,819
Short-term loans and advances	18	**13,40,45,113**	55,29,93,766
Other current assets	19	**31,45,66,948**	55,74,12,324
Total		**42,41,85,51,885**	38,27,86,93,846
Significant accounting policies	1		

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

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	(A.K. Singh)	(R. K.Sinha)	(P. Amrit)	(K.K.Sharma)
Company Secretary	CFO	CEO	Director	Chairman

Place : Patna
Dated: 06.05.2016

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

For Goel Mintri & Associates
Chartered Accountants
(Firm Regn. No.- 013211N)

(Sunil Kumar Gupta)
Partner
Mem No. 501430

Place: Delhi
Dated: 06.05.2016



KANTI BIJLEE UTPADAN NIGAM LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Amount in ₹

Particulars	Note	for the year ended 31.03.2016	for the year ended 31.03.2015
Revenue			
Revenue from operations(Gross)	20	**3,76,51,44,728**	4,59,98,05,637
Other income	21	**1,11,09,053**	47,19,937
Total Revenue		**3,77,62,53,781**	4,60,45,25,574
Expenses:			
Fuel		**3,14,26,73,764**	3,23,54,15,670
Employee benefits expense	22	**25,03,54,472**	22,00,85,535
Finance costs	23	**17,63,82,994**	10,93,04,155
Depreciation and amortization expense	12	**51,54,68,694**	30,91,09,164
Generation, administration & other expenses	24	**44,14,53,298**	27,90,69,829
Prior period items (Net)	25	**71,20,034**	21,010
Total expenses		**4,53,34,53,256**	4,15,30,05,363
Profit/(Loss) before tax		**(75,71,99,475)**	45,15,20,211
Tax expense:			
Current tax			
Current year		-	10,39,01,988
Deferred tax			
Current year		**(17,51,70,545)**	17,51,70,545
Total tax expense		**(17,51,70,545)**	27,90,72,533
Profit/(Loss) for the year		**(58,20,28,930)**	17,24,47,678
Expenditure during construction period (Net)	26		
Significant accounting policies	1		
Earning Per Equity share(Par value of ₹ 10/- each)	34		
Basic		**(0.57)**	0.21
Diluted		**(0.55)**	0.19

The accompanying notes form an integral part of these financial statements.
There are no exceptional or extra ordinary items in the above periods

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	(A.K. Singh)	(R. K.Sinha)	(P. Amrit)	(K.K.Sharma)
Company Secretary	CFO	CEO	Director	Chairman

Place : Patna
Dated: 06.05.2016

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

For Goel Mintri & Associates
Chartered Accountants
(Firm Regn. No.- 013211N)

(Sunil Kumar Gupta)
Partner
Mem No. 501430

Place : Delhi
Dated: 06.05.2016



KANTI BIJLEE UTPADAN NIGAM LTD
CASH FLOW STATEMENT

Amount in ₹

FOR THE YEAR ENDED MARCH 31,		2016	2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and after Prior Period Adjustments		**(75,71,99,475)**	45,15,20,211
Adjustment for:			
Depreciation/Amortisation	**51,54,68,694**		30,91,09,164
Grants adjustment as income	**(40,11,99,608)**		(25,35,40,972)
Provisions	**1,83,98,728**		1,73,18,399
Interest income	**(8,14,162)**		(3,00,489)
Interest charge	**17,63,82,994**		10,93,04,155
Guarantee fee & other finance charges	**56,863**	**30,82,93,509**	10,37,708
Operating Profit before Working Capital Changes		**(44,89,05,966)**	63,44,48,176
Adjustment for:			
Trade and other receivables	**(43,89,82,727)**		(95,59,21,692)
Inventories	**(12,50,07,725)**		(7,47,04,845)
Trade Payables & Other Liabilities	**65,66,02,119**		29,68,79,093
Loans & advances	**39,29,11,150**		(7,16,53,030)
Other Current Assets	**24,28,45,376**	**72,83,68,192**	(17,15,70,096)
Cash generated from operations		**27,94,62,226**	(34,25,22,395)
Income Tax/Advance Tax Paid		**(9,26,69,454)**	(1,12,32,534)
Net Cash from Operating Activities - A		**18,67,92,772**	(35,37,54,928)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		**(3,03,12,96,556)**	(3,71,46,92,934)
Interest income		**8,14,162**	3,00,489
Net Cash Flow from Investing Activities - B		**(3,03,04,82,394)**	(3,71,43,92,445)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long term borrowing		**3,64,17,77,397**	4,46,88,91,009
Grants-in-aid received		**-**	20,00,00,000
Proceeds from Issue of Share Capital/Share Capital Deposit		**1,09,25,47,061**	2,00,84,37,012
Interest paid		**(2,29,02,33,064)**	(2,26,54,29,463)
Guarantee fee & other finance charges		**(56,863)**	(1,037,708)
Net Cash Flow from Financing Activities - C		**2,44,40,34,531**	4,41,08,60,850
Net increase/Decrease in cash and cash equivalents (A+B+C)		**(39,96,55,091)**	34,27,13,477
Cash and cash equivalents (Opening Balance)		**58,28,40,819**	24,01,27,342
Cash and cash equivalents (Closing Balance)		**18,31,85,728**	58,28,40,819

NOTES:

1. Cash and cash equivalents consists of Cash in hand and balance with Banks.
   Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amount as per note-17

Cash and cash equivalent	**25,78,193**	60,48,436
Deposits with banks	**18,06,07,535**	57,67,92,383
Cash and cash equivalent as per note-17	**18,31,85,728**	58,28,40,819

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

For and on behalf of the Board of Directors

(Ruchi Aggrawal)	(A.K. Singh)	(R. K.Sinha)	(P. Amrit)	(K.K.Sharma)
Company Secretary	CFO	CEO	**Director**	**Chairman**

Place : Patna
Dated: 06.05.2016

This is the cash flow statement referred to in our report of even date

For Goel Mintri & Associates
Chartered Accountants
(Firm Regn. No.- 013211N)

(Sunil Kumar Gupta)
Partner
Mem No. 501430

Place : Delhi
Dated: 06.05.2016



KANTI BIJLEE UTPADAN NIGAM LIMITED

Notes to the Financial Statements for the year ended 31st March 2016

Note No. – 1 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards specified under Section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

B. USE OF ESTIMATES

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

C. GRANTS-IN-AID

Grants-in-aid received from the Central Government or other authorities towards capital expenditure 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.

D. FIXED ASSETS

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
5. 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.
6. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/ assessments.

E. CAPITAL WORK-IN-PROGRESS

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

F. FOREIGN CURRENCY TRANSACTIONS

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Foreign exchange differences arising from settlement / translation of long term foreign currency monetary items are adjusted in the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.

G. 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.

H. INVENTORIES

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

I. INCOME RECOGNITION

1. Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case the tariff rates are yet to be approved, provisional rates are adopted.
2. The surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
3. 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.
4. Scrap other than steel scrap is accounted for as and when sold.
5. 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.

J. EXPENDITURE

1. Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.
2. Depreciation on the following assets is provided based on their estimated useful life ascertained on technical evaluation.

a) Kutcha Roads	2 years
b) Enabling works	
- Residential buildings - Internal electrification of residential building. - non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	15 years 10 years 5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone Exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens	6 years

3. 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.
4. Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.
5. Cost of software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of related plant, whichever is less.
6. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.
7. Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery in accordance with Policy no. J.1. stated above.
8. Expenditure for community development is charged off to revenue.
9. Leasehold land and buildings relating to generation of electricity business are fully amortised over lease period or life of the related plant whichever is lower following the rates and methodology notified by CERC Tariff Regulations. Leasehold land acquired on perpetual lease is not amortised.

K. OTHER EXPENDITURE

1. Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and research and development are charged to revenue in the year incurred.
2. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.
3. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.
4. Prepaid expenses and prior period expenses/income of items of ₹ 5,00,000/- and below are charged to natural heads of accounts.
5. Transit and handling losses of coal as per norms are included in cost of coal.

L. EMPLOYEE BENEFITS :-

1. In respect of employees from Holding Company NTPC- Employee benefits include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme & other terminal benefits. In terms of the arrangement with the Holding Company, the company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the Company. Accordingly, these employee benefits are treated as defined contribution scheme.
2. In respect of employees on deputation from BSPGCL- Employee benefit include Earned leave and pension. The company is to make a fixed percentage contribution of Pay band and Grade Pay thereon. Accordingly, these employee benefits are treated as defined contribution scheme.
3. In respect of employees on roll of the company - Employee benefit expenditure like provident fund, gratuity and other terminal benefits are provided on actual basis.

M. OPEARATING 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.

N. 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.

O. CASH FLOW STATEMENT

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

P. TAXES ON INCOME

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

Note No. 2 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
SHARE CAPITAL		
Equity Share Capital		
AUTHORISED		
1,40,00,00,000 equity shares of par value of ₹ 10/- each (Previous year 1,00,00,00,000 equity shares of par value of ₹ 10/- each)	**14,00,00,00,000**	10,00,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP		
1,06,15,07,680 equity shares of par value of ₹ 10/- each fully paid up (Previous year 1,00,00,00,000 equity shares of par value of ₹ 10/- each fully paid-up)	**10,61,50,76,800**	10,00,00,00,000

a) **Reconciliation of number of shares outstanding at beginning and at end of the year**

Particulars	2015-16	2014-15
Number of shares outstanding at the beginning of the year	**1,00,00,00,000**	72,76,94,205
Shares issued during the year/period	**6,15,07,680**	27,23,05,795
Number of shares outstanding at the close of the year	**1,06,15,07,680**	1,00,00,00,000

b) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **Shares in respect of each class in the company held by its holding company:**

Holding Company- NTPC Ltd. - 68,99,79,992 Equity shares of ₹ 10/- each (Previous year 65,00,00,000 Equity shares ₹ 10/- each)

d) **Details of shareholders holding more than 5% shares in the company:**

Particulars	As on 31.03.2016		As on 31.03.2015	
	No. of shares	%age holding	No. of shares	%age holding
- NTPC LTD.	**68,99,79,992**	**65**	65,00,00,000	65
- Bihar State Power Genration Co. Ltd (BSPGCL)	**37,15,27,688**	**35**	35,00,00,000	35

Note No. 3 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
RESERVES AND SURPLUS		
Capital Reserve		
As per last balance sheet	**3,65,94,34,373**	3,71,28,40,873
Add: Grants received during the year	-	20,00,00,000
Less: Grants recognised as Income	**40,11,99,608**	25,34,06,500
Closing Balance	**3,25,82,34,765**	3,65,94,34,373
Corporate social responisibility (CSR) reserve		
As per last financial statements	-	-
Add: Transfer from surplus	**12,49,782**	-
	12,49,782	-
Surplus in the statement of Profit and Loss		
As per last balance sheet	**(5,52,04,049)**	(22,75,17,255)
Add(Less):-Profit/(Loss) after tax for the year from Statement of Profit & Loss	**(58,20,28,930)**	17,24,47,678
Less:-Dep Adj agnst op bal	-	1,34,472
Transfer to CSR reserve	**12,49,782**	-
Closing Balance	**(63,84,82,761)**	(5,52,04,049)
Total	**2,62,10,01,786**	3,60,42,30,324

a) In terms of section 135 of Companies Act ,2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises(DPE), GoI,the Company is required to spent, in every financial year, at least two percent of the average net profits of the company made during the three immedialtely preceeding financial years in accordance with its CSR policy. The company has spent an amount of ₹ 7,73,221/- during the year and the unspent balance amount of ₹ 12,49,782/- has been appropriated to CSR reserve from surplus. Refer Note 40.

Note No. 4 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Share application money	**47,74,70,261**	-

1. The shares are likely to be allotted in the financial year 2016-17 within the Prescribed time limit.

Note No. 5 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
LONG TERM BORROWINGS		
Term Loans		
From Banks		
Secured	**17,17,87,88,025**	15,52,60,24,849
From Others		
Secured	**5,02,24,01,000**	3,40,87,89,500
Unsecured	**85,71,426**	2,57,14,282
Total	**22,20,97,60,451**	18,96,05,28,631

1 **Term Loans- Secured- From Bank and FI**

a) Loan from consortium led by State Bank of India for expansion project (2*195MW) at Kanti is secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land of 987.9293 acres. The security will rank pari-pasu with all term lenders of the project. The charge has been created in favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor of security trustee has been executed for 877.18 acres of land.

b) Total sanctioned amount of loan and guarantee facility is ₹ 2341 crores and ₹ 100 crores respectively.



c) The loan bears floating rate of interest linked to the SBI Base Rate.

d) In first phase the charge with Registrar of Companies (ROC) was filed on 27.09.2011 for 594.84 Acres of Land and ROC issued certificate of Registration of Mortgage on 28.09.2011, in second phase 282.34 Acers of land was mortgaged on 07.11.2014 ROC issued certificate of Registration of Mortgage on 05.12.2014, Certifying that the Mortgage/charge has been registered for ₹ 2441.28 crore in their office in accordance with the provisions contained in section 125 to 130 of the Companies Act, 1956 on 28th September 2011.

e) The secured loan is repayble in 11 years on quarterly basis starting from 30th September 2017.

2 Term Loan- Unsecured

a) The term loan is from Holding company NTPC Ltd.

b) The loan is repayable in 7 years on half yearly basis starting from 30th September 2008.

c) The rate of interest on the loan is at par with SBAR (State Bank Advance Rate) as adjusted to half yearly rests with a year of 365 days.

d) **Details of terms of repayment**

Particulars	Non current portion		Current portion	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Term Loans	-	-	-	-
Unsecured	-	-	-	-
Others	**85,71,426**	2,57,14,282	**85,71,428**	85,71,428

3 There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

Note No. 6 to the Financial Statements

Amount in ₹

	As at 01.04.2015	Addition/ (adjustments) during the year	As at 31.03.2016
DEFERRED TAX LIABILITIES (NET)			
Difference of book depreciation and tax depreciation	18,15,60,943	(18,15,60,943)	-
Less: Deferred tax assets Provisions & Other disallowances for tax purposes	63,90,398	(63,90,398)	-
Disallowances u/s 43B of the Income Tax Act, 1961	-	-	-
Total	17,51,70,545	(17,51,70,545)	-

a) The net increase during the year in the deferred tax liability of ₹ **(17,51,70,545)** (previous year ₹ 17,51,70,545) has been debited to statement of profit & loss.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Note No. 7 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
OTHER LONG TERM LIABILITIES		
Trade Payable	-	-
Other Liabilities		
Payable For Capital Expenditure	**57,02,01,916**	62,88,96,074
Total	**57,02,01,916**	62,88,96,074

Disclosure w.r.t. Micro, small and medium enterprises as required by MSMED Act, 2006 is made in Note No. 36.

Note No. 8 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
SHORT TERM BORROWINGS		
From Banks		
Secured		
Cash Credit Loan	**1,87,76,81,734**	1,48,51,36,157

1. The Cash Credit loan is secured by hypothecation of stock in trade, Book Debt of Stage-I. The outstanding balance is repayable on demand. The loan bears floating rate of interest linked to the SBI Base Rate.
2. There has been no default in repayment of loan or interest thereon as at the end of the year.

Note No. 9 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
TRADE PAYABLES		
For Goods & Services	**87,88,88,379**	46,33,40,645

Disclosure w.r.t. Micro, small and medium enterprises as required by MSMED Act, 2006 is made in Note No.-36

Note No. 10 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
OTHER CURRENT LIABILITIES		
Current maturity of long term borrowings		
Unsecured		
Term Loan	**85,71,428**	85,71,428
Advance from Customers	**11,65,07,713**	13,64,08,429
Payable for Capital Expenditure	**2,20,72,41,785**	1,99,44,59,060
Other Payables		
Tax deducted at source and other statutory dues	**1,43,63,188**	1,88,14,973
Deposit From Contractors & Others	**1,43,46,723**	1,43,04,723
Payable to Employees	**71,85,036**	56,00,241
Payable to NTPC Ltd	**49,63,53,730**	38,38,18,829
Others	**11,51,76,667**	11,18,95,017
Total	**2,97,97,46,270**	2,67,38,72,700

a) Disclosure w.r.t. Micro, small and medium enterprises as required by MSMED Act, 2006 is made in Note no.-36.

b) Details in respect of rate of interest and terms of repayment of unsecured current maturities of long term borrowings indicated above are disclosed in Note no-5.

Note No. 11 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
SHORT TERM PROVISIONS		
Provision for current tax		
As per last balance sheet	**9,26,69,454**	-
Additions during the year	-	10,39,01,988
Less: Set off against taxes paid	**9,26,69,454**	1,12,32,534
Closing balance	-	9,26,69,454
Provision for obligations incidental to land acquisition		
As per last balance sheet	**19,46,75,354**	20,01,46,122
Amounts paid during the year	**61,25,028**	54,70,768
	18,85,50,326	19,46,75,354
Provision for shortages in fixed assets	**1,73,962**	1,73,961
	1,73,962	1,73,961
Total	**18,87,24,288**	28,75,18,769



Note No. 12 to the Financial Statements

TANGIBLE ASSETS

Amount in ₹

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2015	Additions	Deduction/ Adjustment	As at 31.03.2016	Upto 01.04.2015	For the year	Deduction/ Adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land : (including development expenses)										
Freehold	1,21,72,30,467	6,93,93,420	(42,66,00,992)	1,71,32,24,879	-		-	-	1,71,32,24,879	1,21,72,30,467
Leasehold	33	-	-	33	8	2	-	10	23	25
Roads, bridges, culverts & helipads	1,24,30,863	-	-	1,24,30,863	38,80,906	3,56,997	-	42,37,903	81,92,960	85,49,957
Building :										
Freehold										
Main plant	11,35,08,719	-	-	11,35,08,719	5,73,93,357	64,71,975	-	6,38,65,332	4,96,43,387	5,61,15,362
Others	26,99,58,562	-	(3,40,303)	27,02,98,865	6,14,26,051	1,64,11,042	-	7,78,37,093	19,24,61,772	20,85,32,511
Water Supply, drainage & sewerage system	44,44,628	-	-	44,44,628	13,52,641	1,07,192	-	14,59,833	29,84,795	30,91,987
MGR track and signalling system	8,99,82,529	-	-	8,99,82,529	1,27,78,211	80,24,242	-	2,08,02,453	6,91,80,076	7,72,04,318
Plant and machinery (including associated civil works)	6,12,75,02,155	16,74,194	(7,34,05,462)	6,20,25,81,811	1,07,06,07,095	51,60,84,670	-	1,58,66,91,765	4,61,58,90,046	5,05,68,95,060
Furniture and fixtures	1,90,89,870	21,11,348	4,000	2,11,97,218	66,15,894	12,32,010	4,000	78,43,904	1,33,53,314	1,24,73,976
Vehicles including speedboats:										
Owned	1,52,190	-	-	1,52,190	18,182	14,546	-	32,728	1,19,462	1,34,008
Office equipment	84,52,029	39,92,700	41,300	1,24,03,429	32,72,159	13,18,489	23,316	45,67,332	78,36,097	51,79,869
EDP, WP machines and satcom equip.	1,46,99,504	89,66,142	2,90,315	2,33,75,331	98,62,913	46,56,526	1,73,680	1,43,45,759	90,29,572	48,36,591
Construction equipments	3,34,57,051	2,02,34,266	-	5,36,91,317	83,24,744	47,56,400	-	1,30,81,144	4,06,10,173	2,51,32,307
Electrical Installations	6,37,76,281	-	-	6,37,76,281	91,67,559	34,01,569	-	1,25,69,128	5,12,07,153	5,46,08,722
Communication Equipments	1,12,567	50,715	-	1,63,282	31,363	53,996	-	85,359	77,923	81,204
Hospital Equipments	34,946	1,29,500	-	1,64,446	27,549	11,683	-	39,232	1,25,214	7,397
Total	**7,97,48,32,393**	**10,65,52,286**	**(50,00,11,142)**	**8,58,13,95,821**	**1,24,47,58,632**	**56,29,01,339**	2,00,996	**1,80,74,58,975**	**6,77,39,36,846**	6,73,00,73,761
Previous Year	6,03,03,81,370	9,59,59,478	(1,84,84,91,545)	**7,97,48,32,393**	90,04,22,622	34,41,56,736	(1,79,274)	1,24,47,58,632	6,73,00,73,761	5,12,99,58,748

Deduction/Adjustment from gross block and depreciation/amortisation for the year includes:

Amount in ₹

	Gross Block		Depreciation/Amortisation	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Cost adjustment including exchange difference	(50,03,46,757)	(1,84,84,74,829)	-	-
Retirement of assets	20,300	-	4,415	-
Disposal of assets	2,90,315	-	1,73,680	-
Assets capitalised with retrospective effect/write back of excess capitalisation	-	4,284	-	-
Others	24,300	(21,000)	22,901	(1,79,274)
	(50,00,11,842)	(1,84,84,91,545)	2,00,996	(1,79,274)

a) The conveyancing of the title of 36.62 acre of freehold land in possession of the company of value ₹ 18,67,00,397 (Previous year 46.8475 acre of value ₹ 14,71,40,251), in favor of the Company are awaiting completion of legal formalities.

b) The borrowing costs capitalised during the year ended 31st March 2016 is ₹ **211,39,06,933** (previous year ₹ 215,71,63,016). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjsutment' column are given below:

	(Amount in ₹) For the year ended 31st March 2016 Borrowing costs included in fixed assets/CWIP	(Amount in ₹) For the year ended 31st March 2015 Borrowing costs included in fixed assets/CWIP
Building		
Main plant	36,35,06,947	44,28,95,797
Others	19,21,849	5,50,857
MGR track	1,89,89,622	1,25,13,177
Railway siding		
Plant and equipment	1,66,47,39,430	1,65,28,87,773
Others	6,47,49,085	4,83,15,412
Total	2,11,39,06,933	2,15,71,63,016

INTANGIBLE ASSETS

Amount in ₹

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2015	Additions	Deduction/ Adjustment	**As at 31.03.2016**	Upto 01.04.2015	For the year	Deduction/ Adjustment	**Upto 31.03.2016**	**As at 31.03.2016**	As at 31.03.2015
Software	26,55,957	1,83,310	-	**28,39,267**	24,07,248	1,09,510	-	**25,16,758**	**3,22,509**	2,48,709
Total	**26,55,957**	**1,83,310**	-	**28,39,267**	**24,07,248**	**1,09,510**	-	**25,16,758**	**3,22,509**	2,48,709
Previous year	23,73,253	2,82,704	-	26,55,957	23,08,276	98,972	-	24,07,248	2,48,709	64,977

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

	31.03.2016	31.03.2015
Charged to Statement of Profit & Loss	**51,54,68,694**	30,91,09,164
Allocated to fuel cost	**3,45,83,684**	2,44,69,271
Transferred to expenditure during construction period (net)-Note-26	**1,29,58,469**	1,06,77,274
	56,30,10,847	34,42,55,709

Note No. 13 to the Financial Statements

NON CURRENT ASSETS

Amount in ₹

	As at 01.04.2015	Addition	Deduction/ Adjustment	Capitalised	**As at 31.03.2016**
CAPITAL WORK-IN-PROGRESS					
Development of land	79,32,93,937	11,70,54,023	-	-	**91,03,47,960**
Roads, bridges, culverts & helipads	13,95,849	12,99,851	-	-	**26,95,700**
Buildings :					
Main plant	4,50,76,88,683	67,25,55,051	-	-	**5,18,02,43,734**
Others	2,19,27,577	1,30,28,011	3,40,304	-	**3,46,15,284**
Temporary erection	31,54,946	12,72,596	-	-	**44,27,542**
MGR track and signalling system	14,97,69,649	20,50,00,534	-	-	**35,47,70,183**
Earth Dam Reservoir	20,22,547	-	-	-	**20,22,547**
Plant and machinery	20,55,49,66,676	3,33,66,32,769	2,67,29,948	-	**23,86,48,69,497**
Furniture and fixtures	-	-	-	-	-
EDP/WP Machines & Satcom Equipments	85,75,418	7,69,167	-	-	**93,44,585**
Construction equipments	14,81,222	2,12,557	-	-	**16,93,779**
Electrical Installation	9,27,24,687	3,53,33,636	(4,45,936)	-	**12,85,04,259**
	26,13,70,01,191	4,38,31,58,195	2,66,24,316	-	**30,49,35,35,070**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	62,46,73,495	1,82,33,913	-	-	**64,29,07,408**
Pre-commissioning expenses (net)	5,43,13,428	4,56,57,792	-	-	**9,99,71,220**
Expenditure during construction period (net)-Note 26*	2,39,67,17,400	2,45,05,49,122*	-	-	**4,84,72,66,522**
Less: Allocated to related works	2,39,67,17,400	2,45,05,49,122	-	-	**4,84,72,66,522**
	67,89,86,923	6,38,91,705	-	-	**74,28,78,628**
Construction stores (net of provision)	84,07,05,236	14,69,16,735	-	-	**98,76,21,971**
Total	**27,65,66,93,350**	**4,59,39,66,635**	-	-	**32,22,40,35,669**
Previous year	23,71,26,01,417	5,79,25,66,762	-	1,84,84,74,829	27,65,66,93,350

* Brought from expenditure during construction period (net) - Note 26

Construction stores are net of provision for shortages pending investigation amounting to ₹ 1,67,27,123 (previous year ₹ 99,13,994)



Note No. 14 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
LONG TERM LOANS AND ADVANCES (Considered good, unless otherwise stated)		
CAPITAL ADVANCES		
Unsecured		
Covered by Bank Guarantee	**44,00,20,057**	34,73,59,755
Others	**35,74,94,684**	44,62,24,991
Deposit with Customs port trust & others (Unsecured)	**1,00,16,693**	84,63,400
Advance tax deposited & tax deducted at source	**3,05,25,797**	99,71,582
Total	**83,80,57,231**	81,20,19,728

Note No. 15 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
INVENTORIES		
Coal	**14,99,75,182**	1,78,80,102
Fuel oil	**1,34,35,773**	1,37,57,352
Components and spares	**19,27,13,677**	16,91,65,018
Chemicals & consumables	**1,14,88,781**	2,25,08,679
Loose tools	**7,09,507**	14,24,889
Steel Scrap	**1,12,19,130**	3,54,63,359
Others	**3,76,56,953**	3,03,31,456
	41,71,99,004	29,05,30,855
Less: Provision for shortages	**1,03,22,661**	87,12,864
: Provision for obsolecence	**50,626**	-
Total	**40,68,25,717**	28,18,17,991
Inventories include material-in-transit		
Stores & spares	**83,15,635**	1,03,70,341
Others	**48,103**	1,18,251
	83,63,738	1,04,88,591

a) Inventory items, other than steel scrap, have been valued considering the significant accounting policy no. H disclosed in Note no. -1 to these financial statement. Steel scrap has been valued at estimated realisable value.

b) Inventories-Others includes steel, cement etc.

Note No. 16 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
TRADE RECEIVABLES		
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	**1,54,35,76,124**	1,10,45,93,397
Total	**1,54,35,76,124**	1,10,45,93,397

Note No. 17 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
CASH & BANK BALANCES		
Cash & cash equivalents		
Balances with Banks		
Current Accounts	**25,78,193**	60,48,436
Deposits with original maturity of less than three months	**18,06,07,535**	57,67,92,383
Total	**18,31,85,728**	58,28,40,819

Note No. 18 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
SHORT TERM LOANS & ADVANCES		
ADVANCES		
Contractors & Suppliers, including material issued on loan		
Unsecured	**12,50,77,670**	54,30,20,808
Others		
Prepaid Insurance	**87,12,960**	99,72,958
Advance to employee	**2,54,484**	-
Total	**13,40,45,113**	55,29,93,766

Note No. 19 to the Financial Statements

Amount in ₹

As at	31.03.2016	31.03.2015
OTHER CURRENT ASSETS		
Interest accrued on		
Term deposits	**3,26,754**	11,86,834
Advance to contractor	**-**	26,03,303
Claims recoverable		
Unsecured, considered good	**16,53,671**	8,87,799
Asset Held for Disposal	**47,845**	47,845
Unbilled Debtors	**31,25,38,678**	55,26,86,543
Total	**31,45,66,948**	55,74,12,324

Note No. 20 to the Financial Statements

Amount in ₹

For the year ended	31.03.2016	31.03.2015
REVENUE FROM OPERATIONS		
Sales		
Energy Sales	**3,30,12,32,274**	4,30,52,11,510
	3,30,12,32,274	4,30,52,11,510
Energy internally consumed	**5,27,87,670**	3,26,56,249
Other operating revenues		
Grants recognised as Income during the year	**40,11,99,608**	25,34,06,500
Provision written back		
Shortage in stores	**57,39,668**	5,14,087
Shortage in Construction stores	**41,85,508**	80,17,291
	46,39,12,454	29,45,94,127
Total	**3,76,51,44,728**	4,59,98,05,637



a) The CERC has issued final tariff order for the period (01.11.2013-31.03.2014) for U#1. Sales for the FY 2014-15 & FY 2015-16 has been provisionaly accounted for both units (U#1 & U#2) based on the CERC order Dt. 09.02.2016.

b) Sales for the year ended 31st March 2016, includes (-) ₹ 43,20,10,592.00 Cr pertaining to previous years, recognized based on the order issued by the CERC Dt. 09.02.2016

c) CERC regulations provide that where after truing-up, the tariff recovered is less/more than the tariff approved by the Commission the generating Company shall pay/ recover to/from the beneficiary the over/under recovered amount along with simple interest. Accordingly the amount payable to the beneficiary has been accounted as ' Interest to beneficiary' in note 24.

d) Revenue from operations include ₹ 5,27,87,670 (previous year ₹ 3,26,56,250) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note-24)

Note No. 21 to the Financial Statements

Amount in ₹

For the year ended	31.03.2016	31.03.2015
OTHER INCOME		
Interest from		
Indian Banks	**8,14,162**	3,00,489
Interest from Contractor	**2,07,51,525**	3,69,89,523
Other non-operating income		
Profit on disposal of fixed assets	**11,122**	-
Other Receipts from Contractors/ Suppliers	**79,836**	8,972
Sale of Scrap	**52,05,288**	-
Miscellaneous income	**62,08,346**	47,31,057
	3,30,70,279	4,20,30,041
Less: Transferred to expenditure during construction period (net) - Note 26	**2,19,61,226**	3,73,10,104
Total	**1,11,09,053**	47,19,937

Miscellaneous income includes EMD forfeited , LD recovered and township recoveries.

Note No. 22 to the Financial Statements

Amount in ₹

For the year ended	31.03.2016	31.03.2015
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**32,13,47,730**	27,73,24,101
Contribution to provident and other funds	**7,81,98,695**	6,89,97,449
Staff welfare expenses	**1,99,36,788**	1,14,03,111
	41,94,83,213	35,77,24,661
Less: Transferred to fuel cost	**2,06,31,973**	1,05,41,013
Less: Transferred to expenditure during construction period (net) - Note 26	**14,84,96,768**	12,70,98,113
Total	**25,03,54,472**	22,00,85,535

Disclosure w.r.t 'Employees Benefits' are made in Note No.30

Note No. 23 to the Financial Statements

Amount in ₹

For the year ended	31.03.2016	31.03.2015
FINANCE COSTS		
Interest on :		
Rupee term loans	**2,11,38,50,070**	2,15,61,25,308
Cash Credit Loan	**17,19,48,343**	9,89,69,330
Others (Loan From Holding Company)	**44,34,651**	1,03,34,825
Sub-Total	**2,29,02,33,064**	2,26,54,29,463
Other Borrowing Costs :		
Up-front fee	**56,863**	10,37,708
Sub-Total	**56,863**	10,37,708
	2,29,02,89,927	2,26,64,67,171
Less: Transferred to Expenditure during construction period (net)- Note 26	**2,11,39,06,933**	2,15,71,63,016
Total	**17,63,82,994**	10,93,04,155

Note No. 24 to the Financial Statements

Amount in ₹

For the year ended		31.03.2016	31.03.2015
GENERATION, ADMINISTRATION & OTHER EXPENSES			
Power charges	**5,27,87,670**		3,26,56,250
Less: Recovered from contractors & employees	**5,08,980**		7,26,661
		5,22,78,690	3,19,29,589
Stores consumed		**1,19,25,144**	25,04,823
Rent		**24,60,154**	9,86,627
Repairs & maintenance			
Buildings	**2,99,03,624**		1,85,43,859
Plant & Machinery	**24,01,03,311**		13,01,68,917
Others	**2,22,87,275**		1,07,63,598
		29,22,94,210	15,94,76,374
Insurance		**2,51,03,469**	1,21,75,707
Interest payable to customers		**2,46,81,213**	-
Rates and taxes		**2,29,477**	2,94,000
Water cess & environment protection cess		**14,19,524**	10,97,530
Training & recruitment expenses		**19,27,545**	4,21,995
Communication expenses		**50,65,505**	48,41,132
Travelling expenses		**2,56,85,166**	2,46,59,423
Foreign Travel		-	3,74,877
Tender expenses	**39,72,417**		41,02,317
Less: Receipt from sale of tenders	**99,225**		1,50,750
		38,73,192	39,51,567
Advertisement & Publicity		**31,301**	26,46,399
Payment to auditors		**2,46,166**	2,02,628
Security expenses		**13,40,54,047**	11,15,08,790
Entertainment expenses		**28,19,657**	31,76,422
Expenses for guest house	**1,08,44,564**		1,08,15,101
Less: Recoveries	**96,438**		1,30,384
		1,07,48,126	1,06,84,717



For the year ended	31.03.2016	Amount in ₹ 31.03.2015
Brokerage & commission	-	-
Community development and welfare expenses	7,73,221	-
Books and periodicals	7,224	15,078
Professional charges and consultancy fees	2,43,36,980	1,65,58,160
Legal expenses	44,32,695	7,06,972
EDP hire and other charges	4,70,111	26,64,863
Printing and stationery	24,12,600	15,00,777
Hiring of vehicles	1,40,93,693	1,02,34,109
Bank charges	32,23,510	46,50,900
Rebate to customer	-	10,78,908
Miscellaneous expenses	69,68,415	1,11,41,398
Loss on asset write-off	1,11,110	18,769
	65,16,72,145	41,95,02,534
Less: Allocated to fuel cost	3,14,69,397	1,86,62,003
Less: Transferred to Expenditure during Construction period (net)-Note 26	19,71,48,178	13,90,89,102
	42,30,54,570	26,17,51,429
Provisions for		
Shortage in stores	73,49,465	85,21,175
Obsolete/Dimnuition in the value of surplus store	50,626	-
Shortage in construction stores	1,09,98,637	86,23,263
Shortages in fixed assets on physical verification	-	1,73,961
	1,83,98,728	1,73,18,399
Total	44,14,53,298	27,90,69,829
a) Spares consumption included in repairs and maintenance	11,30,71,251	6,03,86,499
b) Details in respect of payment to auditors:		
As auditor		
Audit fees	1,14,500	1,12,360
Tax audit fee	22,900	22,472
In other capacity		
Other services	74,225	28,090
Reimbursement of expenses	34,541	39,706
	2,46,166	2,02,628

Note No. 25 to the Financial Statements

For the year ended	31.03.2016	Amount in ₹ 31.03.2015
PRIOR PERIOD ITEMS (NET)		
EXPENDITURE		
Depreciation & amortisation	-	21,010
Generation,administration and other expenses		
Stores Consumed	71,20,034	-
Net Expenditure/(Income)	71,20,034	21,010
Total	71,20,034	21,010

Note No. 26 to the Financial Statements

For the year ended			31.03.2016	Amount in ₹ 31.03.2015
EXPENDITURE DURING CONSTRUCTION PERIOD				
A. Employee benefits expense				
Salaries and wages			11,47,35,440	9,62,47,528
Contribution to provident and other funds			2,78,05,036	2,56,93,425
Staff welfare expenses			59,56,292	51,57,159
Total (A)			14,84,96,768	12,70,98,112
B. Finance Costs				
Interest on				
Rupee term loans			2,11,38,50,070	2,15,61,25,308
Guarantee fee			-	-
Upfront Fee			56,863	10,37,708
Total (B)			2,11,39,06,933	2,15,71,63,016
C. Depreciation and amortisation			1,29,58,469	1,06,77,274
D. Generation, administration and other expenses				
Power charges	4,15,01,714			2,34,57,398
Less: Recovered from contractors & employees	2,09,894			3,81,654
			4,12,91,820	2,30,75,744
Rent			17,41,390	9,000
Repairs & maintenance				
Buildings	59,99,780			65,52,158
Others	1,20,91,191			1,12,04,596
			1,80,90,971	1,77,56,754
Insurance			54,12,469	44,39,097
Rates and taxes			-	2,80,000
Water cess & environment protection cess			-	-
Communication expenses			20,08,245	32,34,001
Travelling expenses			88,93,250	98,30,086
Tender expenses	2,78,421			26,82,487
Less: Income from sale of tenders	22,500			-
			2,55,921	26,82,487
Advertisement & printing Exp			-	23,236
Security expenses			8,40,47,918	4,86,74,990
Entertainment expenses			10,34,862	13,10,845
Guest house expenses			37,65,956	38,73,762
Payment to auditors			-	-
Brokerage & Commission			-	-
Books & periodical			-	2,637
Professional charges and consultancy fee			1,42,43,643	1,02,50,504
Legal expenses			30,69,930	13,200
EDP Hire and other charges			1,26,357	16,26,269
Printing and stationery			1,99,333	7,68,108
Miscellaneous expenses			1,29,66,112	1,12,38,382
Total (D)			19,71,48,178	13,90,89,101
Total (A+B+C+D)			2,47,25,10,348	2,43,40,27,504



		Amount in ₹
For the year ended	31.03.2016	31.03.2015
E. Less: Other Income		
Interest From Bank	-	-
Interest from contractors	2,07,51,525	3,55,29,693
Sale of scrap	-	-
Other Receipts from Contractors/ Suppliers	8,972	8,972
Miscellaneous income	12,00,729	17,71,439
TOTAL (E)	2,19,61,226	3,73,10,104
F. Prior Period Items (net)	-	-
GRAND TOTAL (A+B+C+D-E+F)*	2,45,05,49,122	2,39,67,17,400

*** Balance carried to Capital Work-in-progress - (Note 13)**

27. Balances shown under trade receivables, trade/other payables and loans & advances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. With regard to this about 58.85% of the vendor balances outstanding as on 31.12.2015 have been confirmed.

28. **Disclosure as per Accounting Standard-1 on ' Disclosure of Accounting Policies'**

During the year following changes in accounting policies have been made:-

a) The company has revised the accounting policy for depreciation of certain assets due to reassessment of their useful life. Consequently profit for the year ended 31st March 2016, is lower by ₹ 9,83,324/- and net fixed asset as at 31st March 2015 are lower by ₹ 19,50,679/- (Refer policy no. J.2)

b) Policy no.K.4. has been modified increasing the threshold limit of prepaid expenses and prior period expenses/ income of items from ₹ 1,00,000/- to ₹ 5,00,000/- for charging the same to natural heads of accounts.

29. **Disclosure as per Accounting Standard – 12 on 'Accounting for Government Grants'**

As per the MOU on 9th May 2006, Govt. of India sanctioned a grant of ₹ 4,71,80,00,000 through Govt. of Bihar for renovation & modernization of the taken over station under RSVY grant. Out of the said amount, ₹ 2,49,67,00,000 paid to M/s BHEL against R&M contract on behalf of the Company and an amount of ₹ 1,80,00,00,000 paid to KBUNL till 31.03.2016 have been accounted as 'Grants received' in Note -3.

30. **Disclosure as per Accounting Standard -15 on 'Employees Benefits'**

a) An amount of ₹ 6,12,65,245 (previous year ₹ 5,28,90,500) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 1,64,66,149 (previous year ₹ 1,51,87,425) towards leave & other benefits, is payable to the NTPC Ltd. for employees on secondment from NTPC Ltd.

b) In respect of employee on deputation from BSPGCL ₹ 15,66,114 (previous year ₹ 16,14,816) towards pension and ₹ 10,89,675 (previous year ₹ 11,23,122) towards Leave benefits payable to BSPGCL.

c) In respect of KBUNL employee ₹ 17,57,053 (Previous year ₹ 14,29,683) towards gratuity and ₹ 42,34,463 (previous year ₹ 40,22,656.35) towards Leave benefits is payable.

31. **Disclosure as per Accounting Standard – 16 on 'Borrowing Costs'**

Borrowing costs capitalized (taken to CWIP) during the year are ₹ 2,11,39,06,933 (previous year ₹ 2,15,71,63,016).

32. **Disclosure as per Accounting Standard – 18 on 'Related Party Disclosures'**

a) Related parties:

i) Key Management Personnel:

Shri R. K. Sinha — Chief Executive Officer
Shri A. K. Singh — Chief Financial Officer

b) Remuneration to Key management personnel for the financial year 2015-16 is ₹ 0.82 crore (Previous year ₹ 0.81 crore) and amount of dues outstanding to the company as at 31st March 2016 are ₹ Nil (Previous year ₹ Nil).

₹ Crore

Managerial remuneration to Key management personnel	Current Year	Previous Year
Shri R. K. Sinha	0.41	0.41
Shri A. K. Singh	0.41	0.40

33. **Disclosure as per Accounting Standard – 19 on 'Leases' Operating Lease:**

The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancelable. Note 22-Employee benefit expenses include ₹ 24,54,682 (Previous Year ₹ 26,41,615) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for office included under 'Rent' in Note-24– 'Generation, Administration and Other Expenses'.

