
एनटीपीसी
NTPC
रोशन करे जीवन
Transforming lives
34th ANNUAL REPORT
2009-2010

VISION

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

CORE VALUES

(B-COMIT)

B-BUSINESS ETHICS
C-CUSTOMER FOCUS
O-ORGANIZATIONAL & PROFESSIONAL PRIDE
M-MUTUAL RESPECT & TRUST
I-INNOVATION & SPEED
T-TOTAL QUALITY FOR EXCELLENCE

CORPORATE 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"

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. : 011-2436 1018

Web site : www.ntpc.co.in

Subsidiaries

NTPC Electric Supply Company Ltd.

NTPC Hydro Ltd.

NTPC Vidyut Vyapar Nigam Ltd.

Pipavav Power Development Company Ltd.

Kanti Bijlee Utpadan Nigam Limited

Bhartiya Rail Bijlee Company Limited

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.

17-24, Vittal Rao Nagar

Madhapur

Hyderabad – 500 081

Phone No. : 040-2342 0815-28

Fax No. : 040-2342 0814

E- Mail – Id : mailmanager@karvy.com

Shares listed at

National Stock Exchange of India Limited

Bombay Stock Exchange Limited

Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

Company Secretary

A.K. Rastogi

Bankers

Allahabad Bank

Andhra Bank

Bank of Baroda

Bank of India

Canara Bank

Central Bank of India

Citi Bank, NA

Dena Bank

Indian Overseas Bank

ICICI Bank Ltd.

Jammu & Kashmir 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

UCO Bank

Union Bank of India

United Bank of India

Vijaya Bank

Auditors

M/s Dass Gupta & Associates

M/s S.K. Mittal & Co.

M/s Varma & Varma

M/s Parakh & Co.

M/s B.C. Jain & Co.

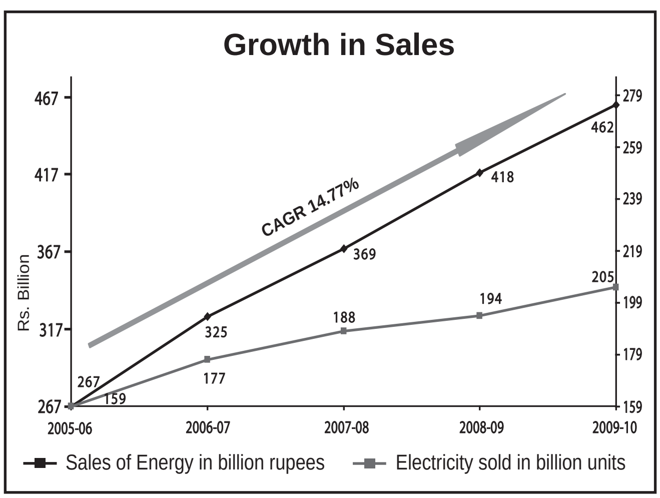
M/s S.K. Mehta & Co.

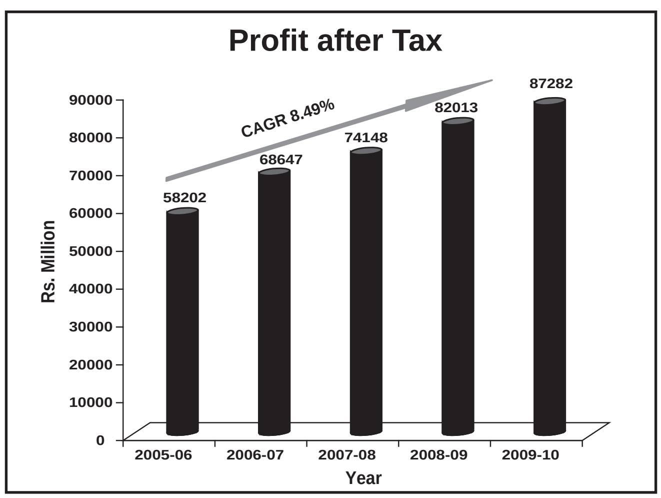
CONTENTS

THE YEAR AT A GLANCE

		2009-10	2008-09
Gross Generation	Million Units	218840	206939
Commercial Generation	"	218439	206156
Energy sent out	"	205091	193688
Sale of Energy	Rs. Million	461687	417913
Profit before tax	"	108855	93595
Profit after tax	"	87282	82013
Dividend	"	31332	29683
Dividend tax	"	5276	5017
Retained Profit	"	50674	47313
Net Fixed Assets	"	347613	329377
Net Worth	"	624375	573701
Loan Funds	"	377970	345678
Capital Employed	"	695725	641834
Net Cash From Operations	"	105942	96881
Value Added	"	173313	140548
No. of Employees #	Number	23743	23639
Value added per employee	Rs. Million	7.30	5.95
Debt to Equity	Ratio	0.61	0.60
Debt Service Coverage Ration (DSCR)	Times	3.92	3.67
Interest Service Coverage Ration (ISCR)	Times	13.64	10.19
Return on Capital Employed	%	13.97	14.29
Face Value Per Share	Rs.	10.00	10.00
Dividend Per Share	"	3.80*	3.60
Book Value Per Share	"	75.72	69.58
Earnings Per Share	"	10.59	9.95

excluding JVs and Subsidiaries
*including final dividend recommended by the Board





LETTER TO SHAREHOLDERS

Dear fellow share-owner of NTPC,

I am delighted to share with you that your Company has been accorded the status of **MAHARATNA** by the Government of India with enhanced powers to expand its operations in both domestic and global markets. This is recognition of the globally comparable stature, strengths and potential of your Company.

Capitalizing upon its proven strengths and key strategic priorities, your Company is **'future-ready'** with a new vision:

"To be the world's largest and best power producer, powering India's growth".

The new vision is part of the new Corporate Plan developed by your Company for the period up to the year 2032.

Among the largest and best performing power generation companies in the world, NTPC has already set up 32,194 MW capacity. By 2032, it plans to have total capacity of 1,28,000 MW.

While your Company has ~ 20% market share of installed capacity in India, through its higher capacity utilization levels compared to those of other power generating companies, it produces **~ 30% of India's total electricity generation.**

On the operational front, your Company has successfully adopted the 90% plus PLF strategy for coal based stations and demonstrated the same for the last three years. Thus, **for the third consecutive year, NTPC maintained PLF of above 90%** during 2009-10, which is remarkable in view of its large fleet size comprising 81 coal-based units with average unit age of ~ 19 years. The gas stations achieved best ever PLF of 78.38% against the previous year's 67.01%. Sustained operational excellence of NTPC's earliest plants like Singrauli (commissioned in 1982), with a PLF of 92.83% and Korba (commissioned in 1983), with a PLF of 97.61%, highlights your Company's **proven operational and engineering capabilities.**

With a market cap of over Rs. 1,60,000 crore, your Company has remained among the top five Indian Companies in terms of market capitalization which underlines its **high-value market position.**

Your Company's total income increased by ~ 9% during 2009-10 to reach close to Rs. 50,000 crore mark (Rs. 49,233.9 crore). It earned a profit of Rs. 8,728.2 crore, an increase of 6.42% over the previous year's profit. Your Company has been given the highest possible credit ratings by prestigious agencies.

Your Company has been **realizing 100% payment of current bills for sale of power for seven consecutive years.** The Company's Customer Relationship Management initiatives and innovative incentive schemes highlight its **customer focus.**

In line with the strategy of **expanding its leadership position in the sector,** your Company is geared to reach 75,000 MW capacity by 2017 which means an aggressive annual capacity addition target of > 6,000 MW. Currently 45 units aggregating to 17,340 MW are under construction at 16 locations. A capacity of 7,105 MW is under bidding. Feasibility Reports have been approved for a capacity of 8,447 MW, which will very soon go to the award stage. Feasibility Reports are ready for 10,980 MW. Feasibility Reports are under preparation for ~ 15,500 MW.

In order to achieve this quantum ramping up in capacity addition, your Company has created a very focused project execution and monitoring system at the core of which is the newly built world-class web-enabled Project Monitoring Centre (PMC), the first of its kind in the country. Your Company is more equipped and energized than ever before to execute its ambitious capacity addition and growth plans with **much sharper focus on on-the-ground progress.**

Your Company's **fuel security strategy** is a judicious mix of domestic and international long-term coal agreements/ contracts, purchase of coal from spot markets, developing captive coal mines and acquiring stakes in mining companies. For gas, your Company is exploring long-term agreements/contracts and opportunities for participation in LNG value-chain.

As the leader in introducing new technologies in the sector, your Company has been **investing in technology and innovation with focus on efficiency, environment and economical generation of power.** Your Company has developed a **long-term technology roadmap**. For the new coal based stations, the Company has adopted state-of-the art **super critical steam parameters** which will result in efficiency gains and reduction in CO2 emissions. We are close to commissioning the first super critical unit of the country at Sipat. We plan to commission the first 800 MW ultra super critical operating station by Fiscal 2016. The **NTPC Energy Technology Research Alliance (NETRA)** is focusing on technologies to deal with climate change issues and will also provide a complete range of scientific services to enable NTPC power stations to retain their technological and commercial edge.

Your Company believes that nuclear power has a key role to play as part of a solution to issues concerning energy availability and climate change. Hence **nuclear power is an important building block in NTPC's capacity growth strategy** with a target of 2,000 MW nuclear capacity by 2017. Your Company has entered into a Memorandum of Agreement for a joint venture with Nuclear Power Corporation of India Limited (NPCIL) for setting up nuclear power projects and the joint venture company is going to be incorporated soon.

In line with its aspiration to become one of the **leaders in green power,** your Company is entering the renewable energy space with capacity target of at least 1,000 MW by 2017. The main components of the renewable portfolio will be solar and wind. NTPC Vidyut Vyapar Nigam Limited (NVVN) has been designated as the Nodal Agency for the purchase of up to 1,000 MW of solar power under the National Solar Mission.

Your Company has an outstanding **team of power professionals with deep-rooted sense of pride in serving the nation.** In order to sustain the strong work ethic and professionalism, your Company is taking a number of initiatives to further improve the entry level-talent-quality to establish a **strong talent pool**. It is also taking steps to develop a **leadership pipeline**. Your Company seeks to foster a winning culture of entrepreneurship through focus on an objective and open performance management system, a well-conceived manpower deployment policy, exposure to a variety of assignments etc.

In view of the quantum jump in the capacity growth targets of your Company and of the sector, a very large pool of skilled manpower at all the levels needs to be developed urgently. Giving **major focus on skill development**, your Company has been hiring high-caliber engineers directly from the campuses of IITs and NITs and recruiting a large number of engineers through a rigorous examination process. It is providing state-of-the art training to its employees at all the levels. In order to **create a large base of technically skilled work force**, your Company has been adopting ITIs and setting up new ITIs with emphasis on relevant courses and quality of training. Till now, the Company has adopted 18 ITIs and is setting up 8 new ITIs. Your Company will be taking many more such initiatives for **skill development**.

The sound system of checks and balances developed by your Company and applied by it throughout the organization has matured into an exemplary corporate governance system which is praised by the stakeholders. Implementation of **Integrity Pact**, adoption of a comprehensive **Enterprise Risk Management Framework** and a **well-defined Internal Control Framework** add to the transparency and robustness of the Company's business practices.

Your Company has been taking concrete steps to fulfill its **corporate social responsibility** by helping the **physically challenged** and other marginalized communities through setting up Information and Communication Technology **(ICT) Centres** for the physically challenged at many places, District Disability Rehabilitation Centre **(DDRC)** at NTPC-Tanda, Directly Observable Treatment **(DOT) Centres** to take care of tuberculosis patients in the vicinity of its power stations, distributed generation projects in remote villages and providing safe drinking water. Thus your Company has been ***transforming lives*** of the people.

With stronger focus on measuring, monitoring and facilitating growth and performance for the benefit of its stakeholders, your Company is very well positioned to grow and contribute to India's growth and creating wealth for its shareholders.

With best wishes,

(R.S. Sharma)
Chairman & Managing Director

NOTICE

NOTICE is hereby given that the **Thirty Fourth Annual General Meeting** of the members of **NTPC Limited** will be held on **Thursday, September 23, 2010 at 10.30 a.m.** at Air Force Auditorium, Subroto Park, New Delhi – 110 010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and Profit & Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors' thereon.
2. To confirm payment of interim dividend and declare final dividend for the year 2009-10.
3. To appoint a Director in place of Shri Shanti Narain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri P.K. Sengupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri K. Dharmarajan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Dr. M. Govinda Rao, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix the remuneration of the Auditors.

SPECIAL BUSINESS

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "Resolved that Shri D.K. Jain, who was appointed as a Director of the Company w.e.f. 13.05.2010 by the President of India vide letter no. 8/3/2008-Th.I (Pt.II) [DT] dated 13.05.2010 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

Regd. Office:

NTPC Bhawan, 7 Institutional Area,
Lodi Road, New Delhi-110003
Date: August 04, 2010

NOTES:-

1. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
2. Brief Resume of the Directors seeking appointment and re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
3. **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.**
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 11, 2010 to September 23, 2010 (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after September 28, 2010 to the Members or their mandates whose names appear on the Company's Register of Members on September 23, 2010 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 10, 2010.
5. 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) 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.
   iv) quote their Folio / Client ID & DP ID Nos. in all correspondence.
   v) note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium.
   vi) note that no gifts/coupons will be distributed at the Annual General Meeting.
6. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to Karvy Computershare Private Limited, Registrar & Share Transfer Agent (RTA) of the Company. Those holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/ RTA /DP with complete details need not send it again.

   The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, RTA of the Company to enable them to print these details on the dividend warrants.
7. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its RTA alongwith relevant Share Certificates.
8. SEBI has made it 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.

9. Members may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the Form-2B as prescribed in the Companies (Central Government's) General Rules and Forms, 1956, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Form-2B is to be submitted in duplicate to Karvy Computershare Private Limited, RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.

10. 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.

11. Members are requested to notify immediately any change of address:

    i. to their Depository Participants (DP) in respect of shares held in dematerialized form, and

    ii. to the Company at its Registered Office or to its RTA, Karvy Computershare Pvt. Ltd. in respect of their physical shares, if any, quoting their folio number.

12. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Shri K. Sivakumar, ED (Finance) and Public Spokesperson 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.

13. The Board of Directors in its meeting held on March 13, 2010 had declared an interim dividend @ 30% (Rs. 3.00 per share) on the paid-up equity share capital of the company which was paid on March 23, 2010. Members who have not received or not encashed their dividend warrants may approach Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants.

14. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid / unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.

15. Annual listing fee for the year 2010-2011 has been paid to all Stock Exchanges wherein shares of the Company are listed.

16. Pursuant to Section 619(2) of the Companies Act, 1956, 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 terms of Clause (aa) of sub-section (8) of Section 224 of the Companies Act, 1956, their remuneration has 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 the 33rd Annual General Meeting held on September 17, 2009 authorised the Board of Directors to fix the remuneration of Statutory Auditors for the year 2009-10. Accordingly, the Board of Directors has fixed audit fee of Rs. 75,00,000/- for the Statutory Auditors for the financial year 2009-10 in addition to applicable service tax and reimbursement of actual traveling and out-of-pocket expenses for visits to accounting units. C&AG vide letter dated 12.07.2010 have appointed Statutory Auditors of the Company for the year 2010-2011. Accordingly, the Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board.

17. None of the Directors of the Company is any way related with each other except that Shri Shanti Narain is Brother-in-Law to Shri Kanwal Nath, Independent Director on the Board of NTPC Limited.

18. 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.

Annexure to Notice

EXPLANATORY STATEMENT

Item No. 8

Shri D.K. Jain, was appointed as Director (Technical) on the Board of NTPC, w.e.f 13.05.2010 by the President of India vide Notification No. 8/3/2008-Th.I (Pt.II) [DT] dated 13.05.2010 issued by Ministry of Power. In terms of the Companies Act, 1956, he holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri D.K. Jain for the office of Director (Technical). Shri D.K. Jain, if appointed, will be liable to retire by rotation.

Shri D.K. Jain, aged 58 years, is a Graduate in Mechanical Engineering from IIT, Kharagpur. Shri Jain has rich and varied experience of over 35 years in design and execution of large power plants. He has worked in various capacities in the areas of renovation & modernisation, engineering and project execution. He was actively involved in design and engineering of first pit-head super thermal power station of NTPC at Singrauli.

Shri D.K. Jain holds 4188 shares of NTPC in his own name. He is Part-time Director of Pipavav Power Development Company Limited, NTPC ALSTOM Power Services Private Limited, NTPC Hydro Limited and Transformers and Electricals Kerala Limited. He is also a Member of Audit Committee of NTPC Hydro Limited.

None of the Directors except Shri D.K. Jain is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri D.K. Jain, it would be in the interest of the Company to appoint him as Director (Technical) of the Company. The Board recommends the resolution for your approval.

By order of the Board of Directors

(A.K. Rastogi)
Company Secretary

Regd. Office:
NTPC Bhawan, 7 Institutional Area,
Lodi Road, New Delhi-110003
Date: August 04, 2010

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AT THE 34TH AGM

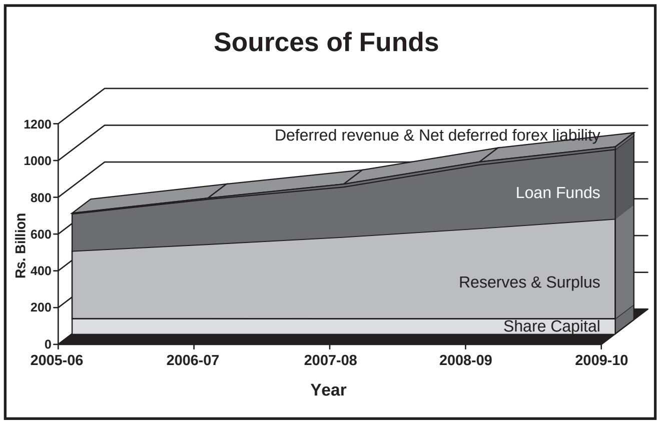
Name	Shri Shanti Narain	Shri P.K. Sengupta	Shri K. Dharmarajan	Dr. M. Govinda Rao
Date of Birth & Age	15.02.1941/ 69 years	08.09.1940/ 70 years	22.12.1943/ 67 years	07.04.1947/ 63 years
Date of Appointment	26.08.2008	26.08.2008	26.08.2008	26.08.2008
Qualifications	B.Sc (Hons. in Physics), M.Sc (Mathematics) & Management Development Programme from UK	B.Com and FICWA	M.Sc. (Physics), MS in Energy Management and Policy from University of Pennsylvania	Ph.D in Economics
Expertise in specific functional area	Shri Narain has held various posts in Railways prior to becoming Member (Traffic), Railway Board. He has key expertise in strategic management of transport system and development of transport infrastructure.	Shri Sengupta has superannuated as the Chairman & Managing Director of Coal India Limited. He has held the position of Director (Finance) in Eastern Coalfield Limited and in Coal India Limited. He has expertise in the area of Financial Management and General Administration.	Shri Dharmarajan, a retired IAS has 40 years of wide-ranging experience in the areas of Finance, Energy, Trade and Commerce, Urban Governance and Poverty. He is also well known in the areas of institutional development, administration, international trade and commerce and energy. He is involved as a Volunteer with the work of non-profit organization, KATHA, working for urban poverty alleviation through education, community development and economic resurgence.	Dr. Rao is Director, National Institute of Public Finance and Policy, New Delhi. He is also a Member, Economic Advisory Council to the Prime Minister. He has played a number of advisory roles in various Expert Committees. He has been a Consultant to World Bank, IMF, ADB and the UNDP. He has published 13 books and monographs on various aspects of Public Finance besides technical articles in a number of journals.
Directorship held in other companies	**Part-time Director** 1. Kalindee Rail Nirman (Engineers) Limited 2. Visa Steel Limited	-	**Part-time Director** 1. NHPC Limited 2. Infrastructure Professionals Enterprise Private Limited	**Part-time Director** 1 Rural Electrification Corporation Limited
Memberships/ Chairmanship of Committees across all Public Companies	**Audit Committee - Member** - NTPC Limited - Kalindee Rail Nirman (Engineers) Limited - Visa Steel Limited **Shareholders'/ Investors' Grievance Committee** - Visa Steel Limited	**Audit Committee- Member** - NTPC Limited	**Audit Committee- Chairman** - NTPC Limited	**Audit Committee- Chairman** - Rural Electrification Corporation Limited

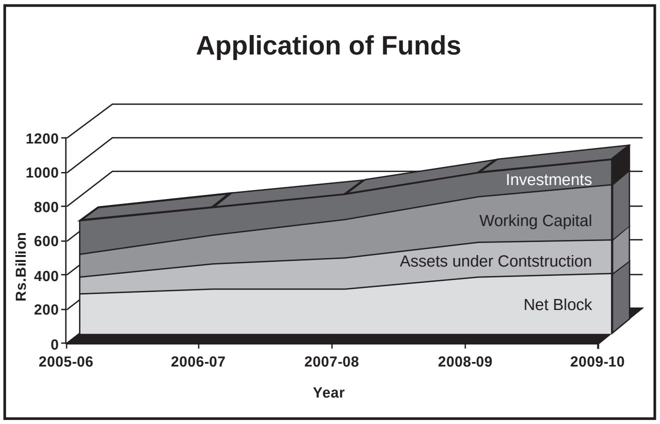
ACHIEVEMENTS & ACCOLADES

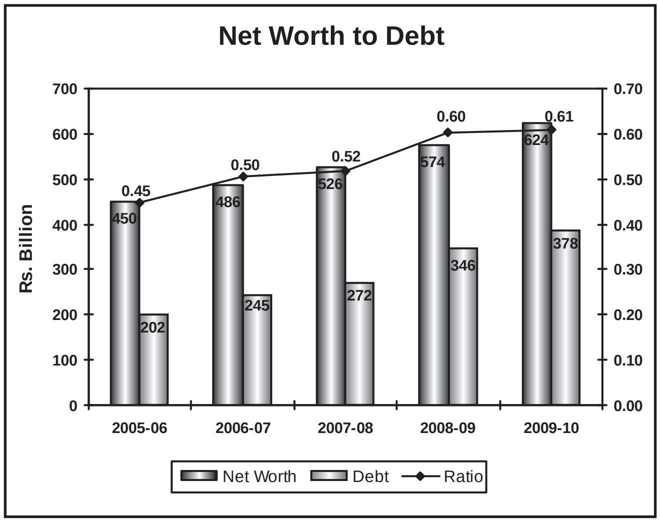
Shri Shushilkumar Shinde Union Minister of Power presenting National Award for Meritorious Performance in the Power Sector for the year 2008-09 to Shri R. S. Sharma, CMD, NTPC, Shri Bharatsinh Solanki, Union Minister of State for Power and Shri Rakesh Nath, Chairperson CEA were also Present on the occasion.

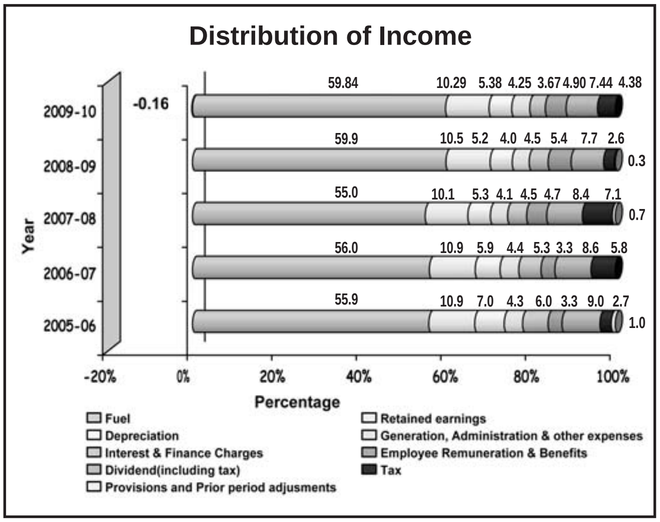
Shri P. Chidambaram, Union Home Minister presenting the Gold Trophy for Excellence in Energy and Power Category at India Pride Awards to Shri A.K. Singhal, Director (Finance), NTPC.

Shri Vilasrao Deshmukh, Hon'ble Union Minister for Heavy Industries & Public Enterprises presenting "ICSI National Award for Excellence in Corporate Governance 2009" to Shri R.S.Sharma, Chairman & Managing Director, NTPC.


Sources of Funds
Deferred revenue & Net deferred forex liability
Loan Funds
Reserves & Surplus
Share Capital
Rs. Billion
0
200
400
600
800
1000
1200
2005-06
2006-07
2007-08
2008-09
2009-10
Year


Application of Funds
Investments
Working Capital
Assets under Contstruction
Net Block
Rs.Billion
0
200
400
600
800
1000
1200
2005-06
2006-07
2007-08
2008-09
2009-10
Year

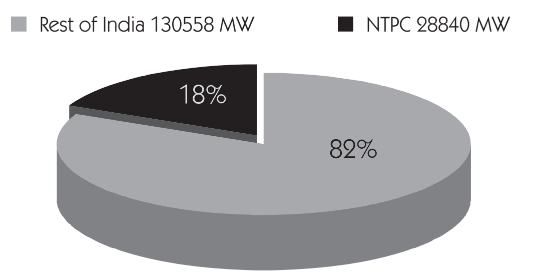

Net Worth to Debt
Rs. Billion
0
100
200
300
400
500
600
700
0.00
0.10
0.20
0.30
0.40
0.50
0.60
0.70
0.45
0.50
0.52
0.60
0.61
450
202
486
245
526
272
574
346
624
378
2005-06
2006-07
2007-08
2008-09
2009-10
Net Worth
Debt
Ratio


Distribution of Income
Year
2009-10
-0.16
59.84 10.29 5.38 4.25 3.67 4.90 7.44 4.38
2008-09
59.9 10.5 5.2 4.0 4.5 5.4 7.7 2.6
0.3
2007-08
55.0 10.1 5.3 4.1 4.5 4.7 8.4 7.1
0.7
2006-07
56.0 10.9 5.9 4.4 5.3 3.3 8.6 5.8
2005-06
55.9 10.9 7.0 4.3 6.0 3.3 9.0 2.7
1.0
-20%
0%
20%
40%
60%
80%
100%
Percentage
Fuel
Depreciation
Interest & Finance Charges
Dividend(including tax)
Provisions and Prior period adjusments
Retained earnings
Generation, Administration & other expenses
Employee Remuneration & Benefits
Tax

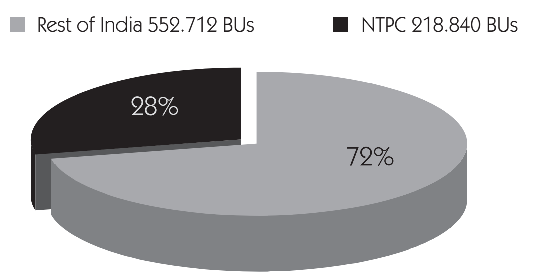
STATION-WISE GENERATION 2009-10

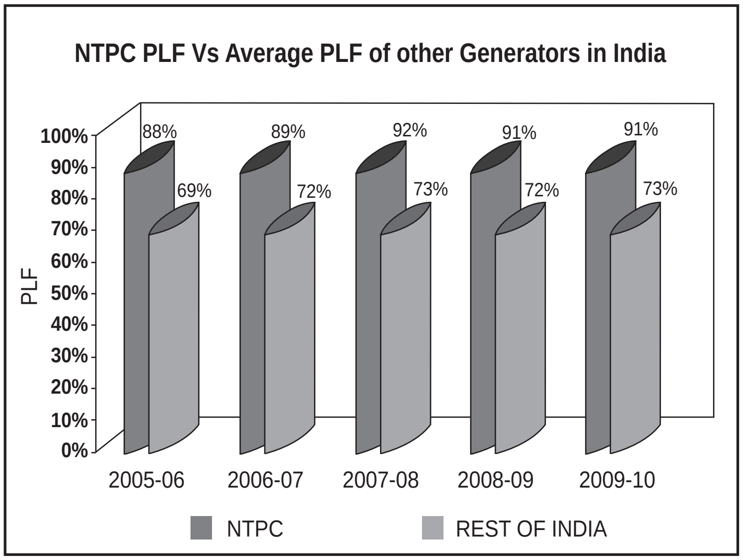
STATIONS	Fuel Type	Capacity(MW)	Gen.(MU)Gross
Northern Region		**5490**	**45515**
Singrauli	Coal	2000	16264
Rihand	Coal	2000	16743
Unchahar	Coal	1050	8952
Tanda	Coal	440	3555
National Capital Region		**4347**	**29285**
Badarpur	Coal	705	5108
Dadri	Coal	1330	7829
Anta	Gas	413	3002
Auraiya	Gas	652	4528
Dadri	Gas	817	5607
Faridabad	Gas	430	3212
Western Region		**7653**	**62532**
Korba	Coal	2100	17955
Vindhyachal	Coal	3260	27586
Sipat	Coal	1000	8175
Kawas	Gas	645	4327
Jhanor Gandhar	Gas	648	4488
Eastern Region		**7400**	**48974**
Farakka	Coal	1600	10239
Kahalgaon	Coal	2340	11314
Talcher - Kaniha	Coal	3000	23759
Talcher - Thermal	Coal	460	3662
Southern Region		**3950**	**32533**
Ramagundam	Coal	2600	21595
Simhadri	Coal	1000	8521
Rajiv Gandhi CCP	Liquid Fuel	350	2418
Total		**28840**	**218840**

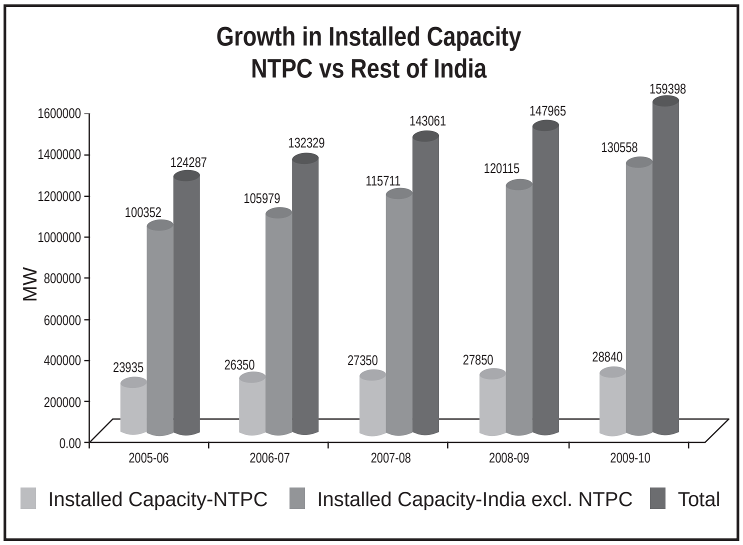
Share of Generating Capacity
(as on 31st March 2010)

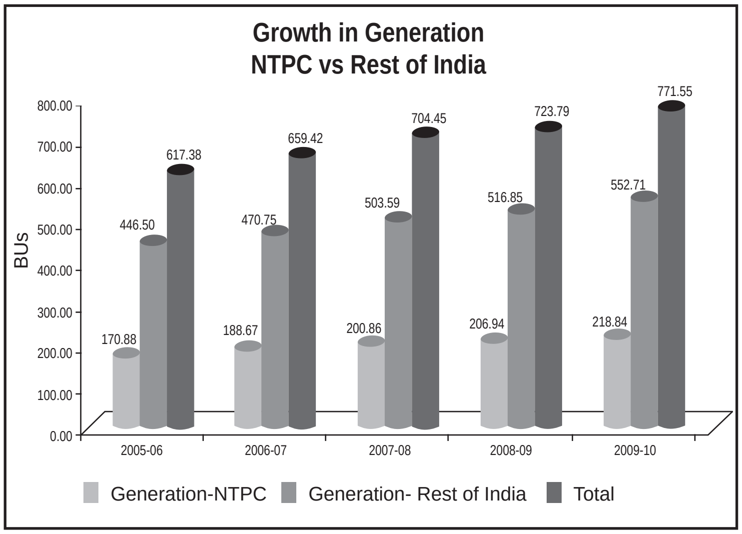


Share of Electricity Generated
(as on 31st March 2010)




NTPC PLF Vs Average PLF of other Generators in India
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
PLF
88%
69%
89%
72%
92%
73%
91%
72%
91%
73%
2005-06
2006-07
2007-08
2008-09
2009-10
NTPC
REST OF INDIA


Growth in Installed Capacity
NTPC vs Rest of India
MW
1600000
1400000
1200000
1000000
800000
600000
400000
200000
0.00
23935
100352
124287
26350
105979
132329
27350
115711
143061
27850
120115
147965
28840
130558
159398
2005-06
2006-07
2007-08
2008-09
2009-10
Installed Capacity-NTPC
Installed Capacity-India excl. NTPC
Total


Growth in Generation
NTPC vs Rest of India
BUs
800.00
700.00
600.00
500.00
400.00
300.00
200.00
100.00
0.00
170.88
446.50
617.38
188.67
470.75
659.42
200.86
503.59
704.45
206.94
516.85
723.79
218.84
552.71
771.55
2005-06
2006-07
2007-08
2008-09
2009-10
Generation-NTPC
Generation- Rest of India
Total

SELECTED FINANCIAL INFORMATION

Rs. in Million

		2009-10	2008-09	2007-08	2006-07	2005-06
A)	**Operating Income**					
	Earned from					
	Sale of Energy	461687	417913	369462	325344	266564
	Consultancy & Other Income	30652	34378	30651	28422	26806
	Total	**492339**	**452291**	**400113**	**353766**	**293370**
	Paid & Provided for					
	Fuel	294628	271107	220202	198181	163947
	Employees Remuneration & Benefits	24124	24631	18960	11632	9684
	Generation, Administration & other expenses	20940	18192	16284	15567	12721
	Provision (Net)	(19)	76	7	73	334
	Prior Period/Extra Ordinary Items	(779)	1083	2745	(109)	2488
	Profit before Depreciation, Interest & Finance Charges and Tax	**153445**	**137202**	**141915**	**128422**	**104196**
	Depreciation	26501	23645	21385	20754	20477
	Profit before Interest & Finance Charges and Tax	**126944**	**113557**	**120530**	**107668**	**83719**
	Interest & Finance Cost	18089	19962	17981	18594	17632
	Profit before tax	**108855**	**93595**	**102549**	**89074**	**66087**
	Tax (Net)	21573	11582	28401	20427	7885
	Profit after tax	**87282**	**82013**	**74148**	**68647**	**58202**
	Dividend	31332	29683	28859	26385	23087
	Dividend tax	5276	5017	4905	3896	3238
	Retained Profit	**50674**	**47313**	**40384**	**38366**	**31877**
B)	**What is Owned**					
	Gross Fixed Assets	668501	623530	533680	507273	460396
	Less : Depreciation	320888	294153	272743	250792	229501
	Net block	347613	329377	260937	256481	230895
	Capital Work-in-progress, Construction Stores & Advances	321043	264049	224783	168392	136340
	Investments	148071	139835	152672	160943	192891
	Current Assets, Loans & Advances	308157	309253	255488	221827	157245
	Total Net Assets	**1124884**	**1042514**	**893880**	**807643**	**717371**
C)	**What is Owed**					
	Long Term Loans	377836	345664	271776	244516	201195
	Working Capital Loans	134	14	130	328	778
	Current Liabilities & Provisions	107581	106886	79299	70263	61402
	Total Liabilities	**485551**	**452564**	**351205**	**315107**	**263375**
D)	**Others**					
	Deferred Revenue on account of Advance against depreciation	16108	19360	13734	6567	4408
	Deferred Foreign Currency Fluctuation Liability	611	545	2554	-	-
	Deferred Income From Foreign Currency Fluctuation Liability	-	6077	-	-	-
	Derferred Tax Liability (Net)	2092	1	1	1	1
	Deferred Foreign Currency Fluctuation Asset	3652	9734	-	-	-
	Deferred Expenditure From Foreign Currency Fluctuation	201	-	-	-	-
	Total	**14958**	**16249**	**16289**	**6568**	**4409**
E)	**Net Worth**					
	Share Capital	82455	82455	82455	82455	82455
	Reserves & Surplus	541920	491246	443931	403513	367132
	Net Worth	**624375**	**573701**	**526386**	**485968**	**449587**
F)	**Capital Employed**	**695725**	**641834**	**588868**	**564331**	**523572**
G)	**Value Added**	**173313**	**140548**	**127538**	**111012**	**97206**
H)	**No. of Shares**	**8245464400**	**8245464400**	**8245464400**	**8245464400**	**8245464400**
I)	**No. of Employees ***	**23743**	**23639**	**23674**	**23602**	**21870**
J)	**Ratios**					
	Return on Capital Employed (%)	13.97	14.29	14.07	13.89	12.46
	Return on Net Worth (%)	16.35	16.70	16.10	15.57	14.16
	Book Value per Share (Rs.)	75.72	69.58	63.84	58.94	54.53
	Current Ratio	2.86	2.89	3.22	3.16	2.56
	Debt to Equity	0.61	0.60	0.52	0.50	0.45
	Value Added/Employee (Rs. Million)	7.30	5.95	5.39	4.70	4.44

* Excluding JVs, Subsidiaries

DIRECTORS' PROFILE

Shri R.S. Sharma (60 years), Chairman and Managing Director, NTPC Limited since May 01, 2008 is serving the Indian power industry for over thirty eight years. A graduate in Mechanical Engineering, Shri Sharma began his illustrious career in 1971 as an Engineer in Madhya Pradesh Electricity Board.