34. **Disclosure as per Accounting Standard – 20 on 'Earning Per Share'**

The elements considered for calculation of earnings per share (Basic and Diluted) are as under:

Particulars	Current year	Previous year
Net Profit / (Loss)after tax used as numerator (₹)	(58,20,28,931)	17,24,47,678
Weighted average number of equity shares used as denominator- Earning Per Share	1,01,41,09,961	83,79,18,609
Earning per share (₹)	(0.57)	0.21
Weighted average number of equity shares used as denominator – Diluted Earning Per Share	1,05,01,55,153	89,99,13,703
Diluted Earning per share(₹)	(0.55)	0.19
Face value per share (₹)	10	10

35. **Foreign Currency Exposure not hedged by a derivative instrument or otherwise :**

Particulars	Currencies	Amount in Foreign Currency		Amount in ₹	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
Unexecuted amount of contracts remaining to be executed	USD	74,611	1,78,379	49,91,476	1,12,71,824
	JPY	63,31,876	1,90,92,401	37,83,296	1,00,69,333



36. Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	Amount ₹
a) Amount remaining unpaid to any supplier:	
Principal amount	53,29,573
Interest due thereon	-
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-
d) Amount of interest accrued and remaining unpaid	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act	-

37. Contingent Liabilities

a) Arbitration/Civil court cases against the company in respect of capital works:

Some contractors for supply and installation of equipment and execution of works at our project have made claims on the Company for ₹ 90.62 crore (previous year ₹ 56.78 crore) seeking revision of L2 rate for supply contract and erection contract, non-imposition of LD, payment of over stay compensation, compensation for the extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of the provisions of the respective contracts. The company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims.

b) Disputed Income Tax/Sales Tax/ Excise Matters:

Disputed Income Tax demand for the assessment year 2012-13 amounting to ₹ 3.56 crore (previous year ₹ 3.56 crore) is pending in appeal before Commissioner of Income Tax-Appeals, New Delhi. Disputed entry tax demand amounting to ₹ 14.00 crore (previous year ₹ 1.38 crore) in respect of interest and penalty on differential Entry Tax on purchase of LDO and Steel pertaining to FY 2007-08, 2008-09, 2009-10, 2010-11 & 2011-12 is pending before different authorities of Commercial Tax and electricity duty demand amount to ₹ 28.40 crore(previous year ₹ 18.68 crore) is pending before Patna High Court

c) Others:

Other contingent liabilities amount to ₹ 0.26 crore (previous year ₹ Nil) relating to Industrial Dispute and Labour Court cases .

38. Capital and other commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2016 is ₹ 7,30,66,88,322 (previous year ₹ 6,34,51,34,587).

39. Disclosure of provision towards Pay Revision Arrears of CISF:

Revision of pay scales of the employees of the Central Government is due w.e.f. 1st January 2016. Pending acceptance of the recommendations of the VII Pay Commission constituted by the Central Government, provision of ₹ 37,32,246 (Previous year ₹ Nil) towards the payments due to the employees of Central Industrial Security Force (CISF) has been made on an estimated basis.

40. Corporate Social Responsibility Expenses(CSR)

In terms of section 135 of Companies Act ,2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), the Company is required to spent, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR policy.

Particulars	Amount ₹
A. Amount required to be spent during 2015-16	20,23,003
B. Amount spent on CSR-revenue expenses	7,73,221
C. Shortfall amount appropriated to CSR reserve (Note 3)	12,49,782
D. Break-up of amount spent on CSR:	
1. Community development and welfare expenses (Note 24)	7,76,946
2. Less: Miscellaneous income from hospital (Note 24)	3,725
3. Net amount spent on CSR	7,73,221

41. Other disclosure as per Schedule III of the Companies Act, 2013

Particulars	Current year amount ₹	Previous year amount ₹
a) Expenditure in foreign currency :		
Others-Foreign Travel	Nil	3,74,877
b)Value of component, stores and spare parts consumed	11,30,71,251	6,03,86,498

42. The Central Government in consultation with National Advisory Committee on Accounting Standards, has vide Gazette Notification No. 364 (E) dated 30th March 2016 notified Companies (Accounting Standards) Amendment Rules, 2016 (amended rules) thereby amending the Companies (Accounting Standards) Rules, 2006 (principle rules). The Company believes that Rule 3(2) of the principal rules has not been withdrawn or replaced by the amended rules. Accordingly, the amended rules shall come into effect for the accounting periods commencing on or after 30th March 2016.

43. Figures have been rounded off to nearest rupee.

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

For & On Behalf of the Board of Directors

(Ruchi Aggarwal) (A.K.Singh) (R.K.Sinha) (P.Amrit) (K.K. Sharma)
Company Secretary CFO CEO Director Chairman

Place: Patna
Dated: 06.05.2016

For M/s Goel Mintri & Associates
Chartered Accountants
Firm Regn No. 013211N

(Sunil Kumar Gupta)
Partner
M. No. 501430

Dated: 06.05.2016
Place: Delhi



INDEPENDENT AUDITOR'S REPORT

This report supersedes our earlier report dated 06.05.2016 in line with the CAG comments

To
The Members of
Kanti Bijlee Utpadan Nigam Limited

We have audited the accompanying financial statements of **Kanti Bijlee Utpadan Nigam Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;

(b) In the case of Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

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

An amount of ₹ 30.72 Cr has been shown in Note No. 9 - Trade payables ,pertaining to compensation payable to coal companies against short lifting of coal as per the Fuel Supply Agreement signed with the coal companies (ECL & BCCL) . The same has been debited to Coal inventory value. Consequently it gets reflected in consumption and becomes part of sales as variable charges.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure 1** a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure 2** on the directions and sub-directions issued by Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and



the operating effectiveness of such controls, refer to **Annexure 3**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 37 to the financial statements;

ii. The Company does not have any long term contracts including derivative contracts which require a provision to be made for future material foreseeable losses.

iii. The Company was not required to transfer any amounts to the Investor Education and Protection Fund.

For M/s Goel Mintri & Associates
(Chartered Accountants)
Firm Regn No.013211N

(Sunil Kumar Gupta)
Partner
M.No. 501430

Place: New Delhi
Date: 17th June, 2016

ANNEXURE 1 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of Kanti Bijlee Utpadan Nigam Limited on the accounts for the year ended 31st March 2016

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets . In respect of assets taken over from erstwhile MTPS from Bihar State Electricity Board the records have been maintained on the date of such acquisition after due physical verification of such assets.

(b) There is a regular programme of physical verification of all fixed assets over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company excepting 36.62 acres valuing ₹ 18.67 crore of freehold land. The Company has taken appropriate steps for getting their title deeds in the name of the Company.

(ii) The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013.

In view of the above, the clauses 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable.

(iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted deposits from the public. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii)(a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2016 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) The disputed statutory dues aggregating to ₹ 45.96 crore that have not been deposited on account of matters pending before appropriate authorities are detailed below:

Sl. No	Name of Statute	Nature of dues	Forum where the dispute is pending	₹ (Crore)
1.	Income Tax Act,1961	Income tax	CIT-Appeals	3.56
2.	The Bihar Tax on Entry of Goods into Local Areas for Consumption Use or Sale therein Act,1993	Entry Tax	Commissioner Commercial Tax ,Patna	0.14
3.	The Bihar Tax on Entry of Goods into Local Areas for Consumption Use or Sale therein Act,1993	Entry Tax	Commercial Tax Tribunal, Patna	1.53
4.	The Bihar Tax on Entry of Goods into Local Areas for Consumption Use or Sale therein Act,1993	Entry Tax	Joint Commissioner Appeal, Muzaffarpur	12.33
5.	Bihar Electricity Duty Act	Electricity Duty	High Court, Patna	28.40
Total				**45.96**

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks .

(ix) The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.



(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

(xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) The provisions of clause 3 (xii) of the Order are not applicable to the Company.

(xiii) The company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 with respect to transactions with the related parties, where applicable. Details of the transactions with the related parties (remuneration to Key Managerial Personnel) has been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The company has not made any preferential allotment or private allotment or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable to the company.

(xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

(xvi) The company is not required to be registered under Section 45-IA of the reserve Bank of India Act, 1934

For M/s Goel Mintri & Associates
(Chartered Accountants)
Firm Regn No.013211N

(Sunil Kumar Gupta)
Partner
M.No. 501430

Place: New Delhi
Date: 17th June, 2016

ANNEXURE 2 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of Kanti Bijlee Utpadan Nigam Limited on the accounts for the year ended 31st March 2016

Sl. No.	Directions	Action Taken	Impact on financial statement
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the the freehold and leasehold land for which title/lease deeds are not available.	The Company is having clear title/lease deeds for entire freehold and leasehold land excepting 36.62 acres of freehold land valuing ₹18.67 Crore. The Company has taken appropriate steps for getting clear title for such freehold .	Nil
2	Whether there are any cases of waiver/write off of debts/loans/ interest etc.? If yes, the reasons thereof and the amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/ loans/interest etc.	Nil
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	Proper records are maintained for inventories lying with third parties and also for assets received as gift from Government or other authorities	Nil

ANNEXURE 2 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of Kanti Bijlee Utpadan Nigam Limited on the accounts for the year ended 31st March 2016

Sub-direction:-

1	Examine the percentage escalation in salary assumed by management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the company to the Actuaries for actuarial valuation were correct, complete and valid.	The Company has three types of employee viz: 1. Employee from NTPC on secondment basis to KBUNL. 2. Employee from BSPGCL on deputation to KBUNL 3. Employee on roll of the company. In respect of employee from NTPC and BSPGCL the actuarial valuation of the employee benefits is being done by their parent companies. In respect of employee on roll of company (numbering 6 only) no actuarial valuation is being done. All terminal benefits are accounted as actual.	Nil

For M/s Goel Mintri & Associates
(Chartered Accountants)
Firm Regn No.013211N

(Sunil Kumar Gupta)
Partner
M.No. 501430

Place: New Delhi
Date: 17th June, 2016



ANNEXURE 3 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of Kanti Bijlee Utpadan Nigam Ltd. on the accounts for the year ended 31st March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kanti Bijlee Utpadan Nigam Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For M/s Goel Mintri & Associates
(Chartered Accountants)
Firm Regn No.013211N

(Sunil Kumar Gupta)
Partner
M.No. 501430

Place: New Delhi
Date: 17th June, 2016

Compliance Certificate

We have conducted the audit of accounts of (Kanti Bijlee Utpadan Nigam Ltd.) for the year ended 31st March 2016 in accordance with the directions/sub-directions issued by C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

For M/s Goel Mintri & Associates
(Chartered Accountants)
Firm Regn No.013211N

(Sunil Kumar Gupta)
Partner
M.No. 501430

Place: New Delhi
Date: 17th June, 2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KANTI BIJLEE UTPADAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2016 AND MANAGEMENT REPLIES THEREON

Comments	Management Reply
The preparation of financial statements of Kanti Bijlee Utpadan Nigam Ltd., for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 17 June 2016. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of Kanti Bijlee Utpadan Nigam Ltd. for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.	
1. Note No. 20: Revenue from Operation The above doesn't state that as per the CERC Tariff Regulations (2014) as well as CERC's subsequent order dated 25 January 2016, Gross Calorific Value (GCV) of coal was to be measured on "As Received" basis at un-loading point of the generating station before unloading of the coal from wagons with effect from 01 April 2014 and energy charges were to be worked out accordingly. However, the Company has calculated energy charges on the basis of GCV of coal measured at secondary crusher. This being a deviation from the CERC Tariff Regulations and its subsequent order should have been disclosed along with financial implications, if any, resulting from such non-compliance. Hence, the disclosures given in Note No. 20 are deficient to this extent.	Noted
2. Balance Sheet Current Asset Inventories Rs. 40.68 crore (note 15) The above includes compensation for short lifting to be paid to coal companies as per the Coal Supply agreements. AS-2 Valuation of inventories does not envisage payments like disincentive for not lifting agreed coal quantity as part of cost of purchase as this is not directly attributable to the acquisition of coal. CERC Regulations (2014) also does not envisage inclusion of this payment in cost of coal for computation of energy charge. Therefore, adding penalty paid to coal companies for not lifting the annual contracted quantity of coal, to the cost of inventory was not correct and has resulted in overvaluation of Coal inventory and understatement of expenses and losses. The value of such penalty included in the closing value of inventory could not be accurately determined by audit.	Inventory of ₹ 40.68 crore includes coal, fuel oil, component spares and others. Out of this, closing value of coal is ₹ 14.99 crore. As per CERC Tariff Regulations 2014, the beneficiary has to pay their dues within 60 days from the date of billing. In case of Kanti Bijlee Utpadan Nigam Ltd. (KBUNL), average trade receivable period stands around 146 days. The sole beneficiary (also one of the promoter companies of KBUNL) has been informed from time to time regarding the impending compensation payable to coal companies due to non lifting of annual contracted quantity of coal as per the Fuel Supply Agreement (FSA). Due to non realization of energy bills, KBUNL was unable to pay to the coal companies. Consequently, coal companies regulated the coal supply resulting in shut down of plant several times in the financial year 2015-16. Compensation/ incentive is a part of FSA agreed with the Coal Companies and hence added to the cost of coal for billing to the beneficiary as other charges in Form 15 (format prescribed by the CERC for coal cost to be provided to the beneficiary). This fact is also known to the beneficiary. The CERC Tariff Regulations, 2014 also does not envisage non-inclusion of such payments in computation of energy charges. It is pertinent to mention here that in case the quantity of coal lifted is in excess of 90% of annual contracted quantity, incentive is payable to the coal companies as per FSA by KBUNL. Such incentives are also loaded in cost of coal for computation of energy charges. Accordingly, disincentive paid to the Coal Companies towards short lifting of coal is also loaded in the coal cost and passed on to the beneficiary.

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

(Sushil Kumar Jaiswal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board, Ranchi

Place: Ranchi
Date: 08 July 2016

For & on behalf of the Board of Directors

(K.K. Sharma)
Chairman
DIN: 03014947

Place: New Delhi
Dated: 28th July 2016





Panoramic view of NTPC Unchahar

Bhartiya Rail Bijlee Company Limited
Directors' Report

Dear Members,

Your Directors are pleased to present Nineth Annual Report on the business and operations of the Company along with Audited Financial Statements and Auditors Report thereon for year ended on 31st March 2016.

PERFORMANCE OF THE COMPANY

Your Company is setting up 1000 MW (4X250 MW) Thermal Power Project at Nabinagar in Aurangabad district of Bihar to meet the traction and non-traction electric power requirement of Railways.

Unit#1 was successfully synchronized with Grid and full load was achieved on 20.03.2016 and with this Unit#1 was declared commissioned. Commercial operation of Unit#1 is scheduled in Sept'16 and for this readiness of CHP, AHP and other associated Systems are in advanced stage of completion. Construction activities of other Units are going on in full swing. Non-drainable Hydro Test of Unit#2 completed on 22.05.2016. Hydro Test of Unit#3 is in advance stage of completion. Physical Possession Certificate for 127.95 Acres of land was signed in the financial year 2015-16. Total land acquired for the plant is 1456.53 acres, out of 1522.50 acres required for the project.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2015 and 31st March 2016 are as under:-

(Amount in ₹)

Balance Sheet Items as at		31.03.2016	31.03.2015
Paid-up Share Capital	:	**15,84,61,38,500**	15,84,61,38,500
Reserves and Surplus	:	**(82,31,468)**	(79,76,838)
Share Application Money Pending Allotment	:	**15,64,00,000**	-
Non-current liabilities	:	**42,75,11,86,013**	33,26,19,48,978
Current liabilities	:	**3,91,19,72,678**	3,28,70,23,620
Non-current assets	:	**61,14,27,51,136**	51,29,51,42,403
Current assets	:	**1,51,47,14,587**	1,09,19,91,857

Items from Statement of Profit and Loss for the year ended	:	31.03.2016	31.03.2015
Total Revenue	:	**2,905**	-
Total Expenses	:	**(3,82,91,863)**	(7,04,16,418)
Profit before Tax and Rate Regulated Activities	:	**3,82,94,768**	7,04,16,418
Regulatory Income/ (Expenses)	:	**(3,85,49,398)**	(7,08,00,296)
Loss for the year	:	**(2,54,630)**	(3,83,877)

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and other regulations are as under:

(1) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

(i) Your company has installed following equipments for pollution control & conservation of energy:

Electrostatic Precipitator, Chimney, Cooling Towers, Ash handling equipments, Ash Dyke, Ash water recirculation system, Effluent treatment plant, Dust extraction & suppression system, fire detection system, DM plant waste treatment system, Sewerage treatment plant & disposal, Environmental Lab equipment etc.

(ii) The steps taken by the company for utilizing alternate sources of energy: Provision of Solar lights in plants as well as Project Affected Villages.

(iii) The capital investment on energy conservation equipments: Approx. 350 crore INR has been earmarked for the above mentioned equipments.

During the period under review, there was no earning in the foreign exchange. The outgo in foreign exchange was INR 26,12,35,681 (USD 4814.54 & Euro 3604239.28).

(2) Information on Number of Meetings of the Board held during the year:

During the year, nine Meetings of the Board were held on 27.04.2015, 08.05.2015, 25.06.2015, 28.07.2015, 28.08.2015, 30.10.2015, 21.12.2015, 02.03.2016 and 22.03.2016. The attendance of Directors in these Meetings is as under:

Date of the Meeting/ Name of the Director	27.04.15	08.05.15	25.06.15 (original) & 25.06.15 (Adjourned)*	28.07.15	28.08.15	30.10.15	21.12.15	02.03.16	22.03.16
Shri S.C. Pandey, Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sudhir Garg, Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri K.S. Garbyal, Director	Yes	No	No	No	Yes	No	No	Yes	Yes
Smt. Sangeeta Bhatia, Director	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes

*The Board meeting held on 25.06.2015 was adjourned and held on the same day.

(3) Audit Committee

The Audit Committee of the Company comprises Shri S.C. Pandey, Shri Sudhir Garg and Ms. Sangeeta Bhatia, Directors. Nomination of Independent Director in Audit Committee shall be made on appointment of the same.

During the year, four Meetings of the Committee were held on 08.05.2015, 28.07.2015, 28.08.2015 and 30.10.2015. The attendance of Directors in these Meetings is as under:

Date of the Meeting	08.05.2015	28.07.2015	28.08.2015	30.10.2015
Shri S.C. Pandey	Yes	Yes	Yes	Yes
Shri Sudhir Garg	Yes	Yes	Yes	Yes
Smt. Sangeeta Bhatia	Yes	Yes	Yes	No



(4) Corporate Social Responsibility Committee

As on 31st March 2016, Corporate Social Responsibility Committee of the Board comprised Shri S.C. Pandey as Chairman and Shri Sudhir Garg and Ms. Sangeeta Bhatia as Members of the Committee. Nomination of Independent Director in CSR Committee shall be made on appointment of the same. During the year, no Meeting of CSR Committee was held.

The average Net Profit/ (Loss) of the Company made during the three immediately preceding financial years worked out to ₹ (4,42,044), hence, no amount was required to be spent on CSR during the financial year 2015-16.

(5) During the year the Company undertook the activities under Resettlement & Rehabilitation Plan as a responsible corporate citizen in and around plant, details of which are covered under the Management Discussion and Analysis Report attached as Annex-I to this Report.

(6) Statutory Auditors

The Comptroller & Auditor General of India had appointed M/s N.C. Aggarwal & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2015-16. The Statutory Auditors of the Company for the financial year 2016-17 are yet to be appointed by the Comptroller & Auditor General of India.

(7) Management comments on Statutory Auditors' Report

The Statutory Auditors of the Company have given an unqualified report on the accounts of the Company for the financial year 2015-16.

(8) Review of accounts by Comptroller & Auditor General of India

The Comptroller & Auditor General of India (C&AG), through letter dated 28.06.2016, has given 'Nil' comments on the financial statements of your Company for the year ended on 31.03.2016. As advised by the C&AG, the contents of letter dated 28.06.2016 are being placed with the report of the Statutory Auditors elsewhere in the Annual Report.

(9) Your Company, being subsidiary of NTPC, is covered under the Enterprise Risk Framework established by NTPC (Holding Co.). Details about risks with the Company are covered in the Management Discussion & Analysis Report which forms part of this Report and placed at Annex-I.

(10) Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annex- II to this Report.

(11) Performance Evaluation of the Directors and the Board

As required under the Companies Act, 2013, evaluation of performance of directors including that of the Independent Directors/ Board/ Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors.

In this regard, the Ministry of Corporate Affairs, through Notification dated 05.06.2015, has exempted the Government Companies from these provisions. As per the Articles of Association of BRBCL, all the Directors are nominated by NTPC and Ministry of Railways. The Directors nominated by NTPC or Ministry of Railways are being evaluated under a well laid down procedure for evaluation of Functional Directors & CMD as well as of Government Directors by Administrative/respective Ministry/ Department. Also, the performance of the Board of the Government Companies is evaluated during performance evaluation of the Memorandum of Understanding signed with the Government of India.

(12) Secretarial Audit

The Board has appointed M/s Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is attached as Annex- III to this Report.

The Managements' Replies on the observations of Secretarial Audit are as under:

Observations	Management's Replies
During the financial year, the composition of the Board and Committees of the Board should be in compliance with the provisions of the Companies Act, 2013 with respect to appointment of Independent Directors & consequentional non-compliances thereof.	The Company is a subsidiary of NTPC Limited, a Government Company, as such, it is a Government Company. Its Independent Directors shall be appointed by the Government of India. As per the Articles of Association of BRBCL, all the Directors are nominated by NTPC and Ministry of Railways. NTPC (Holding Company) has requested the Government to either permit NTPC or to appoint requisite number of Independent Directors on the Board of BRBCL.
In terms of Section 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Company Secretary.	The Company is in the process of appointing Company Secretary.

(13) Particulars of contracts or arrangements with related parties

During the period under review, the Company had not entered into any contract or arrangement with related parties.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

(14) Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL. Contingent Liabilities are detailed in Note – 33 of Notes to Accounts to Financial Statements for the FY 2015-16. The details of undisputed statutory dues pending before appropriate authorities is detailed in Annexure to Independent Auditors' Report.

(15) Adequacy of internal financial controls with reference to the financial reporting: The Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.



(16) Particulars of Employees

As per provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

(17) Issue of Shares in the Financial Year:

During the year under review, there was no change in paid-up capital of the Company. As on 31st March 2015 and 31st March 2016, the paid-up share capital of the Company was ₹ 1,58,461,38,500/-.

(18) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any schemes.

(19) Establishment of vigil mechanism/ whistle blower policy:

Your Company has established Whistle Blower Policy as required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(20) The Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

(21) The Company has not accepted any deposits during the year.

(22) The Company has no subsidiary or joint venture.

(23) No Presidential Directive was issued by the Government during the year under review.

(24) The Company has not declared any dividend during the year.

(25) BRBCL, being subsidiary of NTPC, it is covered under the Internal Complaints Committee constituted by NTPC under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(26) Procurement from MSEs

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total contract placed on and procurement made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2015-16 was ₹ 2,70,56,157.93.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2015-16 and of the loss of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the Annual Accounts on a going concern basis; and
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

There was no change in Directors of the Company during the year.

As per the provisions of the Companies Act, 2013, Shri K.S. Garbyal, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation for the co-operation extended by Ministry of Power and Ministry of Railways.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Power Finance Corporation Limited, Rural Electrification Corporation Limited, auditors, bankers, contractors, vendors and consultants of the Company.

We wish to place on record our appreciation for the untiring efforts and contributions by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

PLACE: New Delhi
DATE: 27th July, 2016

(S.C. Pandey)
Chairman
(DIN: 03142319)

Annex-I to the Directors' Report of BRBCL

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power Sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. The achievements and developments along with various issues in various segments of the Industry have been discussed in the ensuing paragraphs.

Snap Shot 2015-16

- Gross annual generation of the country was 1107.82 BUs as compared to 1048.67 BUs in the previous year, a growth of 5.64%.
- Generation capacity of 23976.60 MW added during the year surpassing 22566.31 MW added in the previous year.
- 28114 Ckms of transmission lines added during the year as compared to 22101 Ckms in the previous year.
- 81742 MVA of transformation capacity added during the year as against 65554 in the previous year.



- Marginal decline in PLF of thermal stations from 64.25% in financial year 2014-15 to 62.29% in the financial year 2015-16.
- Peak energy deficit and energy deficit was 3.2% and 2.1% respectively as against 4.7% and 3.6% during financial year 2014-15. (Source: Central Electricity Authority)

Existing Installed Capacity

The total installed capacity in the country as on March 31, 2016 was 298059.97 MW with private sector contributing 40% of the installed capacity followed by State Sector with 34% share and Central Sector with 26% share .

	Total Capacity (MW)	% share
State	101760.59	34
Centre	76296.75	26
Private	120002.63	40
Total*	**298059.97**	**100.00**

Source: Central Electricity Authority

During the financial year 2015-16, capacity of 23976.60 MW was added. With this the total capacity addition during the four years of XII plan period is 84990.72 MW which is about 96% of the planned capacity of 88537 MW for the XII Plan.

Capacity Utilization and Generation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF)

Sector wise Generation and PLF (Thermal)

Sector	2014-15	2015-16
State	59.85	55.41
Central	74.20	72.52
Private	59.33	60.59
All India	64.25	62.29

PLF of Thermal stations declined from 64.25% to 62.29%. The major decline in PLF is in state sector. The overall decline in PLF was mainly on backing down/ shut down of units on account of low schedule from beneficiary states (Source: Central Electricity Authority). The out-look of generation look promising with expected increased industrial production and Government of India's mission to provide 24x7 electricity to all.

Existing Generation

The total power available in the country during the financial year 2015-16 was 1107.82 billion units as compared to 1048.67 billion units during last year, registering a growth of 5.64%. (Generation figures pertains to monitored capacity by CEA)

Sector wise and fuel wise break-up of generation (BUs) for the year 2015-16 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Imp	Total
Central	315.25	56.68	37.41	-	409.34
State	291.83	53.16	0	-	345.00
Pvt/IPP	336.71	11.53	0	-	348.24
Bhutan Imp	0.00	0.00	0	5.24	5.24
Total	943.79	121.38	37.41	5.24	1107.82

(Source: Central Electricity Authority)

As far as Thermal generation is concerned, based on the monitored capacity by CEA, the generation contribution of central sector is 33.40% with installed capacity share of 27.95%, state sector contributes 30.92% of generation with installed capacity share of 34.06% and private sector contributes 35.67% of generation with installed capacity share of 37.98%. Central Sector utilities have better performing stations as compared to those of State utilities and Private Sector.

Consumption

In terms of per capita power consumption, India ranks among the lowest in the world. The per capita consumption of power in India is just 957 units in financial year 2013-14 (provisional). (Source: Central Electricity Authority)

Major end users of power can be broadly classified into industrial, agricultural, domestic and commercial consumers. These consumers represented approximately 44%, 18%, 22% and 9%, respectively, of power consumption measured by units of electricity consumed in financial year 2013-14. Traction & Railways and others represented about 7% of power consumption. The electricity consumption in Industry sector and commercial sector has increased at a much faster pace compared to other sectors during 2005-06 to 2013-14 with CAGR of 10.97% and 8.82% respectively (Source: Ministry of Statistics and Programme Implementation- Energy Statistics 2015).

Energizing the Power Sector – Key Initiatives and Reforms

The last 15 months has been the period of many positive developments in the Indian Power Sector and is now poised for leap frog growth in the coming years.

A chain is as strong as its weakest link and the same hold true for power value chain. Each link has to keep pace with other to achieve a sustainable performance. In Indian Power Sector, the weakest link has been the Distribution segment marred by huge financial losses due to high transmission and distribution losses, huge gap between cost and revenue and poor revenue realization. However, for healthy growth of the entire sector, Government of India has taken several initiatives which are briefly discussed below:

(A) Ujwal Discom Assurance Yojana (UDAY)

The UDAY, the most comprehensive power sector reform scheme ever, was launched by the Central Government in November, 2015 to facilitate the revival of the discoms which have been struggling with losses and mounting debt. Within few months of launch of Scheme, 18 states and 1 union territory have agreed to participate in the Scheme, covering about 90% of the total discom debt. The total outstanding debt as on September 30, 2015 was about ₹ 4,30,000 crore with average interest rate of 12%. UDAY provides an opportunity to discoms to break-even in next couple of years through reduction in interest burden, cost of power, cutting down on AT&C losses and enhanced operational efficiency. Discoms would benefit from improvement in their credit ratings as a result of financial and operational efficiencies and would help in raising cheaper funds for future capital investments.

(B) Amendment to Tariff Policy

In January, 2016 Tariff Policy 2006 was amended with comprehensive changes to align it with the current state of the power sector. The changes focus on four E's: electricity for all, efficiency to ensure affordable tariffs, environment for sustainable future and ease of doing business to attract investments.

(C) Atomic Energy (Amendment) Act,2015

The Parliament passed the bill in December, 2015 paving the way for participation of PSU's in setting-up of Nuclear Power Plants, which was so far limited to NPCIL and BHAVINI under the administrative control of Department of Atomic Energy. It has



expanded the definition of Government Company to include Companies where the entire paid-up share capital is held by one or more Government Companies. Further, to allow participation of PSU's, amendments allows the central government to issue licenses for JV companies to set up nuclear power plants.

(D) Fuel Reforms

Historically availability of fossil fuel, particularly coal has been the cause of serious concern for thermal power generators. However, the last 15 months has proved to be quite dynamic with slew of measures taken by Central Government which inter-alia include coal mining reforms which focused on two key aspects- competitive auctions for coal mines and commercial mining. Competitive auction of coal mines would result in transfer of economic benefits to end consumers in the form of lower tariffs.

In May,2016 a new policy for coal linkage allocation to increase flexibility in the utilization of domestic coal linkages was approved by the Cabinet. Under the framework, all long term linkages of individual state generating stations/central generating stations would be clubbed and assigned to the respective state(s)/ company owning the generation stations. Subsequent allotment of coal would be based on plant efficiency, coal transportation cost, transmission charges and overall cost of power.

The Ministry of Coal finalized the guidelines for the automatic coal linkage transfer policy to enable seamless transfer of fuel from old thermal power stations that have been scrapped to new super critical plants to enhance generation capacity, ensure lower emissions and optimize land as well as water usage.

On the gas front, Government introduced a scheme for gas-based power projects, applicable for 2015-16 and 2016-17 for reviving the gas based capacity as many of the gas-based power plants were stranded or operating at sub-optimal levels due to non-availability of gas. The scheme envisaged sacrifices made by all stakeholders as well as support from Power System Development Fund. The scheme resulted in revival of 11,717 MW of stranded gas based power projects with supply of Re-gasified Liquefied Natural Gas through transparent e–auction.

(E) Demand Side Management

Based on encouraging results of Cycle 1 of Perform Achieve and Trade mechanism, Cycle 2 for the period 2016-17 to 2018-19 has been further broadened with inclusion of more units from the existing sectors and addition of units from 3 new sectors i.e refineries, railways and electricity discoms. The designated customers selected in Cycle 2 account for 50% shares in total energy consumption based on 2009-10 levels.

Government identified lighting as key focus area for energy efficiency. Under the Unnat Jyoti by Affordable LEDs for All (UJALA), more than 11 crore LED Bulbs have been distributed which resulted in cost saving of ₹ 16.24 crore per day and over 4 crore KWh per day and at the same time helped in reduction of CO_2 to the extent of 32,877 tonne per day thereby reiterating India's commitment made at Conference of Parties (COP) 21 Summit held in Paris, to reduce its energy intensity. (Source: www.ujala.gov.in).

Demand, Supply and Consumption Position

All the regions in the country namely Northern, Western, Southern, Eastern and North-Eastern Regions continued to experience energy as well as peak power shortage of varing magnitude on an overall basis, although there were short-term surpluses depending on the season or time of day. The surplus power was sold to deficit states or consumers either through bilateral contracts, power exchanges or traders. The energy shortage varied from 0.2% in the Western Region to 5.2% in the North-Eastern Region. (Source : Load Generation and Balance Report 2015-16) .

During the year 2015-16, though the total ex-bus energy availability increased by 5.8% over the previous year and the peak met increased by 5.2%. The energy requirement registered a growth of 4.3% during the year against the projected growth of 8.7% and Peak demand registered a growth of 3.5% against the projected growth of 5.9%.

The power supply position in Eastern Region and Bihar during 2015-16 is as under:

Particulars	Year 2015-16			Year 2016-17 (Anticipated)		
	Req	Avail	Surplus/ (Deficit)	Req	Avail	Surplus/ (Deficit)
Energy Requirement						
Eastern Region (in MU)	1,24,653	1,23,646	(1007 MUs) (0.8%)	1,51,336	1,35,713	(15,622 MUs) 2.0%
Bihar (in MU)	23,960	23,658	(302 MUs) (1.3%)	26,369	19,713	(6,656 MUs) (25.2%)
Peak Requirement						
Eastern Region (In MW)	18,169	18,056	(113 MW) (0.6%)	21,387	22,440	(1,053 MW) 4.9%
Bihar (In MW)	3,735	3,484	(251 MW) (6.7%)	3,900	3,183	(717 MW) (18.4%)

From the above, it is evident that there have been energy and peak shortages in the Eastern Region as well as in Bihar during the year 2015-16. In the year 2016-17 also, there shall be energy and peak shortages in Bihar and whole of the Eastern Region.

SWOT ANALYSIS

Strength/ Opportunity

The Company is backed by strong promoters i.e. Ministry of Railways and NTPC Limited. NTPC is the consultant for the Company which is having wide experience in engineering and management expertise from planning to commissioning and operating power plants. Indian Railways, being a big transport organization, consumes about 2% of the total power generation of the country which is likely to go up with the current pace of electrification. Presently, the peak power requirement of IR is about 4000 MW which is being fed to the electric traction network of IR through its odd 400 traction sub stations spread across the length and breadth of the country. Out of this requirement, Nabinagar power plant having 1000 MW capacity will cater the captive need of 900 MW of Indian Railways and 100 MW will be given to the Bihar Government. Thus BRBCL has good future prospects of dealing with the organisation like IR having sound financial fundamentals.

The Company is able to acquire major portion of land for establishing the project. Bharat Heavy Electricals Limited is the main plant contractor. The Company has tied up loan with Power Finance Corporation Limited and with Rural Electrification Limited for meeting its debt portion. The Company has coal linkage for 4X250 MW capacity.

Weakness/ Threats:

The major threat to the company is facing in acquiring parts of land. Law and order situation and project security of the project has been also a concern for the Company.

RISKS AND CONCERN

The risk to which company is exposed and the initiatives taken by the company to mitigate such risks are given below:



The project is delayed as there is delay in the land acquisition due to which contractors are demanding compensation. This issue is being dealt as per provision of the contract and project implementation is being expedited to minimize the time overrun.

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake etc.

Operational risks are associated with systems, processes & people and cover areas such as succession planning, attrition and retention of people, operational failure or interruption, disruption in supply chain, failure of research & development facilities and faulty application of information technology and non-compliance of regulatory provisions.

As the Company has not come in operation phase, it is not exposed to all such operational risks.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The accounts are being prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India from time to time and as per the guidelines issued from NTPC Limited. The Company has implemented SAP in all modules. It is helping the Company a lot in retrieving data and maintaining systematic backup.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in coordination with Internal Audit Department of NTPC Limited. The Company has constituted an Audit Committee to oversee the financial performance of the company. The scope of this Committee includes compliance with Internal Control Systems.

FINANCIAL DISCUSSION AND ANALYSIS

At the end of the financial year 2015-16, the Company's paid-up share capital was ₹ 15,84,61,38,500. The Company had withdrawn cumulative loan of ₹ 3,888.43 crore upto the end of FY 2015-16 as against ₹ 2,998.17 crore upto FY 2014-15 from PFC and REC. Under second loan agreement with PFC for revised cost estimate, the company had drawn an amount of ₹ 141.69 crore which was well within the borrowing powers of the Company of ₹ 4,000 crore. Borrowing costs capitalized during the year was ₹ 381.58 crore. There was no default in payment of interest on loan as at the end of the year.

In other long term liabilities, there was an increase of ₹ 54.81 crore which included retentions for payments against completion of facilities and PG tests. Amount lying under the head regulatory liabilities was ₹ 5.07 crore which was on account of short term gains or losses on account of fluctuation in the rate of foreign currency liabilities calculated from the date of transaction and date of realization/ valuation as on 31.03.2016. Trade payables increased by ₹ 2.16 crore primarily due to provision for liability against liquidator of Dalmianagar, private security agencies, UPL, Sanghvi motors for hiring of crane etc. Other current liabilities increased by ₹ 57.69 crore for liabilities against payment not made for material despatched as on 31.03.2016, increase in security deposit, CISF deployment and payables to contractors. Due to provision for annuity for project affected persons, there was an increase of ₹ 2.65 crore in short term provisions. Increase in construction stores amounted to ₹ 20.17 crores. Construction store includes stock of Steel, Cement, Fuel (both coal and oil till COD) and plant and equipments under inspection/transit/lying with the contractors. There is an increase in long term loans and advances by ₹ 17.30 crore. This was mainly due to deposit with RITES Ltd (₹ 10.65 Crore), Lloyd insulation (₹ 1.32 Crore). There is an increase in short term loans and advances for ₹ 14.18 crore. Major reason for increase on this head was unadjusted Entry tax on Materials in Transit and materials under inspection. Other current assets decreased by ₹ 0.03 crore.

The tangible assets after depreciation amounted to ₹ 477.98 crore as at 31.03.2016 as against ₹400.37 crore as at 31.03.2015. The intangible assets after depreciation amounted to ₹ 5,29,912 and ₹ 1,04,801 as at 31.03.2016 and 31.03.2015 respectively. The depreciation transferred to Expenditure During Construction (EDC) for the financial year 2015-16 was ₹ 6,34,02,159. The capital work-in-progress stood at ₹ 5,370.69 crore and ₹ 4,480.88 crore as at 31.03.2016 and 31.03.2015 respectively. This head also includes pre-commissioning expense (₹ 3.96 Crore) and adjustments in Capital Expenditure against assets not owned by the company (₹ 21.75 Crore) due to change in accounting policy on the basis of revised Accounting Standard – 10, as disclosed in Note-10.

HUMAN RESOURCE

Presently, the Company has total strength of 162 employees (including 5 Executive Trainees), all employees have been deputed from the Holding Company i.e. NTPC Limited. As a socially responsible and socially conscious organization, the Company has deployed 26 SC employees, 10 ST employees and 40 OBC employees out of the total strength of 162 employees deputed from NTPC.

The Company is paying Performance Related Pay to its employees in order to boost their morale and also extending the facility of retention of family anywhere in India. Quarters have been hired at Dalmianagar as a Temporary Township until Permanent Township at the site is constructed. Further to this, various welfare measures including cultural activities for employees and their family members are also undertaken for boosting employee's morale.

Further to this, we have Executive club and Ladies club which takes care of sports and cultural activities.

The employee benefits expense (salaries & wages, contribution to provident & other funds and staff welfare expenses) was ₹ 30,27,85,503 for the financial year 2015-16, which have been transferred to expenditure during construction account as the project is in construction stage. It included ₹ 5,31,15,637 and ₹ 10,89,705 debited by the Holding Company and Ministry of Railways respectively towards leave, superannuation and other benefits in respect of employees posted on secondment basis from the Holding Company and Ministry of Railways.

REHABILITATION AND RESETTLEMENT ACTIVITIES

Your Company has taken number of steps towards rehabilitation and resettlement like installation of drinking water hand pumps in project affected villages = 10 nos., installation of deep bore-wells = 02 nos., development of community pond = 01 no., Organizing Health Camps = 04 nos., distribution of sports kits= 16 sets, seed/ tree sapling distribution = 1500 nos., providing drinking water through tankers during summer in nearby villages.

OUTLOOK

The company's outlook is very bright. It will generate sufficient revenue for the growth and development of the company as well as of the nearby community at large once the plant becomes operational.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic condition, Government policies and other incidental/ related factors.

For and on behalf of Board of Directors

(S.C. Pandey)
Chairman
(DIN: 03142319)

Place : New Delhi
Date : 27th July 2016



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U40102DL2007PLC170661
2.	Registration Date	November 22, 2007
3.	Name of the Company	Bhartiya Rail Bijlee Company Limited
4.	Category/Sub-category of the Company	Public Company / Government Company
5.	Address of the Registered office & contact details	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003 Ph. No.: 011-2436 0071 Fax No.: 011-24360241 E-mail: ruchimittal@ntpc.co.in
6.	Whether listed company (Yes - No)	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Electric power generation by coal based thermal power plant	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% ofshares held	Applicable Section
1	NTPC Limited Address: NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	L40101DL1975GOI007966	Holding	74%	2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A Promoter									
(1) Indian									
(a) Individual / HUF									
(i)As Nominee of NTPC	-	500	500	0.00	-	500	500	0.00	-
(ii)As Nominee of Ministry of Railways	-	100	100	0.00	-	100	100	0.00	-
b)Central Govt. (Ministry of Railways)	-	41,19,99,900	41,19,99,900	26.00	-	41,19,99,900	41,19,99,900	26.00	-
c)State Govt.(s)	-	-	-	-	-	-	-	-	-
d)Bodies Corp.	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
NTPC Limited	-	1,17,26,13,350	1,17,26,13,350	74.00	-	1,17,26,13,350	1,17,26,13,350	74.00	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-								
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	**1,58,46,13,850**	**1,58,46,13,850**	**100%**	-	**1,58,46,13,850**	**1,58,46,13,850**	**100%**	-
B. Public Shareholding									
1.Institutions									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**1,58,46,13,850**	**1,58,46,13,850**	**100%**	-	**1,58,46,13,850**	**1,58,46,13,850**	**100%**	-



ii) Shareholding of Promoters-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	NTPC Limited	1,17,26,13,350	74.00	-	1,17,26,13,350	74.00	-	-
2.	Ministry of Railways	41,19,99,900	26.00	-	41,19,99,900	26.00	-	-
3.	Nominees of NTPC	500	0.00	-	500	0.00	-	-
4.	Nominees of Ministry of Railways	100	0.00	-	100	0.00	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,58,46,13,850	100.00	1,58,46,13,850	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the End of the year	1,58,46,13,850	100.00	1,58,46,13,850	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sl No.	For each of Top 10 Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri S.C. Pandey** **Chairman & Nominee of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the end of the year	100	0.00	100	0.00
2.	**Shri K.S. Garbyal** **Director & Nominee of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00



Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	**Ms. Sangeeta Bhatia** **Director & Nominee of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	29,98,17,23,362	-	-	29,98,17,23,362
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	44,71,81,318	-	-	44,71,81,318
Total (i + ii + iii)	**30,42,89,04,680**	-	-	**30,42,89,04,680**
Change in Indebtedness during the financial year				
• Addition	8,98,60,69,098	-	-	8,98,60,69,098
• Reduction	0	-	-	0
Net Change	8,98,60,69,098	-	-	8,98,60,69,098
Indebtedness at the end of the financial year				
i) Principal amount	38,88,43,16,356	-	-	38,88,43,16,356
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53,06,57,422	-	-	53,06,57,422
Total (i + ii + iii)	**39,41,49,73,778**	-	-	**39,41,49,73,778**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	**Commission** - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Co. Secy.	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	40,67,135.51	-	31,50,825.80	**72,17,961.31**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,82,861.51	-	1,77,596.88	**3,60,458.39**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify	-	-	-	-
	Total	42,49,997.02	-	33,28,422.68	**75,78,419.70**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors

Place: New Delhi
Dated: 27th July 2016

(S.C. Pandey)
Chairman
(DIN: 03142319)



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
BHARTIYA RAIL BIJLEE COMPANY LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bhartiya Rail Bijlee Company Limited** (hereinafter called BRBCL/the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of BRBCL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **Not Applicable**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not Applicable**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;- **Not Applicable**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - **Not Applicable**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - **Not Applicable**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable**

(vi) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.