Shri R.S. Sharma joined NTPC in 1980 and worked for more than 20 years, in the Operations & Maintenance area at NTPC's Korba, Vindhyachal and Rihand Stations and headed NTPC-Rihand and Sipat as General Manager. He headed the Southern Region of the Company and later became Executive Director in Corporate Planning and Commercial functions. He became Director (Commercial) of NTPC in October 2004 and also looked after the New Business Development Group of NTPC.

During his tenure as CMD, NTPC has achieved capacity addition of 3050 MW including 980 MW capacity dedicated to Common Wealth Games; achieved commercial declaration of 3980 MW capacity; signed long term coal supply agreements with Coal India Limited and long term gas supply agreements with GAIL; given thrust to developing wind and solar based power generation capacity; set up Strategic Management Group (SMG); implemented re-structuring of research wing of the Company by setting up NTPC Energy Technology Research Alliance (NETRA); formulated the Corporate Plan upto 2032; undertook number of employee benefit measures including revision of compensation packages for executives and non-executives.

He steered the setting up of IT based Project Monitoring Center (PMC) and Operations Project Monitoring Center. PMC houses advanced Information and Communication technologies for Project Monitoring. Key features of PMC include the Web-based Milestone Monitoring System for monitoring the project execution activities from anywhere in the World, enterprise-wide issue tracking system, online video capture system and video conferencing facility. Operation Monitoring Centre houses technologies for monitoring plant operation on real time based generation in MW, parameters affecting efficiencies, real time unit outages, frequency and fuel monitoring etc.

Under the leadership of Shri Sharma, NTPC is close to finalizing agreement for setting up 2x250 MW power project in Sri Lanka; getting O&M contract in Bangladesh and signing JV Agreement with the State of Jharkhand for transfer of Patratu power station. He has given special thrust to NTPC's entry into nuclear power generation. Shri Sharma drives NTPC's CSR initiatives like ICT centers, DOTs programme, adoption of existing ITIs and developing new ITIs, with deep sensitivity and strong convictions. He demonstrates highest commitment to Corporate Governance and value based leadership.

Currently he is also the Chairman of 5 Subsidiary Companies and 4 Joint Venture Companies. NTPC has been conferred upon Maharatna status during his tenure and was ranked as no. 1 Independent Power Producer in Asia and no.2 in the World by Platts.

Shri Sharma has been honoured with several prestigious awards and recognitions including Honorary Fellowship Award from International Project Management Association; Fellowship of World Academy of Productivity Science; and Leadership Award for Sectoral Excellence from Amity School of Business.

Shri A.K. Singhal (56 years), Director (Finance), a Chartered Accountant with rich & varied experience of over 34 years in Corporate Finance Management, plays a pivotal role in providing valuable inputs to the Board for taking various strategic decisions to enable the company in achieving its Vision. He is responsible for the entire gamut of Financial Management of the organization including financial resource mobilization from Domestic & Global sources, optimum utilization of funds, undertaking budgetary controls and taking investment decisions. As CFO, he provides adequate support to undertake backward & forward integration of business. He is responsible for assessing and guaranteeing the financial viability of the decisions involving mergers and acquisitions. He is also responsible for designing adequate internal control systems and for ensuring that the company adheres to sound corporate governance practices as set out in the Corporate Governance philosophy of the company. He played the role of forefront runner in driving successful implementation of ERP in the company. He acts as one of the vital links between the investing community and the management of the company. Under his able guidance and leadership, NTPC has won Silver Shield for excellence in financial reporting under "Infrastructure & Construction Sector" category awarded by the Institute of Chartered Accountants of India (ICAI). Further, he has been adjudged as the Best CFO in the "Public Sector" category by ICAI in the year 2008-09 and 'Best performing CFO in Infrastructure Sector' in the CNBC TV 18 Awards in 2009-10.

Sh. I.J.Kapoor (54 Years), Director (Commercial) since December' 2008 is a Graduate in Mechanical Engineering and Masters in Business Administration (Marketing). He joined NTPC in 1978 as 3rd batch Executive Trainee (ET) and is the first ET to be on the Board of the Company. He has a rich and varied experience of over 31 years in the areas of Commercial, Engineering, Contracts & Materials Management, Consultancy, Cost Engineering, Project co-ordination, Station Engineering and Quality Assurance & Inspection. Prior to his elevation as Director (Commercial), he was Regional Executive Director (National Capital), NTPC, responsible for management of ~ 3900 MW generating capacity, administering more than ¼th of NTPC's turn over along with project implementation activities for 2x490 MW at Dadri Stage-II. As Director (Commercial), he is responsible for formulation & implementation of policies & strategies to ensure marketing of NTPC's entire electrical output, appropriate pricing from regulatory authority and 100% & timely realization from customers, thereby generate adequate internal resources for the company to meet the future challenge of capacity addition. In addition, he is the Director In- charge of Consultancy and Business Development activities. He is also part time Chairman on the Board of Aravali Power Company Private Limited (1500 MW) & National Power Exchange Ltd. and part time Director on the Board of PTC India Limited, Meja Urja Nigam Private Limited (1320 MW), NTPC BHEL Power Projects Private Limited and NTPC Vidyut Vyapar Nigam Ltd. He is a Fellow of Institution of Engineers, India and Senior Member, IEEE, USA.

Shri B.P. Singh (56 yrs), Director (Projects), is a Graduate in Mining Engineering from ISM, Dhanbad. He started his career in 1974 in coal mining sector with Indian Iron & Steel Company and subsequently joined Bharat Coking Coal Ltd. He has over 35 years rich and vast experience both in coal as well as power sector. He joined NTPC Ltd. in 1981 and worked in various capacities in the areas of Fuel Management, Coal Mining & Coal Washery. He played the pivotal role in formulation of NTPC's overall strategy for fuel security and has been instrumental in acquisition and development of fuel assets, etc. Besides representing NTPC in various committees set up by Govt. of India on Integrated Coal Policy, fuels for Power Generation, Pricing of Coal, Techno-economics of using washed coal, he has also been part of various Govt. teams & missions like U.K. Trade Mission, Indo–Australia Joint Working Group on Energy & Minerals, etc. He is also the Chairman of NTPC-SCCL Global Ventures Private Ltd. and also representing in the board of BF-NTPC Energy Systems Pvt. Ltd. and NTPC Hydro Limited. He is 'Expert Member' on Research Council of "Central Institute of Mining & Fuel Research (CIMFR)" and representing NTPC as member of the Board of Governors of National Institute of Rock Mechanics and Construction Industry Development Council. He is Fellow member of Indian Institute of Plant Engineers, Delhi Chapter. He joined NTPC Board as Director (Projects) in Aug, 2009. As Director (Projects), he is responsible for all the activities relating to Project Execution and Implementation.

Shri D.K. Jain (58 Years), is a graduate in Mechanical Engineering from IIT, Kharagpur. He joined NTPC Limited in 1978 after an initial period of four years in CEA, where he was involved in the design and engineering of Singrauli STPS – the first pit head station of NTPC. He has rich and varied experience of over 35 years in design, execution and renovation of large power plants. During his tenure in NTPC, he has worked in various capacities in the entire process of power plant engineering from project conceptualization to finalisation of detailed design to execution, erection and commissioning of power plants as well as in renovation and modernisation of these plants. Before his elevation as Director (Technical) on 13.05.2010, he was Executive Director (Engineering), responsible for identification of sites, establishment of project feasibility, design and detailed engineering of coal, gas and hydro power projects as well as overseeing the mine planning and design of NTPC's captive coal blocks.

Shri M.N. Buch (69 years) is M.A. (History) from Delhi University, M. Phil (Public Administration) from Indian Institute of Public Administration, Punjab University, PG Diploma holder in Port Management and Administration from University College, London and an Indian Administrative Service Officer of Gujarat Cadre, 1964 batch. He has held various posts in Gujarat Government including Managing Director of Gujarat Small Industries Corporation, Executive Director of Gujarat State Fertiliser Company and Secretary, Education. He had held the position of Chairman, Kandla Port Trust under the Ministry of Surface Transport, Joint Secretary to the Government of India in Department of Banking, Ministry of Finance, Additional Secretary to the Ministry of Labour, GOI, Director- General, Sports Authority of India prior to becoming Member of Public Enterprises Selection Board, GOI. He has been also on the Board of various public sector banks. He has wide experience in both Development and Regulatory Administration at the Central, State and District levels.

Shri Shanti Narain (69 years) is B.Sc (Hons. in Physics) and M.Sc. (Mathematics) from Delhi University and has pursued Management Development Programme at British Transport Staff College, UK. He has held various posts in Railways prior to becoming Member (Traffic), Railway Board. He has key expertise in strategic management of transport systems with special focus on Railways, involving planning, marketing, customer relations, monitoring and control of operational and commercial activities and development of transport infrastructure.

Shri P. K. Sengupta (70 years) is B. Com and FICWA. He has held the position of Director (Finance) in Eastern Coalfields Limited, Director (Finance) in Coal India Limited. He superannuated as Chairman & Managing Director of Coal India Limited. He was on the Board of Steel Authority of India Ltd. and Neyveli Lignite Corporation Limited as non-official part-time Director. He has expertise in the area of Financial Management and General Administration.

Shri K. Dharmarajan (67 years), is M.Sc. (Physics) and MS in Energy Management and Policy from University of Pennsylvania. He is a retired IAS officer and has held various positions at the State and Centre like DG IIFT, Joint Secretary Urban Development, GOI, Director and Office-in-charge of Energy Policy Division – Ministry of Energy, Finance Controller, TNEB, Secretary Commercial Taxes and Urban Development, Govt. of Tamil Nadu. He has 40 years of wide-ranging experience in the areas of Finance, Energy, Trade and Commerce, Urban Governance and Poverty. He was the Chairman of the Expert Committee for Property Tax Reforms, Delhi and is well known in the areas of institutional development, administration, international trade & commerce, energy and poverty. He is presently Consultant for the World Bank in the areas of urban governance and infrastructure. He has been involved as a Volunteer with the work of the non-profit organisation, KATHA, working for last twenty years in the areas, inter-alia, of urban poverty alleviation through education, community development and economic resurgence.

Dr. M. Govinda Rao (63 years), Ph.D. in Economics, is Director, National Institute of Public Finance and Policy, New Delhi. He is also a Member, Economic Advisory Council to the Prime Minister. His past positions include Director, Institute for Social and Economic Change, Bangalore and Fellow, Research School of Pacific and Asian Studies, Australian National University, Canberra, Australia. He is a member of Board of Governors of Institute of Economic Growth, New Delhi, Institute for Social and Economic Change, Bangalore and Madras School of Economics, Chennai. He has played a number of advisory roles in various Expert Committees. Dr. Rao is a Member of the Local Board of Reserve Bank of India for the Southern Region. He is also a Member of Steering Committee for the South Asia Network of Economic Research (SANEI). He has been a Consultant to World Bank, IMF, ADB and the UNDP. He has published 13 books and monographs on various aspects of Public Finance besides technical articles in a number of journals.

Shri Kanwal Nath (63 years) is M.Sc. (Physics) from the University of Delhi and PG Diploma in Development Finance from the University of Birmingham, UK. He has over 37 years of experience in Indian Audit and Accounts Service. He retired as Deputy Comptroller & Auditor General of India in February 2007. He has also held position of Joint Secretary & Financial Adviser (JS&FA) in Ministry of Water Resources and additional charge of JS&FA in Ministry of Power. He has also worked as Director of External Audit with the United Nations Board of Auditors at New York. He has wide experience in the Audit of Organisations in Power, telecommunication and Railway sector.

Shri Adesh C. Jain (65 years) is B.Sc. (Mathematics), B.E. in Electrical Engineering from Indian Institute of Science (1965) and Masters in Engineering in Control Systems from Canada. He worked for six years in the fields of Artificial Intelligence and Super Computing in Canada before returning to India in 1973. He pioneered the computerization movement in India for which he was awarded the Fellowship of CSI by the then President of Republic of India in 1991. Besides IT, he has been associated with project/program management since 1967 and was architect of Integrated Project Management System (IPMS) of the largest engineering company –BHEL in India in 70's.Since 1992, he is working full time in the field of project management. He has written numerous articles and is a sought after keynote speaker. Recently, he was invited to speak at the PM Challenge 2010 organized by NASA in USA. He is Honorary President of PMA, India and Director In Charge of Centre for Excellence in Project Management. He was the first non-European President and Chairman of IPMA since its establishment in 1965 in 2005 and 2007 respectively.

Shri Adesh Jain is one of the well known Visionary and Thought Leaders. His passion in strengthening project management movement globally is well recognized.

Shri A.K. Sanwalka (63 years) is M.Sc. (Engg.) from UK, I. Mech. (E) UK and AMIE (India) – Mech. & Prod. He has held various positions in Indian Railways and retired from the position of General Manager, Northeast Frontier Railways after 38 years of service. He has wide expertise in the areas of General Management & Administration, Transport Planning, Project Management & Coordination. He has also handled several projects for establishing large production, maintenance and repair facilities of Indian Railways. He has also held the position of Executive Director (Motive Power), RDSO for several years.

Shri Santosh Nautiyal (64 years) is a Post Graduate in Political Science. He belonged to the Indian Administrative Service(Orissa 1968) and retired in July 2006 as Chairman (in the rank of Secretary to the Government of India), National Highways Authority of India. He has held various positions like Additional Secretary, GOI in Department of Consumer Affairs, Principal Secretary,Industries, Govt. of Orissa, Joint Secretary in Ministry of Steel and Managing Director of the Industrial Promotion and Investment Corporation of Orissa Ltd.After retirement he was appointed as Chairman of the National Shipping Board constituted by the Central Govt.

Shri I.C.P. Keshari (48 years) is a post graduate in History from Delhi University and an Indian Administrative Officer of Madhya Pradesh cadre. Prior to his current assignment of Joint Secretary, Ministry of Power, Shri Keshari was Private Secretary to Minister of Commerce & Industry, Government of India and has also held various administrative posts in the State of Madhya Pradesh and Chattisgarh including that of Secretary PWD, Secretary (Power) and Collector of three districts for almost nine years.

Shri Rakesh Jain (53 years) holds Masters Degree in Physics from University of Delhi. He is an officer of Indian Audit & Accounts Service (1981). He is currently the Joint Secretary & Financial Adviser (JS&FA) in the Ministry of Power. He is Government Nominee Director on the Board of NHPC Limited, PFC, Power Grid and EESL under the Ministry of Power. Before joining Ministry of Power, he held various important positions such as Director General (Accounts, Entitlement Complaints & Information System), Principal Director (Report States)- Office of Comptroller & Auditor General of India, Accountant General (AG) (Audit), Rajasthan, AG (AE-II) Madhya Pradesh, Principal Director (Commercial Audit), Ranchi and Principal Director of Audit, Embassy of India, Washington, USA.

Chief Vigilance Officer

Shri T. Venkatesh, (48 years) is an Indian Administrative Service Officer of 1988 batch of UP Cadre. Prior to the present deputation as the Chief Vigilance Officer, NTPC Limited, he was Joint Secretary (Vigilance) in Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pension.