I have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India Applicable w.e.f. 1st July, 2015.

(b) The Listing Agreement and the Securities Exchange Board of India (Listing Obligations & other Disclosure Requirements) Regulations, 2015. - **Not Applicable.**

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

(i) Observation 1:

During the financial year, the composition of the Board and Committees of the Board should be in compliance with the provisions of the Companies Act, 2013 with respect to appointment of Independent Directors & consequential non-compliances thereof.

(ii) Observation 2:

In terms of Section 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Company Secretary.

I further report that the Board of Directors of the Company is not duly constituted due to non-appointment of Independent Directors on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.

I further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,
Company Secretaries,

(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: June 20, 2016

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



"Annexure A"

To,

The Members,

BHARTIYA RAIL BIJLEE COMPANY LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,

(Sachin Agarwal)
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: June 20, 2016







TG Hall of Ramagundam

BHARTIYA RAIL BIJLEE COMPANY LIMITED
BALANCE SHEET AS AT

Amount in ₹

PARTICULARS	Note	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**15,84,61,38,500**	15,84,61,38,500
Reserves and surplus	3	**(82,31,468)**	(79,76,838)
		15,83,79,07,032	15,83,81,61,662
Share Application money pending allotment	4	**15,64,00,000**	-
Non-current liabilities			
Long-term borrowings	5	**38,88,43,16,356**	29,98,17,23,362
Other long term liabilities	6	**3,81,61,79,027**	3,26,80,84,384
Regulatory Liabilities	6A	**5,06,90,630**	1,21,41,232
		42,75,11,86,013	33,26,19,48,978
Current liabilities			
Trade payable	7	**2,39,09,406**	23,14,845
Other current liabilities	8	**2,75,97,87,509**	2,18,29,03,129
Short-term provisions	9	**1,12,82,75,763**	1,10,18,05,646
		3,91,19,72,678	3,28,70,23,620
TOTAL		**62,65,74,65,723**	52,38,71,34,260
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**4,77,98,16,982**	4,00,37,37,916
Intangible assets	10	**5,29,912**	1,04,801
Capital work-in-progress	11	**53,70,69,40,576**	44,80,88,36,147
Long-term loans and advances	12	**2,65,54,63,666**	2,48,24,63,539
		61,14,27,51,136	51,29,51,42,403
Current assets			
Cash and cash equivalents	13	**1,22,07,55,829**	93,77,84,215
Short-term loans and advances	14	**28,22,49,927**	14,04,28,391
Other current assets	15	**1,17,08,831**	1,37,79,251
		1,51,47,14,587	1,09,19,91,857
TOTAL		**62,65,74,65,723**	52,38,71,34,260
Significant accounting policies	1		

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

For and on behalf of the Board of Directors

(D. Nandy)	(Rajkumar)	(S. Garg)	(S.C.Pandey)
C.F.O	C.E.O	Director	Chairman

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

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M. No. 086622

Place : New Delhi
Dated : 5th May 2016



BHARTIYA RAIL BIJLEE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Amount in ₹

PARTICULARS	Note	31.03.2016	31.03.2015
Other income	16	2,905	-
Total revenue		2,905	-
Expenses			
Employee benefits expense	17	-	-
Finance costs	18	-	-
Administration & other expenses	19	(3,82,91,863)	(7,04,16,418)
Total expenses		(3,82,91,863)	(7,04,16,418)
Profit before Tax and Rate Regulated Activities (RRA)		3,82,94,768	7,04,16,418
Add:-Regulatory Income / (Expenses)		(3,85,49,398)	(7,08,00,296)
Profit / (Loss) before tax		(2,54,630)	(3,83,877)
Total Tax Expense		-	-
Profit / (Loss) for the year		(2,54,630)	(3,83,877)
Significant accounting policies	1		
Expenditure During Construction Period	20		
Earnings per equity share (Par value of ₹ 10/- each)	28		
Basic		(0.00)	(0.00)
Diluted		(0.00)	(0.00)

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

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

For and on behalf of the Board of Directors

(D. Nandy)	(Rajkumar)	(S. Garg)	(S.C.Pandey)
C.F.O	C.E.O	Director	Chairman

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

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M. No. 086622

Place : New Delhi
Dated : 5th May 2016



BHARTIYA RAIL BIJLEE COMPANY LIMITED
CASH FLOW STATEMENT

Amount in ₹

For the year ended March 31,		2016	2015
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Loss as per statement of Profit and Loss	**(2,54,630)**	**(3,83,877)**
	Adjustment for		
	Increase/(Decrease) in Current & other liabilities	**1,21,15,93,100**	(2,01,07,277)
	Increase/(Decrease) in Other Current Assets	**20,70,420**	(1,28,43,113)
	Increase/(Decrease) in Loans & Advances	**(13,82,16,224)**	(12,46,25,570)
	Cash generated from operations	**1,07,54,47,296**	(15,75,75,960)
	Direct taxes paid	**(36,05,311)**	(31,49,829)
	Net Cash from Operating Activities-A	**1,07,15,87,355**	(16,11,09,666)
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets and CWIP	**(5,92,32,64,048)**	(5,71,61,32,754)
	Long term loan and advances	**(17,30,00,127)**	52,61,56,725
	Net Cash used in Investing Activities -B	**(6,09,62,64,175)**	(5,18,99,76,029)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Share Capital/Share capital deposit	**15,64,00,000**	4,77,79,99,500
	Proceeds from Long Term Borrowings	**8,90,25,92,994**	4,60,98,35,292
	Interest paid	**(3,75,13,44,560)**	(3,17,35,04,706)
	Net Cash flow from Financing Activities -C	**5,30,76,48,434**	6,21,43,30,086
D	**Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)**	**28,29,71,614**	86,32,44,390
E	**Cash and Cash equivalents(Opening Balance)**	**93,77,84,215**	7,45,39,825
F	**Cash and Cash equivalents(Closing Balance) [D + E]**	**1,22,07,55,829**	93,77,84,215

NOTES :

1. Cash and Cash Equivalents consists of balance with Banks
2. Figures for Previous year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

(D. Nandy)	(Rajkumar)	(S. Garg)	(S.C.Pandey)
C.F.O	C.E.O	Director	Chairman

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

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M. No. 086622

Place : New Delhi
Dated : 5th May 2016



BHARTIYA RAIL BIJLEEE COMPANY LIMITED

Notes to the financial statements for the year ended 31st March 2016

1. Significant Accounting Policies-2015-16

A. Basis of preparation

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

B. Use of estimates

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

C. Fixed Assets

1. Tangible Assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
5. 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.
6. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/ assessments.

D. Capital work-in-progress

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

E. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Exchange differences arising from settlement/translation of long term foreign currency monetary items are adjusted in carrying cost of related assets.
4. Other exchange differences are recognised as income or expense in the period in which they arise.

F. Borrowing costs

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

G. Inventories

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

H. Income recognition

1. 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.
2. Scrap other than steel scrap is accounted for as and when sold.
3. Other insurance claims are accounted for based on certainty of realisation.
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 the CERC Tariff Regulations are accounted as 'Regulatory asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/ payable.

I. Expenditure

1 Depreciation/amortisation

1.1 Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.



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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings.	10 years
- non residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV and audio video conferencing systems and other communication equipments	6 years

1.3 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.

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

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

1.6 Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation.

1.7 Where the life and/or efficiency of an asset is increased due to renovation and modernisation, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

1.8 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, in accordance with Policy no. I.1.1 stated above.

2 Other expenditure

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

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

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

2.4 Prepaid expenses and prior period expenses/income of items of ₹ 5,00,000/- and below are charged to natural heads of accounts.

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

J. Employee benefits

The employees of the Company are on secondment from the holding company. Employee benefits include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the Holding Company, the company is to make a fixed percentage contribution of the aggregate of basic pay & dearness allowance for the period of the service rendered in the company. Accordingly, these employee benefits are treated as defined contribution schemes.

K. Leases

Operating lease

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

L. 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.

M. Cash flow statement

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

N. Taxes on income

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

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

2. Share capital

Amount in ₹

As at	31.03.2016	31.03.2015
Equity Share Capital		
Authorised		
1,60,60,00,000 Equity shares of face value of ₹10/- each (previous year 1,60,60,00,000 Equity shares of face value of ₹10/- each)	**16,06,00,00,000**	16,06,00,00,000
Issued, subscribed and fully paid up		
1,58,46,13,850 Equity shares of face value of ₹10/- each (Previous year 1,58,46,13,850 Equity shares of face value of ₹10/- each)	**15,84,61,38,500**	15,84,61,38,500
Total :	**15,84,61,38,500**	15,84,61,38,500

a) During the year, the company has issued nil Equity shares.

b) Number of Equity Shares

Opening Balance as on	%	31.03.2016	31.03.2015
NTPC Ltd	74	**1,17,26,13,850**	77,41,52,309
Min. of Railways	26	**41,20,00,000**	27,20,00,000
Total		**1,58,46,13,850**	1,04,61,52,309
Issued during the year			
NTPC Ltd		-	39,84,61,541
Min. of Railways		-	14,00,00,000
Total		-	53,84,61,541
Closing Balance as on			
NTPC Ltd	74	**1,17,26,13,850**	1,17,26,13,850
Min. of Railways	26	**41,20,00,000**	41,20,00,000
Total		**1,58,46,13,850**	1,58,46,13,850

c) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

d) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Details of shareholders holding more than 5% shares in the company

Particulars	31.03.2016		31.03.2015	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Ltd. and their nominees	**1,17,26,13,850**	**74**	1,17,26,13,850	74
Ministry of Railways and their nominees	**41,20,00,000**	**26**	41,20,00,000	26

3. Reserves and Surplus

Amount in ₹

As at	31.03.2016	31.03.2015
Surplus in the statement of profit and loss		
As per last balance sheet	**(79,76,838)**	(75,92,961)
Add: Loss for the year from statement of profit and loss	**(2,54,630)**	(3,83,877)
Net surplus	**(82,31,468)**	(79,76,838)
Total	**(82,31,468)**	(79,76,838)

4. Share Application Money Pending For Allotment

Amount in ₹

As at	31.03.2016	31.03.2015
Amount received for allotment and is pending for allotment		
Received from NTPC Ltd and	**15,64,00,000**	-
Received from Ministry of Railways	-	-
Total	**15,64,00,000**	-

5.Long Term borrowings

Amount in ₹

As at	31.03.2016	31.03.2015
Term loans		
From Financial Institutions		
Secured		
Rupee loans	**38,88,43,16,356**	29,98,17,23,362
Total	**38,88,43,16,356**	29,98,17,23,362

Details of Securities

a) Secured by Equitable mortgage/hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4x250 MW), as first charge, ranking pari pasu with charge created with PFC for 60 % of total debts and balance 40% with REC.

b) The company has initial term loan facility of ₹ 3746.75 Crore (PFC : ₹ 2248 Crore + REC: ₹ 1498.75 Crore). The company has drawn ₹ 3746.74 Crore from this facility of loan from the lending agencies.

c) Interest on initial term loan is payable at the applicable three year "AAA" Bond yield rate plus agreed margin. The Moratorium period for the project is up to 6 months from the COD. The facility is available for a period of 48 months from the date of documentation or till the actual completion of the project plus 06 months (moratorium period), whichever is earlier. The repayment schedule is for a period of 15 years, beginning after 06 months from COD, in 60 quarterly instalments.

d) The company has 2nd term loan agreement of ₹ 253.25 Crore from PFC. The company has drawn ₹ 141.69 Crore from this facility of loan till 31st March 2016. The interest rate on this facility is @ 9.36% p.a. with repayment schedule of 15 years, beginning after 06 months from COD, in 60 quarterly instalments.

e) There has been no defaults in repayment of interest on loan as at the end of the year.

6. Other long-term liabilities

Amount in ₹

As at	31.03.2016	31.03.2015
Other liabilities		
Payable for capital expenditure	**3,81,61,79,027**	3,26,80,84,384
Total	**3,81,61,79,027**	3,26,80,84,384



6A. Regulatory Liabilities

Amount in ₹

As at	31.03.2016	31.03.2015
Regulatory Liabilities		
Deferred foreign currency fluctuation Liability	**5,06,90,630**	**1,21,41,232**
Total	**5,06,90,630**	**1,21,41,232**

7. Trade Payables

Amount in ₹

As at	31.03.2016	31.03.2015
For goods and services	**2,39,09,406**	23,14,845
Total	**2,39,09,406**	23,14,845

8. Other current liabilities

Amount in ₹

As at	31.03.2016	31.03.2015
Interest accrued but not due on borrowings	**53,06,57,422**	44,71,81,318
Payable for capital expenditure	**2,10,51,40,213**	1,64,39,29,969
Other payables		
Tax deducted at source and other statutory dues	**2,77,94,993**	1,86,33,322
NTPC Ltd	**6,38,33,175**	4,18,39,132
Ministry of Railways	**-**	13,02,803
Payable to employees	**2,38,87,055**	1,82,97,084
Others *	**84,74,651**	1,17,19,501
Total	**2,75,97,87,509**	2,18,29,03,129

* Other payables - others include stale cheque, administration expenses payable and amount payable for travelling etc.

9. Short Term provisions

Amount in ₹

As at	31.03.2016	31.03.2015
Provision for obligations incidental to land acquisition		
Opening Balance	**1,10,17,63,007**	1,10,17,63,007
Additions during the year	**2,64,32,302**	-
Amount paid during the year	**-**	-
Amount reversed during the year	**-**	-
Closing balance	**1,12,81,95,309**	1,10,17,63,007
Provision for shortage in fixed asset pending		
Opening Balance	**42,639**	42,639
Additions during the year	**37,815**	-
Amount paid during the year	**-**	-
Amount reversed during the year	**-**	-
Closing balance	**80,454**	42,639
Total	**1,12,82,75,763**	1,10,18,05,646

10. Tangible assets and Intagible assets

Amount in ₹

	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2015	Additions	Deduction/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deduction/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land : (including development expenses) Freehold	3,36,18,86,937	25,69,33,763	(70,51,53,971)	**4,32,39,74,671**	-	-	-	-	**4,32,39,74,671**	3,36,18,86,937
Roads, bridges, culverts & helipads	5,34,632	50,060	-	**5,84,692**	4,81,169	22,527.00	-	**5,03,696**	**80,996**	53,463
Building - Others	5,95,23,462	4,75,56,036	-	**10,70,79,498**	1,88,36,951	1,61,91,581	-	**3,50,28,532**	**7,20,50,966**	4,06,86,511
Temporary erection	1,93,40,012	3,14,11,593	-	**5,07,51,605**	1,93,40,012	1,75,52,094	-	**3,68,92,106**	**1,38,59,499**	-
Water supply, drainage & sewerage system	5,27,455	1,01,561	-	**6,29,016**	2,63,523	97,766	-	**3,61,289**	**2,67,727**	2,63,932
Plant and equipment	34,75,72,142	65,001	-	**34,76,37,143**	1,85,80,465	1,83,92,968	-	**3,69,73,433**	**31,06,63,710**	32,89,91,677
Furniture and fixtures	1,87,28,372	51,87,330	-	**2,39,15,702**	54,50,700	15,12,773	-	**69,63,473**	**1,69,52,229**	1,32,77,672
Office equipment	84,85,237	69,30,927	-	**1,54,16,164**	33,82,072	12,16,451	-	**45,98,523**	**1,08,17,641**	51,03,165
EDP, WP machines and satcom equipment	1,77,35,916	8,91,849	11,82,269	**1,74,45,496**	81,57,420	45,98,578	10,69,832	**1,16,86,166**	**57,59,330**	95,78,496
Construction equipments	1,94,42,887	19,81,358	-	**2,14,24,245**	91,91,380	19,85,807	-	**1,11,77,187**	**1,02,47,058**	1,02,51,507
Electrical Installations	1,62,56,800	12,500	-	**1,62,69,300**	31,87,464	8,58,003	-	**40,45,467**	**1,22,23,833**	1,30,69,336
Communication Equipments	37,25,650	7,59,562	-	**44,85,212**	6,66,021	8,99,869	-	**15,65,890**	**29,19,322**	30,59,629
Laboratory and workshop equipments	17,747	-	-	**17,747**	17,747	-	-	**17,747**	-	-
Capital expenditure on assets not owned by the Company	21,75,15,592	-	21,75,15,592	-	-	-	-	-	**0**	21,75,15,592
Total	**4,09,12,92,842**	**35,18,81,540**	**(48,64,56,110)**	**4,92,96,30,491**	**8,75,54,924**	**6,33,28,417**	**10,69,832**	**14,98,13,509**	**4,77,98,16,982**	**4,00,37,37,916**
Previous year	3,73,96,57,514	35,77,05,816	60,70,488	4,09,12,92,842	4,38,73,947	4,06,03,564	(30,77,415)	8,75,54,926		4,00,37,37,916



Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

	Gross Block		Depreciation/Amortisation	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Retirement of assets	**11,82,269**		**10,69,832**	
	11,82,269		**10,69,832**	

a) The borrowing costs capitalised during the year ended 31st March 2016 is ₹ 3,81,58,29,129 (previous year ₹ 3,25,45,29,853). The Company capitalised the borrowings costs in the capital work-in-progress (CWIP). Similarly, exchange differences for the year are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/ Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustment' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustment' column are given below:

Details of Exchange difference and borrowing cost included in fixed assets/CWIP

	For the year ended 31st March 2016		For the year ended 31st March 2015	
	Exch.Difference incl in fixed assets/CWIP	**Borrowing Costs incl in fixed assets/CWIP**	Exch.Difference incl in fixed assets/CWIP	Borrowing Costs incl in fixed assets/CWIP
Building:				
Main Plant		**38,75,75,816**		33,89,51,894
Others		**5,26,55,255**		4,14,16,679
Plant & Machinery	**(68,05,906)**	**3,08,93,64,318**	(5,91,84,292)	2,66,49,95,568
MGR Track and Signalling system		**9,28,16,262**		7,50,10,129
Electrical Installation		**16,18,76,870**		13,30,17,501
Others including pending allocation		**5,05,32,143**		11,38,083
	(68,05,906)	**3,83,48,20,664**	(5,91,84,292)	3,25,45,29,853

b) Capital expenditure on assets not owned by the Company (enabling assets) was hitherto reflected as a distinct item in capital work in progress till the period of completion and thereafter in the tangible assets and was amortized over a period of 4 years from the month in which first unit of project concerned came into commercial operation & thereafter from the month in which the relevant asset became available for use.

During the year, Ministry of Corporate Affairs, GOI vide Gazette Notification dated 30th March 2016 notified amendment to certain Accounting Standards (AS) including AS 10 on 'Property, Plant & Equipment' (PPE). Para 9 of the AS 10 provides for capitalization of enabling assets along-with the project cost considering the principal of 'unit of measure'. Further, Para 88 of AS 10 provides that where an entity has in past recognized an expenditure in the statement of profit and loss which is eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9, it may do so retrospectively for such a project.

Keeping in view of the above, related accounting policies have been deleted. Company has taken the principle of revised AS-10 and such expenditure has now been treated as part of cost of the respective projects. Since the Company's operation has not yet been commenced, therefore there is no impact on the profit and loss of the company.

Disclosure on status of Mutation of Land

		Current year	Previous year
Private land in possession	(in acre)	1376.5412	1311.2932
Private land - Mutation complete	(in acre)	1150.6639	1150.6639
Private land - Mutation not yet complete	(in acre)	225.8773	160.6293
Govt. land in Possession	(in acre)	70.8954	159.9150
Total Land in possession	(in acre)	**1447.4366**	**1471.2082**

INTANGIBLE ASSETS

Amount in ₹

	Gross Block				Amortisation				Net Block	
	As at 01.04.2015	Additions	Deduction/ Adjustment	**As at 31.03.2016**	Upto 01.04.2015	For the year	Deduction/ Adjustment	**Upto 31.03.2016**	**As at 31.03.2016**	As at 31.03.2015
Software	12,07,222	4,98,854	-	**17,06,076**	11,02,421	73,743	-	**11,76,164**	5,29,912	1,04,801
Total	**12,07,222**	**4,98,854**	-	**17,06,076**	**11,02,421**	**73,743**	-	**11,76,164**	5,29,912	**1,04,801**
Previous year	12,01,867	5,355		12,07,222	10,33,020	69,401		11,02,421		1,04,801

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

	31.03.2016	31.03.2015
Transfer to EDC	**₹ 6,34,02,159**	4,06,72,965
	₹ 6,34,02,159	4,06,72,965

11. Capital work-in-progress

Amount in ₹

	As at 01.04.2015	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2016
Development of land	1,06,62,39,713	1,14,10,480	14,77,87,450	-	**92,98,62,743**
Roads, bridges, culverts & helipads	6,42,164	2,04,26,615	-	50,060	**2,10,18,719**
Buildings :					
Main plant	4,21,68,56,438	94,18,19,943	-	-	**5,15,86,76,381**
Others	58,31,53,078	10,69,23,067	7,38,468	3,17,95,691	**65,75,41,986**
Temporary erection	1,37,96,869	18,78,654	(1,72,650)	99,06,143	**59,42,030**
Water supply, drainage and sewerage system	10,92,242	94,221	-	-	**11,86,463**
MGR track and signalling system	1,00,58,14,204	23,31,18,134	-	-	**1,23,89,32,338**
Plant and equipment	33,84,42,16,343	7,04,26,38,582	-	-	**40,88,68,54,925**
EDP/WP machines & satcom equipment	10,78,507	93,035	-	-	**11,71,542**
Electrical installations	1,82,18,90,337	27,11,85,622	-	-	**2,09,30,75,959**
Capital expenditure on assets not owned by the company	1,91,50,000	-	1,91,50,000	-	-
Sub total :	42,57,39,29,895	8,62,95,88,353	16,75,03,268	4,17,51,894	**50,99,42,63,086**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision	85,28,08,649	-	-	-	**85,28,08,649**
Precommissiong Expenses (net)	-	3,95,99,421.00	-	-	**3,95,99,421**
Others expenses attributable to Project (Adj)	-	-	(23,65,07,697)		**23,65,07,697**
Expenditure during construction period (net)*	9,63,78,86,089	4,74,83,46,306	-	-	**14,38,62,32,395**
Less : Allocated to related works	9,63,78,86,089	4,74,83,46,306	-	-	**14,38,62,32,395**
	43,42,67,38,544	**8,66,91,87,774**	**(6,90,04,429)**	**4,17,51,894**	**52,12,31,78,853**
Construction stores	1,38,20,97,602	20,16,64,120	-	-	**1,58,37,61,722**
Total	**44,80,88,36,147**	**8,87,08,51,894**	**(6,90,04,429)**	**4,17,51,894**	**53,70,69,40,576**
Previous year	36,16,84,29,928	8,64,04,06,219			**44,80,88,36,147**

* Brought from expenditure during construction period (net) - Note 20

a) Pre-commissioning expenditure for the year amount to ₹ 3,97,57,316/- (Previous year Nil) after adjustment of pre-commissioning sales of ₹ 1,57,895/- (Previous Year Nil) resulted in net precommissioning expenditure of ₹ 3,95,99,421/- (Previous year Nil)

b) Balance of 'Capital expenditure on assets not owned by the Company' amounting to ₹ 23,65,07,697/- has been transferred to 'Expenditure pending allocation' (Refer Note 10)

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

Amount in ₹

As at	31.03.2016	31.03.2015
Capital advances		
Unsecured		
Covered by bank guarantee	**1,68,53,35,030**	1,48,37,17,317
Others	**29,96,81,947**	33,19,04,844
	1,98,50,16,977	1,81,56,22,161
Others		
Advance Tax and Tax deducted at Source	**2,78,53,213**	2,42,47,902
Deposit with Govt. Department	**64,25,93,476**	64,25,93,476
	67,04,46,689	66,68,41,378
Total	**2,65,54,63,666**	2,48,24,63,539

13. Cash and cash equivalents

Amount in ₹

As at	31.03.2016	31.03.2015
Balances with banks		
Current accounts	**52,07,55,829**	3,75,36,215
Cheques in hand	-	2,48,000
Bank deposits with original maturity upto three months	**70,00,00,000**	90,00,00,000
Total	**1,22,07,55,829**	93,77,84,215

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

Amount in ₹

As at	31.03.2016	31.03.2015
Advances		
Employees		
Unsecured	**43,60,193**	1,39,895
Contractors & Suppliers, including material issued on loan		
Unsecured	**8,57,63,959**	12,76,72,233
Others		
Unsecured*	**19,21,25,775**	1,26,16,263
Total	**28,22,49,927**	14,04,28,391

* Others include Payment of Entry Tax in advance

15. Other current assets

Amount in ₹

As at	31.03.2016	31.03.2015
Interest accrued on :		
Short Term deposits	**90,608**	21,61,028
Others*	**1,16,18,223**	1,16,18,223
Total	**1,17,08,831**	1,37,79,251

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



16. Other income

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Interest from-Contractors	**2,73,12,104**	4,88,69,469
Other non-operating income		
Profit on disposal of Fixed Assets	**2,905**	-
Miscellaneous income	**70,56,688**	28,68,593
	3,43,71,697	5,17,38,062
Transferred to expenditure during construction period (net) - Note 20	**3,43,68,792**	5,17,38,062
Total	**2,905**	-

a) Miscellaneous income includes income from LD, Recoveries from Contractor, Hire Charges etc.

17. Employee benefits expense

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Salaries and wages	**22,22,02,852**	18,14,00,050
Contribution to provident and other funds	**5,42,05,342**	4,24,31,941
Staff welfare expenses	**2,63,77,309**	1,71,34,865
	30,27,85,503	24,09,66,856
Less : Transferred to expenditure during construction period (net)- Note 20	**30,27,85,503**	24,09,66,856
Total	-	-

18. Finance costs

Amount in ₹

For the year ended	31.03.2016	31.03.2015
Interest on		
Rupee term loans	**3,83,48,20,664**	3,27,39,32,809
Less: Interest from Short Term Deposit	**1,89,91,535**	1,94,02,956
	3,81,58,29,129	3,25,45,29,853
Less: Transferred to expenditure during construction period (net) - Note 20	**3,81,58,29,129**	3,25,45,29,853
Total	-	-

19. Administration & other expenses

Amount in ₹

For the year ended		31.03.2016	31.03.2015
Power charges	**40,85,57,771**		43,38,57,153
Less: Recovered from contractors & employees	**5,02,421**		8,74,244
		40,80,55,350	43,29,82,909
Rent	**18,10,222.00**		13,33,334
Less: Recoveries	**2,30,460**		1,49,016
Sub Total (Rent)		**15,79,762**	11,84,318
Repairs & maintenance			
Repair to Building	**93,37,621**		28,45,863
Repair to Machinery	**10,77,976**		7,73,287
Others	**1,91,60,701**		2,30,34,970
Sub Total (Repair & maintenance)		**2,95,76,299**	2,66,54,120
Insurance		**2,34,873**	87,592
License Fee		**2,80,000**	80,000
Training & recruitment expenses		**1,63,502**	3,83,877
Communication expenses		**50,66,275**	60,19,922
Inland Travel		**1,82,74,725**	1,40,34,991
Foreign Travel		**43,923**	-
Tender expenses	**34,46,305**		72,18,516
Less: Receipt from sale of tenders	**48,377**		1,42,625
Sub Total (Tender expenses)		**33,97,928**	70,75,891
Payment to auditors			
Audit Fees (inclusive of Service Tax)	**57,250**		61,798
Reimbursement of expenses			26,300
Sub Total (Payment to Auditors)		**57,250**	88,098
Advertisement and publicity		**1,71,027**	3,59,617
Security expenses		**8,94,00,295**	4,22,94,859
Entertainment expenses		**30,71,472**	17,13,822
Expenses for guest house	**45,419**		1,43,655
Less: Recoveries	**2,923**		3,055
		42,496	1,40,600
Books and periodicals		**10,896**	33,738
Professional charges and consultancy fees		**1,10,394**	3,77,413
Legal expenses		**8,10,831**	33,10,897
EDP hire and other charges		**8,98,302**	11,64,145
Printing and stationery		**11,67,578**	12,01,874
Hire charge of vehicles		**1,64,63,144**	1,41,06,099
Bank charges		**7,49,053**	36,64,929
Loss/Gain in foreign currency transactions & translations		**(3,85,49,398)**	(7,08,00,296)
Miscellaneous expenses		**2,12,36,435**	1,55,71,999
Loss on disposal/write-off of fixed assets		**56,217**	-
		56,23,68,629	50,17,31,414
Less : Transferred to expenditure during construction period (net) - Note 20		**60,06,98,307**	57,21,47,832
Provisions			
Shortage in Fixed assets		**37,815**	-
Total		**(3,82,91,863)**	(7,04,16,418)
Breakup of miscellaneous expenses.			
Horticulture Expenses		**1,00,626**	8,18,822
Hire charges of office equipment		**-**	2,05,389
Hire charges of construction equipment		**23,90,919**	5,34,829
Operating expenses of D.G. sets		**29,68,423**	40,59,675
Furnishing Expenses		**13,33,838**	1,26,522
Hire chrages- Helicopter/aircraft.		**76,68,312**	19,02,093
Visa & entry permit charges		**12,407**	-
Others		**67,61,910**	79,24,669
Total		**2,12,36,435**	1,55,71,999



20. Expenditure during construction period (net)

Amount in ₹

For the year ended	31.03.2016	31.03.2015
A. Employee benefits expense		
Salaries and wages	**22,22,02,852**	18,14,00,050
Contribution to provident and other funds	**5,42,05,342**	4,24,31,941
Staff welfare expenses	**2,63,77,309**	1,71,34,865
Total (A)	**30,27,85,503**	24,09,66,856
B. Finance costs		
Interest on Rupee Term Loan	**3,81,58,29,129**	3,25,45,29,853
Total (B)	**3,81,58,29,129**	3,25,45,29,853
C. Depreciation and amortisation	**6,34,02,159**	4,06,72,965
D. Administration and other expenses		
Power charges	**40,85,57,771**	43,38,57,153
Less: Recovered from contractors & employees	**5,02,421**	8,74,244
	40,80,55,350	43,29,82,909
Rent	**15,79,762**	11,84,318
Repairs & maintenance		
Repair to Building	**93,37,621**	28,45,863
Repair to Constn Equip	**5,02,692**	7,73,287
Others	**1,97,72,025**	2,30,34,970
Insurance	**2,34,873**	87,592
License Fee	**2,80,000**	80,000
Communication expenses	**50,66,274**	60,19,922
Travel Expenses	**1,83,18,648**	1,40,34,991
Tender expenses	**34,46,305**	72,18,516
Less: Receipt from sale of tender documents	**48,377**	1,42,625
	33,97,928	70,75,891
Payment to Auditors	**57,250**	88,098
Advertisement and publicity	**1,71,027**	3,59,617
Security expenses	**8,94,00,295**	4,22,94,859
Entertainment expenses	**30,71,472**	17,13,822
Expenses for Guest house	**42,496**	1,40,600
Books and periodicals	**10,896**	33,738
Professional charges and consultancy fee	**1,10,394**	3,77,413
Legal expenses	**8,10,831**	33,10,897
EDP Hire and other charges	**8,98,302**	11,64,145
Printing and stationery	**11,67,578**	12,01,874
Hire Charges of Vehicle	**1,63,97,469**	1,41,06,099
Bank Charges	**7,49,053**	36,64,929
Miscellaneous expenses	**2,12,66,071**	1,55,71,999
Loss on disposal/write-off of fixed assets		-
Total (D)	**60,06,98,307**	57,21,47,832
Total (A+B+C+D)	**4,78,27,15,098**	4,108,317,505
E. Less: Other income		
Interest from contractors	**2,73,12,104**	4,88,69,469
Miscellaneous income	**70,56,688**	28,68,593
Total (E)	**3,43,68,792**	5,17,38,062
Grand total (A+B+C+D-E)	**4,74,83,46,306**	4,05,65,79,443

* Balance carried to capital work-in-progress - (Note 11)

21 Previous year figure has been regrouped / rearranged wherever considered necessary.

22 Amount in the financial statements are presented in ₹ .

23 The Central Government in consultation with National Advisory Committee on Accounting Standards, has vide Gazette Notification No. 364 (E) dated 30th March 2016 notified Companies (Accounting Standards) Amendment Rules, 2016 (amended rules) thereby amending the Companies (Accounting Standards) Rules, 2006 (principle rules). The Company believes that Rule 3(2) of the principal rules has not been withdrawn or replaced by the amended rules. Accordingly, the amended rules shall come into effect for the accounting periods commencing on or after 30th March 2016.

24 a) Certain loans & advances and creditors, so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequent adjustment, if any.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

25 Revision of pay scales of the employees of the Central Government is due w.e.f 1st January 2016. Pending acceptance of the recommendations of the VII Pay Commission constituted by the Central Government, provision of ₹ 48,88,348/- (previous year ₹ Nil) towards the payments due to the employees of Central Industrial Security Force has been made on an estimated basis.

26 Disclosure as per Accounting Standard - 16 on 'Borrowing Costs'

Borrowing costs capitalised during the year are ₹ 3,81,58,29,129 (previous year ₹ 3,25,45,29,852.8).

27 Disclosure as per Accounting Standard - 19 on 'Leases'

Expenses on operating leases of the premises for residential use of the employees amounting to ₹ 70,10,362.54 (previous year: ₹ 86,78,562.31 are included in Rent Lease Accommodation.)

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

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

	Current Year Amount in ₹	Previous Year Amount in ₹
Net profit after tax used as numerator - ₹	**(254,630)**	(383,877)
Weighted average number of equity shares used as denominator for Basic EPS	**1,58,46,13,850**	1,17,05,04,940
Earning per share -Basic	**(0.00)**	(0.00)
Earning per share -Diluted	**(0.00)**	(0.00)
Face value per share - ₹	**10/-**	10/-

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

Particulars	Currencies	Amount in ₹	
		31.03.2016	31.03.2015
Sundry Creditors/deposit and retention monies	USD	**21,91,150**	10,16,941
	EURO	**13,16,31,610**	1,26,74,11,206
Unexecuted amount of contracts remaining to be executed	USD	**10,90,79,502**	7,70,34,423
	EURO	**82,82,86,094**	1,43,00,51,404



30 Rate Regulated Activities

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 'Regulatory asset/liability' during construction period and adjusted from the year in which the same become recoverable/payable. The company has Regulatory Liability of ₹ 5,06,90,630/- as on 31.03.2016 in respect of exchange differences to be recovered in future.

As per CERC Regulation 2014, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost as on Commercial Operation Date to be considered for calculation of tariff. CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in capital cost. Based on the CERC Regulation and various tariff orders issued by CERC, management considers that exchange difference during the construction period is within the scope of Guidance Note on Rate Regulated Activity.

Regulatory assets/ liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follow:

Amount in ₹

Particulars	Regulatory Liability
Opening balance as on 01.04.2015	1,21,41,232
Addition during the year 2015-16	3,85,49,398
Recovery/payment during the year	-
Closing balance as on 31.03.2016	5,06,90,630

31 Based on information available with the company, there are no suppliers/ contractors/ service providers who are registered as micro, small or medium, enterprise under "The Micro, Small and Medium Enterprises Development Act, 2006.

32 Impact due to change in Accounting Policies

i. During the year, the Company has changed accounting policies related to accounting of capital expenditure on assets not owned by the Company. There is no impact of the same on profit & loss of the company(Refer note 10).

33 Contingent Liabilities:

a) Demand notice received from the Commercial Tax Office, Aurangabad, Bihar for ₹ **1,40,54,04,683**/- on account of penalty and interest under Bihar Entry Tax Act for the FY 2010-11, 2011-12 & 2012-13. In the case filed with Commercial Tax Tribunal, Patna, the Tribunal has remanded the case to the Jurisdictional Commercial Tax Assessment Officer, Aurangabad, Bihar, to examine and pass the assessment within a month from the date of order. Submissions have been made during hearings, however, final order is awaited till date.

b) BRBCL has filed Income Tax Return for the Assessment Year 2013-14. The Assessing officer has disallowed Income from other sources of ₹ 8,44,43,594.00. Accordingly department has imposed Tax Liability of ₹ 2,88,65,370.00 including interest upto March 2016. In the assessment, income from other sources has been considered as revenue in nature instead of considering the revenue to be capital in nature. BRBCL has filed an appeal against the assessment /fine/penalty to the commissioner of Income Tax Appeal-V New Delhi for settlement of the issue. However,the outcome is awaited.

c) BRBCL has filed Income Tax Return for the Assessment Year 2012-13. The Assessing officer has disallowed Income from other sources of ₹ 10,08,75,150.00. Accordingly department has imposed Tax Liability of ₹ 5,09,09,848.00 including interest upto March 2016. In the assessment, income from other sources has been considered as revenue in nature instead of considering the revenue to be capital in nature. BRBCL has filed an appeal against the assessment /fine/ penalty to the commissioner of Income Tax Appeal-V New Delhi for settlement of the issue.

d) The assessing officer of income tax had made an addition of ₹ 2,25,87,464/- as income from other sources for the assessment year 2011-12. In the appeal filed by the company, the Commissioner of Income Tax (Appeal)-V had, in the order, deleted the addition made by assessing officer. The assessing officer has, however, filed appeal with the Appellate Tribunal against the deletion by the CIT Appeal.The total demand on account of deletion amount to ₹ 86,02,504/- including interest up to 31.03.2016.

e) The work Contract for residential quarter etc was awarded to a contractor .The contract was terminated due to poor progress in job. The Contractor has gone in arbitration with a claim of ₹ 1,84,42,452/- invoking arbitration under general condition contract for losses incurred by them during strike period. As per the company's contention claim is not payable.

f) The work 'Contract for civil work and ash dyke' was awarded to a contractor. The contract was terminated due to poor progress in job. The Contractor has gone in arbitration with a claim of ₹ 1,50,43,89,357/- invoking arbitration under general condition contract for losses incurred by them during strike period. As per the company's contention claim is not payable.

g) Demand notice has been served by Asst.Commissioner of commercial taxes vide letter No 1663 dated 27th March 2015 for ₹ 5,58,73,634 against Entry tax on materials procured from the agencies within the state but outside the Municipal limit of Nabinagar TPP. BRBCL did not accept the claim and Commercial tax authority had been informed that BRBCL had already deposited Works Contract Tax on a portion of the taxable amount and VAT on the other portion. The demand has not yet been withdrawn.

34 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2016 is ₹ 13,69,45,51,474 (previous year ₹ 12,71,99,97,022)

35 Disclosure as per Accounting Standard-15 on Employees Benefits

i. In accordance with significant Accounting Policy No. J, an amount of ₹ 4,17,02,693 (previous year ₹ 3,26,61,584) towards provident fund, pension, gratuity, post retirement medical benefits and ₹ 1,14,12,944 (Previous year ₹ 94,82,629) towards leave & other benefits are paid/payable to the Holding company (NTPC LTD) and included under Employee benefits.

ii. In accordance with significant Accounting Policy No. J, an amount of ₹ 7,33,328 (previous year ₹ 1,94,640) towards provident fund, pension, gratuity, post retirement medical benefits ₹ 3,56,377 (Previous year ₹ 93,087) towards leave & other benefits are paid/payable to the other Promoting partner of Joint venture (Indian Railways) and included under Employee benefits.

36 Remuneration to key managerial personnel

Remuneration to Key managerial personnel for the year is ₹ 80,89,980

Manegerial remuneration to Key management personnel		
Shri Rajkumar	C.E.O	44,37,304
Shri Dipankar Nandy	C.F.O	36,52,676
Total		**80,89,980**



37 Other disclosures as per Schedule III of the Companies Act, 2013

Amount in ₹

	Particulars			Current year	Previous year
a)	Value of imports calculated on CIF basis:				
	Capital goods			**Nil**	Nil
	Spare parts			**Nil**	Nil
b)	Expenditure in foreign currency:			**Nil**	Nil
	Professional and consultancy fee			**Nil**	Nil
	Interest			**Nil**	Nil
	Others			**43,923**	Nil
c)	Value of components, stores and spare parts consumed (including fuel):	**Current year**		Previous year	
		%age	**Amount**	%age	Amount
	Imported	**Nil**	**Nil**	Nil	Nil
	Indigenous	**Nil**	**Nil**	Nil	Nil
				Current year	Previous year
d)	Earnings in foreign exchange:			**Nil**	Nil
	Professional & consultancy fee			**Nil**	Nil
	Others			**Nil**	Nil

For and on behalf of the Board of Directors

(D. Nandy)	(Rajkumar)	(S. Garg)	(S.C.Pandey)
C.F.O	**C.E.O**	**Director**	**Chairman**

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

For N. C. Aggarwal & Co.
Chartered Accountants
Firm Reg. No. 003273N

(G. K. Aggarwal)
Partner
M. No. 086622

Place : New Delhi
Dated : 5th May 2016



Panaromic view of NTPC Sipat



INDEPENDENT AUDITORS' REPORT

To
The Members of BHARTIYA RAIL BIJLEE COMPANY LIMITED

This Audit Report supersedes our earlier report dated 5th May, 2016 and is being revised as per the observation of the Comptroller and Auditor General of India.

Report on the Financial Statements

We have audited the accompanying financial statements of **BHARTIYA RAIL BIJLEE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its losses and its cash flows for the year ended on that date.

Emphasis of Matters

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

The company has capitalised the capital expenditure on asset not owned by the company pending allocation till the period of completion and thereafter, in the tangible assets by adopting principal of 'unit of Measure' on enabling assets from 'Revised AS-10' which otherwise is applicable from financial year commencing on or after 1st April, 2016 (refer note 10 & 11 and note 23 of Annual Accounts).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions and sub-directions issued by Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-3**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note-33 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No. 086622

Date: 24th June, 2016
Place: New Delhi

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2016)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   (c) As informed, the title deeds of all the immovable properties are held in the name of the Company.

2. The company does not have inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. The maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013 is not applicable to the company, since it has not commenced any activity related to the generation of electricity.

7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no material dues of sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and entry tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Bihar Entry Tax Act	Entry Tax	76,28,11,207	FY 2010-11 to FY 2012-13	Commercial Tax Officer, Aurangabad (Bihar)
Bihar Entry Tax Act	Entry Tax	5,58,73,634	FY 2013-14 to FY 2014-15	Assistant Commissioner of Commercial Tax, Aurangabad
Income Tax Act, 1961	Income Tax	86,02,504	AY 2011-12	Income Tax Appellate Tribunal,New Delhi
Income Tax Act, 1961	Income Tax	5,09,09,848	AY 2012-13	Commissioner of Income Tax (Appeal),New Delhi
Income Tax Act, 1961	Income Tax	2,88,65,370	AY 2013-14	Commissioner of Income Tax (Appeal) New Delhi

8. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions. There is no amount of dues to banks.

9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and



in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

11. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No. 086622

Date: 24th June, 2016
Place: New Delhi

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (2) under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date for the year ended 31st March, 2016)

Direction:-

Q(1) Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.

Reply: As per the information and records, the Company is having clear title in respect of freehold land in possession of the Company. However, land of 225.8773 acres is pending for mutation.

Q(2) Whether there are any cases of waiver/write off of debts/ loans/ interest etc., if yes, the reasons thereof and the amount involved.

Reply: According to information and explanations given to us, there are no cases of waiver/write off of debts/loans/ interest etc.

Q(3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants from Govt. or other authorities?

Reply: Not applicable as the Company does not have any such inventory and no asset is received as gift/grants from government or other authorities as per the information provided to us.

Sub-direction:-

Examine the percentage escalation in salary assumed by management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the company to the Actuaries for actuarial valuation were correct, complete and valid.	As informed to us by the Company, Status of Employees of the Company (as on 31.03.2016) are - 136 nos. From NTPC on secondment basis. - 1 no From Indian Railways on deputation. - The Company do not have any of its own employee during the financial year 2015-16. In respect of employee from NTPC, the Company is required to pay a fixed percentage of basic and DA for retirement benefits including gratuity. The actuarial valuation of the employee benefits is being done by NTPC Ltd and liability is being accounted for in NTPC books. All terminal benefits of employees of NTPC on secondment in BRBCL have been accounted for the amount reimbursed by BRBCL. In respect of employee on deputation from Railway BRBCL is also paying a fixed percentage of annual pay band and grade pay.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No. 086622

Date: 24th June, 2016
Place: New Delhi

ANNEXURE-3 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bhartiya Rail Bijlee Company Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No. 086622

Date: 24th June, 2016
Place: New Delhi

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 24 June 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Sushil Kumar Jaiswal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board, Ranchi.

Place: Ranchi
Date:28 June, 2016





Ducks at NTPC Rihad Township

PATRATU VIDYUT UTPADAN NIGAM LIMITED

Directors' Report

To

The Members,

Your Directors have pleasure in presenting 1st Annual Report on the working & operations of the Company for the financial year ended on 31st March, 2016 (from 15th October, 2015 to 31st March, 2016) together with Financial Statements, Auditors' Report and Review by the Comptroller & Auditor General of India for the year ended 31st March, 2016.

FORMATION OF THE COMPANY

Pursuant to signing of a Memorandum of Agreement (MOA) on 3rd May, 2015, a Joint Venture Agreement (JVA) was signed on 29th July, 2015 amongst NTPC Limited (NTPC) and Jharkhand Bijli Vitran Nigam Limited (JBVNL), as Parties and Govt. of Jharkhand (GoJ), Jharkhand Urja Vikas Nigam Limited (JUVNL), Jharkhand Urja Utpadan Nigam Limited (JUUNL), as Confirming Parties to form a Joint Venture Company of NTPC & JBVNL with 74:26 equity participation respectively, for transfer of Patratu Thermal Power Station, District Ramgarh, Jharkhand (PTPS).

Subsequently, Patratu Vidyut Utpadan Nigam Limited was incorporated on 15th October, 2015 as a Subsidiary Company of NTPC in Joint Venture with JBVNL for acquisition of PTPS for performance improvement of existing capacity and 4000 MW capacity expansion of PTPS. Further, in line with the provisions of the JVA and Articles of Association of the Company, the Company has become a party to the JVA by signing the Deed of Adherence dated 9th November, 2015 and all the terms and provisions of the JVA shall be applicable to the Company as if it had been originally named as a Party.

IMPLEMENTATION, PROGRESS & OPERATION OF PATRATU THERMAL POWER STATION (PTPS)

Govt. of Jharkhand has notified "The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme 2015" on 1st April, 2016 for transfer of PTPS to PVUNL. Status of various activities relating to existing units and expansion of the projects is given under:-

(i) For Existing Units

The Existing (De-rated) Capacity of 10 units of PTPS is 770 MW (4x40 + 2x90 + 2x105 + 2x110). Out of the above, Unit # 1, 2, 3, 5 & 8 are retired while Unit # 4 & 6 are due to be retired in 2017. Further Unit # 4 is not in service and Unit # 6 is out of operation since August 2015 due to puffing in boiler. Unit # 7 is also out of service and requires techno economic viability for R&M decision. Unit # 9 is under R&M by BHEL. Out of ten units, only Unit # 10 of 105 MW is operational. It is proposed to revive and operate a total 325 MW capacity.

Govt. of Jharkhand has already approved the proposal for leasing approx. 200 acres of land occupied by existing units to PVUNL as per the terms of the JVA at upfront nominal lease value of ₹ 1/- and annual lease rent of ₹ 10 Lakh.

With regard to water availability, GoJ has committed 30 cusecs water from Nalkari Dam for the existing units and water drawal agreement has also been signed with JUUNL.

Regarding existing Coal Linkage from North Karanpura Area- Dakra, KD, Madangir piparwar; FSA with CCL for 1 LTPA has also been assigned in favour of PVUNL. MoP, GoI has allocated 100% power to Jharkhand and supplementary PPA is signed with JBVNL after obtaining approval of JSERC.

(ii) For Expansion of Project

Finalization of Feasibility Report for Phase-I is in advanced stage.

With regard to proposed Expansion of PTPS project, Phase-I expansion of 3X800 MW is to be taken up immediately. Phase-II expansion of 2X800 MW is to be taken up after commissioning of Phase-I and dismantling of existing old units. For Phase-I, out of total 1234 acres land to be transferred by GoJ to PVUNL, approx., 1175.437 acres land has been transferred. For Phase-II, 625 acres (including 200 acres occupied by existing units) is to be transferred at the time of commencement of Phase-II at then prevailing circle rate.

Agreement for water supply from the Nalkari Dam for 27 cusecs water for Phase-I and 13 cusecs water for Phase-II with air cooled condenser has been signed with JUUNL.

Ministry of Coal had accorded in-principle approval for transfer/ assignment of Benhardih coal block of Latehar Distt. (Jharkhand) for the coal requirement of Phase-I expansion project (3X800 MW) to PVUNL. Deed of adherence in this regard is yet to be signed.

Terms of Reference (TOR) applied to MOEF&CC has been granted by MOEF&CC.

FINANCIAL REVIEW

The Company has incurred a loss of ₹ 67,397/-. The loss of ₹ 67,397/- is on account of company formation expenses. The incidental expenditure during construction, incurred amounting to ₹ 4,17,81,262/- has been transferred to CWIP.

CAPITAL & BORROWINGS

The Company was incorporated with initial authorized share capital of ₹ 10 Lakh. The Share holders of the Company, in its Extra-ordinary General Meeting held on 21st March, 2016 had approved to increase the authorized share capital from ₹ 10 Lakh to ₹ 500 Crore. Accordingly, the authorised share capital of the Company as on 31st March, 2016 stands at ₹ 500 Crore. Further, as on 31st March, 2016, the paid up share capital was ₹ 10 Lakh.

To meet the immediate requirement of funds to sustain ongoing O&M and R&M activities at Patratu Thermal Power Station (PTPS), the Board and shareholders of the Company had approved the proposal for taking short term secured loan upto ₹ 50 Crore from NTPC Limited.

The Company is also in process of availing 'Short Term Loan' (STL) facility of ₹ 150 Crore.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is placed at Annexure-I.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, have taken place between financial year ended 31st, March 2016 (starting from the date of incorporation i.e. 15th October, 2015), to which the financial statements related and the date of this Directors' Report, which affects the financial position of the Company other than those mentioned herein above.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period under review.

STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s V. Goel & Associates (DE3235), Chartered Accountants, New Delhi were appointed as Statutory Auditors for the period starting from 15th October, 2015 (i.e. date of incorporation of the Company) to 31st March, 2016. However, M/s V. Goel & Associates



had not accepted the appointment as Statutory Auditors. Subsequently, C&AG has appointed M/s Birla Kakani & Co. (ER0414), Chartered Accountants, Ranchi as the Statutory Auditors of the Company for the financial year 2015-16 in place of M/s V. Goel & Associates (DE3235).

MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The Statutory Auditors of the Company have given an unqualified report on the financial statements of the Company for the Financial Year 2015-16.

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

C&AG vide letter dated 1st July, 2016 has decided not to conduct the supplementary audit of the financial statements of the Company for the period from 15th October, 2015 to 31st March, 2016 under Section 143(6) (a) of the Companies Act, 2013. As advised by C&AG, review report of C&AG and comments if any, along with management replies thereto are to be placed with report of Statutory Auditors. Accordingly, letter to decide not to conduct the supplementary audit received form C&AG is placed with report of Statutory Auditors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Since the notification for transfer of assets of PTPS to the Company was made on 1st April, 2016, there are no significant particulars, relating to conservation of energy and technology absorption in accordance with section 134(3) of the Companies Act, 2013 read with Company (Accounts) Rules 2014. During the period under review the Company had no earning and outgo in foreign exchange.

PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended vide Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, every company is required to include a statement in the Board's Report showing the names of top ten employees in terms of remuneration drawn and the name of every employee giving details of remuneration received by the employee was in aggregate Rupees One Crore and Two Lakh or more, if employed throughout the year and details of remuneration received by the employee was in aggregate Rupees Eight Lakh and Fifty Thousand or more, if employed for part of the year.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report. However, during the period under review, the Company had no employee in the category falling under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 having remuneration exceeding the prescribed limit.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, the Company had no contract or arrangement falling under the purview of related party transactions. Accordingly, disclosure as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not required.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

As per the Article of Association of the Company and nomination received from NTPC and JBVNL, Shri U. P. Pani, Shri K. Biswal, Shri K. K. Sharma and Shri S. K. G. Rahate, IAS were the first Directors of the Company. Shri U. P. Pani, Director (HR), NTPC was elected as Chairman of the Company. Further, Shri C. V. Subramanian was appointed as Chief Executive Officer of the Company.

No Change has been occurred in Board of Directors and Key Managerial Personnel during the financial year 2015-16.

Subsequent to the financial year, following changes have been occurred in the Board of Directors of the Company:-

a) Consequent upon letter regarding change in nomination received from NTPC, Shri U. P. Pani has ceased to be the Chairman of the Company w.e.f. 27th May, 2016 and Shri A. K. Jha has been appointed as additional director (part-time Chairman) of the company w.e.f. 29th July, 2016 who shall hold office up to the date of the ensuing Annual General Meeting and is eligible for re-appointment.

b) Consequent upon letter regarding change in nomination received from Govt. of Jharkhand (JBVNL), Shri S. K. G. Rahate, IAS has ceased to be Director of the Company w.e.f. 15th July, 2016 and Shri R. K. Srivastava, IAS has been appointed as additional director (part-time Director) of the Company w.e.f. 29th July, 2016 who shall hold office up to the date of the ensuing Annual General Meeting and is eligible for re-appointment.

c) Shri B. B. Tripathy has been appointed as CEO of the Company w.e.f. 11th May, 2016 in place of Shri C. V. Subramanian who had ceased to be CEO of the Company w.e.f. 11th May, 2016.

The Board wish to place on record its appreciation of the services rendered by Shri U. P. Pani, as Chairman of the Company and Shri S. K. G. Rahate, IAS as Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Shri K. K. Sharma, Director shall retire by rotation at the ensuing Annual General Meeting of your Company and, being eligible, offers themselves for re-appointment. The Company has received a requisite notice in writing from NTPC Limited, proposing his candidature for the office of Director liable to retire by rotation.

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of the Companies Act, 2013 and rules made there under, the provisions with regard to Corporate Social Responsibility are so far not applicable on the Company.

DETAILS REGARDING MEETINGS OF THE BOARD AND COMMITTEES

In terms of the requirements of Clause-9 of Secretarial Standard-1 on Meetings of the Board of Directors, the details regarding meetings of the Board and Committees held during the financial year under review are as follows:-

Board Meetings

During the Financial Year 2015-16, 4 (four) meetings of the Board were held.

Details of the meetings and attendance of the Directors at the meeting are as follows:

Meeting No.	Date of the Meeting	Total No. of Directors	No. of Directors present at the Meeting
1st	9th November, 2015	4	4
2nd	11th January, 2016	4	3
3rd	21st March, 2016	4	4
4th	29th March, 2016	4	4

Attendance of Directors in the Board Meetings were as follows:

Name	No. of Meetings held during Financial Year/ Tenure	No. of Meetings attended
Shri U. P. Pani, Chairman (Ceased w.e.f. 27th May 2016)	4	4
Shri S. K. G. Rahate, Director (Ceased w.e.f. 15th July, 2016)	4	4
Shri K. Biswal, Director	4	4
Shri K. K. Sharma, Director	4	3



Committee Meetings

Till date, no committee has been formed.

VIGIL MECHANISM

Employees of the Company who are on secondment from NTPC are primarily governed by the policies of NTPC including the Whistle Blower Policy and conduct & Discipline and Appeal Rules. Further, being a subsidiary Company of NTPC Limited, the Board of Directors of the Company had accorded approval to the proposal to appoint Chief Vigilance Officer (CVO), NTPC Ltd. as Chief Vigilance Officer (CVO), PVUNL to oversee the vigilance function of PVUNL.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015-16 and of the loss of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and

(vi) The directors had devised proper systems to ensure compliance within the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL

The details regarding internal control and their adequacy are included in the Management Discussion & Analysis (Annexure-I), which forms part of this report.

RISK MANAGEMENT

The risks to which Company is exposed and the initiatives taken by the Company to mitigate such risks are included in the Management Discussion & Analysis (Annexure-I), which forms part of this report.

DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Assets of Patratu Thermal Power Station were transferred to the Company on 01.04.2016. Hence, the aforesaid disclosure is not applicable on the Company for the period under review.

EXTRACT OF ANNUAL RETURN

As per requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in form MGT-9 is given at Annexure- II.

ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, Jharkhand Bijli Vitran Nigam Limited, Ministry of Power - Govt. of India, State Government of Jharkhand, the Auditors, Bankers and the Lenders of the Company.

The Board also appreciates the contribution of contractors, vendors and consultants in implementation of various contracts.

We wish to place on record our appreciation for the untiring efforts and contribution made by employees at all levels to ensure the effective functioning of the Company.

For and on behalf of the Board of Directors

(A. K. JHA)

CHAIRMAN

DIN : 03590871

Place: New Delhi

Date: 29th July, 2016

Annexure- I to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power Sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. The achievements and developments along with various issues in various segments of the Industry have been discussed in the ensuing paragraphs.

Existing Installed Capacity

The total installed capacity in the country as on March 31, 2016 was 298059.97 MW with private sector contributing 40% of the installed capacity followed by State Sector with 34% share and Central Sector with 26% share.

	Total Capacity (MW)	% share
State	101760.59	34
Centre	76296.75	26
Private	120002.63	40
Total*	**298059.97**	**100.00**

*(Source : Central Electricity Regulatory Commission)

During the financial year 2015-16, capacity of 23976.60 MW was added. With this the total capacity addition during the four years of XII plan period is 84990.72 MW which is about 96% of the planned capacity of 88537 MW for the XII Plan.

Capacity Utilization and Generation

Capacity utilization in the Indian power sector is measured by Plant Load Factor (PLF).

Sector wise Generation and PLF (Thermal)

Sector	2014-15	2015-16
State	59.85	55.41
Central	74.20	72.52
Private	59.33	60.59
All India	**64.25**	**62.29**



PLF of Thermal stations declined from 64.25% to 62.29%. The major decline in PLF is in state sector. The overall decline in PLF was mainly on backing down/ shut down of units on account of low schedule from beneficiary states (Source: Central Electricity Authority). The outlook of generation look promising with expected increased industrial production and Government of India's mission to provide 24x7 electricity to all.

Existing Generation

The total power available in the country during the financial year 2015-16 was 1107.82 billion units as compared to 1048.67 billion units during last year, registering a growth of 5.64%. (generation figures pertain to monitored capacity by CEA)

Sector wise and fuel wise break-up of generation (BUs) for the year 2015-16 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Imp	Total
Central	315.25	56.68	37.41		409.34
State	291.83	53.16	0		345.00
Pvt./IPP	336.71	11.53	0		348.24
Bhutan Imp	**0.00**	**0.00**	**0**	**5.24**	**5.24**
Total	**943.79**	**121.38**	**37.41**	**5.24**	**1107.82**

(Source: Central Electricity Authority)

Consumption

In terms of per capita power consumption, India ranks among the lowest in the world. The per capita consumption of power in India is just 957 units in financial year 2013-14 (provisional).

(Source: Central Electricity Authority)

Transmission

The transmission network (at voltages of 220 kV and above) in the country has grown at an average rate of 8% p.a. till now in the 12th Plan and is in line to achieve the target for the plan period.

Distribution

The electricity business is not merely about setting up power generation stations and transmission systems, but equally, and probably more crucially, about retailing electricity and recovering the cost of service from consumers.

SWOT ANALYSIS

Strength/ Opportunity:

The Company has a planning to set up 5X800 coal based thermal power project at Patratu in Distt. Ramgarh. Jharkhand. All five units are under consideration. NTPC Limited, one of the Promoter Company, is providing engineering and management expertise from planning to commissioning and operating power plant.

The company is also in process of taking over the existing old power plant from PTPS of JSEB situated at Patratu in Distt. Ramgarh, Jharkhand.

The Company is receiving full support from its Promoters viz. NTPC, and JBVNL.

Weakness/ Threats:

The Company has not taken over and constructed any power plant as on 31st March 2016. Hence, no weakness/ threats can be measured in the financial year 2015-16.

RISK, CONCERNS AND THEIR MANAGEMENT

The Company has not taken over and constructed any power plant as on 31st March 2016. Hence, no Risk can be measured in the financial year 2015-16.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The financial statements are prepared in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006, read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable from time to time and as per the guidelines issued from NTPC Limited.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants. Further, in order to strengthen the internal control mechanism in the Company, your Company is under process of procuring ERP System and the same is likely to be established soon.

PERFORMANCE DURING THE YEAR

Operational Performance

The Company has not taken over and constructed any power plant as on 31st March 2016. Hence, no Operational Performance can be measured in the financial year 2015-16.

Financial Performance

Overview

The Company has prepared the financial statements in accordance with Schedule III of the Companies Act, 2013, and Generally Accepted Accounting Principles (GAAP) in India. The Accounts of the Company for the year ended 31st March, 2016 have been audited by the Statutory Auditors and Comptroller & Auditor General of India (C&AG) have decided not to conduct the supplementary audit of the financial statements for the period from 15th October, 2015 to 31st March, 2016. The accounting policies adopted by the Company and the estimates and judgments relating to the financial statements have been made on prudent basis and in accordance with the applicable Accounting Standards.

Revenue from Operations

Since, the company has not taken over and constructed any power plant as on 31st March, 2016, no revenue from operation had been generated in the financial year 2015-16.

Share Capital

During the financial year 2015-16, the Authorised Share capital was enhanced from ₹ 10 Lakh to ₹ 500 Crore.

The share application money pending allotment at the end of financial year amounted to ₹ 1.00 Crore each to its promoter NTPC and JBVNL.

Borrowings

During the year, financial assistance has been extended up to ₹ 4.38 Crore from NTPC for its establishment expenditure.

HUMAN RESOURCE

As on 31.03.2016, total 30 no. of employees were posted in the Company.

The Company is paying adequate perks and also making employees part of profit sharing by giving Performance Related Payment. They are being imparted training for their professional upgradation from



time to time as an endeavour of your Company to become a learning organisation.

Safe methods are practised in all areas of Operation & Maintenance and Construction & erection activities for the protection of workers against injury and diseases. Occupational safety at workplace is given utmost importance.

OUTLOOK

The Company's outlook appears to be good, keeping in view of the shortage of power available in the Country.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/ related factors.

For and on behalf of the Board of Directors

(A. K. JHA)
CHAIRMAN
DIN : 03590871

Place: New Delhi
Date: 29th July, 2016

Annexure - II to Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i)	CIN	:	U40300DL2015GOI286533
ii)	Registration Date	:	October 15, 2015
iii)	Name of the Company	:	Patratu Vidyut Utpadan Nigam Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by shares/Public Limited Company
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003 Ph. 0651-2253226
vi)	Whether listed company Yes / No	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the Company
1.	Electricity Power Generation by coal based power plant	35102	N.A.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NTPC Limited NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	L40101DL1975GOI007966	Holding	74	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year*				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A Promoter									
(1) Indian									
(a) Individual /HUF	-	-	-	-	-	-	-	-	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.(s)									
d)Bodies Corp.	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year*				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(NTPC Limited) (Including Nominee Shareholders)	-	-	-	-	-	74,000	74,000	74	-
Jharkhand Bijli Vitran Nigam Limited (Including Nominee Shareholder)	-	-	-	-	-	26,000	26,000	26	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	1,00,000	1,00,000	100	-
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	-	-	-	-	1,00,000	1,00,000	100	-
B. Public Shareholding									
1.Institutions									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year*				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	-	-	-	1,00,000	1,00,000	100	-

* The Company has been incorporated on October 15, 2015.

ii) Shareholding of Promoter-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year*			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	NTPC Limited	-	-	-	74,000	74	-	-
2.	Jharkhand Bijli Vitran Nigam Limited	-	-	-	26,000	26	-	-

* The Company has been incorporated on October 15, 2015.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,00,000	100%	1,00,000	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	-	-	-	-
	At the End of the year	1,00,000	100%	1,00,000	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sl No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each of Top 10 shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc.):	-	-	-	-
	At the End of the year	-	-		
	1. Shri U. P. Pani			100	-
	2. Shri K. Biswal			100	-
	3.Shri K. K. Sharma			100	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	0	-
ii) Interest due but not paid	0			
iii) Interest accrued but not due	-	0	0	-
Total (i + ii + iii)	-	0	0	-
Change in Indebtedness during the financial year				
• Addition	-	0	0	-
• Reduction	-	0	0	-
Net Change	-	0	0	-
Indebtedness at the end of the financial year				
i) Principal amount	-	0	0	-
ii) Interest due but not paid				
iii) Interest accrued but not due	-	0	0	-
Total (i + ii + iii)	-	0	0	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: No Such position is there

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	**Commission** - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors •Fee for attending board / committee meetings •Commission •Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors •Fee for attending board committee meetings •Commission •Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Co. Secy.	CFO	Total
1.	Gross Salary		-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	12,25,855	-	-	**12,25,855**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	71,230	-	-	**71,230**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify Rent towards accommodation, medical expenses etc.	-	-	-	-
	Total	12,97,085	-	-	**12,97,085**

Shri C. V. Subramanian was appointed as CEO of the Company w.e.f. 09.11.2015 who ceases to be CEO w.e.f. 11.05.2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.					

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th July, 2016

(A. K. JHA)
CHAIRMAN
DIN : 03590871





A Bird's eye view of NTPC Koldam Hydro Project

PATRATU VIDYUT UTPADAN NIGAM LIMITED
BALANCE SHEET AS AT 31.03.2016

Amount in ₹

PARTICULARS	Note	As at 31.03.2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2	1,000,000.00
Reserves and surplus	3	(67,397.00)
		932,603.00
Share Application money pending allotment	4	20,000,000.00
Non-current liabilities		
Other long term liabilities	5	1,342,067.00
Current liabilities		
Other current liabilities	6	45,561,250.00
TOTAL		67,835,920.00
ASSETS		
Non-current assets		
Capital work-in-progress	7	45,980,234.00
Long-term loans and advances	8	916,000.00
Current assets		
Cash and bank balances	9	20,939,686.00
TOTAL		67,835,920.00
Significant accounting policies	1	

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

For and on behalf of Board of Directors of PVUNL

Braja Bihari Tripathy	K. Biswal	U. P. Pani
Chief Executive Officer	Director	Chairman

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

For Birla Kakani & Co.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. : 057013

Place : Ranchi
Dated : 24.05.2016



PATRATU VIDYUT UTPADAN NIGAM LIMITED
STATEMENT OF PROFIT AND LOSS FROM 15.10.2015 TO 31.03.2016

Amount in ₹

Particulars	Note	31.03.2016
Revenue		-
Expenses		
Employee benefits expense	10	
Preliminary Expenses	11	**67,397.00**
Administration & Other Expenditure	12	**0.00**
Total expenses		**67,397.00**
Profit / (Loss) before tax		**(67,397.00)**
Profit / (Loss) for the year		**(67,397.00)**
Expenditure During Construction Period	13	
Earnings per equity share (Par value of Rs. 10/- each)	15	
Basic		**(0.00)**
Diluted		**(0.00)**

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

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

For and on behalf of PVUNL

Braja Bihari Tripathy	K. Biswal	U. P. Pani
Chief Executive Officer	Director	Chairman

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

For Birla Kakani & Co.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. : 057013

Place : Ranchi
Dated : 24.05.2016



PATRATU VIDYUT UTPADAN NIGAM LIMITED
CASH FLOW STATEMENT AS ON 31.03.2016

Amount in ₹

		As at 31.03.2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Net Loss as per statement of Profit and Loss	**(67,397.00)**
	Adjustment for	
	Payables & Other liabilites	**46,903,317.00**
	Cash generated from operations	**46,903,317.00**
	Net Cash from Operating Activities-A	**46,835,920.00**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**	
	CWIP Accumulation	**(45,980,234.00)**
	Long term Advances	**(916,000.00)**
	Net Cash used in Investing Activities -B	**(46,896,234.00)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Proceeds from issue of Share Capital/Share capital deposit	**21,000,000.00**
	Net Cash flow from Financing Activities -C	**21,000,000.00**
D	**Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)**	**20,939,686.00**
E	**Cash and Cash equivalents(Opening Balance)**	**0.00**
F	**Cash and Cash equivalents(Closing Balance) [D + E]**	**20,939,686.00**

NOTES : 1. Cash and Cash Equivalents consists of balance with Banks

For and on behalf of Board of Director of PVUNL

Braja Bihari Tripathy	K. Biswal	U. P. Pani
Chief Executive Officer	Director	Chairman

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

For Birla Kakani & Co.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. : 057013

Place : Ranchi
Dated : 24.05.2016



Notes to the financial statements for the year ended 31st March 2016

Note-1. Significant accounting policies

A. Basis of preparation

These financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

B. Use of estimates

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

C. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
5. 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.
6. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/ assessments.

D. Capital work-in-progress

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

E. Rate Regulated Activities

1. Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per Central Electricity Regulatory Commission (CERC) Tariff Regulations are recognized as 'Regulatory asset/liability' by credit/ debit to 'Regulatory income/expense'.
2. Regulatory asset/liability is adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries by credit/debit to 'Regulatory income/ expense'.

F. Foreign currency transactions

1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
2. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
3. Exchange differences arising from settlement/translation of long term foreign currency monetary items are adjusted in the carrying cost of related assets.
4. Other exchange differences are recognized as income or expense in the period in which they arise.

G. Borrowing costs

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

H. Inventories

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

I. Expenditure

1. Depreciation/amortisation

1.1 Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

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

a) Kutcha Roads	2 years
b) Enabling works - residential buildings - internal electrification of residential buildings - non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	 15 years 10 years 5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV and audio video conferencing systems and other communication equipments	6 years



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

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

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

1.6 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.

1.7 Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

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

2. Other expenditure

2.1 Prepaid expenses and prior period expenses/income of items of ₹ 500,000/- and below are charged to natural heads of accounts.

J. Employee benefits

The employees of the company are on secondment from the holding company. Employee benefits, inter-alia include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the holding company, the company is to make a fixed percentage contribution of the aggregate of basic pay & dearness allowance for the period of the service rendered in the company. Accordingly, these employee benefits are treated as defined contribution schemes.

K. Leases

1. Finance lease

1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.

1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. I. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.

1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

2. Operating lease

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

L. 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.

M. Cash flow statement

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

N. Taxes on income

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

Note 2: Share capital

Amount in ₹

		31.03.2016
Equity Share Capital		
Authorised		
500,000,000 Equity shares of face value of ₹ 10/- each		5,000,000,000.00
Issued, subscribed and fully paid up		
100,000 Equity shares of face value of ₹ 10/- each		1,000,000.00
Total		1,000,000.00
Number of Equity Shares		
a) Opening Balance		NIL
b) During the year, the company has issued 100,000 Equity shares of Rs. 10 each		
NTPC Ltd.	74%	740,000.00
Jharkhand Bijli Vitran Nigam Ltd. (JBVNL)	26%	260,000.00
Total		1,000,000.00
c) Closing Balance		
NTPC Ltd.	74%	740,000.00
Jharkhand Bijli Vitran Nigam Ltd. (JBVNL)	26%	260,000.00
Total		1,000,000.00



d) The Company has only one class of equity shares having a par value of ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

e) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) Details of shareholders holding more than 5% shares in the company

Particulars	31.03.2016	
	No. of shares	%age holding
NTPC Ltd.	740,000	74
JBVNL	260,000	26

Note 3: Reserves and surplus

Amount in ₹

	31.03.2016
Surplus in the statement of profit and loss	
Add: Loss for the period from 15.10.2015 to 31.03.2016 in the statement of profit and loss	(67,397.00)
Net surplus	(67,397.00)
Total	(67,397.00)

Note 4: Share Application Money Pending For Allotment

Amount in ₹

	31.03.2016
Amount received as Share Application Money and is pending for allotment	
Received from NTPC Ltd.	10,000,000
Received from JBVNL	10,000,000
Total	20,000,000

1 2,000,000 Equity shares @ ₹10/- each shall be issued against Share Aplication money.

2 Authorised Share Capital of the Company is sufficient to cover the Share Capital amount to be allotted on allotment of shares out of the above share aplication money.

Note 5: Other long-term liabilities

Amount in ₹

	31.03.2016
Other liabilities:	
Payable for capital expenditure	1,342,067.00
Total	1,342,067.00

Note 6: Other current liabilities

Amount in ₹

	31.03.2016
Payable for capital expenditure	1,733,571.00
Other payables:	
NTPC Ltd.	43,804,779.00
Others	22,900.00
Total	45,561,250.00

Note 7: Capital work-in-progress

Amount in ₹

	Opening as on 15.10.2015	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2016
Buildings	-	1,897,337.00	-	-	1,897,337.00
Expenditure pending allocation:					
Survey & Investigation	-	2,301,634.00	-	-	2,301,634.00
Expenditure during construction period (net) Note 13	-	41,781,262.00	-	-	41,781,262.00
Total	-	45,980,234.00	-	-	45,980,234.00

Note 8: Long-term loans and advances (Considered good, unless otherwise stated)

Amount in ₹

	31.03.2016
Capital Advances	
Unsecured:	
Others -not covered by BG	916,000.00
Total	916,000.00

Note 9: Cash and Bank Balances

Amount in ₹

	31.03.2016
Cash & cash equivalents	
Balances with banks:	
Current accounts	20,939,686.00
Total	20,939,686.00

Note 10: Employee benefits expense

Amount in ₹

	31.03.2016
Salaries and wages	26,890,552.00
Contribution to provident and other funds	5,783,671.00
Staff welfare expenses	1,484,536.00
	34,158,759.00
Less : Transferred to expenditure during construction period (net)- Note 13	34,158,759.00
Total	-

Note 11: Preliminary Expenses

Amount in ₹

	31.03.2016
Preliminary Expenses	67,397.00
Total	67,397.00

Note 12: Generation, Administration and other expenses

Amount in ₹

	31.03.2016
Repairs & maintenance	
Building	9,970.00
other	23,325.00
Postage & Telegram/ Courier	246,502.00
Travelling expenses	3,677,686.00
Tender expenses	768,269.00
Payment to Auditors	22,900.00
Advertisement and publicity	525,562.00
Entertainment expenses	423,365.00
Expenses for Guest house	8,863.00
Printing and stationery	140,616.00
Hire Charges of Vehicle	1,585,130.00
EDP stationery	15,891.00
Furnishing Expenses	6,267.00
Bank Charges	748.00
Miscellaneous expenses	167,409.00
Sub Total	7,622,503.00
Less: Amount Transferred to Expenditure During Construction Note 13	7,622,503.00
Total Generation, Administration and other expenses	0.00

Note 13: Expenditure during construction period (net)

Amount in ₹

		31.03.2016
A. Employee benefits expense		
Salaries and wages	26,890,552.00	
Contribution to provident and other funds	5,783,671.00	
Staff welfare expenses	1,484,536.00	
Total (A)		34,158,759.00
B. Administration and other expenses		
Repairs & maintenance		
Repair to Building	9,970.00	
Repair other	23,325.00	
Postage & Telegram/ Courier	246,502.00	
Travelling expenses	3,677,686.00	
Tender expenses	768,269.00	
Payment to Auditors	22,900.00	
Advertisement and publicity	525,562.00	
Entertainment expenses	423,365.00	
Expenses for Guest house	8,863.00	
Printing and stationery	140,616.00	
Hire Charges of Vehicle	1,585,130.00	
EDP stationery	15,891.00	
Furnishing Expenses	6,267.00	
Bank Charges	748.00	
Miscellaneous expenses	167,409.00	
Total (B)		7,622,503.00
Grand total (A+B)		41,781,262.00
* **Balance carried to capital work-in-progress - (Note 7)**		

Note 14

PATRATU VIDYUT UTPADAN NIGAM LIMITED (PVUNL) has been incorporated as a subsidiary company of NTPC Ltd. on 15th day of October 2015 in joint venture agreement with Jharkhand Bijli Vitaran Nigam Ltd. (JBVNL) having ownership with 74:26 ratio between NTPC Ltd. & JBVNL respectively.

PVUNL is presenting its first Balance Sheet as at 31.03.2016 and Statement of Profit and Loss for the period from 15.10.2015 to 31.03.2016

Note 15: Earning Per share

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

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

	Current Year
Net profit after tax used as numerator - ₹	(67,397)
Weighted average number of equity shares used as denominator for Basic EPS	100,000
Weighted average number of equity shares used as denominator for Diluted EPS	2,100,000
Earning per share -Basic ₹	(0.67)
Earning per share -Diluted ₹	(0.03)
Face value per share - ₹	10/-

For and on behalf of Board of Directors

Braja Bihari Tripathy	K. Biswal	U. P. Pani
Chief Executive Officer	Director	Chairman

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

For Birla Kakani & Co.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. : 057013

Place : Ranchi
Dated : 24.05.2016



INDEPENDENT AUDITORS' REPORT

To the Members of

Patratu Vidyut Utpadan Nigam Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Patratu Vidyut Utpadan Nigam Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit/loss and Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we provide **Annexure 1,** a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable to the company.

2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions and sub-directions issued by Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The financial statements dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) Being a Government Company, pursuant to the notification no. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; provisions of sub-section (2) of section 164 of the Companies Act, 2013 are not applicable.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to **Annexure-3.**

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position except referred in Point 2 (d) of Notes to Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR BIRLA KAKANI & CO.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. 057013

Date : 24-05-2016
Place: Ranchi



Annexure –1 to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Patratu Vidyut Utpadan Nigam Limited on the financial statements of the company for the year ended 31st March 2016, we report that:

i. In respect of its Fixed Assets, since the company has incorporated on 15.10.2015. Hence there are no such fixed assets in the company and therefore this clause is not applicable to the company.

ii. Since the company has not started its business ,it does not have any inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

iii. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

iv. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of the clause 3(iv) of the order are not applicable to the company and hence not commented upon.

v. According to the information given to us, the company has not accepted any deposits from the public.

vi. Maintenance of Cost Accounting Records under sub section (1) of Section 148 of Companies Act, 2013 is not applicable to the Company, since it has not commenced any activity related to the generation of electricity.

vii. According to the information and explanations given to us and based on the records of the company examined by us, all the statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues are taken care by the Holding Company i.e. NTPC Limited. Accordingly, the provisions of clause 3(vii)(a) and 3(vii)(b) of the order are not commented upon.

viii. According to the records of the company examined by us and as per the information and explanations given to us, the company has not taken any loan facility. Accordingly, provision of the clause 3(viii) of the order with respect to repayment of loans is not applicable to the company and hence not commented upon.

ix. In our opinion, and according to the information and explanations given to us, the company has not raised any money by way of Initial public offer or further public offer or debt instruments or term loans during the year.

x. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the company, carried in accordance with the Auditing Standards generally accepted in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

xi. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the order are not applicable to the Company.

xii. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the company.

xiii. Since the company has not started its business activity. Accordingly, the provision of the clause 3(xiii) with respect to transactions with the related parties is not applicable and hence not commented upon.

xiv. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the order are not applicable to the company.

xv. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

xvi. The Company is not required to be registered under section 45-1A of the Reserve bank of India, 1934. Accordingly, provisions of clause 3(xvi) of the order are not applicable to the company.

FOR BIRLA KAKANI & CO.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. 057013

Date : 24-05-2016
Place: Ranchi

ANNEXURE- 2 TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph(2) under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date for the year ended 31st March, 2016)

Q(1) Whether the Company has clear title/lease deeds for freehold and leasehold land respectively?

If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.

Reply: Not Applicable as the company does not have Fixed Assets as on 31.03.2016.

Q(2) Whether there are any cases of waiver/write off of debts/loans/ interest etc., if yes the reasons thereof and the amount involved.

Reply: Not applicable as the company has no such debts/loans/interest etc.

Q(3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants from govt. or other authorities?

Reply: Not applicable as the Company does not have any such inventory and no asset is received as gift/grants from government or other authorities as per the information provided to us.

ANNEXURE 3 TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of Patratu Vidyut Utpadan Nigam Limited on the accounts for the year ended 31st March 2016



Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Patratu Vidyut Utpadan Nigam Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

FOR BIRLA KAKANI & CO.
Chartered Accountants
Firm Reg. No. 324328E

(Kalpana Kakani)
Partner
Membership No. 057013

Date : 24-05-2016
Place: Ranchi

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED FOR THE PERIOD FROM 15 OCTOBER 2015 TO 31 MARCH 2016

The preparation of financial statements of Patratu Vidyut Utpadan Nigam Limited for the period from 15 October 2015 to 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Patratu Vidyut Utpadan Nigam Limited for the period from 15 October 2015 to 31 March 2016 under section 143(6)(a) of the Act.

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

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

Place: New Delhi
Dated: 1 July, 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

₹ Crore

Particulars	Note no.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**8,245.46**	8,245.46
Reserves and surplus	3	**80,951.05**	73,848.52
		89,196.51	82,093.98
Deferred revenue	4	**1,946.62**	1,394.15
Minority interest		**892.79**	887.94
Non-current liabilities			
Long-term borrowings	5	**102,238.28**	93,362.92
Deferred tax liabilities (net)	6	**1,409.40**	1,265.61
Other long-term liabilities	7	**3,908.30**	3,221.95
Long-term provisions	8	**469.42**	1,143.37
Regulatory liabilities	8A	**297.56**	308.55
		108,322.96	99,302.40
Current liabilities			
Short-term borrowings	5A	**2,141.39**	640.15
Trade payables	9	**6,826.55**	7,107.63
Other current liabilities	10	**22,189.00**	20,202.14
Short-term provisions	11	**8,933.23**	7,996.41
		40,090.17	35,946.33
TOTAL		**240,449.05**	219,624.80
ASSETS			
Non-current assets			
Goodwill on consolidation		**-**	0.62
Fixed assets			
Tangible assets	12	**104,211.88**	91,579.48
Intangible assets	12	**284.06**	272.92
Capital work-in-progress	13	**81,331.66**	67,524.31
Intangible assets under development	13A	**218.03**	30.38
Non-current investments	14	**14.80**	14.12
Long-term loans and advances	15	**17,885.60**	16,631.62
Other non-current assets	15A	**1,946.45**	1,779.73
		205,892.48	177,833.18
Current assets			
Current investments	16	**343.63**	1,887.39
Inventories	17	**7,959.16**	7,972.46
Trade receivables	18	**10,173.98**	9,249.92
Cash and bank balances	19	**5,393.32**	14,251.61
Short-term loans and advances	20	**2,321.89**	2,456.70
Other current assets	21	**8,364.59**	5,973.54
		34,556.57	41,791.62
TOTAL		**240,449.05**	**219,624.80**
Significant accounting policies	1		

The accompanying notes 1 to 55 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP	For PSD & Associates	For Sagar & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No.006711N/N500028	Firm Reg. No. 004501C	Firm Reg. No. 003510S
(Neena Goel)	(Thalendra Sharma)	(V. Vidyasagar Babu)
Partner	Partner	Partner
M No.057986	M No.079236	M No.027357

For Kalani & Co.	For P. A. & Associates	For S. K.Kapoor & Co.	For B. M. Chatrath & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000722C	Firm Reg. No. 313085E	Firm Reg. No. 000745C	Firm Reg. No. 301011E
(P.C.Parwal)	(S.S.Poddar)	(V.B. Singh)	(P.R.Paul)
Partner	Partner	Partner	Partner
M No. 071411	M No.051113	M.No.073124	M.No.051675

Place : New Delhi
Dated : 30th May 2016



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ Crore

Particulars	Note no.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue			
Revenue from operations (gross)	22	**79,545.42**	81,356.92
Less: Electricity duty / Excise duty		**839.92**	744.98
Revenue from operations (net)		**78,705.50**	80,611.94
Other income	23	**1,234.06**	2,063.46
Total revenue		**79,939.56**	82,675.40
Expenses			
Fuel		**46,496.08**	51,449.50
Electricity purchased		**2,174.90**	2,082.64
Employee benefits expense	24	**3,836.43**	3,840.62
Cost of material and services		**1,005.87**	631.02
Changes in inventories of finished goods,work-in-progress		**(41.47)**	4.64
Finance costs	25	**4,151.26**	3,570.37
Depreciation, amortisation and impairment expense	12	**6,153.41**	5,564.61
Generation, administration & other expenses	26	**6,279.21**	5,282.57
Prior period items (net)	27	**(208.68)**	(318.22)
Total expenses		**69,847.01**	72,107.75
Profit before tax and Rate Regulated Activities (RRA)		**10,092.55**	10,567.65
Add: Regulatory Income / (Expense) (refer Note 49)		**10.99**	(111.44)
Profit before tax		**10,103.54**	10,456.21
Tax expense			
Current tax			
Current year		**2,263.57**	2,430.54
Earlier years		**(2,453.03)**	(1,952.99)
Tax expense/(saving) pertaining to RRA		**2.57**	(35.25)
Deferred tax		**242.57**	1023.87
Less :Deferred asset for deferred tax liability		**94.47**	994.66
MAT credit recoverable		**20.10**	7.67
Total tax expense		**(58.89)**	463.84
Profit after tax		**10,162.43**	9,992.37
Less: Share of Profit /(loss)-Minority interest		**(20.38)**	6.03
Group profit after tax		**10,182.81**	9,986.34
Significant accounting policies	1		
Expenditure during construction period (net)	28		
Earnings per equity share (Par value of ₹ 10/- each)	45		
Basic & Diluted (₹)		**12.35**	12.11

The accompanying notes 1 to 55 form an integral part of these financial statements.
There are no exceptional or extraordinary items in the above periods.
Total revenue, total expenses and profit after tax includes ₹ **5,686.93 crore** (previous year ₹ 4,779.76 crore), ₹ **5,522.48 crore** (previous year ₹ 4,867.10 crore) and ₹ **52.02 crore** (previous year (-) ₹ 244.16 crore) respectively towards share of jointly controlled entities.