SENIOR MANAGEMENT TEAM

S. No.	Executive Directors
1	Rustagi, R.K.
2	Dave, A.N.
3	Misra, N.N.
4	Kumar, S.
5	Kumar, Dinesh
6	Pandey, I.B.
7	Vishwa Roop
8	Banerjee, S.N.
9	Agarwal, K.K.
10	Dutt, Rajeshwar
11	Sharma, N.K.
12	Jha, A.K.
13	Sharma, K.K.
14	Pandey, S.C.
15	Deshpande, G.J.
16	Choudhary V.N.
17	Chatterjee Tarun K Kumar
18	Chaturvedi A. Chandra
19	Kristam Siva Kumar
20	Anand Sharad
21	Pani Umesh Prasad
22	Gupta Virendra Kumar
23	Gahlowt, R. K. Singh
24	Kumar Arvind
25	R. Venkateswaran
26	Rao, M.K.V.R.
27	Goel, S.N.
28	Ganguly, S.N.
29	Nanda Jayadeb
30	Roy, Saptarshi
31	Kar, Janardan
32	Soin M.S.
S. No.	**General Managers**
1	Chowdhury, B.
2	Agrawal, G.D.
3	Dutta, S.K.
4	Dhup, R.C.
5	Mehta, J.K.
6	Chawla, M.S.
7	Agrawal, D.K.
8	Sikri, R.K.
9	Mehrotra, R.N.
10	Chatterjee, A.K.
11	Gaur, R.K.
12	Singh, Radhey Shyam
13	Agrawal, D.
14	Chaudhuri, A.
15	Narayanan, Kannan
16	Sharma, A.K.
17	Mohindru, A.K.
18	Sharma Ashwani

S. No.	
19	Mandal, S.N.
20	Sharma, K.K.
21	Arya, S.L.
22	Soni, B.K.
23	Singh, K.I.
24	Rao, Y.V.
25	Gulati, K.
26	Agrawal, A.K.
27	Sankar, S.J.
28	Mohan, V.K.C
29	Joseph, Thomas
30	Sarkar, M.
31	Sadhu, G.K
32	Sinhamahapatra, M.
33	Krishnamurthy, Sivaraman
34	Srivastava, R.K.
35	Muley, S.J.
36	Goyal, A.
37	Garbyal, K.S
38	Singh, S.P.
39	Goel, S.N.P.
40	Srivastava, B.K.
41	Gupta, R.K.
42	Saha, D.
43	Dharmadhikari, M.S.
44	Sandhir, H.K.
45	Gupta, S.C.
46	Singh, K.K.
47	Subramaniam, C
48	Dave, Sangeet Kumar
49	Singh, S.K.
50	Ranjan, Shashi
51	Rames, P.
52	Fadnavis, V. B.
53	Haldar, Asim Kumar
54	Gupta, A.K.
55	Kumar, Ajit
56	Rathee, R.S.
57	Dahake, P.R.
58	Sood, Dushyant Kumar
59	Ravindra, Gopal
60	Mohapatra, P.K.
61	Singh, J.N.
62	Rastogi, Anil Kumar
63	Rao, A. Upendra
64	Srivastava, Samuel
65	Bhattacharjee, Devraj
66	Kumar, Anil
67	Malik, Chander Prakash
68	Behere, Pradeep Bhaskar
69	Mishra, Govinda Chandra
70	Agarwal, Vinod Kumar
71	Pathak, Prem Prakash

S. No.	
72	Khorwal, O.P.
73	Bandyopadhyay, Sankar
74	Radhakrishnan, P.S.
75	Tamrakar, V.S.
76	Bhartiya, Pankaj
77	Padha, Vinod Kumar
78	Sur, Sanjay Kumar
79	Rajdeva, Inder Kumar
80	Pathak, Tara Nand
81	Srivastava, N.K.
82	Jain, S.K.
83	Garg, A.K.
84	Pal, Ramkrishna
85	Patnaik, S.K.
86	Roy, S.K.
87	Sinha, Arun Kumar
88	Basu, Devashis
89	Ghosh, Subhasis
90	Kothari, Nageen Kumar
91	Kumar, Pramod
92	Thangapandian, V
93	Bhatnagar, Ajit Kumar
94	Arya, Sudhir

Posted in Subsidiary/Joint Venture Companies and others

S. No.	Executive Directors
1	Singh, Shailendra Pal
2	Sen, Rabindra Nath
3	Ahuja, Anil Kumar
4	Maken, O.P.
5	Sharma,Vinod
S. No.	**General Managers**
1	Mukherjee, Biswanath
2	Khetarpal, Rakesh
3	Goyal, A.K.
4	Venkadeeswaran, S.
5	Gupta, Anil
6	Gupta, C.S.
7	Paranjape, Vijay Damodar
8	Ram, Tufani
9	Jain, R.K.
10	Sen,Syam Sundar
11	Suriyanarayanan, N.
12	Bhatnagar, R.K.
13	Chakrabarty, Dharamdas
14	Shanker, Janhvi
15	Acharya, S.K.
16	Kumar, Prabhat
17	Kurian, Joseph
18	Gondekar, B.D.
19	Basu, Gour Das
20	Rao, P.S
21	Sinha, A.K.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 34TH Annual Report and the audited accounts for the year ended March 31, 2010.

At the outset, your Directors are elated to state that your Company has been granted the coveted status of **MAHARATNA** by the Govt. of India on 19th May 2010 granting higher level of financial and managerial autonomy.

Your Company is also the official power partner of Delhi 2010 Commonwealth Games.

FINANCIAL RESULTS

Rs. Million

Income	2009-10	2008-09
Sale of Energy	461687	417913
Consultancy	1539	1325
Other income (Including energy internally consumed)	29113	33053
Total Income	**492339**	**452291**
Expenditure		
Fuel	294628	271107
Employees Remuneration & Benefits	24124	24631
Generation, Administration & other expenses	20940	18192
Interest	10709	12750
Finance charges	7380	7212
Depreciation	26501	23645
Total Expenditure	**384282**	**357537**
Profit before tax, provisions and prior period adjusts.	**108057**	**94754**
Tax	21573	11582
Profit after tax but before provisions and prior period adjustments	**86484**	**83172**
Less:		
Prior Period Adjustments (Net)	(779)	1083
Provisions (Net)	(19)	76
Net Profit after tax	**87282**	**82013**

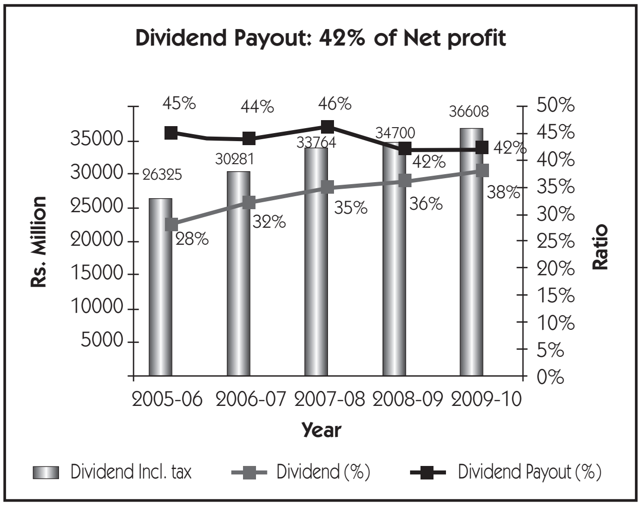
Appropriations:	2009-10	2008-09
Transfer to Bonds Redemption Reserve	4978	4537
Interim Dividend	24736	23087
Proposed Dividend	6596	6596
Tax on Dividend	5276	5017
Transfer to General Reserve	47500	44000
Transfer to Capital Reserve	50	86

FINANCIAL PERFORMANCE

The total income of the company for the year increased by 8.85% to Rs. 492,339 million from Rs. 452,291 million during the previous year. The profit after tax but before provisions and prior period adjustments increased by 3.98% to Rs. 86,484 million from Rs. 83,172 million. Net profit after tax increased to Rs. 87,282 million from Rs. 82,013 million registering a growth of 6.42% over last year.

DIVIDEND

In addition to interim dividend of Rs. 3.00 per equity share of Rs. 10/- each paid in March 2010, your Directors have recommended a final dividend of Rs.0.80 per equity share of Rs. 10/- each for the year 2009-10. The total dividend for the year is Rs.3.80 per equity share of Rs. 10/- each as against Rs.3.60 per equity share of Rs. 10/- each paid last year. The final dividend shall be paid after your approval at the Annual General Meeting. The total dividend pay-out for the year amounting to Rs. 31,332 million represents 35.89% of the profits after tax. The total dividend payout including tax accounts for 41.94% of profit after tax. 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. Your Directors believe that growth of the company through capacity addition, backward and forward integration and strategic diversification of its operations would lead to increase in shareholders' value.



FURTHER PUBLIC OFFER

The President of India acting through Ministry of Power, Government of India divested its stake by 5% in your Company through Further Public Offer of 412,273,220 equity shares and the shareholding of Government of India reduced from 89.5% to 84.5% w.e.f 18th February 2010. These shares were issued during February 2010 for cash at prices determined through the Alternate Book Building Method of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 under Fast Track route.

The proceeds of Further Public Offer amounting to Rs. 84,801 million were credited to Government of India Account. Post FPO, Government of India holds 6,967,361,180 equity shares of face value of Rs. 10/- each and public holds the balance 1,278,103,220 equity shares.

OPERATIONAL PERFORMANCE

During the year, the power stations of your Company generated 218.84 BU of electricity which was 28.60% of the total power generated in India. The power generated by the company has registered an increase of 5.75% over the previous year's generation of 206.939 BU. Your Company contributed 25.12% of the generation increase in the country during the year. The coal based stations of your company operated at a Plant Load Factor (PLF) of 90.81% (National PLF 77.48%) and Availability Factor of 91.76% at bar during the year. Your Company has an installed coal based capacity of 24,885 MW comprising 81 units with average fleet age of 18.8 years. During the year, 12 coal based stations out of 15 achieved more than 90% PLF including six stations registering PLF above 95%. This included Talcher Thermal Power Station having an average age of 37 years, achieving 90.87% PLF. National Capital Thermal Power Station, Dadri (Stage-I) achieved highest ever annual PLF of 100.59%. The total generation contributed by coal stations is 191.259 BU. The gas stations having a capacity of 3955 MW achieved best ever annual generation of 27.581 BU at a PLF of 78.38% as against 67.01% last year registering a growth of 16.96%. The average availability for gas based stations for the year was 93.14% as compared to 86.65% during previous year. The Operation Monitoring Centre has been given a new look and have various features of monitoring Real-time unit outages, Fuel Monitoring Mechanism and efficiency and environmental parameters monitoring etc.

A detailed discussion on the operations and performance for the year is given in the "Management Discussion and Analysis", Annexure-I included as a separate section to this report.

COMMERCIAL PERFORMANCE

During the year, your Company realized 100% payment of current bills raised for sale of power for seventh successive year. All the beneficiaries are paying within 30 days of billing except the states of UP and J&K which are making payment within the permissible 60 days period. An innovative rebate scheme of providing incentive for early payment based on provisional bill has helped in achieving early realization of dues. The matter of securitization of outstanding dues of Government of NCT of Delhi for DESU period is under active consideration by the Ministry of Power.

All the beneficiaries have established and are maintaining Letters of Credit (LC). As on date, your Company has monthly LCs of Rs. 40659.70 million.

RBI, on behalf of State Governments, serviced redemptions due on bonds and half-yearly interest installments on bonds in time as per One Time Settlement Scheme.

Your Company had signed Power Purchase Agreements (PPAs) with 13 beneficiaries during the year pertaining to new projects for 8442 MW capacity.

The following units were declared commercial during the year adding 1490 MW to commercial capacity of your Company:

Project/ Unit	Capacity (MW)	COD*
Kahalgaon Unit #7	500	20.03.2010
NCTPP Unit # 5	490	31.01.2010
Bhilai Expansion Unit # 2**	250	21.10.2009
Bhilai Expansion Unit # 1**	250	22.04.2009
Total	**1490**	

*COD- Commercial Operation Date

**JV Company

Your Company has filed tariff petitions for the five-year period starting 1.4.2009 before CERC for all stations in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2009. Petitions have also been filed before CERC for revision of tariff for the period upto 31.3.2009 due to additional capital expenditure incurred at the Stations in that period as per the provisions of the CERC Tariff Regulations.

Customer Relationship Management (CRM) initiative has been taken by your company towards strengthening relationship with our customers. It draws inspiration from Company's core values (BCOMIT) that emphasize "Customer Focus". Under this, we provide Customer Support Services in selected areas, with the objective of overall growth of power sector. During the year, various workshops and seminars were held at customers' end and free of cost training to 149 customers' officers was provided based on the requirement expressed by them. We also organize Regional Customer Meets, State specific Business Partner

Meets and GENCOS Meets regularly for better interaction and sharing of experiences.

Your Company has developed a Customer Satisfaction Index (CSI) for gathering customers' feedback and responding to their requirements.

INSTALLED CAPACITY

During the year, your Company has added 1,560 MW capacity detailed as under:

Project/ Unit	Capacity (MW)
NTPC owned	
Kahalgaon Unit # 7	500
NCTPP Unit # 5	490
Under JVs	
RGPPL Block # I	640
Less: overall de-rating of RGPPL	(-)180
MTPS-I Unit # 2	110
Net addition	**1560**

The total installed capacity of the NTPC Group has increased from 30,644 MW at the end of fiscal 2008-09 to 31,704 MW at the end of the year 2009-10 as detailed below:

Owned by NTPC	Capacity (MW)
Coal based projects	24885
Gas based projects	3955
Sub-total	**28840**
Joint Ventures & Subsidiaries	
NSPCL (Coal)-JV with SAIL	814
RGPPL (Gas)-JV with GAIL, MSEB and Indian Financial Institutions	1940
MTPS – JV with BSEB	110
Sub-total	**2864**
Total	**31704**

During the current fiscal, your company has added another 490 MW to the capacity by commissioning Unit 6 of National Capital Thermal Power Project, Dadri. With this, the total installed capacity of NTPC Group has crossed 32,000 MW.

CORPORATE PLAN 2032

Your Company has prepared its Long Term Corporate Plan to set the goals and targets for the period upto 2032. Through this Corporate Plan, the Company has adopted the vision to be **'the world's largest and best power producer, powering India's growth."**

Your company has set a target to have an installed power generating capacity of 1,28,000 MW by the year 2032. The capacity will have a diversified fuel mix comprising 56% coal, 16% gas, 11% nuclear and 17% Renewable Energy Sources (RES) including hydro. Therefore, by 2032, non-fossil fuel based generation capacity shall make up nearly 28% of NTPC's portfolio.

Further beyond 12th Plan, your Company plans to build only high efficiency super-critical and ultra super-critical coal based power plants. The plan also outlines the next generation R&D model to drive innovation and develop/ adopt future technologies.

Your Company shall continue to strongly pursue the power trading business and would maintain its scale in consultancy business.

The plan also provides strategies/ mix of options for ensuring fuel security. These options include long-term contracts from domestic and international markets, purchase from spot markets, minority/ majority stake in mining companies and involvement in associated infrastructure.

CAPACITY ADDITION PROGRAM

Your company has adopted a multi-pronged growth strategy which includes capacity addition through green field projects, brown field expansions, joint ventures and acquisitions. In addition to furthering capacity addition through Coal / Gas based thermal power projects, your company has been pursuing enhancement of its power generation portfolio through Hydro, Renewable Energy and Nuclear energy projects. At present 1,920 MW Hydro capacity is under implementation together with 552 MW under bidding. In its endeavor for Renewable Energy, your Company plans to add 1000 MW from RES by 2017.

Projects planned

During the year, investment approval has been accorded by the Board of NTPC and the respective Boards of Joint Ventures/ Subsidiaries for projects having a total capacity of 890 MW consisting of 500 MW Vallur Thermal Power Project Phase-II and 390 MW Muzaffarpur Thermal Power Project Expansion, involving an investment of about Rs.62420 Million. Various projects having aggregate capacity of 17,830 MW including 4,390 MW, being undertaken by Joint Venture companies, are under construction, as detailed below:

Name of the Project	Capacity (MW)
I. Project under NTPC Ltd	
A. Coal Based Projects	
1. Sipat-I	1980
2. Barh-I	1980
3. Korba-III	500

Name of the Project	Capacity (MW)
I. Project under NTPC Ltd	
A. Coal Based Projects	
4. NCTPP-II, Unit -6, Dadri	490*
5. Farakka-III	500
6. Simhadri-II	1000
7. Bongaigaon-I	750
8. Mauda-I	1000
9. Barh-II	1320
10.Rihand-III	1000
11.Vindhyachal-IV	1000
Sub Total (A)	**11520**
B. Hydro Electric Power Projects (HEPP)	
12. Koldam	800
13. Loharinag Pala	600
14. Tapovan Vishnugad	520
Sub Total(B)	**1920**
Total I (A)+(B)	**13440**
II Projects under JVs	
Coal Based Projects	
15. IGSTPP Jhajjar JV with HPGCL & IPGCL	1500
16. Vallur – JV with TNEB	1500
17. Nabinagar- JV with Railways	1000
18. Muzaffarpur Expansion (MTPS)– JV with BSEB	390
Total II	**4390**
Total On-Going Projects (I)+(II)	**17830**

*commissioned w.e.f. 30th July, 2010

Further, at present 7,092 MW capacity (3,501 MW NTPC owned and 3,591 MW through its JVs and Subsidiaries) is under bidding. In addition Feasibility Reports (FRs) have been approved for projects having an aggregate capacity of 8,460 MW.

Your Company is also identifying new sites for setting up power projects during 12th Plan and beyond. These projects would be added to the plans after project viability is established.

As a measure for further capacity addition, your Company is in discussions with Govt. of Jharkhand and Jharkhand State Electricity Board (JSEB) for taking over Patratu TPS (770MW). A Memorandum of Understanding (MOU) was signed on July12, 2009 amongst your Company and Govt. of Chattisgarh to set up 4,000 MW regional power project at Lara, Chattisgarh. Another MOU was signed amongst your Company, Govt. of Madhya Pradesh and MP Tradeco Ltd. to set up 2,640 MW regional power project at Narsinghpur district, Madhya Pradesh. Also, Feasibility Report is under preparation for setting up 3,960 MW power project at Barethi, Bundelkhand region of Madhya Pradesh. Govt. of Madhya Pradesh has already committed land and water availability for this project.

Project Management – A New Appraoch

Your Company has established a state of the art Project Monitoring Centre at Delhi. PMC provides milestone based project monitoring, project-wise, vendor-wise, critical issues reporting, enterprise-wide issue monitoring and site progress monitoring through remote cameras. As a matter of fact this has become the Nerve Centre of total project management of NTPC.

Capacity addition through Subsidiaries and Joint Ventures (JVs)

Besides adding capacities on its own, your Company plans to add capacities through some of its subsidiaries and joint ventures. The detail of JV Companies/Subsidiaries along with details of Joint Venture partners for addition of coal based capacity is as under:

Name of Company	JV Partner	Details
NSPCL (NTPC-SAIL Power Co. Pvt. Ltd.)	Steel Authority of India Limited (SAIL)	A 50:50 JVC formed to own and operate captive power plants at Durgapur (120 MW), Rourkela (120 MW) and Bhilai Steel Plant (74 MW). The JV Company has also added 2 units of 250 MW each.
NTECL (NTPC Tamil Nadu Energy Co. Ltd.)	Tamil Nadu Electricity Board(TNEB)	A 50:50 JVC is implementing 3x500MW coal based power project at Ennore, Tamilnadu.
APCPL (Aravali Power Company Pvt. Ltd.)	Indraprastha Power Generation Co Ltd. (IPGCL) and Haryana Power Generation Co Ltd. (HPGCL).	This JVC is setting up a coal based Indira Gandhi Super Thermal Power Project consisting of 3 units of 500MW each. NTPC Ltd., IPGCL and HPGCL have contributed equity in the ratio of 50:25:25.

Name of Company	JV Partner	Details
BRBCL (Bhartiya Rail Bijlee Company Ltd.)	Ministry of Railways	A subsidiary of NTPC, formed as a JVC with Ministry of Railways with equity contribution in the ratio of 74:26 respectively for setting up power project of 1000 MW (4X250MW) capacity at Nabinagar, Bihar State.
MUNPL (Meja Urja Nigam Private Ltd.)	Uttar Pradesh Rajya Vidut Utpadan Nigam Limited (UPRVUNL)	A 50:50 JVC formed for setting up 1320 (2X660MW) coal based power project in the state Uttar Pradesh. Feasibility Report for the project has been approved by the JV Board. Bids have been invited for main plant packages under bulk tendering route.
KBUNL (Kanti Bijlee Utpadan Nigam Ltd.)	Bihar State Electricity Board (BSEB)	A subsidiary of NTPC formed as a JVC with BSEB, took over MTPS having 2 units of 110 MW each from BSEB. The equity of NTPC in this subsidiary is 64.57 %. Unit#2 is operational since January 2008. Renovation and Modernization of Unit #1 is under progress. The JVC has taken up expansion of the station by adding 2 units of 195 MW each.
NPGCL (Nabinagar Power Generating Company Private Ltd.)	Bihar State Electricity Board	A 50:50 JVC for setting up and operation of a 3x660 MW Coal based plant at Nabinagar. Bids for Main plant packages have been invited under bulk tendering route.
RGPPL (Ratnagiri Gas and Power Pvt. Ltd.)	GAIL, ICICI, SBI, IDBI, Canara Bank and MSEB Holding Co.	Ratnagiri Gas and Power Pvt Ltd is a JVC between NTPC, GAIL, MSEB holding Co. and Indian FIs. NTPC is having a stake of 29.65%. The JVC has successfully revived all 6 GTs and 3 STs at Dabhol Power Project. LNG Terminal is also mechanically complete.

JVC denotes Joint Venture Company

Diversified Fuel Mix

Although coal will remain the mainstay for adding generation capacity owing to its abundant reserves in the country, your Company is progressively diversifying its fuel mix to increase the share of non- fossil fuel with a view to promote sustainable energy development and further reduce CO_2 intensity of power generation.

Nuclear Power Development

To extract the benefits of alternate source of energy in order to deal with the problems of global warming and rising fuel security concerns, your Company has entered into a joint venture agreement with Nuclear Power Corporation of India (NPCIL) for formation of a Company to set up a nuclear power project with two nuclear reactor units. A blueprint for nuclear power development is in place. Experienced engineers/ professionals and fresh executive trainees have been deputed for training at NPCIL to acquire expertise in nuclear power generation.

Hydro Power

At present, hydroelectric projects of 1920 MW consisting of Koldam (4x200 MW), Tapovan Vishnugad (4x130 MW) and Loharinag Pala (4 x150MW) are under advanced stage of construction.

Your Company is also setting up small and medium sized hydro projects through its wholly owned subsidiary NTPC Hydro Limited (NHL). Two such projects under development are:

Project	Location	Capacity
Lata Tapovan	Uttarakhand	171 MW
Rammam-III	West Bengal	120 MW

The techno economic clearance of CEA and environmental clearance of MoEF have been obtained for both these projects. The land for both of these projects has been acquired. PPA has been signed with off-takers for Lata Tapovan HEPP. Infrastructure development activities are under progress at these projects. Both the projects are scheduled to be commissioned during 12th plan.

Further, in pursuance of MOA signed with Govt. of Mizoram, Detailed Project Report of Kolodyne HEPP (4X115MW) has been submitted to CEA for according Techno-Economic Clearance (TEC).

Your Company has signed an MOU with Gujarat Power Corporation Limited for developing 500 MW Renewable Energy projects in Gujarat.

STRATEGIC DIVERSIFICATION - INCREASING SELF-RELIANCE

Your Company is continuously looking for opportunities in the related business areas such as coal mining, LNG value chain, manufacturing activities, power trading, distribution, R&M and support to power sector development in its endeavour to leverage its strength and secure its interest in the entire power value chain, provide impetus to its core generation business and enhance shareholders' value.

The details of joint venture companies taking up activities in other sectors such as R&M and support to power sector is as under:

Name of Company	JV Partner	Activities undertaken
UPL (Utility Powertech Limited)	Reliance Infrastructure Limited	Takes up assignments of construction, erection and supervision of power sector and other sectors.
NASL (NTPC ALSTOM Power Services Private Ltd.)	ALSTOM Power Generation AG	Takes up renovation and modernization assignments of power plants both in India and in SAARC countries.
EESL (Energy Efficiency Services Limited)	PFC, PGCIL and REC	The Company was formed on December 10, 2009 for implementation of Energy Efficiency projects.
NHPTL (National High Power Test Laboratory Pvt. Ltd.)	NHPC, PGCIL and DVC	The Company was incorporated on 22.05.2009 for setting up facility for short circuit testing of transformers and other electrical equipment.
NPEX (National Power Exchange Limited)	NHPC, PFC and TCS	The Company was incorporated to facilitate trading of electrical power including ancillary services. CERC approval for setting up the exchange has been obtained.

In order to strengthen its competitive advantage in power generation business, the Company has diversified into the area of manufacturing.

NTPC-BHEL Power Projects Pvt. Limited (NBPPL), a joint venture of your Company with BHEL, incorporated on April 28, 2008 for taking up activities of Engineering, procurement and construction of power plants and manufacturing of equipments, has acquired 750 acres of land in Andhra Pradesh. The Company has bagged two contracts from BHEL on nomination basis. Your Company is also expected to give EPC contract for Singrauli (1X500MW) to this Company.

Another joint venture Company, **BF-NTPC Energy Systems Limited** was incorporated with Bharat Forge Limited on June19,2008 to manufacture castings, forgings, fittings and high pressure piping required for power projects and other industries. Land acquisition for establishing manufacturing plant at Sholapur, Maharashtra is in progress. A business plan has been prepared by the consultant and a detailed study is being initiated for manufacturing of some of the shortlisted products.

Your Company has acquired 44.6% stake in **Transformers and Electricals Kerala Limited** from Government of Kerala on June 19, 2009. The Company deals in manufacturing and repair of Power Transformers. The Board of Directors of this Company has been re-constituted. The Company plans to augment the existing capacity to 6000MVA.

Apart from the above initiatives, a subsidiary of your Company namely NTPC Electric Supply Company Limited, has commenced business of distribution of power through its JVC namely **KINESCO Power and Utilities Private Limited,** formed with KINFRA.

Please refer to "Management Discussion and Analysis", Annexure-I included as a separate section to this report for further details.

GLOBALISATION INITIATIVES

Your Company is continuously scanning business potential that global opportunities offer. A representative office is functioning in Dubai since November 2006 for marketing of its services in Middle East Region.

After identification of site for setting up a 2x250 MW coal based power plant in Trincomalee region, Sri Lanka in Joint Venture with Ceylon Electricity Board, your Company is in the process of finalizing the Implementation Agreement. NTPC Consultancy Wing has received order for site specific studies and preparation of Feasibility Report for JV to be formed with Ceylon Electricity Board.

Your Company has signed an agreement with Department of Energy, Ministry of Economic Affairs, Royal Govt. of Bhutan, on December 22, 2009, for preparation of DPR for 620 MW Amochhu Reservoir Hydro-electric Project in Bhutan. Your Company has opened its site office in Phuentsholing, Bhutan.

In terms of umbrella MOU for cooperation in power sector between the Govt. of India and Govt. of Bangladesh in January 2010, it was agreed that your Company will provide consultancy services to Bangladesh Power Utility (BPDP) in different areas of O&M services, setting up power projects etc. The wholly owned subsidiary of your Company namely NVVN has been identified as nodal agency for cross border power trading with Bangladesh.

Your Company is also exploring the possibility of jointly pursing O&M assignments with Korea Plant Services and Engineering Co. Ltd (KPS) in countries other than India and Korea.

FINANCING OF NEW PROJECTS

The capacity addition programs shall be financed with a debt to equity ratio of 70:30. Your directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new projects. Given its low gearing 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.

During the year 2009-10, your Company has tied up loans of Rs. 168,190 million including a large ticket loan of Rs. 85,000 million with State Bank of India and Rs. 27,500 million with Canara Bank for part funding of debt requirement in respect of capex for next three years. In addition, loans amounting to Rs. 55,690 million have also been tied with other banks to fulfill the debt requirement for next three years.

Bonds amounting to Rs.15,000 million were raised from domestic market for financing the capital expenditure and refinancing of the loans.

Fixed Deposits

The cumulative deposits received by your Company from 277 depositors as at March 31, 2010 stood at Rs 13.39 million. Further, an amount of Rs. 4 million has not been claimed on maturity by 33 depositors as on that date.

FUEL SECURITY

Coal Supplies

Your Company has signed Long Term Model Coal Supply Agreement (CSA) with Coal India Limited (CIL) on May 29, 2009 for supply of coal to its stations for 20 years. Based on the revised model CSA, coal agreements have been signed with the various subsidiary coal companies of CIL by coal based stations except Farakka and Kahalgaon. Additional 7.35MMT of coal has been tied up with CIL and Singareni Collieries Co. Ltd. for Farakka, Kahalgoan and other projects. This includes 0.55 MMT of coal procured through e-auction.

During the year 2009-10, your Company received 136.2 Million Tonnes of coal consisting of domestic coal of 129.9 Million Tonnes (about 4.5% higher than the coal received in previous year) and imported coal to the tune of 6.3 Million Tonnes, at the stations.

During 2009-10, your Company entered into agreement with MMTC for supply of about 12.5 MMT of imported coal which is highest ever in NTPC till date. Further, in order to bridge the short fall in coal supply, Central Electricity Authority advised the power utilities to set target for import of coal during 2010-11. Your company has been advised by CEA to place the orders for import of coal aggregating to 13.90 MTs during 2010-11.

Gas supplies

During the year 2009-10, your Company received 13.88 MMSCMD of gas/RLNG as against 10.75 MMSCMD received during 2008-09 registering an increase of 29.12%. The gas off-take in 2009-10 includes 9.08 MMSCMD APM/ PMT gas, 4.45 MMSCMD RLNG and 0.35 MMSCMD of KG D6 basin gas.

Your Company renewed APM gas agreements up to the year 2021 and PMT gas agreements up to the year 2019 for its gas stations. Your Company has also signed long term contract for supply of RLNG of 2.0 MMSCMD on firm basis and 0.5 MMSCMD on fallback basis with GAIL for a period of 10 years for NCR gas stations viz. Anta, Auraiya, Dadri and Faridabad. Further, Government of India allocated additional gas of 4.46 MMSCMD from KG-D6 Basin. Out of this quantity, 1.81 MMSCMD has already been tied up and the balance would be tied up during the year 2010-11.

Your company has arranged for tying up of spot RLNG on reasonable endeavour basis based on requirement. Also, your Company has fallback RLNG supply agreements at pooled price with GAIL, IOCL, BPCL and GSPCL.

Development of Coal Mining projects

Coal Mining being integral to your company's fuel strategies, is being developed in 'Project Mode'.

All notifications for mining area land acquisition have been completed for Pakri Barwadih, Chatti-Bariatu, Kerendari and Talaipalli Coal Blocks. Rehabilitation action plan(s) were approved by Board for Pakri Barwadih, Chatti-Bariatu and Kerendari coal blocks and disbursement of land compensation commenced. With approval of Mining Plan for Dulanga (7MTPA) and Talipalli (18MTPA) by Ministry of

Coal this year, Mining Plan approval for total 53 MTPA was received. Environmental clearance was accorded for Pakri Barwadih, Chatti Bariatu and Kerandari Coal Blocks.

Stage-I Forest Clearance for Pakri Barwadih coal block was accorded by MOEF. Your company has tied up with NESCL for permanent power arrangements for coal mining projects.

With completion of detailed exploration in two coal blocks i.e. Talipalli which was un-explored and Dulanga which was partly explored, Geological Reports are available for all coal blocks.

Your Company has taken a number of CSR measures for the benefit of the people around its coal mining sites. Under community development activities, it is planned to set up an ITI at Barkagaon, Distt. Hazaribagh, Jharkhand and also to adopt and upgrade another ITI at Pussore, Distt. Raigarh, Chhatisgarh besides undertaking other community development activities.

Other initiatives for securing coal supply

To leverage the strength of established players in mining and related areas, your Company has formed following Joint Venture Companies:

Name of Company	JV Partners	Purpose
CIL NTPC Urja Private Limited (incorporated on 27.04.2010)	Coal India Limited	For undertaking the Development, O&M of Brahmini and Chichro Patsimal coal blocks and Integrated Power Project(s).
NTPC SCCL Global Ventures Pvt. Ltd., (incorporated on 31.07.2007)	Singareni Collieries Company Ltd.	For undertaking development and O&M of coal Blocks in India and abroad.
International Coal Ventures Pvt. Ltd., (incorporated on 20.05.2009.	SAIL, CIL, RINL and NMDC	For exploring various opportunities in Australia, Mozambique, Canada, Indonesia and USA, etc for acquisition of stake in coking coal and thermal coal mines.

Your Company is also exploring opportunities for acquiring stake in coal mines in Indonesia, Australia and Mozambique.

Exploration Activities

Under NELP VIII, your Company has been allotted one block at Cambay basin as a sole operator and three blocks out of which two blocks are in KG basin and another in Andaman, as a member of the consortium led by ONGC with 10% participating interest in each block.

BUSINESS EXCELLENCE: GLOBAL BENCHMARKING

As a step towards developing 'Total Quality' culture in the organization, your Company took forward the Quality Circle and Professional Circle movements for its employees. These fora provide opportunities to the employees to get together, network and share knowledge and experience on issues of professional interest. There are 800 QC teams and 300 PC teams across the Company creating refreshing learning culture.

With the objective of benchmarking the performance of its units with international units, your Company became a member of North American Electric Reliability Corporation (NERC). NERC has database of more than 5000 units worldwide under Generating Availability Data System (GADS). Your Company's coal units of 200 MW and 500 MW capacity were benchmarked with equivalent sized units amongst their peer group. The comparison revealed that 200 MW as well as 500 MW units of your Company performed better than the peer group units during the year on parameters of availability, forced outage, planned outage and capacity outage.

RENOVATION & MODERNISATION

Your Company undertakes Renovation & Modernization (R&M) under project mode with focus on feasible and cost effective technology upgrade, efficiency improvements to bring the latest design to old vintage units. It gives an opportunity to leverage the technological advancement which has taken place in the power industry so as to continue economical power generation. It may also help to reduce emission of green house gases and avail Clean Development Mechanism benefits apart from life extension of the plant.

Apart from the above, your Company is providing Consultancy Services for Renovation & Modernisation of old units of State Electricity Boards through a department "APDP-R&M". During the year 2009-10, your Company provided Consultancy Services for R&M to Barauni TPS (2x110MW) & Muzaffarpur TPS (2x110MW) of Bihar State Electricity Board, Obra TPS (5x200MW) & Harduaganj TPS (1x110MW) of Uttar Pradesh Rajya Vidyut Utapadan Nigam Limited and Ropar TPS (2x210MW) of Punjab State Electricity Board.

VIGILANCE

Implementation of Integrity Pact

Your Company is striving to bring more transparency to its business processes and as a step in this direction has signed a Memorandum of Understanding with Transparency International India in December, 2008. The Integrity Pact is being implemented for all contracts having value exceeding Rs. 100 million. Two Independent External Monitors have been nominated by the Commission for all contracts values exceeding Rs. 1000 million.

Implementation of Fraud Prevention Policy

The Fraud Prevention Policy has been formulated and implemented in your Company since 2006.The cases referred by the nodal officers are being investigated immediately to avoid fraudulent behaviors.

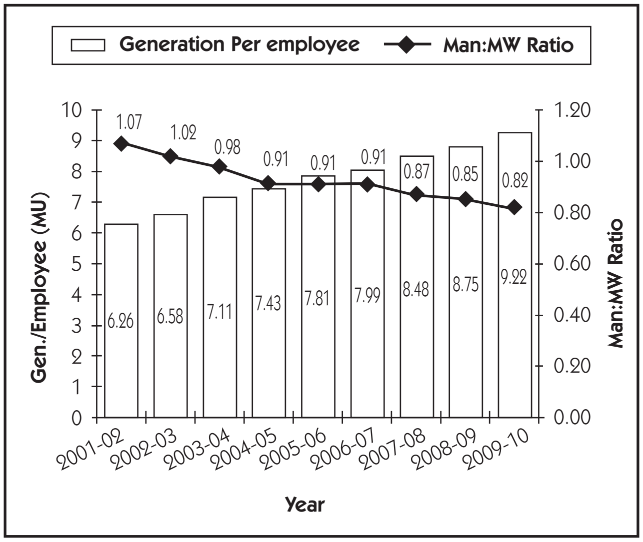
Workshops and Vigilance Awareness Week

Preventive Vigilance Workshops are being conducted every year to sensitize employees about sensitive points in work areas and their role in preventing corruption.