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP	For PSD & Associates	For Sagar & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No.006711N/N500028	Firm Reg. No. 004501C	Firm Reg. No. 003510S
(Neena Goel)	(Thalendra Sharma)	(V. Vidyasagar Babu)
Partner	Partner	Partner
M No.057986	M No.079236	M No.027357

For Kalani & Co.	For P. A. & Associates	For S. K.Kapoor & Co.	For B. M. Chatrath & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000722C	Firm Reg. No. 313085E	Firm Reg. No. 000745C	Firm Reg. No. 301011E
(P.C.Parwal)	(S.S.Poddar)	(V.B. Singh)	(P.R.Paul)
Partner	Partner	Partner	Partner
M No. 071411	M No.051113	M.No.073124	M.No.051675

Place : New Delhi
Dated : 30th May 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

₹ Crore

Particulars			For the year ended 31.03.2016	For the year ended 31.03.2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before tax		**10,103.54**	10,456.21
	Adjustment for:			
	Depreciation, amortisation & impairment expense	**6,153.41**		5,564.61
	Prior period depreciation/amortisation	**(67.34)**		15.62
	Provisions	**201.83**		231.84
	Deferred revenue on account of advance against depreciation	**(129.26)**		(283.35)
	Deferred foreign currency fluctuation asset	**(88.30)**		136.48
	Deferred income from foreign currency fluctuation	**801.84**		(22.50)
	Regulatory Liability	**(10.99)**		107.91
	Fly ash utilisation reserve fund	**87.67**		76.74
	Exchange differences on translation of foreign currency cash and cash equivalents	**(0.08)**		(0.02)
	Interest charges	**4,109.03**		3,528.57
	Guarantee fee & other finance charges	**42.23**		41.80
	Interest/income on term deposits/bonds/investment	**(605.30)**		(1,581.36)
	Dividend income	**(52.97)**		(160.22)
	Provisions written back	**(179.15)**		(187.14)
	Profit on disposal of fixed assets	**(1.67)**		(4.54)
	Loss on disposal of fixed assets	**146.69**		147.22
			10,407.64	7,611.66
	Operating profit before working capital changes		**20,511.18**	18,067.87
	Adjustment for:			
	Trade receivables	**(924.06)**		(2,976.09)
	Inventories	**361.98**		(1,677.83)
	Trade payables, provisions and other liabilities	**(307.07)**		1,019.90
	Loans & advances and other assets	**(2,773.01)**		2,464.63
			(3,642.16)	(1,169.39)
	Cash generated from operations		**16,869.02**	16,898.48
	Direct taxes paid		**(1,458.41)**	(2,009.95)
	Net cash from operating activities - A		**15,410.61**	14,888.53
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets	**(23,246.98)**		(19,319.92)
	Purchase of investments	**-**		2.12
	Sale of investments	**1,653.58**		1,636.96
	Interest/income on term deposits/bonds/investments received	**1,037.06**		1,847.03
	Income tax paid on interest income	**(137.28)**		(303.59)
	Dividend received	**52.97**		160.22
	Net cash used in investing activities - B		**(20,640.65)**	(15,977.18)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings	**14,689.80**		25,450.85
	Repayment of long term borrowings	**(8,138.26)**		(5,076.24)
	Proceeds from short term borrowings	**1,501.24**		206.51
	Grant received	**125.07**		20.00
	Security premium received	**0.12**		-
	Interest paid	**(8,285.41)**		(7,124.72)
	Guarantee fee & other finance charges paid	**(61.93)**		(112.36)
	Dividend paid (including bonus debentures)	**(2,762.24)**		(12,388.20)
	Tax on dividend (including tax on bonus debentures)	**(589.02)**		(2,450.34)
	Net cash used in financing activities - C		**(3,520.63)**	(1,474.50)



₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
D. Exchange differences on translation of foreign currency cash and cash equivalents	**0.08**	0.02
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**(8,750.59)**	(2,563.13)
Cash and cash equivalents at the beginning of the year (see Note 1 & 2 below)	**14,487.54**	17,050.67
Cash and cash equivalents at the end of the year (see Note 1 & 2 below)	**5,736.95**	14,487.54
NOTES:		
1. Cash and cash equivalents consist of cheques, drafts, stamps in hand, balances with banks and investments in liquid mutual funds. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note-16 and Note-19:		
Cash and cash equivalents	**1,844.50**	659.22
Deposits included in other bank balances	**2,729.56**	12,830.09
Investments in liquid mutual funds	**-**	9.33
Earmarked balances*	**1,162.89**	988.90
Cash and cash equivalents as restated	**5,736.95**	14,487.54
* Earmarked balances consist of:		
(a) Towards redemption of bonds due for repayment within one year	**100.00**	100.00
(b) Fly ash utilisation reserve fund	**146.66**	193.77
(c) DDUGJY scheme of GOI	**521.78**	419.86
(d) Towards public deposit repayment reserve	**-**	0.08
(e) Unpaid dividend account balance	**15.07**	14.97
(f) Amount deposited as per court orders	**25.89**	24.64
(g) Unpaid interest/refund account balance - bonds	**2.15**	0.30
(h) Towards unpaid interest on public deposit	**0.03**	0.03
(i) Security with governement authorities	**0.01**	0.02
(j) Margin money with banks	**7.67**	8.63
(k) Investments in liquid mutual funds earmarked for fly ash utilisation reserve fund	**343.63**	226.60
	1,162.89	988.90
2 Reconciliation of cash and cash equivalents as restated		
(a) Cash and bank balances-Note-19	**5,393.32**	14,251.61
(b) Current investments (investments in liquid mutual funds)-Note-16	**343.63**	235.93
	5,736.95	14,487.54

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

For and On behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP	For PSD & Associates	For Sagar & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No.006711N/N500028	Firm Reg. No. 004501C	Firm Reg. No. 003510S
(Neena Goel)	(Thalendra Sharma)	(V. Vidyasagar Babu)
Partner	Partner	Partner
M No.057986	M No.079236	M No.027357

For Kalani & Co.	For P. A. & Associates	For S. K.Kapoor & Co.	For B. M. Chatrath & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000722C	Firm Reg. No. 313085E	Firm Reg. No. 000745C	Firm Reg. No. 301011E
(P.C.Parwal)	(S.S.Poddar)	(V.B. Singh)	(P.R.Paul)
Partner	Partner	Partner	Partner
M No. 071411	M No.051113	M.No.073124	M.No.051675

Place : New Delhi
Dated : 30th May 2016



Summary of significant accounting policies and other explanatory information

Note 1. Significant accounting policies

A 1. Basis of preparation

These financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with the generally accepted accounting principles in India, accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

2. Basis of consolidation

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

a) Basis of Accounting:

i) The financial statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of Interest in Joint Ventures' as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules,2014 and generally accepted accounting principles.

b) Principles of consolidation:

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

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses. Minority interest has been separately disclosed.

ii) The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

ii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies.

iv) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

v) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders.

B. Use of estimates

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

C. Grants-in-aid

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

D. 1. Fly ash utilisation reserve fund

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

2. Self Insurance Reserve

In case of Ratnagiri Gas & Power Private Ltd. (25.51% JV), Self Insurance Reserve of ₹ 50 crore is created as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks till the amount of Self Insurance Reserve becomes ₹ 200 crore. Self Insurance Reserve will be written back on getting Insurance cover for Machinery breakdown.



E. Fixed assets

1. Tangible assets are carried at historical cost less accumulated depreciation/amortisation and impairment losses, if any.
2. Expenditure on renovation and modernisation of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
3. Intangible assets are stated at their cost of acquisition less accumulated amortisation.
4. Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
5. 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.
6. Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

F. Capital work-in-progress

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

G. Rate Regulated Activities

1. Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per Central Electricity Regulatory Commission (the CERC) Tariff Regulations are recognized as 'Regulatory asset/liability'.
2. Regulatory asset/liability is adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

H. Oil and gas exploration costs

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

I. Development of coal mines

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

J. Foreign currency transactions

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

K. Borrowing costs

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



L. Investments

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

M. Inventories

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

N. Income recognition

1. Sales

1.1 Sale of energy is accounted for based on tariff rates approved by the 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 considering the applicable CERC tariff regulations.

1.2 In the case of NTPC Vidyut Vyapar Nigam Ltd. (a wholly owned subsidiary) which is in the energy trading business, sale of energy and commission on trading through exchange is accounted for based on the rates agreed with the customers.

1.3 In the case of NTPC SAIL Power Company Pvt.Ltd. (50% JV), sale of energy in case of Captive Power Plants (CPP-II), which are not governed by the CERC, is accounted for based on the rates provided in the Power Purchase Agreement with SAIL.

1.4 In case of Ratnagiri Gas & Power Private Ltd.(25.51% JV), sale of energy under Power System Development Fund support scheme for stranded gas based power plants introduced by GOI, is accounted for based on the tariff rates as decided under the scheme. Further, revenue from regassification services is recognized when services are rendered. Revenue from regassification services is net of service tax.

1.5 In the case of NTPC BHEL Power Projects Pvt. Ltd. (50% JV), sales are recorded based on significant risks and rewards of ownership being transferred in favour of the customer. Sales include goods dispatched to customers by partial shipment. For construction contracts, revenue is recognized on percentage completion method based on the percentage of actual cost incurred up to the reporting date to the total estimated cost of contract. Further, if it is expected that a contract will make a loss, the estimated loss is provided for in the books of account, based on technical assessments.

1.6 In the case of Utility Powertech Ltd.(50% JV), income in respect of service contracts is recognized proportionate to value of work done / services rendered.

1.7 In the case of NTPC Alstom Power Services Pvt.Ltd. (50% JV), revenues are recognised on a percentage completion method measured by segmented portions of the contract achieved which coincides with the billing schedules agreed with the customers. The relevant cost is recognised in the financial statements in the year of recognition of revenues. Recognition of profit is adjusted to ensure that it does not exceed the estimated overall contract margin. Further, if it is expected that a contract will make a loss, the estimated loss is provided for in the books of account, based on technical assessments.

1.8 In the case of Transformers and Electricals Kerala Ltd. (44.60% JV), revenue in respect of sale of products is recognized when the goods are dispatched to the customers or when the invoices are raised but the goods are retained at own premises at the request of the customers to get their site ready for installation.

2. Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.
3. Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as per accounting policy no. J is adjusted in depreciation.
4. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory asset/liability' during construction period and adjusted from the year in which the same becomes recoverable/payable.
5. Premium, discount and exchange differences in respect of forward exchange contracts and mark to market losses in respect of other derivative contracts referred to in accounting policy no. J.5 recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognised in sales.
6. Interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
7. Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages wherever



there is uncertainty of realisation/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

8. Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy service contracts.
9. Scrap other than steel scrap is accounted for as and when sold.
10. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

O. Expenditure

1. Depreciation/amortisation

1.1 Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

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

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

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

a) Kutcha Roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years

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

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

In case of NTPC BHEL Power Projects Pvt.Ltd (50% JV), intangible assets are amortised over their estimated useful lives not exceeding three years in case of software and not exceeding ten years in case of others on a straight line pro-rata monthly basis.

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

1.7 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortisation.

1.8 Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.



1.9 Machinery spares which can be used only in connection with an item of plant and machinery and their use is expected to be irregular, are capitalised and fully depreciated over the residual useful life of the related plant and machinery, in accordance with Policy no. O.1.1 stated above.

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

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

1.11 Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortised on the basis of balance useful life of the project. Other leasehold land acquired for mining business is amortised over the lease period or balance life of the project whichever is less.

2. Other expenditure

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

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

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

2.4 Prepaid expenses and prior period expenses/income of items of ₹ 500,000/- and below are charged to natural heads of accounts.

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

P. Employee benefits

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

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

Q. Leases

1. Finance lease

1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.

1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. O.1.1 or O.1.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.

1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

2. Operating lease

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

R. Impairment

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

S. Provisions and contingent liabilities

1. 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 embodying economic benefits 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.

2. In case of NTPC BHEL Power Projects Pvt.Ltd (50% JV),

(a) For construction contracts, the compay provides warranty cost at 2.5% of the revenue progressively as and when it recognizes the revenue and maintain the same through warranty period.

(b) For other than construction contracts, provision for contractual obligations in respect of contracts under warranty at the year end is maintained at 2.5% of the value of contract. In the case of contracts for supply of more than a single product, 2.5% of the value of each completed product is provided.

(c) Warranty claims/expenses on rectification work are accounted for against natural heads as and when incurred and charged to provisions in the year end.

T. Segment reporting

The policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.

U. Cash flow statement

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

V. Taxes on income

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

2. Share capital

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Equity share capital		
Authorised		
10,00,00,00,000 shares of par value ₹10/- each (previous year 10,00,00,00,000 shares of par value ₹ 10/- each)	**10,000.00**	10,000.00
Issued, subscribed and fully paid-up		
8,24,54,64,400 shares of par value ₹ 10/- each (previous year 8,24,54,64,400 shares of par value ₹ 10/- each)	**8,245.46**	8,245.46

a) During the year, the Company has neither issued nor bought back any shares.

b) The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) During the year ended 31st March 2016, the amount of per share dividend recognised as distribution to equity share holders is ₹ 3.35 (previous year ₹ 2.50).

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of shares	%age holding	No. of shares	%age holding
- President of India	**5,768,341,760**	**69.96**	6,180,614,980	74.96
- Life Insurance Corporation of India (including shares held in various Funds/Schemes)	**1,070,530,189**	**12.98**	817,585,952	9.92



3. Reserves and surplus

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Capital reserve		
As per last financial statements	**397.60**	400.97
Add: Transfer from surplus	**0.11**	0.12
Grants received during the year	**125.07**	20.00
Less: Adjustments during the year	**26.11**	23.49
	496.67	397.60
Securities premium account		
As per last financial statements	**2,228.34**	2,228.34
Add: Received during the year	**0.12**	-
	2,228.46	2,228.34
Foreign currency translation reserve	**4.02**	0.76
Debt service reserve		
As per last financial statements	**247.42**	244.01
Add: Transfer from surplus	**-**	3.41
Less: Transfer to surplus	**5.64**	-
	241.78	247.42
Self insurance reserve		
As per last financial statements	**43.37**	21.80
Less: Adjustments during the year	**5.10**	(21.57)
	38.27	43.37
Bonds/Debentures redemption reserve		
As per last financial statements	**3,624.60**	2,764.91
Add: Transfer from surplus	**1,284.13**	1,156.19
Less: Transfer to surplus	**300.00**	296.50
	4,608.73	3,624.60
Fly ash utilisation reserve fund		
As per last financial statements	**403.00**	326.23
Add: Transfer from		
-Revenue from operations	**125.41**	115.11
-Other income	**26.79**	21.08
Less: Utilised during the year		
-Capital expenditure	**5.26**	12.72
-Employee benefits expense	**17.45**	20.33
-Other administration expenses	**41.82**	26.37
	490.67	403.00
Corporate social responsibility (CSR) reserve		
As per last financial statements	**78.92**	-
Add: Transfer from surplus	**5.83**	78.92
Less: Transfer to surplus	**78.92**	-
	5.83	78.92
General reserve		
As per last financial statements	**66,162.83**	71,965.83
Add: Transfer from surplus	**6,277.01**	7,020.16
Less: Issue of bonus debentures	**-**	10,306.83
Dividend distribution tax on bonus debentures	**-**	2,060.76
Adjustments during the year	**(85.54)**	455.57
	72,525.38	66,162.83



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Surplus		
As per last financial statements	**661.68**	1,132.02
Add: Profit for the year as per Statement of Profit and Loss	**10,182.81**	9,986.34
Transfer from bonds/debentures redemption reserve	**300.00**	296.50
Transfer from debt service reserve	**5.64**	-
Transfer from CSR reserve	**78.92**	-
Less: Transfer to bonds/debentures redemption reserve	**1,284.13**	1,156.19
Transfer to capital reserve	**0.11**	0.12
Transfer to CSR reserve	**5.83**	78.92
Transfer to debt service reserve	**-**	3.41
Transfer to general reserve	**6,277.01**	7,020.16
Dividend paid	**1,319.28**	618.42
Tax on dividend paid	**292.19**	136.17
Proposed dividend	**1,442.96**	1,442.96
Tax on proposed dividend	**296.30**	296.83
Net surplus	**311.24**	661.68
Total #	**80,951.05**	73,848.52

Includes (-) ₹ **45.99 crore** (previous year ₹ 69.73 crore) share of jointly controlled entities.

a) Addition to securities premium account represents premium received on issue of tax free bonds through private placement.

b) Grant received during the year includes ₹ **125.00 crore** (previous year Nil) from Solar Energy Corporation of India under MNRE Scheme for setting up 1,000 MW of grid connected solar PV power projects.

c) In accordance with applicable provisions of the Companies Act, 2013 read with Rules and as per decision of Board of Directors, the Company has created Debenture Redemption Reserve (DRR) out of profits of the Company @ 50% of the value of debentures on a prudent basis, every year in equal installments till the year prior to the year of redemption of debentures/bonds.

d) Pursuant to gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

During the year, proceeds of ₹ **125.41 crore** (previous year ₹ 115.11 crore) from sale of ash/ash products, ₹ **26.79 crore** (previous year ₹ 21.08 crore) towards income on investment have been transferred to fly ash utilisation reserve fund. An amount of ₹ **64.53 crore** (previous year ₹ 59.42 crore) has been utilized from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

Out of fund balance of ₹ 490.67 crore, ₹ 343.63 crore is invested in mutual funds (Note 16). The balance amount has been kept in cash and bank balances (Note 19).

e) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The Group has spent an amount of ₹ 498.19 crore during the year. The amount equivalent to unspent CSR expenditure of ₹ 78.92 crore transferred in earlier year to CSR reserve from surplus has been transferred to surplus during the year on actual expenditure. Further, an amount of ₹ 5.83 crore has been appropriated to reserve from surplus, during the year.

f) Capital reserve includes an amount of ₹ **211.78 crore** (previous year ₹ 237.86 crore) relating to grant received from GOI through Government of Bihar for renovation and modernisation of Kanti Bijlee Utpadan Nigam Ltd.

g) Debt service reserve has been created as per the loan agreement equivalent to two quarters' interest and principal repayment in respect of Aravali Power Company Pvt. Ltd..

h) Self insurance reserve has been created by Ratnagiri Gas & Power Private Ltd. to cover machinery break-down for which no insurance cover agreement has been entered.

i) During the year, the Company has paid interim dividend of ₹ **1.60** (previous year ₹ 0.75) per equity share of par value ₹ 10/- each for the year 2015-16. Further, the Company has proposed final dividend of ₹ **1.75** (previous year ₹ 1.75) per



equity share of par value ₹ 10/- each for the year 2015-16. Thus, the total dividend (including interim dividend) for the financial year 2015-16 is ₹ **3.35** (previous year ₹ 2.50) per equity share of par value ₹ 10/- each.

4. Deferred revenue

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
On account of advance against depreciation	**279.94**	409.20
On account of income from foreign currency fluctuation	**1,666.68**	984.95
Total #	**1,946.62**	1,394.15

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

a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholders' funds and liabilities.

b) In line with significant accounting policy no. N.2 (Note 1), an amount of ₹ **129.26 crore** (previous year ₹ 75.03 crore) has been recognized during the year from the AAD and included in energy sales (Note 22).

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

5. Long-term borrowings

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Bonds / Debentures		
Secured		
7.37% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2035 (Fifty Sixth Issue - Public Issue - Series 3A)[XI]	**182.58**	-
7.62% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2035 (Fifty Sixth Issue - Public Issue - Series 3B)[XI]	**165.74**	-
8.61% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2034 (Fifty First Issue C - Private Placement) [III]	**320.00**	320.00
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3A)[VII]	**312.03**	312.03
8.91% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2033 (Fiftieth Issue - Public Issue - Series 3B)[VII]	**399.97**	399.97
7.28% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2030 (Fifty Sixth Issue - Public Issue - Series 2A)[XI]	**129.05**	-



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
7.53% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2030 (Fifty Sixth Issue - Public Issue - Series 2B)[XI]	**48.29**	-
8.63% Tax free secured non-cumulative non-convertible redeemable bonds of ₹ 10,00,000/- each redeemable at par in full on 4th March 2029 (Fifty First Issue B - Private Placement) [III]	**105.00**	105.00
8.48% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2A)[VII]	**249.95**	249.95
8.73% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2028 (Fiftieth Issue - Public Issue - Series 2B)[VII]	**91.39**	91.39
8.19% Secured non-cumulative non-convertible redeemable taxable bonds of Rs. 10,00,000/- each redeemable at par in full on 15th December 2025 (Fifty Seventh Issue - Private Placement)[XII]	**500.00**	-
7.11% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2025 (Fifty Sixth Issue - Public Issue - Series 1A)[XI]	**108.38**	-
7.36% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 1,000/- each redeemable at par in full on 5th October 2025 (Fifty Sixth Issue - Public Issue - Series 1B)[XI]	**65.96**	-
7.15% Tax free secured non-cumulative non-convertible redeemable bonds - 2015 of ₹ 10,00,000/- each redeemable at par in full on 21st August 2025 (Fifty Fifth Issue - Private Placement)[IX]	**300.00**	-
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 22nd September 2024 (Fifty Third Issue - Private Placement)[IX]	**1,000.00**	1,000.00
9.34% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24th March 2024 (Fifty Second Issue - Private Placement)[III]	**750.00**	750.00
8.19% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 10,00,000/- each redeemable at par in full on 4th March 2024 (Fifty First Issue A - Private Placement)[III]	**75.00**	75.00
8.41% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1A)[VII]	**488.02**	488.02
8.66% Tax free secured non-cumulative non-convertible redeemable bonds - 2013 of ₹ 1,000/- each redeemable at par in full on 16th December 2023 (Fiftieth Issue - Public Issue - Series 1B)[VII]	**208.64**	208.64
9.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 04th May 2023 and ending on 04th May 2027 (Forty Fourth Issue - Private Placement)[VII]	**500.00**	500.00
8.48% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 1st May 2023 (Seventeenth Issue - Private Placement)[I]	**50.00**	50.00
8.80% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th April 2023 (Forty Ninth Issue - Private Placement)[VII]	**200.00**	200.00
8.49% Secured non-cumulative non-convertible redeemable taxable fully paid-up bonus debentures of ₹ 12.50 each redeemable at par in three annual installments of ₹ 2.50, ₹ 5.00 and ₹ 5.00 at the end of 8th year, 9th year and 10th year on 25th March 2023, 25th March 2024 and 25th March 2025 respectively (Fifty Fourth Issue -Bonus Debentures)[X]	**10,306.83**	10,306.83



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 7th March 2023 (Forty Eighth Issue - Private Placement)[VII]	**300.00**	300.00
9.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each with five equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 11th year and in annual installments thereafter upto the end of 15th year respectively commencing from 25th January 2023 and ending on 25th January 2027 (Forty Second Issue - Private Placement)[III]	**500.00**	500.00
8.84% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th October 2022 (Forty Seventh Issue - Private Placement)[VII]	**390.00**	390.00
8.33% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 24th February 2021 (Fifty Ninth Issue - Private Placement) [XII] - Securitized in April 2016.	**655.00**	-
8.93% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 19th January 2021 (Thirty Seventh Issue - Private placement)[III]	**300.00**	300.00
8.73% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31st March 2020 (Thirty Third Issue- Private Placement)[III]	**195.00**	195.00
8.78% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 9th March 2020 (Thirty First Issue- Private Placement)[III]	**500.00**	500.00
11.25% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in five equal annual installments commencing from 6th November 2019 and ending on 6th November 2023 (Twenty Seventh Issue - Private Placement)[III]	**350.00**	350.00
8.18% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 31st December 2020 (Fifty Eight Issue - Private Placement)[XII]	**300.00**	-
7.89% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 5th May 2019 (Thirtieth Issue - Private Placement)[III]	**700.00**	700.00
8.65% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 4th February 2019 (Twenty Ninth Issue - Private Placement)[III]	**550.00**	550.00
7.50% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 12th January 2019 (Nineteenth Issue - Private Placement)[II]	**50.00**	50.00
11.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 21st November 2018 (Twenty Eighth Issue - Private Placement)[III]	**1,000.00**	1,000.00
9.3473% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 20th July 2018 and ending on 20th July 2032 (Forty Sixth Issue - Private Placement)[VII]	**75.00**	75.00
9.4376% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 16th May 2018 and ending on 16th May 2032 (Forty Fifth Issue - Private Placement)[VII]	**75.00**	75.00
8.00% Secured non-cumulative non-convertible redeemable taxable bonds of ₹10,00,000/- each redeemable at par in full on 10th April 2018 (Sixteenth Issue -Private Placement)[I]	**100.00**	100.00



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
9.2573% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 2nd March 2018 and ending on 2nd March 2032 (Forty Third Issue - Private Placement)[III]	**75.00**	75.00
9.6713% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 23rd December 2017 and ending on 23rd December 2031 (Forty First Issue - Private Placement)[III]	**75.00**	75.00
9.558% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 29th July 2017 and ending on 29th July 2031 (Fortieth Issue - Private Placement)[III]	**75.00**	75.00
9.3896% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 9th June 2017 and ending on 9th June 2031 (Thirty Ninth Issue - Private Placement)[III]	**105.00**	105.00
9.17% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 22nd March 2017 and ending on 22nd March 2031 (Thirty Eighth Issue - Private Placement)[III]	**70.00**	75.00
8.8086% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th December 2016 and ending on 15th December 2030 (Thirty Sixth Issue - Private Placement)[III]	**70.00**	75.00
8.785% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 15th September 2016 and ending on 15th September 2030 (Thirty Fifth Issue - Private Placement)[III]	**112.00**	120.00
8.71% Secured non-cumulative non-convertible redeemable taxable bonds of ₹15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 10th June 2016 and ending on 10th June 2030 (Thirty Fourth Issue - Private Placement)[III]	**140.00**	150.00
8.8493% Secured non-cumulative non-convertible redeemable taxable bonds of ₹ 15,00,000/- each with fifteen equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of 6th year and in annual installments thereafter upto the end of 20th year respectively commencing from 25th March 2016 and ending on 25th March 2030 (Thirty Second Issue - Private Placement)[III]	**91.00**	98.00
9.37% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty Fifth Issue - Private Placement)[III]	**142.50**	214.00
9.06% Secured non-cumulative non-convertible redeemable taxable bonds of ₹70,00,000/- each with fourteen separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 4th June 2012 and ending on 4th December 2018 (Twenty Sixth Issue - Private Placement)[III]	**142.50**	214.00



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
8.6077% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty Fourth Issue - Private Placement)[IV]	**200.00**	250.00
8.3796% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 5th August 2011 and ending on 5th February 2021 (Twenty Third Issue - Private Placement)[IV]	**200.00**	250.00
8.1771% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd July 2011 and ending on 2nd January 2021 (Twenty Second Issue - Private Placement)[IV]	**200.00**	250.00
7.7125% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 2nd August 2010 and ending on 2nd February 2020 (Twenty First Issue - Private Placement)[V]	**300.00**	400.00
7.552% Secured non-cumulative non-convertible redeemable taxable bonds of ₹20,00,000/- each with twenty equal separately transferable redeemable principal parts (STRPP) redeemable at par semi-annually commencing from 23rd September 2009 and ending on 23rd March 2019 (Twentieth Issue - Private Placement)[VI]	**100.00**	150.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each with ten equal separately transferable redeemable principal parts (STRPP) redeemable at par at the end of the 6th year and in annual installments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth Issue - Part B - Private Placement)[VIII]	**75.00**	150.00
9.55% Secured non-cumulative non-convertible taxable redeemable bonds of ₹10,00,000/- each redeemable at par in ten equal annual installments commencing from the end of 6th year and upto the end of 15th year respectively from 18th April 2002 (Thirteenth Issue -Part A - Private Placement)[VIII]	**75.00**	150.00
	24,844.83	23,017.83
Foreign currency notes		
Unsecured		
4.250 % Fixed rate notes due for repayment on 26th February 2026	**3,345.00**	-
4.375 % Fixed rate notes due for repayment on 26th November 2024	**3,345.00**	3,159.50
4.750 % Fixed rate notes due for repayment on 3rd October 2022	**3,345.00**	3,159.50
5.625 % Fixed rate notes due for repayment on 14th July 2021	**3,345.00**	3,159.50
Term loans		
From Banks		
Secured		
Rupee loans[XIII]	**4,220.23**	6,863.13
Foreign currency loans [XIII]	**341.68**	215.98
Unsecured		
Foreign currency loans	**7,692.59**	8,362.55
Rupee loans	**25,707.12**	20,859.10



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
From Others		
Secured		
Rupee loans[XIII]	**12,510.17**	7,706.28
Unsecured		
Foreign currency loans (guaranteed by GOI)	**2,195.80**	2,057.20
Other foreign currency loans	**3,172.33**	2,815.56
Rupee loans	**8,091.78**	11,918.65
Long term maturities of finance lease obligations		
Secured	**1.45**	-
Unsecured	**80.30**	68.14
Total#	**102,238.28**	93,362.92

Includes ₹ **11,046.47 crore** (previous year ₹ 9,937.76 crore) share of jointly controlled entities.

a) Details of terms of repayment and rate of interest

₹ Crore

Particulars	Non current portion		Current portion		Total	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Term loans						
Secured						
Rupee loans - Banks	**4,220.23**	6,863.13	**376.09**	308.83	**4,596.32**	7,171.96
Rupee loans - Others	**12,510.17**	7,706.28	**542.93**	471.59	**13,053.10**	8,177.87
Foreign currency loans - Banks	**341.68**	215.98	-	-	**341.68**	215.98
	17,072.08	14,785.39	**919.02**	780.42	**17,991.10**	15,565.81
Unsecured						
Foreign currency loans (guaranteed by GOI) - Others	**2,195.80**	2,057.20	**175.16**	154.61	**2,370.96**	2,211.81
Foreign currency loans - Banks	**7,692.59**	8,362.55	**1,328.91**	281.82	**9,021.50**	8,644.37
Other foreign currency loans - Others	**3,172.33**	2,815.56	**474.99**	406.02	**3,647.32**	3,221.58
Rupee loans - Banks	**25,707.12**	20,859.10	**2,579.25**	2,545.98	**28,286.37**	23,405.08
Rupee loans - Others	**8,091.78**	11,918.65	**1,534.38**	1,584.38	**9,626.16**	13,503.03
	46,859.62	46,013.06	**6,092.69**	4,972.81	**52,952.31**	50,985.87



i) Secured rupee term loan from banks carry interest linked to SBI base rate or fixed interest rate ranging from 8.00% to 11.035% p.a. These loans are repayable in installments as per the terms of the respective loan agreements. The repayment period extends from a period of five to fifteen years after a moratorium period of four to six years from the date of the loan agreement.

ii) Secured rupee term loan from others carry interest linked to SBI base rate, SBI advance rate, rate notified by the lender for category 'A' public sector undertaking, AAA bond yield rates plus agreed margin or fixed interest rate ranging from 8.00% to 13.00% p.a. These loans are repayable in installments as per the terms of the respective loan agreements. The repayment period extends from a period of three to fifteen years after a moratorium period of six months from the COD or two years from commissioning or four to five years from the date of the loan agreement.

iii) Secured foreign currency term loan facility has been tied up with SBI,Tokyo by one of the joint venture companies which carries interest rate ranging from 3.00% to 5.17% linked to LIBOR with half yearly rests. The loan is repayble in twenty four half-yearly installments commencing from 28th September 2017.

iv) Unsecured foreign currency loans (guaranteed by GOI) - Others carry fixed rate of interest ranging from 1.80% p.a. to 2.30% p.a. and are repayable in 17 to 30 semi-annual installments as of 31st March 2016.

v) Unsecured foreign currency loans – Banks include loans of ₹ **586.98 crore** (previous year ₹ 642.54 crore) which carry fixed rate of interest of 1.88% p.a. to 4.31% p.a. and loans of ₹ **8,434.52 crore** (previous year ₹ 8,001.83 crore) which carry floating rate of interest linked to 6M LIBOR. These loans are repayable in 2 to 24 semi annual installments as of 31st March 2016, commencing after moratorium period if any, as per the terms of the respective loan agreements.

vi) Unsecured foreign currency loans – Others include loans of ₹ **3,153.09 crore** (previous year ₹ 2,516.58 crore) which carry fixed rate of interest ranging from 1.88% p.a. to 4.31% p.a and loans of ₹ **494.23 crore** (previous year ₹ 705.00 crore) which carry floating rate of interest linked to 6M LIBOR/6M EURIBOR. These loans are repayable in 2 to 24 semi annual installments as of 31st March 2016, commencing after moratorium period if any, as per the terms of the respective loan agreements.

vii) Unsecured rupee term loans carry interest rate ranging from 6.571% p.a. to 11.00% p.a. with monthly/half-yearly rests. These loans are repayable in quarterly/half-yearly/yearly installments as per the terms of the respective loan agreements. The repayment period extends from a period of six years to sixteen years after a moratorium period of six months to six years.

b) The finance lease obligations are repayable in installments as per the terms of the respective lease agreements generally over a period of four to seven years.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year except that M/s Ratnagiri Gas & Power Pvt. Ltd, a Joint Venture Companies in which the Company has 25.51% share, has defaulted in payment of principal and interest amounting to ₹ 792.24 crore and ₹ 1,158.10 crore respectively as at the end of the year for a period varying from 31 to 899 days.

Details of securities

I. Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.

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

III. Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.

IV. Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.

V. Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal



Power Project on first pari-passu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created

VI. Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.

VII. Secured by (I) English mortgage, on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to National Capital Power Station by extension of charge already created.

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

IX. Secured by English mortgage of the immovable properties pertaining to Solapur Super Thermal Power Project on first charge basis.

X. Secured by Equitable mortgage of the immovable properties pertaining to Barh Super Thermal Power Project on first charge basis.

XI. Secured by English mortgage, on pari-passu charge basis, of the immovable properties pertaining to Solapur Super Thermal Power Project.

XII. Secured by Equitable mortgage, on pari-passu charge basis, of the immovable properties pertaining to Barh Super Thermal Power Project.

XIII. (i) Secured by equitable mortagage of present and future immoveable property and hypothecation of moveable fixed assets of Bhilai Expansion Project (CPP - III) belonging to M/s NTPC SAIL Power Company Pvt.Ltd.

(ii) Secured by equitable mortagage of present and future immoveable property and hypothecation of moveable fixed assets of CPP-II at Rourkela, Durgapur and Bhilai belonging to M/s NTPC SAIL Power Company Pvt.Ltd.

(iii) Secured by first charge by way of hypothecation of all moveable assets of Indira Gandhi Super Thermal Power Project (3 X 500 MW) Coal Based Thermal Power Project at Jhajjar Distt. in state of Haryana belonging to M/s Aravali Power Company Pvt.Ltd. (APCPL), comprising its movable plant and machinery, machinery spares, tools and accessories, furniture & fixture, vehicles and all other movable assets, present and future, including intangible assets, goodwill, uncalled capital, revenue and receivable of the project except for specified receivables on which first charge would be ceded to working capital lenders present and future; and

Secured by first charge by way of mortgage by deposit of title deed of lands (approx 2049.11 acres) and other immovable properties of Indira Gandhi Super Thermal Power Project (3 x 500 MW) coal based thermal power project at jhajjar district in State of Haryana together with buildings and structure erected/ constructed/ standing thereon and all plant and machinery, and equipment attached to the earth or permanently fastened to the earth comprised therein, in respect of which M/s APCPL, as a owner seized and possessed of and otherwise well and fully entitled to, both present and future assets; and

First charge by way of assignment or creation of charge on all rights, title, interest, benefit, claim and demand whatsoever of M/s APCPL regarding project document,letter of credit, guarantees, performance bond and all insurance contracts / proceeds duly consented by the relevant counter parties; and

Power Finance Corporation Ltd. has ceded first paripassu charge to the extent of ₹1,325.00 crore on the moveable assets,revenue and receivables in favour of the working capital lenders.

(iv) Secured by equitable mortgage/ hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4*250) MW of Bhartiya Rail Bijlee Company Ltd., a subsidiary company, as first charge, ranking pari passu with charge already created with PFC for 60% of total debts and balance 40% with REC.

(v) Secured by equitable mortgage/hypothecation of all the present and future fixed assets and moveable assets of power plant and associated LNG facilities at village Anjanwel, Guhagar, Distt. Ratnagiri of M/s Ratnagiri Gas & Power Pvt.Ltd.

(vi) Secured by a first priority charge on all assets of the Project, present & future, movable & immovable and land of 987.9293 acres, in respect of loan from consortium led by SBI for Kanti Bijlee Utpadan Nigam Ltd. expansion project. The security will rank pari-pasu with all term lenders of the project. The charge has been created in favor of Security trustee i.e. SBI Cap Trustee Co. Ltd. Legal mortgage of land in favor of security trustee has been executed for 877.18 acres of land.

(vii) Secured by Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Meja Thermal Power Project. Deed of Hypothecation for all present and future movable assets of Meja Urja Nigam Private Limited has also been executed with the Security Trustee and the Indenture of Mortgage with the Security Trustee has been registered with appropriate authority.

(viii) Secured by a first priority charge on all assets of the Nabinagar Power Generating Company Pvt.Ltd., present and future, movable and immovable through a deed of hypothecation and simple mortgage of 2,500 acres of land.

(ix) Secured by first charge on all movable and immovable, present and future assets of the NTPC Tamilnadu Energy Company Ltd.

(x) Secured by first charge by way of hypothecation in favour of the Power Finance Corporation Ltd. of all the moveable assets of the project (save and except book debts) including moveable property, machinery spares, tools and accessories, fuel stock, spares and material at project both present and future of M/s National High Power Test Laboratory Pvt. Ltd.

XIV. Security cover mentioned at sl. no. I to XIII is above 100% of the debt securities outstanding.

5A. Short-term borrowings

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Loans repayable on demand		
From Banks		
Secured		
Cash Credit	**841.89**	640.15
Unsecured		
Cash Credit	**1,299.50**	-
Total #	**2,141.39**	640.15

Includes ₹ **654.12 crore** (previous year ₹ 491.63 crore) share of jointly controlled entities.

a) Secured cash credit includes:

(i) Cash credit secured by hypothecation of stock in trade, book debts of Stage-I of M/s Kanti Bijlee Utpadan Nigam Ltd. with floating rate of interest linked to the bank's base rate.

(ii) Borrowings secured by way of first pari-passu charge along with Power Finance Corporation Ltd. on the fixed assets, revenue and receivables of M/s Aravali Power Company Pvt. Ltd.. Rate of interest is applicable at the base rate of the respective banks.

(iii) Cash credit secured by paripassu charge on spares, present and future stock of coal and fuel at various places of M/s NTPC Tamilnadu Energy Company Limited and Debtors with floating rate of interest linked to bank's base rate.

(iv) Cash credit secured by way of charge on the assets of M/s Transformers and Electricals Kerala Ltd.

(v) Cash credit secured by way of hypothecation of stock and book debts of M/s NTPC BHEL Power Projects Pvt. Ltd.

b) There has been no default in servicing of loan as at the end of the year.



6. Deferred tax liabilities (net)

₹ Crore

Particulars	As at 01.04.2015	Additions/ (Adjustments) during the year	**As at 31.03.2016**
Deferred tax liability			
Difference in book depreciation and tax depreciation	8,097.63	411.09	**8,508.72**
Less: Deferred tax assets			
Provisions & other disallowances for tax purposes	712.99	124.72	**837.71**
Disallowances u/s 43B of the Income Tax Act, 1961	464.00	58.22	**522.22**
	6,920.64	228.15	**7,148.79**
Less: Deferred asset for deferred tax liability	5,655.03	84.36	**5,739.39**
Total #	1,265.61	143.79	**1,409.40**

Includes ₹ **257.19** crore (previous year ₹ 268.68 crore) share of jointly controlled entities.

a) The net increase during the year in the deferred tax liability of ₹ **143.79 crore** (previous year increase of ₹ 29.21 crore) has been debited to Statement of Profit and Loss.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

c) CERC Regulations, 2014 provide for recovery of deferred tax liability as on 31st March 2009 from the beneficiaries. Accordingly, deferred tax liability as on 31st March 2009 is recoverable on materialisation from the beneficiaries. For the period commencing from 1st April 2014, Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Deferred asset for deferred tax liability for the year will be reversed in future years when the related deferred tax liability forms part of current tax.