Vigilance Awareness Week is being organized every year in first week of November to emphasize on leveraging of IT, create awareness for transparency accountability, fair play and objectivity.

HUMAN RESOURCE MANAGEMENT

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 reflected in the consistent improvement of Man-MW ratio over the years. The over-all Man-MW ratio for the year 2009-10 excluding JV/subsidiary capacity is 0.82 and 0.80 including capacity of JV/ Subsidiary. Generation per employee has increased to 9.22 MUs registering an increase of 5.37% over the last year.



The total employee strength of the company stood at 24,955 as on 31.3.2010 against 24,713 as on 31.3.2009.

	Fiscal 2010	Fiscal 2009
NTPC		
Number of employees	23,743	23,639
Subsidiaries & Joint Ventures		
Employees of NTPC in Subsidiaries & Joint Ventures	1,212	1,074
Total employees	**24,955**	**24,713**

The attrition rate of the executives during the year has reduced to 1.00% from 1.88% in the previous year.

Employee Relations

During the year, employee relations scenario in your Company continued to be conducive marked by industrial harmony and mutual trust. Regular interactions take place amongst the management and apex forums of workmen called National Bipartite Committee and with executives' forum named NTPC Executive Federation of India. Employees' participation in Management has been boosting morale of the employees.

The process of pay revision of wage and benefit structure for employees in Executive category and for employees in unionized category (workmen) was completed on 16.09.2009 and 07.07.2010 respectively.

Safety

Your Company has always given prime importance to occupational health and safety to all the persons working in its projects and stations by making all efforts to prevent all types of accidents. To comply with the safety requirements, qualified Safety Officers have been appointed in all the units. The line executives take full responsibility of safety management and take preventive measures.

To spread the awareness of safety measures, safety months are organized involving each worker, wherein activities like safety related competitions including safety elocution, paintings and quizzes are conducted.

Training and Development

In line with its long-term objective of being a learning organization, your Company has a policy of continuously investing in training and development of not only its own employees but also of all professionals of the power sector. The Company imparts training at its sites as well as at the corporate level in diverse areas including general management, power station operation and maintenance, project construction, erection and commissioning and information technology. Training imparted is always in tune with new emerging needs in diverse areas like nuclear power, coal-mining, hydro-power, super-critical technology, power trading etc.

In pursuit of developing manpower in power sector, your Company established a dedicated training institute – Power Management Institute (PMI) at NOIDA, U.P. in 1994. Since then PMI has grown into an impressive centre of learning. In the year 2009-10, PMI conducted a total of 330 programmes attended by a total of 9049 participants. Your Company also has largest number of Project Management Certified Professionals in India.

To widen its portfolio, PMI launched an on-going scheme of strengthening the Industrial Training Institutes (ITIs) across the country by investing in its infrastructure upgradation, starting of new trades' teaching and commencing new classrooms where none existed earlier.

An international conference on O&M of power stations was held during December 13-15, 2009 wherein several technical papers were presented for experiential learning by professionals from power sector companies of India as well from foreign countries.

INCLUSIVE GROWTH

Your Company is committed to inclusive growth through its Corporate Social Responsibility initiatives under an integrated stakeholder approach covering environmental and social aspects.

With a view to provide basic civic amenities in socio-economically backward areas, your Company is working in the areas of basic infrastructure development like sanitation, road, drinking water, primary education, community health, vocational training etc. Your Company has expressed its commitment to provide financial support for setting up Technical Polytechnic at Kaladungi, Nainital Distt, and women's polytechnic at Gopeshwar, Distt. Chamoli, Uttarakhand. Construction of a school cum multi-purpose building for girls in Village Shaulana, Distt. Ghaziabad, Uttar Pradesh was completed in July 2009 with your Company's support. Vocational training programs such as computer training, vehicle and mobile repairing for youths and coaching classes for children in villages was provided at various locations.

In order to help women to become more self reliant, assistance was provided to 500 tribal girls/ women in 15 tribal villages in Udaipur Dist. of Rajasthan. A girls' hostel was constructed in Guntur Distt of AP. Financial support was provided for organizing educational and developmental workshop for Kashmiri migrants.

As a measure to contribute towards conservation of selected national monuments, your Company in association with Archaeological Survey of India (ASI) has identified 3 sites for financial support.

Your Company was actively involved in preparation of "ISO 26000 Guidance on Social Responsibility" and participated in various workshops/ meetings in the capacity of industry experts on CSR. It was also closely associated with Bureau of Indian Standards in formation of "Standard on Good Governance" and with the Ministry of Corporate Affairs in preparation of Guidelines on Corporate Social Responsibility.

Committed to its social responsibility, your Company became a member of Global Compact, a voluntary initiative of the UN for CSR. Your Company 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". A report on progress made in this area is enclosed at Annex-IX to Directors' Report.

NTPC Foundation

NTPC Foundation, registered in December'2004, is engaged in serving and empowering the physically challenged and economically weaker sections of the society. The Information and Communication Technology (ICT) Centre, set up jointly by NTPC Foundation and University of Delhi, and similar ICT facilities to the existing blind schools in Lucknow, Ajmer, Thiruvanathapuram and Mysore are helping a large number of physically challenged students to learn IT Skills and move along with the mainstream society. More than 800 physically challenged students have got benefited in these centres till now.

Disability Rehabilitation Centre established at Tanda (U.P.) in collaboration with National Institute of Orthopedically Handicap (NIOH), Ministry of Social Empowerment, Govt of India is providing rehabilitation/ restorative surgery to physically challenged persons like medical interventions and surgical corrections, fitting of artificial aids and appliances and therapeutic services etc. Till now, more than 26000 physically challenged persons have got benefited from the centre and close to 1800 such persons have been provided with various artificial aids and appliances.

In the area of health, Direct Observation Treatment cum Designated Microscopy Centre (DOT cum DMC) with Mobile Vans, diagnostic equipments and paramedical services have been started at 10 NTPC stations for diagnosis and treatment of the Tuberculosis patients in the neighbourhood villages of the stations. Till date more than 5700 patients have been examined by these centres and treatment has been provided as per requirement.

NTPC Foundation is also providing grants for setting up of Distributed Generation Projects for preparation of feasibility report, DPR, Insurance and for meeting funding gap.

Rehabilitation & Resettlement

Your Company is committed to help the people displaced for execution of its projects and has been making efforts to improve the Socio-economic status of Project Affected Persons (PAPs) and also undertaking community development activities in and around the projects. Rehabilitation Action Plans are implemented in most of the projects.

"Initial Community Development" (ICD) policy has been further widened to cover hydro/ mining and other projects to facilitate taking up community development activities in new greenfield/ expansion projects soon after land and water clearances are received from State Governments.

Your Company has approved setting up of a new Greenfield Industrial Training Institute at Bongaigaon.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has made vigorous efforts for the propagation and successful implementation of the Official Language Policy of the Government of India. Several Hindi workshops and competitions were conducted at projects, regional offices and corporate centre during the year to encourage the employees to maximize the use of Hindi in official work. All office orders, formats and circulars were issued in Hindi as well. Important advertisements and house journals were released in bilingual form- in Hindi and in English. Your company's website also has a facility of operating in bilingual form- in Hindi as well as in English.

SUSTAINABLE ENERGY DEVELOPMENT

Your Company has adopted the following vision statement on sustainable energy development:

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

Your Company is committed for development of renewable energy in view of global warming and fast depletion of fossil fuel.

Your company envisages capacity addition of 1000 MW through renewable energy sources by 2017. An MOU has been signed with GPCL for development of 500 MW renewable energy based projects, preferably wind and solar, in Gujarat. Your Company has approved a road map to foray into solar power generation business for capacity addition of 301 MW through solar energy by March 2014. Out of 301 MW, 190 MW will be added through Solar Thermal technology and the balance 111 MW will be added through Solar PV technology. As a first step, grid interactive 15 MW solar thermal based project is being taken up at Anta in Rajasthan which is the first of its kind in India. Another MOU has been signed with Andaman & Nicobar administration for development of 5 MW solar PV based project in South Andaman and 1MW solar energy based project in North Andaman.

Your Company has so far commissioned 15 Distributed Generation projects, out of which 5 projects are in Uttar Pradesh, 4 in Chattisgarh, 1 in Rajasthan and 5 in Madhya Pradesh with a total capacity of 300 KW, benefiting 2150 households. 5 DG projects near NTPC Vindhyachal Project in Sidhi Distt. in Madhya Pradesh are based on biomass and 1 DG project in Chattisgarh is based on micro-hydel. Feasibility studies for development of DG projects near Company's coal mining projects are being finalized.

NETRA – R&D Mission in Power Sector

NTPC Energy Technology Research Alliance focuses on areas such as Climate Change , Waste Management, New & Renewable Energy, Efficiency improvement, Cost reduction and reliability of stations.

Research Advisory Council (RAC) of NETRA has been constituted with eminent experts from National and International organizations to deliberate on the projects of NETRA. Regular meetings of RAC are being held and many new initiatives have been taken for R&D. A Scientific Advisory Council has been constituted consisting of Regional EDs and Heads of Projects as its members to help the stations in improving the efficiency, reliability and availability and reducing cost of generation. More than 21 Networking partners are involved alongwith NETRA in carrying out various projects identified by NETRA.

NETRA has filed 3 patent applications for various activities like integrated approach for bio-diesel preparation utilizing biofruit (Pongamia fruit), sensor for tube inspection and method and apparatus for efficient heat integration.

NETRA has signed an MOU with IOCL (R&D) for collaborative research on Biochemical Treatment of organic rich waters, development of energy efficiency lubricants, integrated plant for bio-diesel production, utilization of biomass for power generation, NDT and corrosion related projects for health assessment.

Environment Management – Continuous Improvements

Your Company is pursuing the objective of sustainable power development. It has taken a number of initiatives towards preservation of the environment by providing state-of-the art pollution control systems, regular environment monitoring and judicious use of natural resources, adoption of advanced and high efficiency technologies such as super critical boilers for the up-coming greenfield projects. High efficiency Electro-static Precipitators (ESPs) with efficiency of the order of 99.9% or higher and advanced ESP control systems have been provided in all coal based plants to keep Suspended Particulate Matter (PM) below the permissible level of 150 mg/Nm^3. All new plants are being provided with ESPs designed for outlet dust burden of below 100 mg/Nm^3. Flue Gas Conditioning (FGC) system has also been provided at our older stations at Singrauli, Korba, Farakka, Ramagundam, Rihand and Badarpur which is further contributing in reduction of PM emissions below statutory limits.

To treat the waste water and reduce consumption of fresh water requirements for the plants, your Company has installed Liquid Waste Treatment Systems, Ash Water Recirculation System and closed cycle condenser cooling water systems with higher Cycle of Concentration (COC) in its stations. Further, treated waste water is used in various plant systems resulting in reduction of fresh water requirement. This has resulted in considerable reduction in fresh water intake by 20% to 30% and also reduction in quantity of effluent discharge from the power plants.

Ash dykes in the Company have been engineered to ensure that all safety and environment issues are addressed at design stage itself. Multi-lagoon ash ponds with provision of over-flow Lagoons and ash pipe garlanding arrangement for change over of ash slurry feed points have been provided for effective settlement of ash particles. Water sprinklers have been provided in the Ash Pond areas for control of fugitive dust.

As a proactive measure and to effectively utilize bio-degradable solid wastes generated in project canteens and townships, a pilot scale Bio-Methanation Plant has been set up at Faridabad and is under installation at Singrauli in order to convert the waste into useful energy and bio-fertilizer.

In order to monitor key environmental parameters of stack emissions, ambient air and effluents continuously on real time basis, 61 continuous Ambient Air Quality Monitoring System (AAQMS) along with Meteorological Sensors have been installed at 20 stations located all over India.

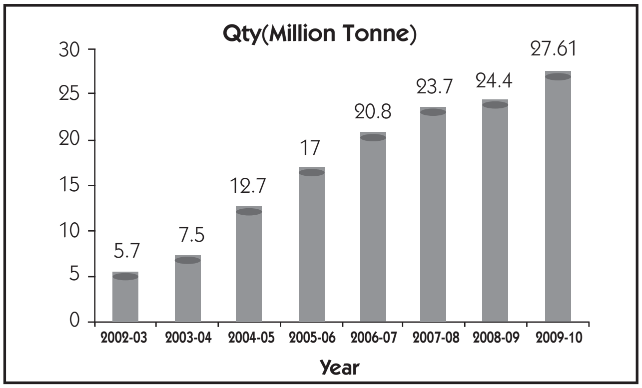
Clean Development Mechanism (CDM)

Your Company is pioneer in undertaking climate change issues proactively. It has taken several initiatives in CDM Projects in Power Sector. North Karanpura STPP, Loharinagpala HEPP and Tapovan Vishnughad HEPP have got Host Country Approval from National CDM Authority. A methodology prepared by your Company namely "Consolidated baseline 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'. More green field and energy efficiency CDM projects are in pipeline.

Ash Utilisation

During the year 2009-10, all time high 27.61 million tonne of ash has been utilized for various productive purposes which is 59.73% of the total ash generation against MoU target of 55%.

Important areas of ash utilization are- manufacturing cement, concrete, ash based products, asbestos sheets, construction of road embankment, ash dyke raising, mine filling and land development. Issue of fly ash to cement and concrete industry this year has been 10.85 Million Tonnes, about 8.5% more than last year's issue.



Fly ash and pond ash is being issued free of cost to fly ash/clay ash bricks, blocks and tiles manufacturers on priority basis over other users from all the NTPC's Stations. Fund collected from sale of ash is being maintained in a separate account by the subsidiary company i.e. NTPC Vidyut Vyapar Nigam Limited and the same is being utilized for development of infrastructure facilities, promotion and facilitation activities to enhance ash utilization.

CenPEEP – towards enhancing efficiency

Center for Power Efficiency and Environmental Protection (CenPEEP), set up with technical assistance of USAID/USDOE is a symbol of your Company's commitment towards green house gas (GHG) mitigation from existing thermal power plants. Through the implementation of Efficiency Management System and Knowledge Based Maintenance in power plants, your Company has avoided more than 30 Million tons of CO_2 emission since inception of the programme in 1996. These systems are based on state-of-the-art technologies which are customized to local conditions and disseminated to power stations by hands-on-training, guidelines and workshops.

Government of India has identified CenPEEP to support Asia Pacific Partnership program on Clean Development and climate change initiative. CenPEEP has worked with various state utilities for identifying potential for reduction in CO2 emissions.

International cooperation for climate change has been expanded with signing of an agreement between Ministry of Power, NTPC Ltd. and Japan International Agency for Cooperation (JICA) to undertake a 'Study on enhancing Efficiency of Operating Thermal Power Plants in NTPC-

India'. The study further strengthens CenPPEP as a resource centre, assimilating best practices from both eastern and western countries.

CenPEEP was conferred 'International Star Gold Award 2009' by BID International at Geneva.

MANAGEMENT OF CHANGE

Your Company has taken several initiatives to improve business processes, promote innovation and leverage information & communication technology for over-all productivity enhancement.

Rural Electrification

NTPC through its wholly owned subsidiary NESCL is carrying out the implementation of rural electrification in 29 districts in 5 States namely Madhya Pradesh, Chhatisgarh, Orissa, Jharkhand and West Bengal under Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY). MOU target of 7500 Un-electrified/ de-electrified (UE/DE) and 8.5 lac BPL household connection was achieved ahead of schedule. Total number of villages electrified during 2009-10 was 8017 and BPL connection was provided to 8.65 lac households.

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 designated a Central Public Information Officer (CPIO), an Appellate Authority and APIOs at all projects/ stations/ offices of NTPC. During the year 2009-10, all 644 applications received under the RTI Act were processed and replied to. In compliance with Section 4 of the RTI Act, RTI manual has been updated and put on NTPC website. Further, RTI portal for benefit of NTPC employees has been created on NTPC Intranet. Workshops on RTI Act have been conducted at regional headquarters and at projects to share and deliberate on latest notifications, amendments and other issues for smooth implementation. Interaction were also held with SAARC delegates on RTI.

Using Information and Communication technology for productivity enhancement

Enterprise Resource Planning has been implemented at all Company's locations and its subsidiaries covering all core business processes of Finance, Materials, Maintenance, Projects, Operations, HR, Fuel Management, etc. ERP has been integrated with Freight Online Integrated System of Railways. Also, new initiative like Activity Based Budgeting (ABB) and Overhaul Preparedness Index (OPI) have been implemented.

Your Company has set up a Project Monitoring Centre (PMC) at Delhi which is being used by your Company very effectively to monitor all 44 units under construction. The video-wall facility facilitates conferencing with all projects and web based project monitoring with respect to schedule.

NTPC GROUP : JOINT VENTURES AND SUBSIDIARIES

Your Company has formed 17 joint venture companies and 5 subsidiary companies for undertaking specific business activities. Another subsidiary, Pipavav Power Development Company Limited, is under winding up through striking off its name under Section 560 of the Companies Act, 1956 pursuant to the Directive issued by the Ministry of Power. Accordingly, necessary application with declarations and affidavits for winding up of the Company have been filed with the Registrar of Companies, NCT of Delhi & Haryana on 29.04.2010.

The above Joint Venture Companies also include CIL NTPC Urja Pvt. Ltd. which was incorporated on April 27, 2010.

The names of these companies and the percentage of your Company's stake in these Companies is as follows:

NTPC GROUP

NTPC LIMITED

Subsidiaries

100%	NTPC Electric Supply Company Ltd.
100%	NTPC Vidyut Vyapar Nigam Ltd.
100%	NTPC Hydro Ltd.
64.57%	Kanti Bijlee Utpadan Nigam Ltd.
74%	Bhartiya Rail Bijlee Company Ltd.

Joint Ventures

50%	Utility Powertech Ltd.
50%	NTPC-SAIL Power Company Pvt. Ltd.
50%	NTPC-Alstom Power Service Pvt. Ltd.
50%	NTPC-Tamilnadu Energy Company Ltd.
50%	Aravali Power Company Pvt. Ltd.
50%	NTPC-SCCL Global Venture Pvt. Ltd.
50%	Meja Urja Nigam Pvt. Ltd
50%	NTPC-BHEL Power Project Pvt. Ltd.
50%	Nabinagar Power Generating Co. Pvt. Ltd.
49%	BF-NTPC Energy Systems Ltd.
44.60%	Transformer & Electricals Kerla Ltd.
29.65%	Ratnagiri Gas & Power Pvt. Ltd.
25%	National High Power Test Laboratory Pvt.Ltd.
16.67%	National Power Exchange Ltd.
14.28%	International Coal Ventures Pvt. Ltd.
25%	Energy Efficiency Services Pvt. Ltd.
50%	CIL NTPC Urja Pvt. Ltd

The performance of these companies as well as the consolidated financial statements are briefly discussed in the Management Discussion & Analysis section. The financial statements of subsidiary Companies along with the respective Directors' Report are placed elsewhere in this Annual Report.

STATUTORY AND OTHER INFORMATION REQUIREMENTS

Information required to be furnished as per the Companies Act, 1956, Listing Agreement with Stock Exchanges, Government guidelines etc. is annexed to this report as below:

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
Information as per Companies (Particulars of Employees) Rules, 1975**	IV
Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies	V
Statistical data of the grievances	VI
Statistical information on persons belonging to Scheduled Caste / Tribe categories	VII
Information on Physically Challenged persons	VIII
UNGC-Communications on progress 2009-10	IX
Presidential Directives	X
Project Wise Ash Utilisation	XI

****INFORMATION AS PER COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are set out in Annexure to the Directors' Report and forms part of this report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company. The information is available at NTPC Website at www.ntpc.co.in. The Company (excluding JV's and Subsidiaries) had 23743 employees as on March 31, 2010. 998 employees employed throughout the year were in receipt of remuneration of Rs. 24 lac per annum and 151 employees employed for part of the year were in receipt of remuneration of more than Rs. 2 lac per month.

STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s Varma & Varma, B.C. Jain & Co., Parakh & Co., S.K. Mittal & Co., Dass Gupta & Associates and S.K. Mehta & Co. were appointed as Joint Statutory Auditors for the financial year 2009-10.

MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The Statutory Auditors of the Company have drawn attention to certain matters in Paragraph 4 (f) (i) and (ii) of their Report to the Members. In this regard, your Directors clarify as under:

The CERC notified the Tariff Regulations 2009 containing, inter-alia, the terms and conditions for determination of tariff applicable for a period of five years w.e.f. 1st April 2009. The Company has filed tariff petitions for determination of tariff in respect of all its stations with CERC. Pending determination of tariff by the CERC, the basis for billing and accounting of sales for the year has been explained in Note nos. 2(a) & (b) of the Annual Accounts referred to by the Statutory Auditors.

The appeal filed by the CERC against some of the issues decided by the Appellate Tribunal for Electricity in respect of tariff for the period 2004-2009 is pending for disposal before the Hon'ble Supreme Court of India. This fact and the basis for recognition of the sales in the financial statements has been disclosed in Note No. 2(e) of the Annual Accounts.

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

As advised by the office of the Comptroller & Auditor General of India (C&AG), the comments of C&AG for the year 2009-2010 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

COST AUDIT

As prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2001, the Cost Accounting Records are being maintained by all stations of the Company since the year 2002-03. The cost audit for the year 2009-10 has been completed and the Cost Audit reports are being submitted by the Cost Auditors.

BOARD OF DIRECTORS

Shri R.K. Jain ceased to be Director (Technical) of the Company with effect from December 31, 2009 on attaining the age of superannuation.

Shri D.K. Jain, Executive Director (Engineering) has taken over as Director (Technical) with effect from May 13, 2010.

Shri R.C. Shrivastav ceased to be the Director of the Company on June 30, 2010 on attaining the age of superannuation.

Shri Chandan Roy ceased to be the Director of the Company on July 31, 2010 on attaining the age of superannuation.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri R.K. Jain, Shri R.C. Shrivastav and Shri Chandan Roy during their association with NTPC.

In accordance with the provisions of Article 41(iii) of the Articles of Association of the company four directors - Shri Shanti Narain, Shri P.K. Sengupta, Shri K. Dharmarajan and Dr. M. Govinda Rao shall retire by rotation at the Annual General Meeting of your Company and, being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 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 2009-10 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, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors 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 Finance, Ministry of Environment & Forests, Ministry of Coal, Ministry of Petroleum & Natural Gas, Ministry of Railways, Planning Commission, Department of Public Enterprises, Central Electricity Authority, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, State Governments, Regional Power Committees, State Electricity Boards and Office of Solicitor General of India.

Your directors 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 Government and the 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

Place : New Delhi (R.S. Sharma)

Date : August 04, 2010 Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

GENERATION

India ranks 5th in the world in terms of total installed capacity, it is one of the lowest in terms of per capita consumption of power. The National Electricity Policy (NEP) stipulates "power for all" and annual per capita consumption of electricity to rise to 1000 units by 2012. The policy aims at inclusive growth of power sector by providing adequate reliable power, at reasonable rates with access to all citizens. The 17th Electric Power Survey (EPS) forecast that the peak demand would grow at a CAGR of 7.8% in the 11th Plan as compared to growth in supply expected around 6.8% to 7% resulting in continued upward trend of power deficit in India. The demand projections as per 17th EPS for next 11-12 years on all-India basis show that the energy requirement and annual peak load will be 2.30 times and 2.50 times respectively of the existing requirement as detailed hereunder:

Year	Energy Requirement Tera Watt Hrs	Annual Peak Load at Power Stn. (GW)
2009-10 (Act.)	830.594	119.166
2011-12	968.659	152.746
2016-17	1392.066	218.209
2021-22	1914.508	298.253

Source-17th Electric Power Survey of CEA

However, over last 3 years, the CAGR of peak demand as well as energy shortages have shown a downward trend as compared to projections considered in the 17th EPS.

Mid Term Review of 11th plan

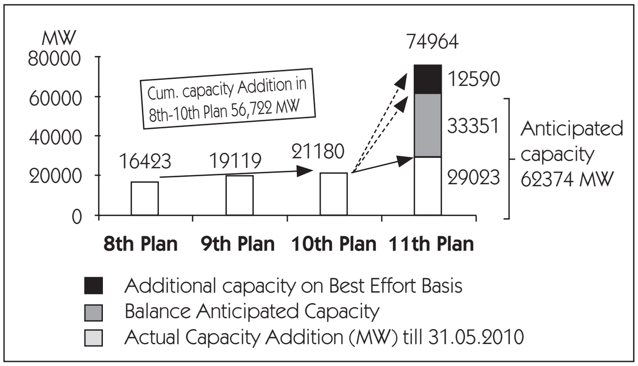
Based on the progress made so far during 11th plan, Planning Commission in its draft midterm review has assessed that against a target of 78,700 MW, a total capacity of 62,374 MW is likely to be added with high certainty alongwith 12,590 MW capacity that may be added on best efforts basis.

Capacity in MW

Sector	Thermal	Hydro	Nuclear	Total	Likely Addition
Central	24,840	8,654	3,380	36,874	21,222
State	23,301	3,482	0	26,783	21,355
Private	11,552	3,491	0	15,043	19,797
Total	**59,693**	**15,627**	**3,380**	**78,700**	**62,374**

Source : CEA

So far, in the 11th Plan, 29,023 MW (including Renewable Energy Sources-RES) capacity has been added (upto May, 2010). In absolute terms, this capacity addition in the 11th plan is much higher as compared to the capacity added in each of last three five-year- plans.



The main issues in capacity addition during 11th plan are delayed supply of equipment due to issues concerning shortages, non-sequential supply of material by suppliers, shortage of skilled manpower for construction and commissioning of projects, contractual disputes between project authorities, contractors and their sub-vendors, delay in readiness of balance of plants by the executing agencies. Hydro capacity addition has slipped substantially. Difficulties have been experienced by developers in land acquisition, rehabilitation, environmental and forest – related issues, inter-State issues, geological surprises (particularly for Hydro projects) and contractual issues. These issues continue to pose challenges to maintain the pace of development of power projects.

Advance action for 12th Plan

As regards 12th Plan, it is expected that capacity addition close to 1,00,000 MW will take place. In this proposed capacity, the major portion is expected to come through super-critical technology. In order to achieve the 12th Plan target and in order to augment the domestic manufacturing base of main plant equipment, bulk tendering of super-critical units was approved by the Cabinet Committee on Infrastructure in August 2009 with emphasis on phased manufacturing programme so that domestic manufacturing capacity of super-critical units is established in the country through new manufacturers apart from BHEL. It was also decided to invite separate international competitive bids (ICBs) for the boiler and the steam turbine generator (STG) islands, i.e. one bulk package for all the boilers and another bulk package for all the STGs, instead of a single common boiler turbine generator (BTG) bulk package, as there are limited manufacturers who manufacture both boilers and

STGs. Following the approval of Government of India, NTPC was entrusted with the task of issuing NIT for bulk ordering of 11 units of 660 MW (totalling 7260 MW).

CEA has also set up 18th EPS committee to forecast electricity demand in detail upto the end of 12th Plan (2012-13 to 2016-17) and to project prospective electricity demand for 13th and 14th plans.

Substantial capacity is also expected to be added through Ultra Mega Power Projects.

Existing Installed Capacity

The total installed capacity in the country as on March 31, 2010 was 159,398.49 MW with State Sector leading with a share of 49.80%, followed by Central Sector with 32 % share and balance 18.20% contributed by Private Sector entities.

Total Capacity	MW	% share
State	79,391.85	49.80%
Centre	50,992.63	32.00%
Private	29,014.01	18.20%
Total*	**159,398.49**	**100%**

*Excluding captive generating capacity connected to the grid 19509 MW as on 31.3.2010

Source: CEA's Reports

Capacity addition gained momentum during the year 2009-10 with 9,585 MW (excluding RES) of capacity being added as compared to 3,454 MW added during the previous year, registering a growth of 178%.

Out of 11,433.08 MW (including RES) added during the year in the country, the Central Sector contributed to an addition of about 17.69%, State Sector 28.65% and 53.66% was contributed by Private Sector.

The total thermal capacity, including gas stations and diesel generation accounts for about 64.27% of installed capacity of the country followed by hydro capacity at 23.13%. Nuclear stations account for 2.86% and the balance 9.74% is contributed by Renewable Energy Sources.

Total Capacity	MW	% share
Thermal	102,453.98	64.27%
Hydro	36,863.40	23.13%
Nuclear	4,560.00	2.86%
R.E.S.@	15,521.11	9.74%
Total	**159,398.49**	**100%**

@ Renewable Energy Sources

Source: CEA's executive summary

With 84,198.38 MW of the installed capacity contributed by coal based stations which is 52.82% of nation's capacity, coal remains key fuel for power generation.

Existing Generation

The total power available in the country during the year 2009-10 was 771.551 billion units as compared to 723.794 billion units during last year, registering a growth of 6.6%.

The sector wise and fuel wise break-up of generation for the year 2009-10 is detailed as under:

Total Generation	Billion Units	% share
State Sector	348.274	45.14%
Central Sector	324.284	42.03%
Pvt. Sector	93.634	12.14%
Others*	5.359	0.69%
Total	771.551	100.00%

Total Generation	Billion Units	% share
Thermal	640.876	83.06%
Hydro	106.680	13.83%
Nuclear	18.636	2.42%
Others*	5.359	0.69%
Total	771.551	100.00%

*Bhutan Import.

Source: CEA's Reports

Although the State Sector accounts for 49.80% of installed capacity, its contribution to national generation is only 45.14%. Central Sector utilities have better performing stations as compared to those of State utilities and contribute 42.03% of nation's generation with a share of 32% in installed capacity.

Demand and Supply position

The supply of power improved during the year 2009-10 owing to increase in capacity in coal as well as gas based plants. Gas based supply also increased primarily due to availability of KG basin gas.

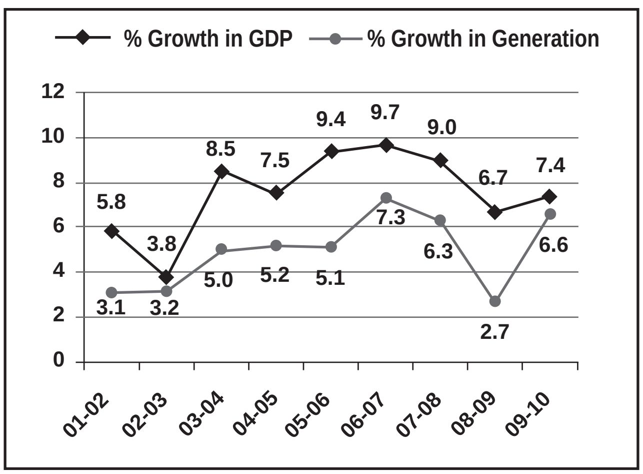
For the first time since 2003-04, energy deficit declined on a year-on-year basis in 2009-10 to 10.1 % from 11.1 %. The base load demand increased by 7.26% while base load supply grew by 8.36% over last year. This is also attributed to higher capacity addition coupled with higher utilisation owing to improved fuel availability.

Peak load demand, however, increased by 8.52% whereas peak supply grew by 7.6 % resulting in raising peak load deficit to 12.7% in 2009-10 from 11.9 % in the previous year. The reversal of the downtrend witnessed last year is mainly due to resumption in industrial activity as reflected in the change of growth rate of Index of Industrial Production (IIP) from 2.7% in 2008-09 to 10.4% in 2009-10. *(source: CSO)*

Years	Peak Deficit %	Energy Deficit %
2000-01	13.0	7.8
2001-02	11.8	7.5
2002-03	12.2	8.8
2003-04	11.2	7.1
2004-05	11.7	7.3
2005-06	12.3	8.4
2006-07	13.8	9.6
2007-08	16.6	9.8
2008-09	11.9	11.1
2009-10	12.7	10.1

As per IMF's World Economic Outlook 2010 update, India's GDP is expected to grow at 9.4%, next only to China which is expected to grow at 10.5% this year in comparison to other countries. In order to sustain the growth in GDP, India needs to add power generation capacity commensurate with this pace since growth of power sector is strongly co-related with the growth in GDP and going forward it is expected that supply will create further demand.

Central Electricity Authority in its 17th Electric Power Survey (EPS) has projected that in order to completely wipe off the energy deficit, the energy requirement at the power station bus bar would be of the order of 968.659 Billion Units in 2011-12.



Currently, the sector is characterized by acute shortages. The demand and supply position during the last five years in the country is indicated as under:

Actual Power Demand- Supply Position

Fiscal Year	Requirement	Availability	Surplus/Deficit (+/-)	
	(MU)	(MU)	(MU)	(%)
2005	591,373	548,115	-43,258	-7.3%
2006	631,554	578,819	-52,735	-8.4%
2007	690,587	624,495	-66,092	-9.6%
2008	737,052	664,660	-72,392	-9.8%
2009	777,039	691,038	-86,001	-11.1%
2010	830,594	746,644	-83,950	-10.1%

MU denotes Million units,
Source: Executive Summary Reports of CEA.

Structure of power market

Power is transacted in India largely through long term Power Purchase Agreements (PPA) entered between Generating/ Transmission Companies with 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. Unscheduled Interchange (UI) mechanism).

In the year 2009-10, around 93.17% of power generated in the Country was transacted through the long term PPA route. 5.35% of the power was transacted through trading mechanism which included trading through short term licensees, bi-lateral trading, trading through power exchanges and the balance 1.48% of the power was transacted through UI mechanism.

Consumption

The end users of power in India are broadly classified into industrial, domestic, agricultural and commercial categories. The share of each of these categories in the consumption of electricity during the fiscal 2008 was approximately 38%, 24%, 22% and 8% respectively. The balance pertains to various other consumers. The per capita consumption of electricity of 704.2 kWh (2007-08) in India is quite low as compared to the world average of 2750 kWh in the year 2006.

Capacity Utilisation

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

Sector wise PLF (Thermal)

Sector	Plant Load Factor		
	2007-08	2008-09	2009-10
State	71.9	71.2	70.9
Central	86.7	84.3	85.5
Private	90.8	91.0	83.9
All India	78.6	77.3	77.5

Further, PLF of gas stations improved considerably from 57.6% clocked in 2008-09 to 67.28% during 2009-10 owing to improvement in gas supply.

TRANSMISSION AND DISTRIBUTION

In India, the power transmission and distribution (T&D) system is a three-tier structure comprising of distribution networks, state grids and regional grids. The distribution networks are owned by the distribution licensees and the state grids are primarily owned and operated by respective state utilities. In order to facilitate the transmission of power among neighbouring states, state grids are interconnected to form regional grids.

Most of the inter-state transmission links are owned and operated by Power Grid Corporation of India Limited. Power Grid also owns and operates many inter-regional transmission lines (forming a part of the national grid), in order to primarily facilitate the transfer of power from a surplus region to a deficit region. The regional grids are being gradually integrated to form a national grid enabling inter-regional transmission of power facilitating optimal utilization of the national generating capacity. The geographical distribution of primary sources of power generation in the country is uneven. The hydro potential is in the Northern and North-Eastern States and coal is primarily located in the Eastern part of the country. The focus of planning the generation and the transmission system in the country has shifted from the orientation of regional self-sufficiency to the concept of optimization of utilization of resources on all-India basis. Development of a strong National Grid has become a necessity to ensure optimal supply of power to all. The Ministry of Power (MoP) has envisaged establishment of an integrated National Power Grid in the country by the year 2012. The program envisages addition of over 60,000 ckt km of Transmission Network in a phased manner by 2012. The integrated grid shall evacuate additional 100,000 MW and carry 60% of the power generated in the country. The existing inter-regional transmission capacity connects the northern, eastern, north-eastern and western regions in synchronous mode and the southern region asynchronously. The inter-regional power transmission capacity as on March 2010 is 20,800 MW. This capacity is expected to be further augmented to 37,700 MW by 2012. High capacity transmission corridors need to be developed for the viable and economic evacuation of such a quantum of power. For this, high capacity HVDC links and 1,200 kV and 765 kV UHV (Ultra High Voltage) AC corridors with pooling stations at suitable locations in Jharkhand, Orissa, Chhattisgarh, Madhya Pradesh, Andhra Pradesh and Tamil Nadu have been envisaged. Work has started on the first 800 kV HVDC bipole line from the north-eastern region to the northern region.