7. Other long-term liabilities

₹ Crore

Particulars	**As at 31.03.2016**	As at 31.03.2015
Trade payables	**9.94**	9.22
Other liabilities		
Payable for capital expenditure	**3,829.10**	3,179.44
Others	**69.26**	33.29
Total #	**3,908.30**	3,221.95

Includes ₹ **392.81 crore** (previous year ₹ 204.06 crore) share of jointly controlled entities.

a) Other liabilities - Others represent deposits received from contractors, customers and other parties including ₹ **49.68 crore** (previous year ₹ Nil) for Deen Dayal Upadhayay Gram Jyoti Yojna (DDUGJY) Scheme of the GOI. Refer Note 10 d).

8. Long-term provisions

₹ Crore

Particulars	**As at 31.03.2016**	As at 31.03.2015
Provision for		
Employee benefits	**448.02**	1,131.24
Contractual & other obligations	**21.40**	12.13
Total #	**469.42**	1,143.37

Includes ₹ **33.01 crore** (previous year ₹ 27.66 crore) share of jointly controlled entities.

a) Disclosure as per AS 15 on 'Employee Benefits' has been made in Note 40.

b) Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note 48.

8A. Regulatory liabilities

₹ Crore

Particulars	**As at 31.03.2016**	As at 31.03.2015
Exchange differences#	**297.56**	308.55

Includes (-) ₹ **3.16 crore** (previous year (-) ₹ 0.41 crore) share of jointly controlled entities.

In line with accounting policy no.G (Note 1), regulatory liability has been accounted. Refer Note 49 for detailed disclosures.



9. Trade payables

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
For goods and services#	6,826.55	7,107.63

Includes ₹ **595.08** crore (previous year ₹ 556.41 crore) share of jointly controlled entities.

10. Other current liabilities

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Current maturities of long term borrowings		
Bonds - Secured	628.00	600.00
5.875% Foreign currency fixed rates note - Unsecured	-	1,895.70
From Banks		
Secured		
Rupee term loans	376.09	308.83
Unsecured		
Foreign currency loans	1,328.91	281.82
Rupee term loans	2,579.25	2,545.98
From Others		
Secured		
Rupee term loans	542.93	471.59
Unsecured		
Foreign currency loans (guaranteed by GOI)	175.16	154.61
Other foreign currency loans	474.99	406.02
Rupee term loans	1534.38	1584.38
	7,639.71	8,248.93
Current maturities of finance lease obligations - Secured	0.48	-
Current maturities of finance lease obligations - Unsecured	10.84	-
Interest accrued but not due on borrowings	886.01	835.80
Interest accrued and due on borrowings	295.43	167.59
Unpaid dividends	15.07	14.97
Unpaid matured deposits and interest accrued thereon	0.19	0.21
Unpaid matured bonds and interest accrued thereon	2.28	0.72
Unpaid bond refund money-Tax free bonds	0.45	0.16
Book overdraft	400.00	546.01
Advances from customers and others	1,312.69	600.51
Payable for capital expenditure	9,558.99	7,581.86
Derivative MTM Liability	0.04	4.59
Other payables		
Tax deducted at source and other statutory dues	328.56	320.98
Deposits from contractors and others	266.28	764.01
Gratuity obligations	-	0.32
Payable to employees	283.52	331.54
Others	1,188.46	783.94
Total#	22,189.00	20,202.14

Includes ₹ **2,918.80 crore** (previous year ₹ 2,151.13 crore) share of jointly controlled entities.



a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in Note 5.

b) Interest accrued and due on borrowings pertains to M/s Ratnagiri Gas & Power Private Limited, a joint Venture of the Company.

c) Unpaid dividends, matured deposits, bonds and interest include the amounts which have either not been claimed by the investors/holders of the equity shares/bonds/fixed deposits or are on hold pending legal formalities etc. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred.

d) Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), previously Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme of the GOI is being implemented by the Company (till the end of previous year, the work was assigned to NESCL, a subsidiary of the company). The funds for the implementation of these schemes are provided by the agencies nominated by the GOI in this regard.

Advance received for the DDUGJY (including interest thereon) of ₹ **388.87 crore** (previous year ₹ 531.55 crore) is included in 'Advance from customers and others'.

e) Payable for capital expenditure includes liabilities of ₹ **109.92 crore** (previous year ₹ 142.92 crore) towards an equipment supplier pending evaluation of performance and guarantee test results of steam/turbine generators at some of the stations. Pending settlement, liquidated damages recoverable for shortfall in performance of these equipments, if any, have not been recognised.

f) The Company had obtained exemption from the Ministry of Corporate Affairs (MCA), GOI in respect of applicability of Section 58A from the erstwhile Companies Act, 1956 in respect of deposits held from the dependants of employees who die or suffer permanent total disability under the 'Employees Rehabilation Scheme' (said amount is included in Other payable - Others). Consequent upon enactment of the Companies Act, 2013, the Company has written to the MCA for clarification on continuation of above exemption granted earlier, which is still awaited. The Company has been advised that the amount accepted under the Scheme is not a deposit under the Companies Act, 2013.

g) Other payables - Others include amount payable to hospitals, retired employees, parties for stale cheques, etc.

11. Short-term provisions

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for		
Employee benefits	**1,255.80**	1,186.50
Proposed dividend	**1,442.96**	1,442.96
Tax on proposed dividend	**296.30**	300.83
Current tax	**200.54**	24.01
Obligations incidental to land acquisition	**3,886.67**	3,244.70
Tariff adjustment	**1,239.97**	1,263.75
Others	**610.99**	533.66
Total #	**8,933.23**	7,996.41

Includes ₹ **133.29 crore** (previous year ₹ 92.98 crore) share of jointly controlled entities.

a) Disclosure as per AS 15 on 'Employee Benefits' has been made in Note 40.

b) Disclosure required by AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets' has been made in Note 48.

c) Provision for tax for the year represents liability after adjustment of advance tax.

d) The Company aggrieved over many of the issues considered by the CERC in the tariff orders for its stations for the period 2004-09 had filed appeals with the Appellate Tribunal for Electricity (APTEL). The APTEL disposed off the appeals favourably directing the CERC to revise the tariff orders as per directions and methodology given. Some of the issues decided in favour of the Company by the APTEL were challenged by the CERC in the Hon'ble Supreme Court of India. Subsequently, the CERC has issued revised tariff orders for all the stations except one for the period 2004-09, considering the judgment of APTEL subject to disposal of appeals pending before the Hon'ble Supreme Court of India. Towards the above and other anticipated tariff adjustments, provision of ₹ **146.57 crore** (previous year ₹ 150.22 crore)



has been made during the year and in respect of some of the stations, an amount of ₹ **157.09 crore** (previous year ₹ 180.16 crore) has been written back.

e) Provision for others comprise ₹ **65.35 crore** (previous year ₹ 58.64 crore) towards cost of unfinished minimum work programme demanded by the Ministry of Petroleum and Natural Gas (MoP&NG) including interest thereon in relation to block AA-ONN-2003/2 [Refer Note 31 C.(ii)], ₹ **514.08 crore** (previous year ₹ 440.83 crore) towards provision for cases under litigation and ₹ **1.92 crore** (previous year ₹ 6.06 crore) towards provision for shortage in fixed assets on physical verification pending investigation.

12. Tangible assets

₹ Crore

Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block	
	As At 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the period	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land (including development expenses)										
Freehold	7,719.44	663.63	(72.22)	**8,455.29**	-	-	-	-	**8,455.29**	7,719.44
Leasehold	3,239.95	1,645.01	103.77	**4,781.19**	517.27	67.26	239.38	**345.15**	**4,436.04**	2,722.68
Under submergence (refer footnote f)	-	-	(958.99)	**958.99**	-	25.09	(239.30)	**264.39**	**694.60**	-
Roads,bridges, culverts & helipads	922.60	127.49	(34.79)	**1,084.88**	265.71	36.40	(0.83)	**302.94**	**781.94**	656.89
Buildings										
Freehold										
Main plant	5,811.86	438.33	(140.28)	**6,390.47**	1,683.94	187.89	(13.43)	**1,885.26**	**4,505.21**	4,127.92
Others	3,496.63	445.98	(68.53)	**4,011.14**	1,253.90	141.96	(2.14)	**1,398.00**	**2,613.14**	2,242.73
Leasehold	51.60	-	0.73	**50.87**	31.50	1.89	0.15	**33.24**	**17.63**	20.10
Temporary erection	45.30	7.64	4.17	**48.77**	42.61	5.30	1.98	**45.93**	**2.84**	2.69
Water supply, drainage & sewerage system	778.73	23.89	(2.05)	**804.67**	368.73	26.72	0.58	**394.87**	**409.80**	410.00
Hydraulic works, barrages, dams, tunnels and power channel	-	4,104.35	(17.48)	**4,121.83**	-	163.22	-	**163.22**	**3,958.61**	-
MGR track and signalling system	1,578.84	75.18	(52.57)	**1,706.59**	733.01	60.82	-	**793.83**	**912.76**	845.83
Railway siding	815.06	110.78	(26.68)	**952.52**	244.58	39.10	-	**283.68**	**668.84**	570.48
Earth dam reservoir	340.91	10.41	(0.26)	**351.58**	145.45	13.19	0.01	**158.63**	**192.95**	195.46
Plant and equipment										
Owned	116,518.56	8,013.15	(2,014.13)	**126,545.84**	45,682.23	5,749.10	267.95	**51,163.38**	**75,382.46**	70,836.33
Leased	60.00	30.00	-	**90.00**	4.23	4.61	-	**8.84**	**81.16**	55.77
Furniture and fixtures	518.56	61.57	(1.61)	**581.74**	289.89	24.32	1.11	**313.10**	**268.64**	228.67
Vehicles including speedboats										
Owned	14.04	1.05	0.69	**14.40**	6.41	1.07	0.40	**7.08**	**7.32**	7.63
Leased	-	2.13	(0.06)	**2.19**	-	0.33	-	**0.33**	**1.86**	-
Office equipment	207.06	35.81	3.12	**239.75**	101.82	25.64	2.37	**125.09**	**114.66**	105.24
EDP, WP machines and satcom equipment	444.27	40.69	34.07	**450.89**	325.51	80.52	32.68	**373.35**	**77.54**	118.76
Construction equipments	218.78	31.94	8.80	**241.92**	111.56	14.48	0.69	**125.35**	**116.57**	107.22
Electrical installations	523.04	62.22	(14.07)	**599.33**	203.16	24.00	(0.23)	**227.39**	**371.94**	319.88
Communication equipments	110.74	13.10	0.19	**123.65**	62.40	17.26	0.69	**78.97**	**44.68**	48.34
Hospital equipments	39.92	3.37	0.88	**42.41**	18.63	1.54	0.76	**19.41**	**23.00**	21.29
Laboratory and workshop equipments	77.65	20.70	0.11	**98.24**	21.67	4.18	0.01	**25.84**	**72.40**	55.98



₹ Crore

Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block	
	As At 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the period	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Assets under 5 KM scheme of the GOI	116.87	-	116.87	-	46.11	-	46.11	-	-	70.76
Capital expenditure on assets not owned by the Company	278.16	-	278.16	-	188.77	-	188.77	-	-	89.39
Assets of Government	2.81	-	-	2.81	-	-	-	-	2.81	2.81
Less:Grants from Government	2.81	-	-	2.81	-	-	-	-	2.81	2.81
Assets for ash utilisation	17.30	4.29	(0.97)	22.56	-	-	-	-	22.56	17.30
Less: Adjusted from fly ash utilisation reserve fund	17.30	5.26	-	22.56	-	-	-	-	22.56	17.30
Total #	**143,928.57**	**15,969.39**	**(2,851.19)**	**162,749.15**	**52,349.09**	**6,715.89**	**527.71**	**58,537.27**	**104,211.88**	**91,579.48**
Previous year	131,003.85	9,889.84	(3,034.88)	143,928.57	47,046.08	5,848.21	545.20	52,349.09	91,579.48	83,957.77

Net block includes ₹ **11,700.52 crore** (previous year ₹ 11,911.66 crore) share of jointly controlled entities.

a) The conveyancing of the title to **10,958 acres** of freehold land of value ₹ **2,277.97 crore** (previous year 10,059 acres of value ₹ 2,006.16 crore), buildings & structures of value ₹ **50.43 crore** (previous year ₹ 50.43 crore) and also execution of lease agreements for **16,085 acres** of land of value ₹ **3,182.81 crore** (previous year 13,844 acres, value ₹ 1,729.49 crore) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land includes **3,044 acres** valuing ₹ **751.08 crore** (previous year 2,748 acres valuing ₹ 606.83 crore) acquired on perpetual lease and accordingly not amortised.

c) Land does not include value of **33 acres** (previous year 33 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes **1,306 acres** of value ₹ **234.94 crore** (previous year 1,302 acres of value ₹ 72.55 crore) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of ₹ **262.91 crore** (previous year ₹ 179.65 crore) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

f) Gross block of land under submergence include ₹ **496.37 crore** (previous year ₹ Nil) of freehold land and ₹ **462.62 crore** (previous year ₹ Nil) of leasehold land. The land has been amortised considering the rate of depreciation provided by the CERC in the tariff regulations and the fact that it will not have any economic value due to deposit of silt and other foreign materials.

g) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of freehold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value ₹ **0.21 crore** (previous year ₹ 0.21 crore) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of ₹ **0.21 crore**. Pending approval for transfer of the said land, the area and value of this land has been included in the total land of the Company. The consideration received from erstwhile UPSEB is disclosed under Note -10 - 'Other Current Liabilities' -as other liabilities.

h) Ministry of Power, Government of India vide its notification no. 2/38/99-BTPS (Volume VII) dated 22nd September 2006 transferred land of a power station to the Company on operating lease of 50 years. Lease rent for the year amounting to ₹ **6.24 crore** (previous year ₹ 6.24 crore) has been charged to the Statement of Profit and Loss.

i) Capital expenditure on assets not owned by the Company (enabling assets) was hitherto reflected as a distinct item in capital work in progress till the period of completion and thereafter in the tangible assets and was amortized over a period of 4 years from the month in which first unit of project concerned came into commercial operation & thereafter from the month in which the relevant asset became available for use. Capitalisation of such expenditure was allowed by the Guidance Note on Treatment of Expenditure during Construction Period till the financial year 2008-09.

Taking guidance from the Accounting Standards (AS) -10 on 'Property, Plant & Equipment' (PPE) notified by the Ministry of Corporate Affairs, GOI vide notification no. GSR 364 (E) dated 30th March 2016 effective from the financial year 2016-17, the Company has changed the treatment and has capitalized such expenditure retrospectively as part of cost of project. As a result, cost amortized till 31st March 2015 amounting to ₹ 107.45 crore as per earlier policy has been written back as prior period adjustments and depreciation has been recalculated retrospectively following the rates and methodology notified by the CERC Tariff Regulations amounting to ₹ 23.25 crore till 31st March 2015. Due to this change, prior period depreciation (net) till 31st March 2015 is (-) ₹ 84.20 crore, depreciation for the year is lower by ₹ 18.26 crore, profit for the year and fixed assets as at 31st March 2016 are higher by ₹ 102.46 crore. Also, refer Note 37 a).

j) Ministry of Power, GOI vide letter dated 27th April 2010 notified the Scheme for providing electricity in 5 KM area of all existing and upcoming power plants by CPSUs. The Scheme provided that expenditure incurred under this scheme will be booked by the CPSU under project cost and will be included in the tariff by the appropriate commission. Keeping in view the above, the expenditure incurred by the Company under the scheme was capitalised as a separate asset and



was being depreciated over the remaining useful life of the related plant. During the year, the CERC while giving the tariff orders for some of the stations has directed that the actual expenditure should be reimbursed by the beneficiaries w.e.f. 1st April 2016 in equal monthly installments in the remaining three years of tariff period till March 2019 along-with interest instead of servicing the same as part of the capital cost. Consequently, cost of such tangible assets of ₹ 116.87 crore has been charged off as expenditure for the year and corresponding depreciation of ₹ 46.11 crore charged till 31st March 2015 has been written back. Consequently, revenue from operations of ₹ 108.19 crore (including interest of ₹ 3.05 crore) has been recognised during the year.

k) From the accounting periods commencing on or after 7th December 2006, the Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items relating to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

l) Refer Note 44 (a) (ii) regarding plant and equipment under finance lease.

m) Based on assessment, an impairment loss of ₹ **4.48 crore** (previous year Nil) has been recognized during the year in respect of plant and equipment of Andaman Solar PV Station of the Company. Refer Note 47.

n) Deduction/adjustments from gross block and depreciation/amortisation/impairment for the year includes:

₹ Crore

	Gross Block		Depreciation/Amortisation/Impairment	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Disposal of assets	**36.21**	12.02	**32.64**	9.75
Retirement of assets	**520.05**	582.82	**256.94**	437.86
Cost adjustments including exchange differences	**(3,357.67)**	(3,741.64)	**(0.36)**	(0.07)
Assets capitalised with retrospective effect/write back of excess capitalisation	**(213.89)**	(323.18)	**70.67**	(12.57)
Others	**164.11**	435.10	**167.82**	110.23
	(2,851.19)	(3,034.88)	**527.71**	545.20

o) The borrowing costs capitalised during the year is ₹ **4,374.13 crore** (previous year ₹ 3,810.43 crore). The Company capitalised the borrowing costs in the capital work-in-progress (CWIP). Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/ Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/ Adjustments' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Crore

	For the year ended 31st March 2016		For the year ended 31st March 2015	
	Exch. difference incl in fixed assets/CWIP	**Borrowing costs incl in fixed assets/CWIP**	Exch. difference incl in fixed assets/CWIP	Borrowing costs incl in fixed assets/CWIP
Buildings				
Main plant	**25.45**	**387.38**	(16.90)	248.64
Others	**3.23**	**59.58**	(1.71)	60.66
Hydraulic works, barrages, dams, tunnels and power channel	**22.99**	**202.71**	-	375.67
MGR track and signalling system	**0.21**	**25.80**	-	21.94
Railway siding	**0.01**	**19.14**	(1.39)	16.88
Plant and equipment	**1,502.11**	**3,155.72**	46.27	2,556.96
Others including pending allocation	**439.92**	**523.80**	322.21	529.68
Total	**1,993.92**	**4,374.13**	348.48	3,810.43



Intangible assets

₹ Crore

Particulars	Gross Block				Amortisation				Net Block	
	As At 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the period	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Software	119.98	4.34	(0.04)	**124.36**	102.38	8.26	0.04	**110.60**	**13.76**	17.60
Right of Use- Land	57.89	15.56	(13.30)	**86.75**	11.02	2.85	-	**13.87**	**72.88**	46.87
- Others	251.60	-	-	**251.60**	44.94	11.03	0.56	**55.41**	**196.19**	206.66
Licence fee for technical collaboration	2.09	-	-	**2.09**	0.30	0.56	-	**0.86**	**1.23**	1.79
Total #	431.56	19.90	(13.34)	**464.80**	158.64	22.70	0.60	**180.74**	**284.06**	272.92
Previous year	389.27	26.81	(15.48)	431.56	139.68	19.00	0.04	158.64	272.92	249.59

Net block includes ₹ **9.94 crore** (previous year ₹ 10.63 crore) share of jointly controlled entities.

a) The right of use of land & others are amortized over the period of legal right to use or life of the related plant, whichever is less.

b) Right to use –land includes ₹ **80.87 crore** (previous year ₹ 52.01 crore) and right to use-others includes ₹ **248.08 crore** (previous year ₹ 248.08 crore) which are amortised over a period of more than ten years considering the useful life of these assets as per the related agreements / arrangements.

c) Cost of acquisition of the right for drawl of water amounting to ₹ **248.08 crore** (previous year ₹ 248.08 crore) and right of use of CW channel amounting to ₹ **3.52 crore** (previous year ₹3.52 crore) are included under intangible assets – Right of use.

d) Deduction/adjustments from gross block and amortisation for the year includes:

₹ Crore

	Gross Block		Amortisation	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Cost adjustments	**(13.30)**	(15.51)	**-**	-
Others	**(0.04)**	0.03	**0.60**	0.04
	(13.34)	(15.48)	**0.60**	0.04

Depreciation/amortisation/impairment of tangible and intangible assets for the year is allocated as given below:

₹ Crore

	2015-16	2014-15
Charged to Statement of Profit and Loss	**6,153.41**	5,564.61
Allocated to fuel cost	**357.58**	306.15
Transferred to expenditure during construction period (net) - Note 28	**104.89**	84.71
Transferred to development of coal mines	**2.60**	1.86
Adjustment with deferred income from deferred foreign currency fluctuation	**120.11**	(90.12)
	6,738.59	5,867.21

13. Capital work-in-progress

₹ Crore

Particulars	As at 01.04.2015	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2016
Development of land	964.00	330.49	198.54	-	**1,095.95**
Roads, bridges, culverts & helipads	126.88	71.30	(21.51)	127.48	**92.21**
Piling and foundation	641.51	34.82	0.63	-	**675.70**
Buildings					
Main plant	3,794.59	1,445.58	373.39	434.61	**4,432.17**
Others	1,295.89	803.90	72.44	438.63	**1,588.72**

₹ Crore

Particulars	As at 01.04.2015	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2016
Temporary erection	55.99	67.06	76.48	4.96	**41.61**
Water supply, drainage and sewerage system	75.68	35.23	4.45	22.40	**84.06**
Hydraulic works, barrages, dams, tunnels and power channel	5,268.97	798.72	(1.00)	4,085.56	**1,983.13**
MGR track and signalling system	329.29	189.42	52.59	75.18	**390.94**
Railway siding	403.79	350.56	50.86	110.78	**592.71**
Earth dam reservoir	78.39	41.03	0.25	10.41	**108.76**
Plant and equipment	45,705.40	23,138.49	800.72	7,762.66	**60,280.51**
Furniture and fixtures	23.17	16.07	(9.39)	35.71	**12.92**
Office equipment	1.66	6.09	0.45	5.27	**2.03**
EDP/WP machines & satcom equipment	3.13	31.60	0.44	3.69	**30.60**
Construction equipments	2.03	0.31	0.02	2.15	**0.17**
Electrical installations	474.65	347.85	145.89	57.97	**618.64**
Communication equipments	2.30	2.53	0.73	1.65	**2.45**
Hospital equipments	0.13	0.07	-	0.13	**0.07**
Laboratory and workshop equipments	0.06	2.94	0.01	0.03	**2.96**
Capital expenditure on assets not owned by the company	78.60	41.48	120.08	-	**-**
Development of coal mines	1,086.49	199.14	-	-	**1,285.63**
	60,412.60	27,954.68	1,866.07	13,179.27	**73,321.94**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	415.27	11.98	73.37	-	**353.88**
Difference in exchange on foreign currency loans	1,531.35	927.11	501.69	-	**1,956.77**
Pre-commisioning expenses (net)	54.75	177.76	123.13	-	**109.38**
Expenditure during construction period (net)	739.72	5,598.21	28.39	-	**6,309.54**
Other expenditure directly attributable to project construction	-	352.20	(141.42)	-	**493.62**
Less: Allocated to related works	-	5,371.15	-	-	**5,371.15**
	63,153.69	29,650.79	2,451.23	13,179.27	**77,173.98**
Less: Provision for unserviceable works	106.00	4.22	10.82	-	**99.40**
Construction stores (net of provision)	4,476.62	(219.54)	-	-	**4,257.08**
Total #	67,524.31	29,427.03	2,440.41	13,179.27	**81,331.66**
Previous year	53,819.15	25,148.19	2,781.81	8,661.22	**67,524.31**

Includes ₹ **6,517.90 crore** (previous year ₹ 3,813.72 crore) share of jointly controlled entities.

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

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **9.08 crore** (previous year ₹ 5.68 crore).

b) Pre-commissioning expenses for the year amount to ₹ **332.14 crore** (previous year ₹ 326.53 crore) and after adjustment of pre-commissioning sales of ₹ **154.98 crore** (previous year ₹ 58.09 crore) resulted in net pre-commissioning expenditure of ₹ **177.16 crore** (previous year ₹ 268.44 crore).

c) Additions to the development of coal mines include expenditure during construction period (net) of ₹ **199.14 crore** (previous year ₹ 153.90 crore).

d) In respect of projects which have not been completed till 31st March 2016, the balance of 'Capital expenditure on assets not owned by the Company' amounting to ₹ 120.08 crore has been transferred to 'Other expenditure directly attributable to project construction'. [Refer Note 12(i)].

13A. Intangible Assets Under Development

₹ Crore

Particulars	As at 01.04.2015	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2016
Software	0.10	0.47	(0.01)	0.16	**0.42**
Right of use - others	-	140.19	-	-	**140.19**



₹ Crore

Particulars	As at 01.04.2015	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.2016
Exploratory wells-in-progress	37.92	69.24	22.10	-	**85.06**
	38.02	209.90	22.09	0.16	**225.67**
Less: Provision for unserviceable works	7.64	-	-	-	**7.64**
Total #	30.38	209.90	22.09	0.16	**218.03**
Previous year	5.81	36.09	(0.76)	12.28	30.38

Includes ₹ **0.42 crore** (previous year ₹ Nil) share of jointly controlled entities.

14. Non-current Investments

₹ Crore

Particulars	Number of shares/bonds/ securities Current year/ (previous year)	Face value share/bond/ security Current year/ (previous year) (₹)		As at 31.03.2016	As at 31.03.2015
Long term-Trade					
Equity instruments (fully paid up-unless otherwise stated)					
Quoted					
PTC India Ltd.	12000000	10		**12.00**	12.00
	(12000000)	(10)			
				12.00	12.00
Unquoted					
Joint venture companies[(b)]					
NTPC-SCCL Global Ventures Private Ltd.	50000	10		**0.05**	-
	(-)	(-)			
National Power Exchange Ltd.	218832	10	**2.19**		
	(-)	(-)			
Less: Provision for diminution in value			**1.06**		
				1.13	-
International Coal Ventures Private Ltd.	1400000	10		**1.40**	-
	(-)	(-)			
Pan-Asian Renewables Private Ltd.	1500000	10	**1.50**		
	(-)	(-)			
Less: Provision for diminution in value			**1.28**		
				0.22	-
				2.80	-
Cooperative societies				*	*
Non-Trade Investment (at cost) in Shares				-	2.12
Total#				**14.80**	14.12
#Share of jointly controlled entities is Nil (previous year ₹ 2.12 crore).					
Aggregate amount of quoted investments					
Book value				**12.00**	12.00
Market value				**76.80**	97.08
Aggregate amount of unquoted investments					
Book value				**2.80**	2.12
Aggregate amount of provision for diminution in the value of investments				**2.34**	-

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

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



a) The Board of Directors of NTPC Limited in its meeting held on 28th April 2016 accorded in principle approval for withdrawal from PTC India Ltd. Pending withdrawl, no provision towards the diminution in the value of investment in PTC India Ltd. is required to be made.

b) During the year, the company has reviewed the investments made in the following Joint Venture Companies considering the provisions of AS 27- 'Financial Reporting of Interests in Joint Ventures'. The company is of the view that the provisions of AS-27 are not applicable to the investments made in these JV companies and hence accounted for as per AS-13- 'Accounting for Investments' in the consolidated financial statements:

(i) The Board of Directors of NTPC Limited in its meeting held on 25th March 2015 accorded approval for voluntry winding up of NTPC SCCL Global Ventures Pvt. Ltd. (a Joint Venture of the Company). The shareholder of NTPC SCCL Global Ventures Pvt. Ltd.in Annual General Meeting held on 8th September 2015 approved the voluntry winding up. Winding up of the Company is underway. Pending winding-up, no provision towards the diminution in the value of investment in NTPC SCCL Global Ventures Pvt. Ltd. is required to be made.

(ii) The Board of Directors of NTPC Limited in its meeting held on 7th November 2012 accorded in principle approval for withdrawal from National Power Exchange Ltd. (NPEX) (a Joint Venture of the Company). Shareholder of NPEX in extra ordinary general meeting held on 28th October 2014, approved the proposal for voluntary winding up of NPEX. Winding up of the Company is underway. Pending winding-up, provision of ₹ **1.06 crore** (previous year ₹ 1.06 crore) towards the diminution in the value of investment has been made based on the audited accounts of NPEX

(iii) The Board of Directors of NTPC Limited in its meeting held on 27th January 2012 accorded in principle approval for withdrawal from International Coal Ventures Private Ltd. (a Joint Venture of the Company). Approval of the GoI for the same is awaited, subsequent to which, the process of withdrawal shall commence. No provision towards the diminution in the value of investment is required to be made. Further, the holding of the Company in the JV has reduced to 0.13% as at 31st March 2016.

(iv) The Board of Directors of NTPC Limited in its meeting held on 31st October 2014 approved the proposal for voluntary winding up of Pan-Asian Renewables Private Ltd. (a Joint Venture of the Company). Accordingly, a liquidator has been appointed for dissolution of the Company. The liquidation process is underway. Pending winding-up, provision of ₹ **1.28 crore** (previous year ₹ 1.28 crore) towards the diminution in the value of investment has been made based on the audited accounts of Pan-Asian Renewables Private Ltd.

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

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Advances		
Secured	**17.34**	19.65
Unsecured		
Covered by bank guarantee	**4,049.66**	4,702.24
Others	**3,678.35**	3,779.29
Considered doubtful	**1.92**	2.06
Less: Allowance for bad & doubtful advances	**1.92**	2.06
	7,745.35	8,501.18
Security deposits (unsecured)	**152.71**	162.73
Loans		
Related parties		
Unsecured	**0.60**	-
Employees (including accrued interest)		
Secured	**409.52**	409.24
Unsecured	**167.03**	139.60
Loan to state government in settlement of dues from customers (unsecured)	**-**	47.86
Others		
Secured	**30.00**	35.00
Unsecured	**-**	0.60
	607.15	632.30



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Advances		
Unsecured		
Contractors & Suppliers	**2,294.54**	2,286.56
Others	**4.22**	4.04
	2,298.76	2,290.60
Advance tax & tax deducted at source	**16,858.88**	12,232.11
Less: Provision for tax	**9,868.09**	7,281.71
	6,990.79	4,950.40
MAT credit recoverable	**90.33**	94.07
Cenvat Credit / Service tax recoverable	**0.51**	0.34
Total #	**17,885.60**	16,631.62

Includes ₹ **459.92 crore** (previous year ₹ 703.24 crore) share of jointly controlled entities.

a) Capital advances include ₹ **224.48 crore** (previous year ₹ 268.72 crore), paid to a contractor pending settlement of certain claims which are under arbitration. The amount will be adjusted in the cost of related work or recovered from the party, depending upon the outcome of the arbitration proceedings.

b) Capital advances include advances to related parties of ₹ **2.56 crore** (previous year ₹ 8.98 crore).

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

d) Advances to contractors & suppliers include payments to Railways under Customer funding model as per policy on 'Participative model for rail-connectivity and capacity augmentation projects' issued by Ministry of Railways, GOI. As per the policy, the railway projects agreed between the company and Railways will be constructed, maintained and operated by Railways and ownership of the line and its operations & maintenance will always remain with them. Railways will pay upto 7% of the amount invested through freight rebate on freight volumes every year till the funds provided by the Company are recovered with interest at a rate equal to the prevailing rate of dividend payable by Railways to General exchequer at the time of signing of the agreement, which is pending as at 31st March 2016.

15A. Other non-current assets

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Long term trade receivables		
Unsecured, considered good	**66.66**	32.96
Deferred foreign currency fluctuation asset	**1,368.79**	1,280.49
Claims recoverable	**511.00**	466.28
Total #	**1,946.45**	1,779.73

Includes ₹ **66.67 crore** (previous year ₹ 34.31 crore) share of jointly controlled entities.

a) In line with accounting policy no. N.3 (Note 1), deferred foreign currency fluctuation asset has been accounted and **(-) ₹712.19 crore** (previous year (-) ₹ 110.15 crore) being exchange fluctuations on account of foreign currency loans has been recognised in energy sales in Note 22.

b) Claims recoverable include ₹ **469.73 crore** (previois year ₹ 466.28 crore) towards the cost incurred upto 31st March 2016 in respect of one of the hydro power projects, the construction of which has been discontinued on the advice of the Ministry of Power (MOP), GOI which includes ₹ **185.41 crore** (previous year ₹ 214.34 crore) in respect of arbitration awards challenged by the Company before High Court. In the event the High Court grants relief to the Company, the amount would be adjusted against Short Term Provisions - Others (Note 11). Management expects that the total cost incurred, anticipated expenditure on the safety and stabilisation measures, other recurring site expenses and interest costs as well as claims of contractors/vendors for various packages for this project will be compensated in full by the GOI. Hence, no provision is considered necessary.



16. Current investments

₹ Crore

Particulars	Number of bonds/ securities Current year/ (previous year)	Face value bond/ securities Current year/ (previous year) (₹)	As at 31.03.2016	As at 31.03.2015
Trade				
Current maturities of long term investments				
Bonds (fully-paid up)				
Unquoted				
8.50 % Tax-Free State Government Special Bonds of the Government of				
Andhra Pradesh	- (1260650)	- (1000)	-	126.07
Assam	- (51464)	- (1000)	-	5.15
Bihar	- (1894400)	- (1000)	-	189.44
Chattisgarh	- (483220)	- (1000)	-	48.32
Gujarat	- (837240)	- (1000)	-	83.73
Haryana	- (1075000)	- (1000)	-	107.50
Himachal Pradesh	- (33388)	- (1000)	-	3.34
Jammu and Kashmir	- (367360)	- (1000)	-	36.74
Jharkhand	- (960136)	- (1000)	-	96.01
Kerala	- (1002400)	- (1000)	-	100.24
Madhya Pradesh	- (830840)	- (1000)	-	83.08
Maharashtra	- (381400)	- (1000)	-	38.14
Orissa	- (1102874)	- (1000)	-	110.29
Punjab	- (346230)	- (1000)	-	34.62
Rajasthan	- (290000)	- (1000)	-	29.00
Sikkim	- (34196)	- (1000)	-	3.42
Uttar Pradesh	- (3989900)	- (1000)	-	398.99
Uttaranchal	- (399650)	- (1000)	-	39.96
West Bengal	- (1174248)	- (1000)	-	117.42
			-	1,651.46



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Investment in mutual funds (unquoted)		
UTI Liquid Cash Plan - IP - Direct - DDR*	**159.58**	151.36
IDBI Liquid Fund - Direct - DDR*	**79.30**	75.24
SBI Premier Liquid Fund - Direct - DDR*	**104.75**	-
Reliance liquid fund-Treasury plan-Direct daily dividend option	-	7.57
Reliance liquid fund-Treasury plan-Direct daily dividend option	-	0.75
Birla sunlife cash plus - Daily dividend - Direct plan - Reinvestment	-	1.01
	343.63	235.93
Total#	**343.63**	1,887.39
#Share of jointly controlled entities is ₹ Nil (previous year ₹ 9.33 crore).		
Aggregate amount of unquoted investments		
Book value	**343.63**	1,887.39

* Investments out of fly ash utilization reserve fund.

a) Investments have been valued as per accounting policy no.L (Note 1).

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

17. Inventories

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Coal	**3,866.66**	4,011.52
Fuel oil	**264.81**	361.21
Naphtha	**118.54**	139.81
Stores and spares	**3,070.05**	2,902.13
Chemicals & consumables	**81.40**	70.30
Loose tools	**8.36**	7.81
Steel Scrap	**27.38**	25.48
Others	**616.40**	541.44
	8,053.60	8,059.70
Less: Provision for shortages	**6.82**	5.52
Provision for obsolete/ unserviceable items/ diminution in value of surplus inventory	**87.62**	81.72
Total#	**7,959.16**	7,972.46
# Includes ₹ 725.95 crore (previous year ₹ 491.27 crore) share of jointly controlled entities.		
Inventories include material-in-transit		
Coal	**423.18**	471.73
Stores and spares	**47.42**	40.89
Chemicals & consumables	**1.16**	0.38
Loose tools	**0.07**	0.04
Others	**3.96**	0.84
	475.79	513.88

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

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

18. Trade Receivables

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**723.73**	463.32
Considered doubtful	**88.51**	95.03
	812.24	558.35



₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Others		
Unsecured, considered good	9,450.25	8,786.60
Considered doubtful	-	0.77
	9,450.25	8,787.37
Less: Allowance for bad and doubtful receivables	88.51	95.80
Total #	10,173.98	9,249.92

Includes ₹ **1,619.88 crore** (previous year ₹ 1,014.78 crore) share of jointly controlled entities.

19. Cash and bank balances

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Cash & cash equivalents		
Balances with banks		
Current accounts	247.20	289.22
Cash credit accounts	4.59	7.01
Deposits with original maturity upto three months	1,578.56	272.38
Cheques & drafts on hand	14.06	59.68
Balance with Reserve Bank of India	-	30.80
Others (cash/stamps on hand)	0.09	0.13
	1,844.50	659.22
Other bank balances		
Deposits with original maturity of more than three months[(a)]	2,729.56	12,830.09
Earmarked balances with banks[(b)]	819.26	762.30
Total #	5,393.32	14,251.61

Includes ₹ **510.58 crore** (previous year ₹ 367.94 crore) share of jointly controlled entities.

a) Includes deposits with original maturity of more than twelve months from the date of deposit amounting to ₹ **0.04 crore** (previous year ₹ 2,750.23 crore).

b) Earmarked balances with banks consist of:

Towards redemption of bonds due for repayment within one year	100.00	100.00
Fly ash utilisation reserve fund*	146.66	193.77
DDUGJY Scheme of the GOI**	521.78	419.86
Towards public deposit repayment reserve	-	0.08
Unpaid dividend account balance	15.07	14.97
Amount deposited as per court orders	25.89	24.64
Unpaid interest/refund account balance -bonds	2.15	0.30
Towards unpaid interest on public deposit	0.03	0.03
Security with government authorities	0.01	0.02
Margin money with banks	7.67	8.63
	819.26	762.30

* Refer Note 3(d) regarding fly ash utilisation reserve fund.

** Out of advance for DDUGJY Scheme of the GOI. Refer Note 10 d).

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

₹ Crore

Particulars	As at 31.03.2016	As at 31.03.2015
Loans		
Related parties		
Unsecured	-	0.01
Employees(including accrued interest)		
Secured	77.34	77.29
Unsecured	123.20	95.60
Considered doubtful	-	0.02
Loan to state government in settlement of dues from customers-Unsecured	47.87	95.73



Particulars	As at 31.03.2016	As at 31.03.2015
		₹ Crore
Others		
Secured	5.00	5.00
Unsecured	-	0.01
Less: Allowance for bad & doubtful loans	-	0.02
	253.41	273.64
Advances		
Related parties		
Unsecured	14.61	3.78
Employees		
Unsecured	12.83	12.17
Considered doubtful	0.04	0.03
Contractors & suppliers		
Secured	1.38	-
Unsecured	1,169.01	1,216.21
Considered doubtful	1.68	1.61
Others		
Unsecured	234.13	179.57
Considered doubtful	1.75	1.01
Less: Allowance for bad & doubtful advances	3.47	2.65
	1,431.96	1,411.73
Cenvat Credit / Service tax recoverable	2.16	11.72
Security deposits (unsecured)	634.36	759.61
Total #	2,321.89	2,456.70

Includes ₹ **153.23 crore** (previous year ₹ 237.13 crore) share of jointly controlled entities.

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

b) Other advances include prepaid expenses amounting to ₹ **84.52 crore** (previous year ₹ 69.55 crore).

c) Security deposits (unsecured) include ₹ **32.60 crore** (previous year ₹ 224.15 crore) towards sales tax deposited with sales/commercial tax authorities, ₹ **346.30 crore** (previous year ₹ 306.30 crore) deposited with Courts and ₹ **165.51 crore** (₹ 160.97 crore) deposited with LIC for making annuity payments to the land oustees.

21. Other current assets

Particulars	As at 31.03.2016	As at 31.03.2015
		₹ Crore
Interest accrued on		
Bonds	35.09	105.28
Term deposits	62.74	424.31
Others	54.21	38.71
	152.04	568.30
Claims recoverable		
Unsecured, considered good	2,616.34	2,130.34
Considered doubtful	13.15	13.40
Less: Allowance for doubtful claims	13.15	13.40
	2,616.34	2,130.34
Unbilled revenue	5,563.39	3,243.52
Assets held for disposal	2.00	2.19
Hedging cost recoverable	0.04	4.59
Others	30.78	24.60
Total #	8,364.59	5,973.54

Includes ₹ **294.53 crore** (previous year ₹ 420.51 crore) share of jointly controlled entities.

a) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ **7,146.29 crore** (previous year ₹ 7,072.92 crore) billed to the beneficiaries after 31st March for energy sales, sale of goods and services.

b) Other current assets - Others include amount recoverable from contractors and other parties towards hire charges, rent/ electricity, etc.



22. Revenue from operations (gross)

₹ Crore

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
Energy sales (including electricity duty)		77,700.94	79,818.95
Consultancy, project management and supervision fee		706.39	467.10
Sale of goods (including excise duty)		477.77	354.16
Regasification charges -LNG		90.94	48.74
		78,976.04	80,688.95
Sale of fly ash/ash products	125.41		115.11
Less: Transferred to fly ash utilisation reserve fund	125.41		115.11
		-	-
Energy internally consumed		88.58	90.92
Other operating revenues			
Interest from beneficiaries		235.67	332.82
Rebate on energy purchase		47.10	38.38
Provision for tariff adjustments written back		157.09	180.16
Others		40.94	25.69
		480.80	577.05
Total#		79,545.42	81,356.92

Includes ₹ **5,645.27 crore** (previous year ₹ 4,796.14 crore) share of jointly controlled entities.

a) The CERC notified the Tariff Regulations, 2014 in February 2014 (Regulations, 2014). Pending issue of provisional/final tariff orders w.e.f. 1st April 2014 for all the stations, beneficiaries are billed in accordance with the tariff approved and applicable as on 31st March 2014 as provided in the Regulations 2014. The energy charges in respect of the coal based stations are provisionally billed based on the GCV 'as received' measured after the secondary crusher. The amount provisionally billed for the year ended 31st March 2016 is ₹ **73,194.98 crore** (previous year ₹ 76,952.89 crore).

b) The Company has filed a writ petition before the Hon'ble Delhi High Court contesting certain provisions of the Tariff Regulations, 2014. On directions from the Hon'ble High Court on the issue of point of sampling for measurement of GCV of coal 'as received', CERC has issued an order dated 25th January 2016 (subject to final decision of the Hon'ble High Court) that samples for measurement of coal 'as received' basis should be collected from loaded wagons at the generating stations. Company has filed a review petition in respect of this CERC order on 1st March 2016 and the matter is still sub-judice.

Pending disposal of the review petition and issue of provisional/final tariff orders under Regulations, 2014 by the CERC, Sales have been provisionally recognized at ₹ **71,546.92 crore** (previous year ₹ 73,133.81 crore) on the basis of said Regulations, wherein energy charges included in sales, in respect of the coal based stations have been recognized based on the GCV 'as received' measured after secondary crusher which is generally within the station and at a distance less than one KM from the unloading point of the wagons.

Further, vide order dated 19th February 2016 in respect of a petition filed by a beneficiary, CERC issued directions that the grade slippage between the loading point at the mines' end and unloading point at the generating stations is to be passed on through tariff to the beneficiaries. In the meantime, in compliance to the CERC directions issued vide said order dated 19th February 2016, efforts are being made to explore the mechanism for measurement of GCV of coal 'as received', from the loaded wagons at the generating stations.

In the absence of suitable measurement mechanism of comparable GCV, the financial impact, if any, of the difference between the GCV 'as received' measured after collection of samples from loaded wagons at the generating stations and that of GCV 'as received' measured after secondary crusher, cannot be quantified and considering the distance between both the measuring points the difference will not be material.

c) Sales for the year ended 31st March 2016 include ₹ **100.68 crore** (previous year ₹ 679.62 crore) pertaining to previous years recognized based on the orders issued by the CERC/Appellate Tribunal for Electricity (APTEL).

d) Sales for the year ended 31st March 2016 include **(-)** ₹ **1,693.65 crore** (previous year (-) ₹ 1,399.42 crore) on account of income-tax payable to the beneficiaries as per Regulations, 2004. Sales for the year ended 31st March 2016 also include ₹ **28.12 crore** (previous year ₹ 113.96 crore) on account of deferred tax materialized which is recoverable from beneficiaries as per Regulations, 2014.

e) Energy sales include sale of energy by M/s NVVN Ltd. amounting to ₹ **2,240.16 crore** (previous year ₹ 2,116.09 crore).



f) Electricity duty on energy sales amounting to ₹ **827.44 crore** (previous year ₹ 740.41 crore) has been reduced from sales in the Statement of Profit and Loss.

g) Revenue from operations include ₹ **88.58 crore** (previous year ₹ 90.92 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges in Note 26.

h) CERC Regulations provide that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest. Accordingly, the interest recoverable from the beneficiaries amounting to ₹ **235.67 crore** (previous year ₹ 332.82 crore) has been accounted as 'Interest from beneficiaries'. Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 26.

i) One of the power stations of the Company, having three units of 95 MW each and two units of 210 MW each, was issued consent to operate (Renewal) order by Delhi Pollution Control Committee (DPCC) on 2nd January 2014 which was valid till 31st January 2018 with a condition that particulate level omission level shall not exceed 150 mg/ Nm3. During the year, in a volte face on 8th July 2015 DPCC issued a Show Cause Notice to the station as to why four units out of five units of plant ought not to be closed down for failing to bring down its particulate level emission level below 50 mg/ Nm3. Further, vide order dated 31st December 2015, DPCC directed four units out of five units of plant shall not operate. Further, vide order dated 21st March 2016, DPCC allowed operation of two units of 210 MW subject to meeting the SPM of 50 mg/Nm3. Company's petition to direct beneficiaries for payment of fixed charges from 31st December 2015 under change in law is pending disposal before the CERC. Pending disposal of the petition, capacity charges of ₹27.88 crore have not been recognised for the period, these units were not allowed to operate.

23. Other income

₹ Crore

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
Interest from			
Long-term investments - Government securities (8.5% tax free bonds)		**105.28**	245.04
Others			
Loan to state government in settlement of dues from customers (8.5% tax free)		**10.17**	18.31
Loan to employees		**30.88**	31.78
Advances to contractors		**60.60**	61.95
Deposits with banks / Reserve Bank of India		**472.30**	1,317.36
Deposits with banks out of fly ash utilisation reserve fund	**9.76**		21.76
Less : Transferred to fly ash utilisation reserve fund	**9.76**		21.76
		-	-
Deposits with banks - DDUGJY funds	**29.40**		49.48
Less : Transferred to DDUGJY Advance from customers (refer Note 10 d)	**29.40**		49.48
		-	-
Income tax refunds	**7.19**		48.59
Less : Refundable to beneficiaries	-		36.40
		7.19	12.19
Others		**21.00**	21.93
Dividend from			
Long-term investments in			
Equity instruments		**2.64**	2.40
Current investments in			
Mutual funds		**50.33**	157.82
Current investments in mutual funds out of fly ash utilisation reserve fund	**17.03**		1.60
Less : Transferred to fly ash utilisation reserve fund	**17.03**		1.60
		-	-
Other non-operating income			
Surcharge received from beneficiaries		**246.57**	54.20
Hire charges for equipment		**2.09**	4.04
Discount on forward exchange contract		**5.07**	-
Sale of scrap		**61.04**	82.98
Profit on redemption of current investments		**17.55**	0.65
Liquidated damages recovered		**10.69**	10.91
Excess depreciation written back		**44.75**	-



₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Miscellaneous income	152.43	133.60
Profit on disposal of fixed assets	1.67	4.54
Provision written back		
Unservicable capital works	10.69	-
Others	11.37	6.98
	1,324.31	2,166.68
Less: Transferred to expenditure during construction period (net)-Note 28	88.39	97.60
Transferred to development of coal mines	1.86	5.62
Total#	1,234.06	2,063.46

Includes ₹ **152.42 crore** (previous year ₹ 58.39 crore) share of jointly controlled entities.

a) Interest from others includes interest on advance to APIIC for drawal of water and deposits with LIC towards annuity to the land oustees.

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

c) Excess depreciation written back relates to 5 KM Scheme of the GOI (Refer Note 12 j)

d) Provisions written back - Others include provision for doubtful loans, advances, claims, debts and provision for shortage/ obsolescence in stores and shortage in fixed assets.

24. Employee benefits expense

₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Salaries and wages	3,809.55	3,758.44
Contribution to provident and other funds	552.61	526.04
Staff welfare expenses	572.03	597.76
	4,934.19	4,882.24
Less: Allocated to fuel cost	225.13	215.78
Transferred to development of coal mines	38.99	38.53
Transferred to fly ash utilisation reserve fund	17.45	20.33
Transferred to CSR Expenses	51.08	49.07
Reimbursements for employees on deputation	25.52	25.76
Transferred to expenditure during construction period (net)- Note 28	739.59	692.15
Total #	3,836.43	3,840.62

Includes ₹ **188.11 crore** (previous year ₹ 169.31 crore) share of jointly controlled entities.

a) Disclosures as per AS 15 in respect of provision made towards various employee benefits are made in Note 40.

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



25. Finance costs

₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest on		
Bonds	1,963.17	1,182.58
Foreign currency term loans	324.95	244.61
Rupee term loans	5,366.84	5,234.59
Public deposits	-	0.03
Foreign currency bonds/notes	720.67	542.72
Cash credit	68.67	48.16
Others	19.16	15.75
	8,463.46	7,268.44
Other borrowing costs		
Guarantee fee	27.73	31.55
Management/arrangers fee	5.81	40.48
Foreign currency bonds/notes expenses	8.25	17.28
Others	20.14	23.05
	61.93	112.36
Sub-Total	8,525.39	7,380.80
Less:Transferred to expenditure during construction period (net)-Note 28	4,266.06	3,722.60
Transferred to development of coal mines	108.07	87.83
Total#	4,151.26	3,570.37

Includes ₹ **903.66 crore** (previous year ₹ 816.77 crore) share of jointly controlled entities.

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

26. Generation, administration & other expenses

₹ Crore

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
Power charges	294.67		250.05
Less: Recovered from contractors & employees	24.81		25.12
		269.86	224.93
Water charges		538.03	511.13
Contribution to water conservation fund		303.72	-
Stores consumed		59.84	55.03
Rent	48.09		47.09
Less:Recoveries	10.52		9.58
		37.57	37.51
Load dispatch centre charges		3.91	38.04
Repairs & maintenance			
Buildings	255.67		201.63
Plant & machinery	2,364.41		2,199.97
Others	173.87		150.05
		2,793.95	2,551.65
Insurance		132.05	138.79
Interest to beneficiaries		63.77	98.61
Rates and taxes		56.83	55.61
Water cess & environment protection cess		31.56	36.15
Training & recruitment expenses	34.22		27.32
Less: Receipts	1.37		1.44
		32.85	25.88



₹ Crore

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
Communication expenses		63.65	47.92
Travelling expenses		226.50	222.79
Tender expenses	36.05		41.55
Less: Receipt from sale of tenders	2.22		3.30
		33.83	38.25
Payment to auditors		4.82	4.37
Advertisement and publicity		19.56	20.88
Security expenses		567.76	472.18
Entertainment expenses		27.13	24.19
Expenses for guest house	27.64		26.13
Less:Recoveries	2.92		3.04
		24.72	23.09
Education expenses		40.07	36.39
Donation		0.05	-
Ash utilisation & marketing expenses		28.82	12.69
Directors sitting fee		0.20	0.49
Professional charges and consultancy fees		53.16	46.76
Legal expenses		49.65	40.53
EDP hire and other charges		21.57	19.38
Printing and stationery		16.62	13.60
Oil & gas exploration expenses		32.77	29.63
Hiring of Vehicles		89.84	84.04
Rebate to customers & reimbursement of LC charges on sales realisation		526.41	655.20
Net loss in foreign currency transactions & translations		31.18	(130.25)
Cost of hedging		1.70	8.95
Horticulture expenses		34.56	31.29
Hire charges of helicopter/aircraft		14.93	12.63
Hire charges of construction equipments		10.34	9.44
Transport vehicle running expenses		6.81	7.89
Demurrage charges		2.81	11.62
Goodwill on consolidation written off		0.62	-
Loss on disposal/write-off of fixed assets		146.69	147.22
Miscellaneous expenses		264.47	91.89
		6,665.18	5,756.39
Less: Allocated to fuel cost		406.74	352.53
Transferred to fly ash utilisation fund		41.82	26.37
Transferred to development of coal mines		31.95	19.05
Transferred to Corporate Social Responsibility (CSR) expense		33.72	34.93
Transferred to hedging cost recoverable/(payable) from/to beneficiaries		(4.56)	4.59
Transferred to expenditure during construction period(net) - Note 28		574.36	459.45
		5,581.15	4,859.47
Corporate Social Responsibility (CSR) expense*		496.23	191.26
Provisions for			
Tariff adjustments		146.57	150.22



₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Obsolescence in stores	**8.90**	14.19
Unserviceable capital works	**4.22**	41.95
Unfinished minimum work programme for oil and gas exploration	**6.71**	5.00
Others	**35.43**	20.48
	201.83	231.84
Total #	**6,279.21**	5,282.57

Includes ₹ **414.83 crore** (previous year ₹ 326.78 crore) share of jointly controlled entities.

a) Spares consumption included in repairs and maintenance **1,197.17** 1,140.10

b) Contribution to water conservation fund represents the amount payable by the Company pursuant to the Resolution No. 11011 dated 18th May 2015 of Department of Water Resource, Government of Odisha.

c) Details in respect of payment to auditors:

₹ Crore

	For the year ended 31.03.2016	For the year ended 31.03.2015
As auditor		
Audit fee	**1.46**	1.39
Tax audit fee	**0.46**	0.46
Limited review	**0.70**	0.70
In other capacity		
Other services (certification fee)	**0.73**	0.59
Reimbursement of expenses	**1.03**	0.82
Reimbursement of service tax	**0.44**	0.41
Total	**4.82**	4.37

d) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ **63.77 crore** (previous year ₹ 98.61 crore) has been accounted and disclosed as 'Interest to beneficiaries'.

e) Miscellaneous expenses include expenditure on books & periodicals, operating expenses of DG sets, brokerage & commission, bank charges , furnishing expenses etc.

f) An amount of ₹ 0.62 crore was recognized as goodwill on consolidation during the year 2004-05 in accordance with the provisions of AS-27-Financial Reporting of Interests in Joint Ventures. During the year, goodwill on consolidation has been reviewed and considering the guidance as per AS-10-Accounting for Fixed Assets and the amount being not material, the same has been written off.

g) Provisions - Others include provision for doubtful loans, advances & claims, debts, arbitration cases and shortage in stores & fixed assets.

h) * Refer Note 3 e).



27. Prior period items (Net)

₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue		
Sales	**139.54**	208.32
Others	**2.21**	(9.56)
	141.75	198.76
Expenditure		
Fuel	**5.34**	-
Employee benefits expense	**(2.39)**	0.37
Finance costs		
Interest	**-**	(132.29)
Depreciation and amortisation	**(67.34)**	15.62
Generation, administration and other expenses		
Repairs and maintenance	**4.72**	4.22
Others	**(5.56)**	12.58
	(65.23)	(99.50)
Net expenditure/(revenue)	**(206.98)**	(298.26)
Less: Transferred to expenditure during construction period (net)-Note 28	**1.70**	20.51
Transferred to development of coal mines	**-**	(0.55)
Total #	**(208.68)**	(318.22)

Includes (-) ₹ **13.46 crore** (previous year ₹ 4.68 crore) share of jointly controlled entities.

28. Expenditure during construction period (net)

₹ Crore

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A. Employee benefits expense		
Salaries and wages	**594.96**	561.19
Contribution to provident and other funds	**85.44**	79.67
Staff welfare expenses	**59.19**	51.29
Total (A)	**739.59**	692.15
B. Finance costs		
Interest on		
Bonds	**1,066.58**	623.58
Foreign currency term loans	**160.38**	102.14
Rupee term loans	**2,691.77**	2,705.23
Foreign currency bonds/notes	**327.73**	221.09
Other borrowing costs		
Management/arrangers/upfront fee	**5.82**	47.51



₹ Crore

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
Foreign currency bonds/notes expenses		7.95	16.41
Others		5.83	6.64
Total (B)		4,266.06	3,722.60
C. Depreciation and amortisation		104.89	84.71
D. Generation, administration & other expenses			
Power charges	183.12		147.06
Less: Recovered from contractors & employees	3.64		3.04
		179.48	144.02
Water charges		10.28	4.50
Rent		6.14	8.15
Repairs & maintenance			
Buildings	13.11		10.72
Plant and machinery	0.82		1.85
Others	50.93		42.23
		64.86	54.80
Insurance		1.94	1.89
Rates and taxes		17.03	8.98
Communication expenses		9.50	6.76
Travelling expenses		52.40	48.71
Tender expenses		6.78	11.50
Payment to auditors		0.06	0.07
Advertisement and publicity		2.63	1.56
Security expenses		96.06	72.50
Entertainment expenses		6.43	5.55
Expenses for guest house		5.30	5.19
Professional charges and consultancy fee		14.82	13.52
Legal expenses		11.01	7.07
EDP hire and other charges		2.72	2.09
Printing and stationery		2.83	2.18
Miscellaneous expenses		84.09	60.41
Total (D)		574.36	459.45
E. Less: Other income			
Interest from contractors		44.97	47.20
Interest others		18.43	16.34
Hire charges for equipment		1.31	1.82
Sale of scrap		0.73	1.09
Miscellaneous income		22.95	31.15
Total (E)		88.39	97.60
F. Prior period items (net)		1.70	20.51
Grand total (A+B+C+D-E+F)#		5,598.21*	4,881.82*

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

Includes ₹ **408.57 crore** (previous year ₹ 366.44 crore) share of jointly controlled entities.



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

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

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

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2016	31.03.2015
Subsidiary Companies:		
1. NTPC Electric Supply Company Ltd.	**100.00**	100.00
2. NTPC Vidyut Vyapar Nigam Ltd.	**100.00**	100.00
3. Kanti Bijlee Utpadan Nigam Ltd.	**65.00**	65.00
4. Bhartiya Rail Bijlee Company Ltd.	**74.00**	74.00
5. Patratu Vidyut Utpadan Nigam Ltd.	**74.00**	-

Joint Venture Companies:	Proportion (%) of Shareholding as on	
	31.03.2016	31.03.2015
A. Incorporated in India		
1. Utility Powertech Ltd.	**50.00**	50.00
2. NTPC-Alstom Power Services Private Ltd.*	**50.00**	50.00
3. NTPC-SAIL Power Company Private Ltd.	**50.00**	50.00
4. NTPC-Tamilnadu Energy Company Ltd.	**50.00**	50.00
5. Ratnagiri Gas & Power Private Ltd.*	**25.51**	28.91
6. Aravali Power Company Private Ltd.	**50.00**	50.00
7. Meja Urja Nigam Private Ltd.	**50.00**	50.00
8. NTPC - BHEL Power Projects Private Ltd. * (refer note below)[$]	**50.00**	50.00
9. BF - NTPC Energy Systems Ltd. (refer note below)[$$]	**49.00**	49.00
10. Nabinagar Power Generating Company Private Ltd.	**50.00**	50.00
11. National High Power Test Laboratory Private Ltd.	**21.63**	21.63
12. Transformers & Electricals Kerala Ltd.* (refer note below)[$$$]	**44.60**	44.60
13. Energy Efficiency Services Ltd. *	**28.80**	25.00
14. CIL NTPC Urja Private Ltd. *	**50.00**	50.00
15. Anushakti Vidyut Nigam Ltd.*	**49.00**	49.00
B. Incorporated outside India		
1. Trincomalee Power Company Ltd.* (incorporated in Srilanka)	**50.00**	50.00
2. Bangladesh -India Friendship Power Company Private Ltd.* (incorporated in Bangladesh)	**50.00**	50.00

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



Patratu Vidyut Utpadan Nigam Limited has been incorporated on 15th October 2015 in Joint Venture with Jharkhand Bijli Vitran Nigam Limited (JBVNL) to acquire, establish, operate, maintain, revive, refurbish, renovate and modernize the performing existing units and further expand capacity of Patratu Thermal Power Station, District Ramgarh, Jharkhand. NTPC holds 74% of the equity share capital in PVUNL and balance 26% of the equity share capital is held by JBVNL.

$The Board of Directors of NTPC Limited in its meeting held on 28th April 2016 accorded in principle approval for withdrawal from NTPC BHEL Power Projects Private Ltd. (a Joint Venture of the Company).

$$The Board of Directors of NTPC Limited in its meeting held on 19th June 2014 accorded in principle approval for withdrawal from BF-NTPC Energy Systems Ltd. (a joint venture of the Company).

$$$The Board of Directors of NTPC Limited in its meeting held on 28th April 2016 accorded in principle approval for withdrawal from Transformers and Electricals Kerala Ltd. (a Joint Venture of the Company).

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

In the case of Block AN-DWN-2009/13 & KG-OSN-2009/1, the Company along-with the consortium partners has decided to relinquish both the blocks and Oil and Natural Gas Commission (ONGC), the operator has submitted an application to Directorate General of Hydrocarbons (DGH) in this regard.

Based on the un-audited statement of the accounts for the above blocks forwarded by ONGC, the operator, the Company's share in respect of assets and liabilities as at 31st March 2016 and expenditure for the year are given below:

₹ Crore

Item	2015-16 (Un-audited)	2014-15 (Un-audited)
Expenses	**7.05**	29.67
Assets	**0.03**	0.62
Liabilities	**3.15**	2.41
Capital commitments (Unfinished MWP)	**30.69**	92.54

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

ii) Exploration activities in the block AA-ONN-2003/2 were abandoned in January 2011 due to unforeseen geological conditions & withdrawal of the operator. Attempts to reconstitute the consortium to accomplish the residual exploratory activities did not yield result. In the meanwhile, Ministry of Petroleum & Natural Gas demanded in January 2011 the cost of unfinished minimum work programme from the consortium with NTPC's share being USD 7.516 million. During the year, provision in this respect has been updated to ₹ **65.35 crore** from ₹ 58.64 crore along with interest. The Company has sought waiver of the claim citing force majeure conditions at site leading to discontinuation of exploratory activities.

The Company has accounted for expenditure of ₹ **0.06 crore** (previous year (-) ₹ 0.77 crore) towards the establishment expenses of M/s Geopetrol International, the operator to complete the winding up activities of the Block. The Company's share in the assets and liabilities as at 31st March 2016 and expenditure for the year is as under:

₹ Crore

Item	2015-16 (Un-audited)	2014-15 (Un-audited)
Expenses*	**0.06**	(0.77)
Assets	**9.19**	9.19
Liabilities	**1.88**	1.82
Contingent liabilities	**65.85**	57.43

*Expenses for the year 2014-15 are negative due to the difference observed on audit of accounts for the year 2013-14.



D. i) The company is of the view that the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' and AS 27- 'Financial Reporting of Interests in Joint Ventures' are not applicable to the investment made in PTC India Ltd. and the same has been accounted for as per the provisions of AS-13-'Accounting for Investments' in the consolidated financial statements.

ii) During the year, the company has reviewed the investments made in NTPC SCCL Global Ventures Pvt. Ltd., National Power Exchange Ltd., Pan Asian Renewable Pvt. Ltd. and International Coal Ventures Pvt. Ltd., Joint Ventures of the Company, considering the provisions of AS 27- 'Financial Reporting of Interests in Joint Ventures'. The company is of the view that the provisions of AS-27 are not applicable to the investments made in these JV companies and hence accounted for as per AS-13-'Accounting for Investments' in the consolidated financial statements. (Refer note-14)

iii) As per the Joint Venture Agreement (JVA) dated 24th July, 2008, KINESCO Power & Utilities Pvt.Ltd. (KINESCO) was incorporated as a 50:50 JV of KINFRA, a statutory body of Government of Kerala, & NTPC Electric Supply Company Ltd (NESCL), a wholly owned subsidiary of NTPC. KINFRA and NESCL collectively held the entire paid-up capital of ₹ 10,00,000/- in the ratio of 50:50 in accordance with the terms of the JVA. The financial statements of KINESCO were hither to included in the consolidated financial statements considering the provisions of AS-21 and AS-27.

During the year, NESCL has withdrawn from the JV and accordingly, KINESCO has not been considered for consolidation in these financial statements.

32. a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than fixed assets and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

33. The levy of transit fee/entry tax on supplies of fuel to some of the power stations has been paid under protest as the matters are subjudice at various courts. In case the Company gets refund/demand from fuel suppliers/tax authorities on settlement of these cases, the same will be passed on to respective beneficiaries.

34. The environmental clearance ("clearance") granted by the Ministry of Environment and Forest, Government of India (MoEF) for one of the Company's ongoing project was challenged before the National Green Tribunal (NGT). The NGT disposed the appeal, inter alia, directing that the order of clearance be remanded to the MoEF to pass an order granting or declining clearance to the project proponent afresh in accordance with the law and the judgment of the NGT and for referring the matter to the Expert Appraisal Committee ("Committee") for its re-scrutiny, which shall complete the process within six months from the date of NGT order. NGT also directed that the environmental clearance shall be kept in abeyance and the Company shall maintain status quo in relation to the project during the period of review by the Committee or till fresh order is passed by the MoEF, whichever is earlier. The Company filed an appeal challenging the NGT order before the Hon'ble Supreme Court of India which stayed the order of the NGT and the matter is sub-judice. Aggregate cost incurred on the project upto 31st March 2016 is ₹ **11,774.77 crore** (previous year ₹ 8,732.44 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

35. The Company is executing a hydro power project in the state of Uttrakhand, where all the clearances were accorded. A case was filed in Hon'ble Supreme Court of India after the natural disaster in Uttrakhand in June 2013 to review whether the various existing and ongoing hydro projects have contributed to environmental degradation. Hon'ble Supreme Court of India on 7th May 2014, ordered that no further construction shall be undertaken in the projects under consideration until further orders, which included the said hydro project of the Company. In the proceedings, Hon'ble Supreme Court is examining to allow few projects which have all clearances which includes the project of the Company where the work has been stopped. Aggregate cost incurred on the project up to 31st March 2016 is ₹ **157.31 crore** (previous year ₹ 154.57 crore). Management is confident that the approval for proceeding with the project shall be granted, hence no provision is considered necessary.

36. M/s Ratangiri Gas & Power Private Ltd (RGPPL), a joint venture of the Company, has postponed recognition of revenue on conservative basis amounting to ₹ 1,902.62 crore for the year 2013-14 and 2014-15 in view of dispute raised by Maharashtra State Electricity Distribution Company Limited (MSEDCL), the beneficiary, though these disputes have



already been decided in favour of the RGPPL by the CERC and the APTEL. During the year, the beneficiary, apart from failure to make payment to RGPPL, had approached Hon'ble Supreme Court of India against the order of the APTEL, for stay. The stay application was disposed off by the Hon'ble Court in the absence of any coercive action against the appellant. Further, the GOI has advised to keep the recovery of the outstanding amount claimed by RGPPL in abeyance. As a part of efforts for revival, RGPPL has started operation under Power System Development Support Scheme of the GOI and supplying around 500 MW power to the Indian Railways. In addition, LNG terminal of RGPPL has received more than double the quantity of cargos during the year. Further, RGPPL has obtained in-principle approval from its Board of Directors for demerger of its power generation business and LNG business into separate companies effective from 1st January 2016. The management of RGPPL is hopeful that restructuring/concessions from the lenders in the borrowings and other areas after the aforesaid demerger shall result in further improvement in its financial position.

37. Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies'

During the year, following changes in accounting policies have been made:

a) For more appropriate presentation of the financial statements, the accounting policy relating to capital expenditure on assets not owned by Company has been discontinued with retrospective effect. Based on the guidance available in AS 10 notified by MCA on 30th March 2016 such expenditure on assets not owned by the Company have been capitalised retrospectively as part of the cost of project. As a result, cost amortized till 31st March 2015 amounting to ₹ 107.45 crore as per earlier policy has been written back as prior period adjustments and depreciation has been recalculated retrospectively following the rates and methodology notified by the CERC Tariff Regulations. Due to this change, prior period depreciation (net) till 31st March 2015 is (-) ₹ 84.20 crore, depreciation for the year is lower by ₹ 18.26 crore, profit for the year and fixed assets as at 31st March 2016 are higher by ₹ 102.46 crore. Refer Note 12 i).

b) Consequent to adoption of the guidance note on Rate Regulated Activities issued by the ICAI, Policy no. G has been inserted. Detailed disclosure in this regard has been made in Note 49.

c) Considering the adoption of new policy no. G, policy no. N.4 has been modified by replacing the word 'Deferred foreign currency fluctuation asset/liability' with 'Regulatory asset/liability'.

d) Policy no. O.2.4 related to charging off of the items of prepaid & prior period expenses/income to the natural head of accounts has been modified by increasing the threshold limit from ₹ 1 lakh to ₹ 5 lakh. Consequently, Short term loans and advances (Note 20) are lower by ₹ 0.88 crore, Generation, Administration and other expenses (Note 26) are higher by ₹ 4.27 crore, Prior period items (Net) (Note 27) is lower by ₹ 3.48 crore and profit for the year is lower by ₹ 0.88 crore.

e) Policy N. 1 & O.1.9 related to income recognition & amortization of machinery spares has been modified for better disclosures.

There is no impact on the accounts due to the changes at sl.no. (b) (c), & (e) above.

38. Disclosure as per Accounting Standard - 5 on 'Net Profit or Loss for the Period' - Change in accounting estimate

The Company has reviewed and revised the estimated useful life of certain assets as mentioned in accounting policy no. O 1.3, based on technical evaluation. These assets were earlier depreciated as per CERC Regulations as mentioned in accounting policy no. O 1.1. Consequently, with prospectively application, profit for the year ended 31st March 2016 is lower by ₹ 27.63 crore, fixed assets as at 31st March 2016 are lower by ₹ 29.23 crore and capital work-in-progress as at 31st March 2016 are higher by ₹ 1.60 crore. (Refer Note 1, Policy no. O.1.3).

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

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

i) The amount of exchange differences (net) debited to the Statement of Profit & Loss is ₹ **31.18 crore** (previous year credit of ₹ 130.25 crore).

ii) The amount of exchange differences (net) debited to the carrying amount of Fixed Assets is ₹ **1,993.92 crore** (previous year ₹ 348.48 crore).

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

General description of various employee benefit schemes are as under:

1. Defined Contribution Plans

A. Provident Fund

The 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 ₹ **248.91 crore** (previous year ₹ 238.96 crore) to the funds for the year is recognised as expense and



is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligitions are as under:

₹ Crore

Particulars	31.03.2016	31.03.2015
Obligations at the end of the year	**6,832.89**	6,143.59
Fair value of plan assets at the end of the year	**6,892.37**	6,197.85

B. Pension

The defined contribution pension scheme of the Company for its employees which is effective from 1st January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contribution of ₹ **224.62 crore** (previous year ₹225.39 crore) to the funds for the year is recognized as an expense and charged to the Statement of Profit and Loss.

2. Defined Benefit Plans

A. Gratuity & Pension

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

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

The schemes stated at (a) and one of the power stations at (b) above are funded by the Company and are managed by separate trusts. The liability for gratuity and the pension schemes as above is recognised on the basis of actuarial valuation. The Company's best estimate of the contribution towards gratuity/pension for the next financial year is ₹ **21.61 crore.**

B. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses 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 annually on the basis of actuarial valuation. During the year, a trust has been constituted for its employees superannuated on or after 1st January 2007, for the sole purpose of providing post retirement medical benefit to them. The liability as at 31st March 2016 ascertained as per actuarial valuation amounting to ₹ 890.00 crore has been funded to the trust by actual payment.

C. Terminal Benefits

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

D. Leave

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

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



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

(Figures given in { } are for previous year and figures in ( ) represent negative figures)

i) Expenses recognised in Statement of Profit & Loss

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	72.27 {70.90}	22.12 {17.98}	59.67 {57.26}	7.31 {7.34}
Past Service Cost	- {-}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	124.37 {130.20}	58.44 {47.80}	81.46 {80.10}	29.09 {26.60}
Expected return on plan assets	(116.59) {(111.23)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(64.64) {(88.76)}	110.41 {125.59}	173.48 {150.41}	3.86 {32.82}
Less: Expenses transferred to capital work-in-progress	(0.84) {(1.59)}	7.06 {6.46}	12.05 {14.84}	- {-}
Expenses recognised in the Statement of Profit & Loss	16.25 {2.70}	183.91 {184.91}	302.56 {272.93}	40.26 {66.76}
Actual return on plan assets	128.60 {134.56}	- {-}	- {-}	- {-}

ii) The amount recognised in the Balance Sheet

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2016	1,578.88 {1,554.28}	893.35 {730.48}	1,096.25 {1,018.04}	385.39 {363.66}
Fair value of plan assets as at 31.03.2016	1,475.48 {1,458.96}	890.00 {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	103.40 {95.32}	3.35 {730.48}	1,096.25 {1,018.04}	385.39 {363.66}

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

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2015	1,554.28 {1,531.56}	730.48 {562.04}	1,018.04 {942.21}	363.66 {312.98}
Interest cost	124.37 {130.33}	58.44 {47.80}	81.46 {80.20}	29.09 {26.60}
Current Service Cost	72.27 {70.90}	22.12 {17.98}	59.67 {57.26}	7.31 {7.34}
Benefits paid	(119.43) {(113.87)}	(28.10) {(22.93)}	(236.40) {(212.05)}	(18.53) {(16.08)}
Net actuarial (gain)/ loss on obligation	(52.61) {(64.64)}	110.41 {125.59}	173.48 {150.42}	3.86 {32.82}
Present value of the defined benefit obligation as at 31.03.2016	1,578.88 {1,554.28}	893.35 {730.48}	1,096.25 {1,018.04}	385.39 {363.66}



iv) Changes in the fair value of plan assets:

₹ Crore

	Gratuity & Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2015	1458.96 {1,391.67}	- {-}	- {-}	- {-}
Expected return on plan assets	116.59 {111.37}	- {-}	- {-}	- {-}
Contributions by employer	0.22 {39.93}	890.00 {-}	- {-}	- {-}
Benefit paid	(112.32) {(108.13)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	12.03 {24.12}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2016	1,475.48 {1,458.96}	890.00 {-}	- {-}	- {-}

v) Other disclosures:

₹ Crore

Gratuity & pension	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1,578.88	1,554.28	1,531.33	1,444.88	1,298.47
Fair value of plan assets as at	1,475.48	1,458.96	1,391.68	1,263.86	1,169.93
Surplus/(Deficit)	(103.40)	(95.32)	(139.65)	(181.02)	(128.54)
Experience adjustment on plan liabilities (loss)/gain	51.56	61.86	3.19	(50.07)	(19.58)
Experience adjustment on plan assets (loss)/gain	12.03	24.24	14.52	9.44	12.39

PRMF	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	893.35	730.48	562.02	452.93	371.11
Fair value of plan assets as at	890.00	-	-	-	-
Surplus/(Deficit)	(3.35)	(730.48)	(562.02)	(452.93)	(371.11)
Experience adjustment on plan liabilities (loss)/gain	(110.41)	(123.79)	(73.98)	(19.60)	(30.73)
Experience adjustment on plan assets (loss)/gain	-	-	-	-	-

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1096.25	1,018.04	941.73	861.46	745.82
Experience adjustment on plan liabilities (loss)/gain	(173.27)	(151.26)	(181.31)	(179.16)	(90.71)

Terminal Benefits	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	385.39	363.66	312.97	272.38	229.82
Experience adjustment on plan liabilities (loss)/gain	(3.85)	(34.85)	(26.37)	(25.45)	(24.43)

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

₹ Crore

Particulars	Increase by	Decrease by
Service and Interest cost	13.53	11.28
Present value of obligation	126.47	113.18



E. Details of the Plan Assets

The details of the plan assets at cost are:

₹ Crore

	31.03.2016	31.03.2015
i) State government securities	-	0.30
ii) Central government securities	16.77	92.90
iii) Corporate bonds/debentures including fixed deposits with banks	122.50	286.06
iv) Money market instruments	-	2.50
v) Investment with insurance companies	1,354.36	1,051.92
Total (excluding interest accrued)	1,493.63	1,433.68

Plan assets of ₹ 889.00 crore towards the post retirement medical benefit trust has been invested after 31st March 2016.

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

F. Actual return on plan assets ₹ **128.60 crore** (previous year ₹ 134.56 crore).

G. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to ₹ **5.54 crore** (previous year ₹ 28.76 crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit & Loss.

H. Actuarial Assumptions

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

	31.03.2016	31.03.2015
i) Method used	Projected Unit Credit Method	
ii) Discount rate	7.90%-8.08%	8.00%
iii) Expected rate of return on assets:		
- Gratuity	8.00%-9.00%	8.00%-8.75%
- Pension	7.50%	7.50%
iv) Annual increase in costs	6.00%	6.00%
v) Future salary increase	6.00%-8.05%	6.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

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

Borrowing costs capitalised during the year are ₹ **4,374.13 crore** (previous year ₹ 3,810.43 crore).

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

Segment information:

a) Business Segments

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

b) Segment Revenue and Expense

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

c) Segment Assets and Liabilities

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



₹ Crore

	Business Segments				Total	
	Generation		Others			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue						
Sale of energy/consultancy, project management and supervision fees *	**74,697.07**	76,969.57	**3,551.73**	3,044.17	**78,248.80**	80,013.74
Other income	**991.69**	923.18	**35.31**	36.75	**1,027.00**	959.93
Unallocated corporate interest and other income					**663.76**	1,701.73
Total	**75,688.76**	77,892.75	**3,587.04**	3,080.92	**79,939.56**	82,675.40
Segment result #	**14,636.35**	13,366.13	**79.40**	37.77	**14,715.75**	13,403.90
Unallocated corporate interest and other income					**663.76**	1,701.73
Unallocated corporate expenses, interest and finance charges					**5,275.97**	4,649.42
Profit before tax					**10,103.54**	10,456.21
Income tax (net)					**(58.89)**	463.84
Profit after tax					**10,162.43**	9,992.37
Other information						
Segment assets	**132,725.14**	117,139.90	**5,920.97**	5,222.98	**138,646.11**	122,362.88
Unallocated corporate and other assets					**101,802.94**	97,261.92
Total assets	**132,725.14**	117,139.90	**5,920.97**	5,222.98	**240,449.05**	219,624.80
Segment liabilities	**17,069.38**	16,373.77	**3,371.56**	2,827.80	**20,440.94**	19,201.57
Unallocated corporate and other liabilities					**130,811.60**	118,329.25
Total liabilities	**17,069.38**	16,373.77	**3,371.56**	2,827.80	**151,252.54**	137,530.82
Depreciation (including prior period)	**5,999.79**	5,536.29	**22.27**	5.56	**6,022.06**	5,541.85
Non-cash expenses other than depreciation	**185.79**	224.02	**14.97**	6.28	**200.76**	230.30
Capital expenditure	**31,191.47**	24,732.46	**1,320.85**	1,058.87	**32,512.32**	25,791.33

* Includes **(-) ₹ 1,592.97 crore** (previous year (-) ₹ 719.80 crore) for sales related to earlier years.

Generation segment result would have been ₹ **16,229.32 crore** (previous year ₹ 14,085.93 crore) without including the sales related to earlier years.

d) The operations of the Group are mainly carried out within the country and therefore, geographical segments are not applicable.

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

a) Related parties:

i) Joint ventures:

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

ii) Key Management Personnel (KMP):

Shri Gurdeep Singh	Chairman and Managing Director[1]
Shri Arup Roy Choudhury	Chairman and Managing Director[2]
Shri I.J. Kapoor	Director (Commercial)[3]
Shri A.K.Jha	Director (Technical)[4]
Shri U.P.Pani	Director (Human Resources)[5]
Shri S.C.Pandey	Director (Projects)
Shri K.Biswal	Director (Finance)
Shri K.K.Sharma	Director (Operations)
Shri A.K.Rastogi	Company Secretary

1. W.e.f. 4th February 2016 2. Upto 31st August 2015 3. Upto 20th August 2015
4. Acted as Chairman and Managing Director for the period from 1st September 2015 to 3rd February 2016
5. Holding additional charge of Director (Commercial) w.e.f 2nd September 2015

iii) Others:

NTPC Education and Research Society



b) Transactions with the related parties at sl. a iii) above are as follows:

₹ Crore

Particulars	Current year	Previous year
i) Transactions during the year for works/services received by the company	**4.28**	-
ii) Amount recoverable for contracts for works/services received:	**0.60**	-

c) Remuneration to key management personnel for the year is ₹ **12.56 crore** (previous year ₹ 11.20 crore) and amount of dues outstanding to the Company as at 31st March 2016 are ₹ **0.15 crore** (previous year ₹ 0.07 crore). The details of managerial remuneration to KMP are as under:

₹ Crore

Managerial remuneration to Key management personnel	Current year	Previous year
A. NTPC		
Shri Gurdeep Singh	**0.05**	-
Shri A.K.Jha	**0.51**	0.48
Shri U.P.Pani	**0.47**	0.43
Shri S.C.Pandey	**0.49**	0.37
Shri K.Biswal	**0.42**	0.35
Shri K.K.Sharma	**0.47**	0.16
Shri Arup Roy Choudhury	**0.71**	0.50
Shri I.J. Kapoor	**0.53**	0.56
Shri N.N.Misra	-	0.64
Shri A.K. Rastogi	**0.47**	0.44
Total	**4.12**	3.93
B. Subsidiaries and Joint Venture Companies		
Shri N.K Sharma	**0.55**	0.38
Shri R K Sinha	**0.41**	0.41
Shri A K Singh	**0.41**	0.40
Shri Rajkumar	**0.44**	-
Shri D Nandy	**0.37**	-
Shri RKS Gahlowt	**0.16**	0.16
Shri Ramesh Taterao (w.e.f.19.07.2014)	**0.55**	0.31
Shri Rajeev Sharma (Resigned w.e.f.18.07.2014)	-	0.12
Shri P.K.Sinha (w.e.f 31.01.2014)	**0.41**	0.44
Shri Saket Gupta (w.e.f. 29.07.2015)	**0.01**	-
Shri M Sarkar	**0.38**	0.31
Shri S V Shahi	**0.41**	0.33
Ms. Umang Vats	**0.17**	0.16
Shri Thomas Joseph	**0.39**	0.40
Shri Vipin Kumar	**0.33**	-
Shri A K Garg	**0.02**	0.39
Shri Pankaj Patel	**0.35**	-
Shri A K Jana	**0.03**	0.35
Shri V K Padha (01.04.2015 to 22.07.2015) Shri S.K Sinha (w.e.f. 23.07.2015)	**0.41**	0.39
Shri Prabhat Kumar (w.e.f.11.01.2016)	**0.06**	
Shri Manoj Saxena (for the period from 24.11.2015 to 10.01.2016)	**0.25**	
Sh J.N.Singh (Resigned w.e.f.23.11.2015)	**0.23**	0.34
Shri Atul Saraya Shri Anant N Goyal Shri A B Ravichandran Shri S Kannan Ms. Ritu Arora	**1.38**	1.36
Shri Jagmohan Bijlawan	-	0.11
Shri Vijay K. Neginal	**0.05**	0.05
Shri Raj Kumar Mishra	**0.05**	0.02
Shri Deepak Badekar	**0.03**	-
Shri R Ranjan	**0.18**	0.41
Shri Deepak Trehan (w.e.f. 02.12.2014) Shri Prasad B (w.e.f. 09.01.2016)	**0.41**	0.43
Total	**8.44**	7.27



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

a) Finance leases

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

₹ Crore

	31.03.2016	31.03.2015
a) Obligations towards minimum lease payments		
· Not later than one year	**0.71**	-
· Later than one year and not later than five years	**1.71**	-
· Later than five years	-	-
Total	**2.42**	-
b) Present value of (a) above		
· Not later than one year	**0.48**	-
· Later than one year and not later than five years	**1.46**	-
· Later than five years	-	-
Total	**1.94**	-
c) Finance charges	**0.48**	-

(ii) The Company has entered into an agreement for coal movement through inland waterways transport. As per the agreement, the operator shall design, build, operate and maintain the unloading infrastructure and material handling system ("facility"), and transfer the same to the Company after expiry of 7 years at ₹ 1/-. The facility has been completed and is under operation. Fair value of the entire facility is ₹ 90 crore.

₹ Crore

	31.03.2016	31.03.2015
a) Obligations towards minimum lease payments		
· Not later than one year	**20.60**	15.45
· Later than one year and not later than five years	**82.41**	82.41
· Later than five years	**24.04**	46.36
Total	**127.05**	144.22
b) Present value of (a) above		
· Not later than one year	**10.83**	7.83
· Later than one year and not later than five years	**57.88**	52.31
· Later than five years	**22.42**	39.51
Total	**91.13**	99.65
c) Finance charges	**35.92**	44.57
d) Contingent rent for the year	**9.52**	5.16

b) Operating leases

The Group's other significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 24 - Employee benefits expense includes ₹ **38.46 crore** (previous year ₹ 47.05 crore) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are included under 'Rent' in Note 26 – 'Generation, administration and other expenses'. Further, the Company has taken a helicopter on wet lease basis for a period of eleven years and the amount of lease charges is included in 'Hire charges of helicopter/aircraft' in Note 26.



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

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

₹ Crore

	Current Year	Previous Year
Group profit after tax used as numerator - ₹ crore	**10,182.81**	9,986.34
Weighted average number of equity shares used as denominator	**8,245,464,400**	8,245,464,400
Earning per share (Basic and Diluted) - ₹	**12.35**	12.11
Nominal value per share - ₹	**10/-**	10/-

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

Research expenditure charged to revenue during the year is ₹ **108.00 crore** (previous year ₹ 97.56 crore).

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

As required by Accounting Standard (AS) 28 'Impairment of Assets', an assessment of impairment of assets was carried out and based on such assessment, the Company has accounted an impairment loss of ₹ **4.48 crore** (previous year Nil) which has been recognised in 'Depreciation/Amortisation and Impairment expense' in the Statement of Profit and Loss in respect of assets falling under 'Generation Segment'. Also refer Note 12(I) in this regard. Further, the amount of impairment loss is not material considering the size of the company, hence other disclosures required by the AS 28 are not applicable to the Company.

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

₹ Crore

Particulars	Balance as at 01.04.2015	Additions during the year	**Payments during the year**	Reversal / adjustments during the year	Balance as at 31.03.2016
Long Term Provisions (Note-8)					
Contractual & other obligations	12.13	3.68	**0.38**	(5.97)	**21.40**
Short Term Provisions (Note-11)					
Provision for obligations incidental to land acquisition	3,244.70	968.48	**278.05**	48.46	**3,886.67**
Provision for tariff adjustment	1,263.75	150.38	-	174.16	**1,239.97**
Others	533.66	280.93	**48.99**	154.61	**610.99**
Total	**5,054.24**	**1,403.47**	**327.42**	**371.26**	**5,759.03**

49. Guidance Note (GN) on Rate Regulated Activities issued by the ICAI is applicable mandatorily from the financial year 2015-16.

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC through tariff regulations. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return. The Company has applied the GN in preparation of financial statements for the year, considering the provisions of Tariff Regulations issued by the CERC.

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost from declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of the GN.

In view of the above, exchange differences arising from settlement/translation of monetary item 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 recognized as 'Regulatory asset/liability' by credit/debit to 'Regulatory income/expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

₹ Crore

Particulars	Regulatory Liability
A. Opening balance as on 01.04.2015*	308.55
B. Addition during the year	(7.38)
C. Amount collected/refunded during the year	3.61
D. Regulatory income/(expense) recognized in the Statement of Profit & Loss (B-C)	10.99
E. Closing balance as on 31.03.2016 (A-D)	297.56

*Such exchange differences were hitherto accounted as 'Deferred foreign currency fluctuation asset/liability' pursuant to an opinion pronounced by the Expert Advisory Committee of the ICAI. The related figures for the previous year have also been regrouped to make them comparable.

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

Name of the entity	Net assets i.e. total assets minus total liabilities as at 31.03.2016		Share in profit or loss for the year 2015-16	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
1	2	3	4	5
A. Parent				
NTPC Ltd.	89.70%	80,809.76	99.56%	10,117.42
B. Subsidiaries				
Indian				
1. NTPC Electricity Supply Company Ltd.	0.05%	42.65	0.01%	0.91
2. NTPC Vidyut Vyapar Nigam Ltd.	0.26%	232.14	0.50%	50.32
3. Kanti Bijlee Utpadan Nigam Ltd.	0.99%	891.37	-0.37%	(37.83)
4. Bhartiya Rail Bijlee Company Ltd.	1.32%	1,187.64	0.00%	(0.02)
5. Patratu Vidyut Utpadan Nigam Ltd.	0.00%	1.07	0.00%	(0.01)
Minority interests in all subsidiaries	0.99%	892.79	-0.20%	(20.38)
C. Joint Ventures				
Indian				
1. Utility Powertech Ltd.	0.03%	31.24	0.10%	10.10
2. NTPC Alstom Power Services Private Ltd.	0.01%	12.53	0.01%	1.18
3. NTPC SAIL Power Company Private Ltd.	0.97%	872.38	1.21%	123.42
4. NTPC Tamilnadu Energy Company Ltd.	1.27%	1,145.84	-1.35%	(137.42)
5. Ratnagiri Gas & Power Private Ltd.	0.07%	61.82	-2.72%	(276.23)
6. Aravali Power Company Private Ltd.	2.20%	1,981.74	3.45%	350.54
7. Meja Urja Nigam Private Ltd.	0.93%	840.05	0.00%	(0.03)
8. NTPC- BHEL Power Projects Private Ltd.	0.05%	43.39	-0.23%	(22.93)
9. BF-NTPC Energy Systems Ltd.	0.00%	2.26	0.00%	(0.20)
10. Nabinagar Power Generating Company Private Ltd.	0.86%	775.66	0.00%	-



Name of the entity	Net assets i.e. total assets minus total liabilities as at 31.03.2016		Share in profit or loss for the year 2015-16	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
1	2	3	4	5
11. National High Power Test Laboratory Private Ltd.	0.03%	23.40	0.00%	-
12. Transformers & Electricals Kerala Ltd.	0.04%	38.55	-0.04%	(4.40)
13. Energy Efficiency Services Ltd.	0.13%	118.10	0.08%	7.70
14. CIL NTPC Urja Private Ltd.	0.00%	0.03	0.00%	-
15. Anushakti Vidyut Nigam Ltd.	0.00%	0.01	0.00%	-
Foreign				
1. Trincomalee Power Company Ltd. (incorporated in Srilanka)	0.01%	10.81	0.00%	0.29
2. Bangladesh India Power Company Private Ltd. (incorporated in Bangladesh)	0.08%	74.07	0.00%	-
Total		**90,089.30**		**10,162.43**

51. Foreign currency exposure

a) Hedged by a derivative instrument

The derivative contracts outstanding as at the year end are as under:

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		31.03.2016	31.03.2015	**31.03.2016**	31.03.2015
Currency & Interest Rate Swap	JPY	**10.69**	14.96	**6.38**	7.89
Principal Only Swap	EURO	**0.80**	1.00	**60.74**	68.56

MTM loss on the above contract as at 31st March 2016 is as under:

Particulars	Amount (₹ Crore)	
	31.03.2016	31.03.2015
Currency & Interest Rate Swap	**0.04**	1.15
Principal Only Swap	-	3.44

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

b) Not hedged by a derivative instrument or otherwise

Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		As at 31.03.2016	As at 31.03.2015	**As at 31.03.2016**	As at 31.03.2015
Borrowings, including interest accrued but not due thereon.	USD	**359.03**	342.19	**24,018.71**	21,622.72
	JPY	**5,058.54**	5,197.55	**3,022.48**	2,740.41
	EURO	**24.00**	19.69	**1,822.35**	1,350.02



Particulars	Currencies	Amount in Foreign Currency (Crore)		Amount (₹ Crore)	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Trade payables/ deposits and retention monies	USD	28.90	39.51	1,931.26	2,494.81
	EURO	12.55	11.97	953.05	819.95
	Others	120.63	148.73	79.95	95.37
Trade receivables and Bank balances	USD	0.05	1.77	3.30	111.48
	Others	1.32	309.47	0.89	468.99
Unexecuted amount of contracts remaining to be executed	USD	143.79	80.92	9,581.32	5,112.87
	EURO	52.02	62.12	3,949.08	4,256.46
	Others	1,835.20	1,520.26	1,250.73	919.62

52. Contingent Liabilities:

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

(i) Capital works

Some of the contractors for supply and installation of equipments and execution of works have lodged claims for ₹ **9,492.28 crore** (previous year ₹ 8,127.22 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested as being not admissible in terms of the provisions of the respective contracts.

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

(ii) Land compensation cases

In respect of land acquired for the projects, the erstwhile land owners have claimed higher compensation before various authorities/courts which are yet to be settled. Against such cases, contingent liability of ₹ **334.78 crore** (previous year ₹ 314.30 crore) has been estimated.

(iii) Fuel suppliers

Pending resolution of the issues with fuel companies, an amount of ₹ **2,205.16 crore** (previous year ₹ 567.22 crore) towards surface transportation charges, customs duty on service margin on imported coal, grade slippage pursuant to third party sampling etc. has been estimated by the Company as contingent liability.

(iv) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fee, penalty on diversion of agricultural land to non-agricultural use, non agricultural land assessment tax, water royalty etc. and by others, contingent liability of ₹ **312.94 crore** (previous year ₹ 896.34 crore) has been estimated.

(v) Possible reimbursement

The contingent liabilities referred to in (i) above, include an amount of ₹ **1,298.80 crore** (previous year ₹ 1,172.56 crore) relating to the hydro power project stated in Note 15 A (b) - Other non current assets, for which Company envisages possible reimbursement from GOI in full. In respect of balance claims included in (i) and in respect of the claims mentioned at (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement by way of recovery through tariff as per Regulations is ₹ **2,077.00 crore** (previous year ₹ 423.36 crore).

(b) Disputed tax matters

Disputed Income Tax/Sales Tax/Excise and other tax matters pending before various Appellate Authorities amount to ₹ **8,747.04 crore** (previous year ₹ 5,259.48 crore). Many of these matters were disposed off in favour of the respective companies but are disputed before higher authorities by the concerned departments. In respect of disputed tax matters, possible reimbursement of ₹ **4,586.23 crore** (previous year ₹ 2,430.71 crore) is estimated.

(c) Others

Other contingent liabilities amount to ₹ **577.47 crore** (previous year ₹ 914.22 crore), in respect of which possible reimbursement of ₹ **335.69 crore** (previous year ₹ 284.70 crore) is estimated.

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 ₹ **610.38 crore** (previous year ₹ 600.02 crore) share of jointly controlled entitites.

53. Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2016 is ₹ **67,250.71 crore** (previous year ₹ 65,787.51 crore) which includes an amount of ₹ **9,701.57 crore** (previous year ₹ 6,113.95 crore) in respect of jointly controlled entities.

b) Company's commitment towards the minimum work programme in respect of oil exploration activities of joint venture operations has been disclosed in Note 31 C.

c) Group's commitment in respect of lease agreements has been disclosed in Note 44.

d) Company's commitment towards the minimum work programme in respect of oil exploration activity of Cambay Block (100% owned by the company) is ₹ **35.94 crore (USD 5.42 million)** (previous year ₹ 140.27 crore, USD 22.41 million).

54. Some of the Subsidiaries and Joint Venture Companies followed different accounting policies from that of the Company and the impact of the same is not material.

55. Statement containing salient features of the financial statements of Subsidiaries/Joint Ventures of NTPC Ltd. pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, in form AOC I is attached.

For and on behalf of the Board of Directors

(A.K.Rastogi)	(K.Biswal)	(Gurdeep Singh)
Company Secretary	Director (Finance)	Chairman & Managing Director

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

For T.R. Chadha & Co LLP	For PSD & Associates	For Sagar & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No.006711N/N500028	Firm Reg. No. 004501C	Firm Reg. No. 003510S
(Neena Goel)	(Thalendra Sharma)	(V. Vidyasagar Babu)
Partner	Partner	Partner
M No.057986	M No.079236	M No.027357

For Kalani & Co.	For P. A. & Associates	For S. K.Kapoor & Co.	For B. M. Chatrath & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000722C	Firm Reg. No. 313085E	Firm Reg. No. 000745C	Firm Reg. No. 301011E
(P.C.Parwal)	(S.S.Poddar)	(V.B. Singh)	(P.R.Paul)
Partner	Partner	Partner	Partner
M No. 071411	M No.051113	M.No.073124	M.No.051675

Place : New Delhi
Dated : 30th May 2016

Notes forming part of Consolidated Financial Statements

FORM NO.AOC.1

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

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

Part "A": Subsidiaries

(Amount in ₹ crore)

1.	Sl. No.	1	2	3	4	5
2.	Name of the Subsidiary	NTPC Electric Supply Company Ltd.	NTPC Vidyut Vyapar Nigam Ltd.	Kanti Bijlee Utpadan Nigam Ltd.	Bhartiya Rail Bijlee Company Ltd.	Patratu Vidyut Utpadan Nigam Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (1.04.2015 -31.03.2016)	Same as that of Holding Company (1.04.2015 -31.03.2016)	Same as that of Holding Company (1.04.2015 -31.03.2016)	Same as that of Holding Company (1.04.2015 -31.03.2016)	For the period from 15.10.2015 (date of incorporation) to 31.03.2016
4.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA
5.	Share capital	0.08	20.00	1,061.51	1,584.61	0.10
6.	Reserves & surplus	42.57	212.14	262.10	(0.82)	(0.01)
7.	Total assets	77.69	1,256.01	4,241.85	6,265.75	6.78
8.	Total liabilities	35.04	1,023.87	2,918.24	4,681.96	6.69
9.	Investments	-	-	-	-	-
10.	Turnover	-	4,101.69	376.51	-	-
11.	Profit before taxation	1.14	77.76	(75.72)	(0.03)	(0.01)
12.	Provision for taxation	0.23	27.44	(17.52)	-	-
13.	Profit after taxation	0.91	50.32	(58.20)	(0.03)	(0.01)
14.	Proposed dividend	-	-	-	-	-
15.	% of Shareholding	100%	100%	65%	74%	74%

Notes:

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





Part"B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013

Sl. No.	Name of Joint Ventures	Utility Powertech Ltd.	NTPC - ALSTOM Power Services Pvt. Ltd.	NTPC-SAIL Power Company Pvt. Ltd.	NTPC-Tamilnadu Energy Company Ltd.	Ratnagiri Gas and Power Pvt. Ltd.	Aravali Power Company Pvt. Ltd.	NTPC-SCCL Global Ventures Pvt. Ltd.	Meja Urja Nigam Pvt. Ltd.	NTPC-BHEL Power Projects Pvt. Ltd.	BF-NTPC Energy Systems Ltd.	Nabinagar Power Generating Co. Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31.03.2016	31.03.2015	31.03.2016	31.03.2016	31.03.2015	31.03.2016	31.07.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2016
2.	Shares of Joint Ventures held by the Company on the year end as at 31.03.2016											
-	Number	2,000,000	3,000,000	490,250,050	1,345,606,112	974,308,300	1,332,008,200	50,000	841,439,800	50,000,000	5,880,000	713,300,000
-	Amount of Investment in Joint Venture (₹ crore)	1.00	3.00	490.25	1,365.61	974.30	1,332.00	0.05	841.44	50.00	5.88	763.30
-	Extent of Holding (%)	50.00%	50.00%	50.00%	50.00%	25.51%	50.00%	50.00%	50.00%	50.00%	49.00%	50.00%
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	Reason why the Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	Under winding up	NA	NA	NA	NA
5.	Networth atributable to Shareholding as per latest audited Balance Sheet (₹ crore)	31.24	12.53	872.38	1,125.84	61.82	1,981.74	0.05	840.05	43.39	2.26	712.66
6.	Profit/ Loss for the year											
i	Considered for Consolidation (₹ crore)	10.10	1.18	123.42	(137.42)	(276.23)	350.54	-	(0.03)	(22.93)	(0.20)	-
ii	Not Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Part"B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013

Sl. No.	Name of Joint Ventures	National Power Exchange Ltd.	International Coal Ventures Pvt. Ltd.	National High Power Test Laboratory Pvt. Ltd.	Transformers & Electricals Kerela Ltd.	Energy Efficiency Services Ltd.	CIL NTPC Urja Pvt. Ltd.	Anushakti Vidhyut Nigam Ltd.	Pan-Asian Renewables Pvt. Ltd.	Trincomalee Power Company Ltd.	Bangladesh-India Friendship Power Company Pvt. Ltd.
1.	**Latest Audited Balance Sheet Date**	31.08.2014	31.03.2015	31.03.2016	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2014	31.03.2015	30.06.2015
2.	**Shares of Joint Ventures held by the Company on the year end as at 31.03.2016**										
-	Number	2,188,325	1,400,000	23,900,000	19,163,438	47,500,000	76,900	49,000	1,500,000	3,286,061	8,750,000
-	Amount of Investment in Joint Venture (₹ crore)	2.19	1.40	23.90	31.34	47.50	0.08	0.05	1.50	15.20	69.68
-	Extent of Holding (%)	16.67%	0.13%	21.63%	44.60%	28.80%	50.00%	49.00%	50.00%	50.00%	50.00%
3.	**Description of how there is significant influence**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	**Reason why the Joint Venture is not consolidated**	Under winding up	Cessation of control & decision to withdraw	NA	NA	NA	NA	NA	Under winding up	NA	NA
5.	**Networth atributable to Shareholding as per latest audited Balance Sheet (₹ crore)**	1.13	1.40	23.40	38.54	61.08	0.03	0.01	0.21	10.81	74.07
6.	**Profit/ Loss for the year**										
i	Considered for Consolidation (₹ crore)	-	-	-	(4.40)	7.70	-	-	-	0.29	-
ii	Not Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Notes:

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

1 Meja Urja Nigam Private Ltd.

2 BF - NTPC Energy Systems Ltd.

3 Nabinagar Power Generating Company Private Ltd.

4 National High Power Test Laboratory Private Ltd.

5 CIL NTPC Urja Private Ltd.

6 Anushakti Vidyut Nigam Ltd.

7 Trincomalee Power Company Ltd. (incorporated in Srilanka)

8 Bangladesh-India Friendship Power Company Private Ltd. (incorporated in Bangladesh)

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

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

For and on behalf of the Board of Directors

(A.K.Rastogi) Company Secretary	(K.Biswal) Director (Finance)	(Gurdeep Singh) Chairman & Managing Director

For T.R. Chadha & Co LLP Chartered Accountants Firm Reg. No.006711N/N500028	For PSD & Associates Chartered Accountants Firm Reg. No. 004501C	For Sagar & Associates Chartered Accountants Firm Reg. No. 003510S
(Neena Goel) Partner M No.057986	(Thalendra Sharma) Partner M No.079236	(V. Vidyasagar Babu) Partner M No.027357

For Kalani & Co. Chartered Accountants Firm Reg. No. 000722C	For P. A. & Associates Chartered Accountants Firm Reg. No. 313085E	For S. K.Kapoor & Co. Chartered Accountants Firm Reg. No. 000745C	For B. M. Chatrath & Co. Chartered Accountants Firm Reg. No. 301011E
(P.C.Parwal) Partner M No. 071411	(S.S.Poddar) Partner M No.051113	(V.B. Singh) Partner M.No.073124	(P.R.Paul) Partner M.No.051675

Place : New Delhi
Dated : 30th May 2016



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NTPC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NTPC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

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

(a) Note No. 12 (i) & 37 (a) in respect of change in accounting of capital expenditure on assets not owned by the Company with retrospective effect taking guidance available in AS 10 notified by MCA on 30th March 2016 effective from the financial year 2016-17.



(b) Note No. 22 (a) & (b) regarding billing & recognition of sales on provisional basis and measurement of GCV of coal on 'as received' basis after secondary crusher pending disposal of the matter by CERC/Hon'ble Delhi High Court and related matters as mentioned in said note;

(c) Note No. 34 in respect of a Company's ongoing project where the order of NGT has been stayed by the Hon'ble Supreme Court of India and the matter is sub-judice.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements / financial information of the following subsidiaries and jointly controlled entities whose financial statements / financial information reflect the details given below of assets as at 31st March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

₹ Crore

Name of the Companies	Assets	Total Revenues	Net Cash Flows
Subsidiaries:			
1) NTPC Electric Supply Company Ltd	77.69	1.40	(501.93)
2) NTPC Vidyut Vyapar Nigam Ltd.	1,256.01	4,122.62	(13.71)
3) Kanti Bijlee Utpadan Nigam Ltd.	4,241.85	377.62	(39.96)
4) Bhartiya Rail Bijlee Company Ltd.	6,265.75	-	28.31
5) Patratu Vidyut Utpadan Nigam Ltd.	6.78	-	2.09
Total	**11,848.08**	**4,501.64**	**(525.20)**
Joint Ventures:			
1) Utility Powertech Ltd.	143.64	327.87	6.04
2) NTPC-Alstom Power Services Pvt. Ltd.	66.54	60.37	(3.57)
3) NTPC-SAIL Power Company Pvt. Ltd.	1,560.14	857.90	62.45
4) NTPC Tamilnadu Energy Company Ltd.	4,770.32	1,329.17	9.76
5) Aravali Power Company Pvt. Ltd.	5,206.37	2,144.37	7.26
6) Meja Urja Nigam Pvt. Ltd.	2,948.57	-	(20.92)
7) BF-NTPC Energy Systems Ltd.	2.94	0.02	-
8) Nabinagar Power Generating Company Pvt. Ltd.	3,753.94	-	29.69
9) National High Power Test Laboratory Pvt. Ltd	58.56	-	(2.72)
Total	**18,511.02**	**4,719.70**	**87.99**

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management upto 25th May 2016 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of the following jointly controlled entities whose financial statements / financial information reflect the details given below of assets as at 31st March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

₹ Crore

Name of the Companies	Assets	Total Revenues	Net Cash Flows
Joint Ventures:			
1) Ratnagiri Gas & Power Pvt. Ltd.	2,540.51	290.25	1.41
2) NTPC-BHEL Power Project Pvt. Ltd	412.24	401.36	(12.02)
3) Transformers and Electricals Kerala Ltd.	58.20	68.90	(1.71)
4) Energy Efficiency Services Ltd.	427.77	206.27	43.75
5) Anushakti Vidyut Nigam Ltd.	0.01	-	-
6) CIL NTPC Urja Pvt. Ltd.	0.03	-	0.02
7) Trincomalee Power Company Ltd.	14.56	0.45	3.16
8) Bangladesh India Friendship Power Company Pvt. Ltd.	94.95	-	21.58
Total	**3,548.27**	**967.23**	**56.19**



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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Holding Company. Further, on the basis of the reports of the statutory auditors of its subsidiary companies, and jointly controlled companies incorporated in India, none of the directors of the Group companies, and its jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 1**.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities. Refer Note 34, 35 and 52 to the consolidated financial statements.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and jointly controlled companies incorporated in India, in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

For T R Chadha & Co LLP Chartered Accountants FRN- 006711N/N500028	For PSD & Associates Chartered Accountants FRN - 004501C	For Sagar & Associates Chartered Accountants FRN - 003510S
[CA. Neena Goel] Partner M. No. 057986	[CA. Thalendra Sharma] Partner M. No. 079236	[CA. V. Vidyasagar Babu] Partner M. No.027357

For Kalani & Co. Chartered Accountants FRN - 000722C	For P. A. & Associates Chartered Accountants FRN - 313085E	For S. K. Kapoor & Co. Chartered Accountants FRN - 000745C	For B.M. Chatrath & Co. Chartered Accountants FRN - 301011E
[CA. P. C. Parwal] Partner M. No. 071411	[CA. S. S. Poddar] Partner M. No. 051113	[CA. V. B. Singh] Partner M. No.073124	[CA. P. R. Paul] Partner M. No. 051675

Place : New Delhi
Dated : 30th May 2016



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NTPC LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, We have audited the internal financial controls over financial reporting of NTPC Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies and nine jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

As regard the financial statements of other six jointly controlled companies incorporated in India, which are un-audited, their impact on the Internal Financial Control on Financial Reporting of the Group is not material.

For T R Chadha & Co LLP
Chartered Accountants
FRN- 006711N/N500028

[CA. Neena Goel]
Partner
M. No. 057986

For PSD & Associates
Chartered Accountants
FRN - 004501C

[CA. Thalendra Sharma]
Partner
M. No. 079236

For Sagar & Associates
Chartered Accountants
FRN - 003510S

[CA. V. Vidyasagar Babu]
Partner
M. No.027357

For Kalani & Co.
Chartered Accountants
FRN - 000722C

[CA. P. C. Parwal]
Partner
M. No. 071411

For P. A. & Associates
Chartered Accountants
FRN - 313085E

[CA. S. S. Poddar]
Partner
M. No. 051113

For S. K. Kapoor & Co.
Chartered Accountants
FRN - 000745C

[CA. V. B. Singh]
Partner
M. No.073124

For B.M. Chatrath & Co.
Chartered Accountants
FRN - 301011E

[CA. P. R. Paul]
Partner
M. No. 051675

Place : New Delhi
Dated : 30th May 2016



TO THE MEMBERS OF NTPC LIMITED

Corrigendum to the Independent Auditor's Report dated 30th May 2016 on the Consolidated Financial Statements of NTPC Ltd. for the year ended 31st March 2016

For the year under audit, we have already issued our Independent Auditors' Report dated 30th May 2016 on the above referred consolidated financial statements of NTPC Ltd. In the said report, the financial statements of one of the Joint Venture Companies, M/s NTPC Alstom Power Services Pvt. Ltd., having assets of Rs.66.54 crore, Total Revenue of Rs. 60.37 crore and Net cash flows of Rs. (-) 3.57 crore, were un-audited as on the date of finalization of consolidated financial statements of NTPC Ltd whereas the same has been inadvertently disclosed as audited. Accordingly, the relevant portions in the Independent Auditors' Report may be read as under:

1. In paragraph (a) titled 'Other Matters' in the main report, the table in respect of Subsidiaries and Jointly Controlled Entities whose accounts were audited may be read as under:

(₹ in Crore)

Name of the Companies	Assets	Total Revenue	Net Cash Flows
Subsidiaries:			
1) NTPC Electric Supply Company Ltd.	77.69	1.40	(501.93)
2) NTPC Vidyut Vyapar Nigam Ltd.	1,256.01	4,122.62	(13.71)
3) Kanti Bijlee Utpadan Nigam Ltd.	4,241.85	377.62	(39.96)
4) Bhartiya Rail Bijlee Company Ltd.	6,265.75	-	28.31
5) Patratu Vidyut Utpadan Nigam Ltd.	6.78	-	2.09
Total	**11,848.08**	**4,501.64**	**(525.20)**
Joint Ventures:			
1) Utility Powertech Ltd.	143.64	327.87	6.04
2) NTPC-SAIL Power Company Pvt. Ltd.	1,560.14	857.90	62.45
3) NTPC Tamilnadu Energy Company Ltd.	4,770.32	1,329.17	9.76
4) Aravali Power Company Pvt. Ltd.	5,206.37	2,144.37	7.26
5) Meja Urja Nigam Pvt. Ltd.	2,948.57	-	(20.92)
6) BF-NTPC Energy Systems Ltd.	2.94	0.02	-
7) Nabinagar Power Generating Company Pvt. Ltd.	3,753.94	-	29.69
8) National High Power Test Laboratory Pvt. Ltd.	58.56	-	(2.72)
Total	**18,444.48**	**4,659.33**	**91.56**

2. In the paragraph (b) titled 'Other Matters' in the main report, the table in respect of Subsidiaries and Jointly Controlled Entities whose accounts were un-audited, may be read as under:

(₹ in Crore)

Name of the Companies	Assets	Total Revenue	Net Cash Flows
Joint Ventures:			
1) NTPC-Alstom Power Services Pvt. Ltd.	66.54	60.37	(3.57)
2) Ratnagiri Gas & Power Pvt. Ltd.	2,540.51	290.25	1.41
3) NTPC-BHEL Power Project Pvt. Ltd	412.24	401.36	(12.02)
4) Transformers and Electricals Kerala Ltd.	58.20	68.90	(1.71)
5) Energy Efficiency Services Ltd.	427.77	206.27	43.75
6) Anushakti Vidyut Nigam Ltd.	0.01	-	-
7) CIL NTPC Urja Pvt. Ltd.	0.03	-	0.02
8) Trincomalee Power Company Ltd.	14.56	0.45	3.16
9) Bangladesh India Friendship Power Company Pvt. Ltd.	94.95	-	21.58
Total	**3,614.81**	**1,027.60**	**52.62**



3. Para titled 'Other matters' in Annexure - I i.e. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the Independent Auditors' Report may be read as under:

"Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies and eight jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

As regard the financial statements of other seven jointly controlled companies incorporated in India, which are un-audited, their impact on the Internal Financial Control on Financial Reporting of the Group is not material."

For T R Chadha & Co LLP
Chartered Accountants
FRN- 006711N/N500028

[CA. Neena Goel]
Partner
M. No. 057986

For PSD & Associates
Chartered Accountants
FRN - 004501C

[CA. Darshit Gupta]
Partner
M No.415120

For Sagar & Associates
Chartered Accountants
FRN - 003510S

[CA. V. Vidyasagar Babu]
Partner
M. No.027357

For Kalani & Co.
Chartered Accountants
FRN - 000722C

[CA. Vikas Gupta]
Partner
M. No. 077076

For P. A. & Associates
Chartered Accountants
FRN - 313085E

[CA. S.S.Poddar]
Partner
M No.051113

For S. K. Kapoor & Co.
Chartered Accountants
FRN - 000745C

[CA. V.B.Singh]
Partner
M.No.073124

For B.M. Chatrath & Co.
Chartered Accountants
FRN - 301011E

[CA. P. R. Paul]
Partner
M. No. 051675

Place : New Delhi
Dated : 29th June 2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NTPC LIMITED FOR THE YEAR ENDED 31 MARCH 2016 AND MANAGEMENT REPLIES THEREON

Sl.no.	Comment	Management Reply
1.	The preparation of consolidated financial statements of NTPC Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2016. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of NTPC Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of NTPC Limited, Kanti Bijlee Utpadan Nigam Limited, Bhartiya Rail Bijlee Company Limited, NTPC Tamilnadu Energy Company Limited, Aravali Power Company Private Limited, Meja Urja Nigam Private Limited, Nabinagar Power Generating Company Private Limited, National High Power Test Laboratory Private Limited and NTPC SAIL Power Company Private Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure-I for the year ended on that date. Further, Section 139(5) and 143 (6)(b) of the Act are not applicable to Utility Powertech Limited, NTPC Alstom Power Services Private Limited and BF-NTPC Energy Systems Limited being private entities and Trincomalee Power Company Limited and Bangladesh-India Friendship Power Company Private Limited being entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor or for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) read with Section 129(4) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report: **Balance Sheet** **Tangible Assets (Note -12) ₹ 1,04,211.88 crore** **Capital work-in-progress (Note -13)** **'Expenditure pending allocation- other expenditure directly attributable to project construction':- ₹ 493.62 crore** A reference is invited to the comment of the Comptroller and Auditor General of India on the annual accounts of the Company for the year 2014-15 on accounting treatment of expenditure amounting to ₹ 167.99 crore on the enabling assets not owned by the company.	The Company is a Rate Regulated Entity. Accounting of capital expenditure on the assets not owned by the Company was being done by the Company considering the Guidance Note on 'Treatment of Expenditure during Construction Period' since long. With the withdrawal of the



Sl.no.	Comment	Management Reply
	As per opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India of May 2010 and reiterated in July 2011, expenditure incurred on enabling assets not owned by the Company should be charged off to revenue in the accounting period in which such expenditure is incurred. Up to the year 2014-15, Company distinctively showed such expenditure under the head 'Capital expenditure on assets not owned by the Company' both under 'Tangible Assets' and 'Capital work in progress'. On commissioning of the power stations, expenditure under Capital work in progress was capitalized and amortized over a period of four years. However, in the year 2015-16, the Company changed this policy and reversed the amortization made up to 2014-15 and provided depreciation according to CERC approved rates. As a result, Net Block was increased by ₹113.52 crore (NTPC Limited - ₹86.90 crore, Aravali Power Company Private Limited - ₹20.66 crore and NTPC Tamil Nadu Energy Company Limited - ₹5.96 crore). Similarly, ₹120.08 crore was included against 'Other expenditure directly attributable to project construction' under 'Capital work in progress' with the objective of capitalizing the same in future. The above accounting treatment of expenditure on enabling assets by the Company is not in line with the Accounting Standard 10 and opinion of Expert Advisory Committee of ICAI. This has resulted in overstatement of 'Tangible Assets' by ₹ 113.52 crore and 'Capital Work in Progress' by ₹ 120.08 crore. Consequently, 'Profit for the year' is overstated by ₹ 233.60 crore. **ANNEXURE-I** List of subsidiaries, associate companies and jointly controlled entities of NTPC Limited whose financial statements for the year 2015-16 were not audited by the Comptroller and Auditor General of India **A. Subsidiaries incorporated in India** 1. NTPC Vidyut Vyapar Nigam Limited 2. NTPC Electric Supply Company Limited 3. Patratu Vidyut Utpadan Nigam Limited **B. Joint Ventures incorporated in India** 1. Ratnagiri Gas & Power Pvt. Ltd. 2. NTPC-BHEL Power Projects Pvt. Ltd. 3. Transformers & Electricals Kerala Ltd. 4. CIL NTPC Urja Pvt. Ltd. 5. Anushakti Vidyut Nigam Ltd. 6. Energy Efficiency Services Ltd.	above guidance note, accounting of such expenditure is being done in line with the provisions of Para 9.1 and 10 of AS 10 on 'Accounting for Fixed Assets' which provides that expenditure on assets which is directly attributable to the construction of the power project should be capitalized. Expenditure incurred on these assets is directly attributable to the construction of the power projects without which the construction of the projects of the Company would not be possible. In the opinion of the Management, such expenditure is necessary for bringing the asset to the location and condition necessary for it to be capable for operating in the manner intended by the management. AS-10 on 'Property, Plant and Equipment' (PPE) notified by Ministry of Corporate Affairs GOI vide notification no. GSR 364 (E) dated 30 March 2016 effective from the financial year 2016-17 and Ind AS-16 on 'Property, Plant and Equipment', permit that such expenditure shall form part of the project cost considering the principles of 'Unit of Measure'. The AS 10 on PPE has transitional provisions facilitating retrospective application and therefore permits its application from earlier period. Taking guidance from the AS 10 on PPE, the Company has changed the treatment of such expenditure and capitalized retrospectively as part of cost of project. Adequate disclosure in this regards has also been made in the Note no.37 (a) forming part of the consolidated financial statements for the year 2015-16.

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

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

Place : New Delhi
Dated: 28 July 2016

For and on behalf of the
Board of Directors

(Gurdeep Singh)
Chairman and Managing Director

Place: New Delhi
Dated: 29 July 2016



NTPC Limited

CIN: L40101DL1975GOI007966

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Tel : 011-2438 7333 Fax: 011-24361018. **Web :** www.ntpc.co.in **Email:** ntpccc@ntpc.co.in

ATTENDANCE SLIP

40TH ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY, 20TH SEPTEMBER, 2016 AT 10.30 A.M.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No.	
Client ID No.	
No. of shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I, hereby record my presence at the 40th Annual General Meeting of the Company held on TUESDAY, 20TH SEPTEMBER, 2016 at Manekshaw Centre, Parade Road, New Delhi – 110 010.

Signature of Member/ Proxy

*Applicable in case of shares held in Physical Form.

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the RTA counter(s) at the venue against which RTA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by RTA. **Members in person and Proxy holders may please carry photo-ID card for identification/verification purposes.**
2. Shareholder(s) present in person or through registered proxy shall only be entertained.
3. **Due to strict security reasons mobile phones, briefcases, eatables and other belongings are not allowed inside the Auditorium. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).**
4. **No gifts will be distributed at the Annual General Meeting.**



NOTES



NTPC Limited

CIN: L40101DL1975GOI007966

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003
Tel : 011-2438 7333 **Fax:** 011-2436 1018 **Web :** www.ntpc.co.in **Email:** ntpccc@ntpc.co.in

FORM OF PROXY

Name of the member (s):	
Registered address:	
Folio No/ DP ID- Client Id:	
Email ID	
No. of Shares held	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1.	Name:		Signature:	
	Address:			
	E-mail Id:			
Or failing him				
2.	Name:		Signature:	
	Address:			
	E-mail Id:			
Or failing him				
3.	Name:		Signature:	
	Address:			
	E-mail Id:			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Tuesday, 20th September, 2016 at Manekshaw Centre, Parade Road, New Delhi – 110 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
Ordinary Business			
1.	Adoption of audited Standalone financial statements and consolidated financial statement of the Company for the year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.		
2.	Confirmation of payment of interim dividend and to declare final dividend for the year 2015-16		
3.	Re-appointment of Shri S.C.Pandey (DIN: 03142319), who retires by rotation		
4.	Re-appointment of Shri Kulamani Biswal(DIN: 03318539), who retires by rotation		
5.	Fixation of remuneration of Statutory Auditors		
Special Business			
6.	Appointment of Shri Gurdeep Singh (DIN: 00307037), as Chairman & Managing Director		
7.	Appointment of Shri Aniruddha Kumar (DIN: 07325440), as Director		
8.	Appointment of Shri Rajesh Jain (DIN: 00103150), as Independent Director		
9.	Appointment of Dr. Gauri Trivedi (DIN: 06502788), as Independent Director		
10.	Appointment of Shri Seethapathy Chander (DIN: 02336635) as Independent Director		
11.	Raising of funds upto ₹15,000 Crore through issue of Bonds/Debentures on Private Placement basis		
12.	Ratification of remuneration of the Cost Auditors for the financial year 2016-17		

Signed this..... day of..... 2016

Affix Revenue Stamp of Rs.1/-

Signature of shareholder _____ Signature of Proxy holder(s) _____

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The Proxy Form should be signed across the stamp as per specimen signature registered with the R&TA/Depository Participant (DP).
3. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ELECTRONIC VOTING PARTICULARS		
EVEN (Remote e-voting Event Number)	**USER ID**	**PASSWORD / PIN**

Note: Please read instructions given overleaf carefully before voting electronically.



The instructions and other information relating to Remote e-voting are as under:

1. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

   (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

   i. Launch internet browser by typing the URL: https://evoting.karvy.com.
   ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
   iii. After entering these details appropriately, click on "LOGIN".
   iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmostcare to keep your password confidential.
   v. You need to login again with the new credentials.
   vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"
   vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
   viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
   ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
   x. You may then cast your vote by selecting an appropriate option and click on "Submit".
   xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
   xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email scrutinizer_ntpc@yahoo.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format " Corporate Name_Event No."

   (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

   i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
   ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

2. **Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting, however those Members are not entitled to cast their vote again in the Meeting.
3. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

1. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. Suresh Babu D, Deputy Manager, (Unit: NTPC Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
2. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
3. The remote e-voting period commences on **September 16, 2016 (9:00 A.M. IST)** and ends on **September 19, 2016 (5:00 P.M.IST).** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 13, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
4. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the **cut-off date i.e. September 13, 2016.**
5. The scrutinizer will, after the conclusion of e-voting at the meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result declared along the consolidated Scrutinizer's Report will be placed on the website of the Company, www.ntpc.co.in and on Karvy at https://evoting.karvy.com. The result will simultaneously be communicated to the Stock Exchanges.
6. The Board of Directors have appointed Shri Naresh Kumar Sinha, Practising Company Secretary, M/s. Kumar Naresh Sinha & Associates as scrutinizer for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
7. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of Meeting, i.e. Tuesday, September 20,2016.
8. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., September 13, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :

   i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

   Example for NSDL: MYEPWD <SPACE> IN12345612345678
   Example for CDSL: MYEPWD <SPACE> 1402345612345678
   Example for Physical: MYEPWD <SPACE> XXXX1234567890

   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
   iii. Member may call Karvy's toll free number 1800-3454-001.
   iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

*****




Location Map
Rashtrapati Bhawan
Sardar Patel Marg
Chanakyapuri
Shantipath
Sarojini Nagar
Ring Rd
AIIMS
Green Park Extension
Hauz Khas
Sri Aurobindo Marg
Pusa Hill Forest
Military Area
Delhi Cantonment
Mahatma Gandhi Marg
Delhi Cantonment
Dhaula Kuan
South Campus
Anand Niketan
Subroto Park
Vasant Vihar
Manekshaw Centre
Canappa Marg
Thimayya Marg
Dwarka Rd
Indira Gandhi International Airport
AEROCITY
Gurgaon Rd
Details :
From Dhaula Kaun : 3 KM; From Dwarka Rd : 15 KM; From Vasant Vihar : 3 KM.




NTPC

Achievements & Accolades



NTPC Limited was honored with the Dun & Bradstreet's India's Leading Infrastructure Companies and Infra Awards 2015 in the power generation category. Shri A K Jha, CMD,NTPC received the award on behalf of NTPC from Shri Piyush Goyal, Hon'ble Minister of State with Independent Charge for Power, Coal, New and Renewable Energy in a function held in New Delhi on 28th Oct, 2015.



NTPC Limited was felicitated for its contribution towards Swachh Vidyalaya Abhiyan on Nov. 2, 2015. Shri Piyush Goyal, Hon'ble Minister of State, Independent Charge for Power, Coal, New and Renewable Energy honored Shri A. K. Jha, CMD , NTPC for championing the cause of Swachh Bharat by successfully constructing toilets across17 States covering 83 districts more than 650 blocks of the country.



NTPC Limited has been awarded with "ASSOCHAM 1st CORPORATE GOVERNANCE EXCELLENCE AWARD in Listed PSU Category - for the year 2014-2015" in recognition for the outstanding Corporate Governance practice undertaken by the company. The award was given away by Shri Piyush Goyal, Hon'ble Minister for Power, Coal & Renewable Energy at a function organized at New Delhi on 14th August, 2015. Shri K.Biswal, Director (Finance), NTPC received the award on behalf of NTPC.



NTPC Limited has been conferred prestigious Gold Trophy & Certificate of Merit of "ASSOCHAM Award 2015-16" and adjudged "Best PSU" for implementing vocational training programmes in PSU Category. The Award was received by Shri U. P. Pani, Director (HR) from Shri Rajiv Pratap Rudy, Hon'ble Minister of State (I/C) for Skill Development, Entrepreneurship & Parliamentary Affairs on 15th March, 2016 during "Summit-cum-Award on Skilling India" in New Delhi.



CMD and Directors of NTPC Limited

एनटीपीसी NTPC

A Maharatna Company

NTPC Limited

(A Govt. of India Enterprise)

(CIN : L40101DL1975GOI007966)

Regd. Office : NTPC Bhawan, Scope Complex, 7, Institutional Area,
Lodi Road, New Delhi - 110003, **Tel No. :** 011-24387333, **Fax No. :** 011-24361018
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