POWER TRADING

Trading of power is recognized as a distinct license activity under the Electricity Act 2003 (EA 2003). The Central and State Electricity Regulatory Commissions have powers to grant inter-state and intra-state trading licenses. As per CERC, there are 39 inter-state trading licensees on March 31, 2010.

The volume of electricity transacted through trading licensees and on power exchanges has increased from 20.18 BUs in 2007 to 30.60 BUs in 2009 representing 3% and 4% of total generation respectively in the country. The weighted average price of electricity transacted through two power exchanges are showing a downward trend and came down from Rs.7.57/kWh in the year 2008 to Rs.5.73/kWh in the year 2009.

Volume of Electricity Transacted during 3 years

BUs

Year	Electricity Transacted Through			Total	Trade as % of Generation
	Trading Licensees	IEX	PXIL		
2007	20.18	-	-	20.18	2.93%
2008	21.63	1.72	0.02	23.37	3.28%
2009	24.81	5.07	0.72	30.60	4.08%

Source: Annual Report of CERC for the year 2009

India has two power exchanges – India Energy Exchange (IEX) promoted by Financial Technologies (India) Limited (FTIL) and PTC India Financial Services Ltd. and Power Exchange India Limited (PXIL), promoted by NSE and National Commodities & Derivatives Exchange Ltd. (NCDEX). Both the power exchanges are operational contributing to trade and distribution of market information, promoting competition and creation of liquidity in a deregulated power market. The trading is done through on-line satellite connected exchange that ensures transparency and price discovery.

Open access in inter-state transmission is fully operational. To boost open access, the CERC has recently notified a regulation on Connectivity, Long-term Access and Medium-term Open Access in inter-state transmission. The regulation introduced medium-term open access to the inter-state grid. A transmission corridor can now be availed for a period ranging from 3 months to 3 years. Provisions have also been made for seeking connectivity to grid. The new dispensation has abolished the discrimination between public-sector and private-sector generators in the matter of connectivity to grid. Also, now any 100 MW and above consumer can be connected directly to the Central Transmission Utility grid without having to go to State Load Dispatch Centers (SLDCs).

RURAL ELECTRIFICATION

As per Central Electricity Authority (CEA), around 83.9% villages have been electrified by end March, 2010. The Central Govt. launched a scheme "Rajiv Gandhi Grameen Vidyutikaran Yojana" (RGGVY) in April 2005 with the goal of electrifying all (around 118500) un-electrified villages and hamlets and providing access to electricity to all households in next five years. Under RGGVY, 80,864 villages have been electrified and connections to 1.15 crore Below Poverty Line (BPL) households have been released up to 15.6.2010.

(Source: Ministry of Power –RGGVY projects)

R-APDRP

Accelerated Power Development and Reforms Programme (APDRP) was modified and renamed as Restructured APDRP (R-APDRP).The program was approved by CCEA on July 31, 2008. R-APDRP is linked to actual demonstrable performance in terms of AT&C loss reduction to 15% or less by the end of 11th plan through adoption of IT for energy accounting/ auditing and strengthening /up-gradation of distribution network.

The R-APDRP program size is Rs.51,577 crore. Projects under the scheme are classified in 4 parts – 'A', 'B', 'C' and 'D'. Part 'A' is for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centers and Part 'B' is towards regular distribution strengthening projects. The expected investment in Part 'A' is Rs.10,000 crore and that in Part 'B' would be Rs 40,000 crore. PFC is the nodal agency for operationalizing the programme. Part 'A' & Part 'B' projects can be implemented simultaneously with a gap of 3-6 months which is needed to establish the baseline figure of AT&C loss of the project area through ring fencing by installation of boundary (import/ export energy meters). A steering committee has been constituted under the Secretary (Power) in order to sanction projects, monitor and review implementation, approve guidelines for operationalizing the components of the scheme. The steering committee has approved 1,344 projects for 22 states under Part 'A' at the cost of Rs.4,859.60 crore. 6 states, namely West Bengal, Madhya Pradesh, Rajasthan, Karnataka, Uttarakhand and Gujarat have awarded the work for implementation of projects approved under Part 'A' of the R-APDRP to the IT Implementing Agency.

R-APDRP also has provision for Capacity Building of Utility personnel and development of franchisees through Part 'C' of the scheme. The part 'D' of R-APDRP provides for payment of incentive for utility staff in towns where AT&C loss levels are brought below the baseline. *(Source : Economic Survey 2009-10, MoP)*

POLICY FRAMEWORK

Electricity is in the concurrent list of the seventh schedule of the Constitution of India and therefore the responsibility for the development of the power industry is with both - Central Government and the State Governments. Distribution of electricity, in particular comes in the domain of the states. The Electricity Act 2003 **(EA 2003)** provides the overall legislative framework for the sector.

MoP oversees the operation of all Central Sector Power utilities. The Central Electricity Authority (CEA) advises the MoP on electricity policy and technical matters. The government has constituted CERC to regulate the tariffs for the central power utilities and other entities with inter-state generation or transmission operations. The EA 2003 also requires state governments to set up State Electricity Regulatory Commissions for rationalization of energy tariffs and formulation of policy within each state. As of March 31, 2010 all the states except Arunachal Pradesh and Nagaland have set up their Regulatory Commissions. In addition, two Joint Electricity Regulatory Commissions have been set up for Manipur & Mizoram and Goa & UTs. So far, eighteen states have unbundled their electricity boards into Generation Companies, Transmission Companies and Distribution Companies.

The Electricity Act 2003 (EA 2003), National Electricity Policy (NEP) 2005 and Tariff Policy 2006 set the enabling framework for power development in the country. EA 2003 has promoted a liberal, transparent and enabling legal framework for power development for creation of a competitive environment and reforming distribution segment of power industry. It allows open access in transmission and distribution. It provides for regulatory oversight for fixation of tariff. Definition of theft was expanded to cover the use of tampered meters and their use for unauthorized purpose. Theft of power was made explicitly cognizable and non-bailable offence. **Rural Electricity Policy** was launched in August, 2006 to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households. **National Hydro Policy** was launched in fiscal 2008 allowing private producers to undertake hydro projects based on PPA route with a facility of merchant sale upto 40% from saleable energy from hydro plant.

RECENT POLICY INTITIATIVES IN POWER SECTOR

a) Distribution reforms modified under "Mega Power Project Policy"

On December 3, 2009, MoP notified that under Mega Power Project Policy, the condition of privatization of distribution by power purchasing states would be replaced by the condition that power purchasing states shall undertake to carry out distribution reforms as laid down by MoP.

b) Revision in "Mega Power Project" conditions

The following amendments have been made with regard to classification of a project as "Mega Power Project" and being eligible for the benefits under mega power policy:

I. Revision with regard to threshold capacity of the project -

   a) A thermal power plant of capacity of 1000 MW or more; or

   b) A thermal power plant of capacity of 700 MW or more located in the States of J&K, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or

   c) A hydel power plant of capacity of 500 MW or more; or

   d) A hydel power plant of a capacity of 350 MW or more, located in the States of J&K, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura.

II. Mega policy benefits extended to brownfield projects also subject to certain conditions.

III. Mandatory condition of inter-state sale of power for getting mega power status removed.

IV. Goods required for setting up a mega power project, would qualify for the fiscal benefits after it is certified by designated MoP official that (i) the power purchasing States have constituted the Regulatory Commissions with full powers to fix tariffs and (ii) power purchasing states shall undertake to carry out distribution reforms as laid down below:

   - Timely release of subsidy as per Section 65 of Electricity Act, 2003.
   - Ensure that Discoms approach SERC for approval of annual revenue requirement/tariff determination in time according to the SERC regulations.
   - Setting up special courts as provided in the Electricity Act 2003 to tackle theft related cases.
   - Ring fencing of State Load Dispatch Centres.

V. Mega Power Projects would be required to tie up power supply to the distribution companies/ utilities through long term PPA(s) in accordance with NEP 2005 and Tariff Policy 2006 as amended from time to time.

VI. No further requirement of ICB for procurement of equipment for mega projects if the requisite quantum of power has been tied up or the project has been awarded through tariff based competitive bidding.

VII. The present dispensation of 15% price preference available to the domestic bidders in case of cost plus projects of PSUs would continue. However, the price preference will not apply to tariff based competitively bid project(s) of PSUs.

c) Scheme for Supply of Power to Rural Households notified by MoP

MoP on April 27, 2010 notified that electricity will have to be supplied to households of the villages located in the areas which fall within 5 kilometer radius around Central Power Plants for minimum 6-8 hours on daily basis. The scheme covers all the existing and upcoming power plants of CPSUs. The cost of providing infrastructure is to be borne by the CPSUs to which the plant belongs and the same will be booked by the CPSUs as part of project cost. The scheme shall be implemented under the supervision of a nodal officer appointed by the State Utility. Separate transformers with suitable meters will be installed for accounting energy for supply of households, agriculture and industry by State Utility at their expense. The tariff for supply of electricity to these villages will be notified by the SERC. MoP shall allocate adequate power to the state utility for supplying to identified villages.

d) Inter-State trading margin regulations 2010

The CERC issued new regulations fixing trading margins for inter-state trading in electricity. The main features of the new regulations are:

- The trading margin shall apply only to short-term buy – short-term sell contracts for inter-state trading,
- Trading margin shall not exceed 4 paise per unit if the sell price of electricity is less than or equal to Rs.3 per unit. The ceiling of trading margin shall be 7 paise per unit in case the sell price of electricity exceeds Rs.3 per unit.
- If more than one trading licensee is involved in a chain of transactions, the ceiling on the trading margin shall include the trading margins charged by all the traders put together.
- Long-term agreements have been exempted from trading margins to facilitate innovative products and contracts for new capacity addition which involve higher risk in transactions.

e) CERC's 2009-14 Regulations

CERC tariff regulation for power generation and transmission for 2009-14 ensures certainty of RoE at base rate of 15.5% to be grossed up with normal tax rate as applicable to the concerned utility. There is an additional 0.5% RoE if projects are commissioned within given time-lines in addition to retaining contribution on account of efficient operation subject to certain conditions. In the year, in which the concerned utility pays Minimum Alternate Tax (MAT), the base rate will be grossed up by applying MAT rate. Other provisions of Regulation have been discussed elsewhere in this report.

f) New Indian Electricity Grid Code (IEGC) and amendments to Unscheduled Interchange (UI) regulations

CERC notified new IEGC effective from 3rd May, 2010. While the new Grid Code will facilitate larger integration of renewable energy sources with grid, the amended UI regulations will bring stricter grid discipline. To discourage states from overdrawing electricity from the grid, CERC increased the overdrawing charge to Rs 12.25 per unit. An additional unscheduled interchange (UI) charge of 40% on the normal UI rate of Rs 8.73 per unit will now become applicable when the frequency is below 49.5 Hz.

As a further deterrent on overdrawals, the additional UI charge rate will be 100% (on the normal UI rate) on overdrawals when the grid frequency is below 49.2 Hz instead of 49.5 Hz earlier.

OPPORTUNITIES AND THREATS

Opportunities

No slowing of demand for electricity

Although, the Indian power sector is one of the fastest growing sector in the world and energy availability has increased by around 36% in the past 5 years, the demand for power outstrips the supply. Nearly 60 crore Indians do not have access to electricity. The energy and peaking deficits have been hovering around double digits for the past two years. There is therefore ample scope for rapid capacity expansion. It is widely believed that the demand of power is understated and supply will also create further demand. Although, the peaking shortages have reduced over the years, however the energy deficits are expected to remain in double digits. Going forward, the peak deficit is expected to increase since only base load capacity is being planned and implemented.

Favourable environment to induce investment in power sector

100% FDI is allowed in Generation, Transmission and Distribution segments. Government of India has allowed Income-Tax holiday for a block of consecutive 10 years in the first 15 years of operation. Further incentives from Government include waiver of duties on capital equipment under mega-power project policy.

Government has taken a number of steps, including the enactment of Electricity Act (2003) and Securitisation of SEB dues to reform the power sector and to attract investments. Distribution reforms were brought under focus besides making theft of power a punishable offence. Further APDRP was launched to improve the T&D infrastructure in the country and electricity regulatory commissions have been set up at the state level to delineate tariff setting from extraneous influences. In addition, Government has taken a number of measures to encourage new capacity addition such as allowing non-discriminatory open access to transmission and distribution besides introducing setting up of new capacities on competitive bidding route. Govt. has also allowed developers to set up merchant power plants without entering into long term PPAs. Coal blocks have been allocated to power project developers to strengthen fuel security.

Ultra Mega Power Projects

Recognizing the fact that economies of scale leading to cheaper power can be secured though large size power projects, Govt. of India alongwith CEA and PFC has taken an initiative for the development of coal based Ultra Mega Power Projects (UMPPs) as pit head stations and coastal based stations each with a capacity of about 4000 MW using super critical technology under Public –Private Partnership mode. So far, 4 such projects have been awarded international competitive bidding route namely Sasan in MP, Mundra in Gujarat, Krishnapatnam in AP and Tilaiya in Jharkhand. As per Economic Survey 2009-10, one unit of 660 MW of the Sasan UMPP and two units of 800 MW each of the Mundra UMPP are expected to be commissioned in the 11th Plan. Government has decided to include an additional bidding qualification criterion stating that no bidding company or group may hold more than 3 UMPPs at the pre commissioning stage. The competitive bidding process for selection of developer for Surguja UMPP in Chattisgarh has also commenced during the year.

Green power: Opportunities in Renewable Energy Sources (RES) based Power generation

Even though RES account for only 9.74% of installed capacity, their share in the total energy basket is gradually increasing. Under the National Action Plan on Climate Change (NAPCC), Jawaharlal Nehru National Solar Mission is one of the eight National Missions launched by Govt. on January 11, 2010 with the twin objectives of contributing to India's long-term energy security and its ecologically sustainable growth. The Mission will be implemented in 3 stages leading to an installed capacity of 20,000 MW of grid power, 2,000 MW of off-grid solar applications and 20 million sq. m. solar thermal collector area and solar lighting for 20 million households by the end of the 13th Five Year Plan in 2022. The immediate aim of the Mission is to focus on setting up an enabling environment for solar technology penetration in the country and includes feeding 1,000 MW of solar power (solar thermal and photovoltaic) to the grid under the first phase by March 2013. Govt. of India has designated NVVN, a wholly owned subsidiary of NTPC as the nodal agency for the purchase of up to 1,000 MW of solar power commissioned by Fiscal 2013 under the National Solar Mission and sale after bundling an equivalent MW capacity from our stations.

EA 2003 requires SERCs to specify a percentage for purchase of electricity from cogeneration or renewable sources termed as Renewable Purchase Obligation (RPO). SERCs in 16 States have already specified the percentage– Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu, Kerala, Haryana, Maharashtra, Uttar Pradesh, West Bengal, Uttarakhand, Punjab, Chattisgarh, and NCT of Delhi. *(Source: Ministry of New and Renewable Energy)*

CERC has notified tariff regulations for electricity generated from renewable energy (RE) sources.

The Forum of Regulators has evolved a Renewable Energy Certificate (REC) mechanism at national level to facilitate inter-state transaction of RE sources. CERC has notified the regulation for implementing the REC framework. The REC mechanism is aimed at addressing the mismatch between availability of RE resources in a State and the requirement of the obligated entities to meet the renewable purchase obligation.

Threats

Slow investment in power sector

Although 100% FDI is permissible in power sector yet share of power sector in FDI is hovering around 18-19% of total infrastructure investment as compared to Telecom sector where it has increased to 47% during 2008-09.

FDI flows in infrastructure:

(US $ million)

	2007-08		**2008-09**	
	Amount	**%**	**Amount**	**%**
Power	968	19%	948.8	18%
Telecom	1,261.5	24%	2,558.4	47%
Others	2,949.3	57%	1,892.4	35%
Total	**5,178.8**		**5,399.6**	

The FDI inflow in power sector has improved during the year 2009-10 and was over USD 1.4 billion.

The reason for low FDI inflow in the power sector is that there is a lack of politico-administrative support on containment of commercial losses coupled with poor financial health of state utilities in addition to capped regulatory returns on equity. Delays in land, forest and environmental clearances resulting in cost escalation are other reasons for low inflow of FDI into power sector.

Constraint on Power Equipment manufacturing capacity

The capacity addition in the country has taken gigantic proportions compared to the earlier plan periods. The huge capacity addition programs entail the timely availability of power equipments – both the main plant as well as Balance of Plants like Coal Handling Plant, Ash Handling Plants, Water Treatment Plants, Cooling Towers and Cooling Water Systems etc. Despite the growing need of power, the capacity addition in the last three plan periods has been less than encouraging and one of the main reasons has been the lack of adequate power equipment manufacturing capacity in the country. In view of the huge requirement for power equipment the Government of India has taken various initiatives for encouraging the setting up / enhancement of manufacturing capability. The precondition of phased setting up of manufacturing capacity, by the suppliers of the Super Critical power equipment under the bulk tendering is a step in this direction. Several players have formed joint venture companies with global manufacturers and domestic power equipment suppliers are also enhancing their manufacturing capacity. Apart from the adequate manufacturing capacity, Technology absorption, adaptation and assimilation is also essential. Further, critical raw materials like Alloy Steel, Cold Rolled Grain Oriented (CRGO) steel etc. for forgings, castings, transformers etc. need to be developed indigenously matching with the quantum of capacity addition planned. There is also a need to develop adequate erection and construction agencies for executing civil and mechanical works and engineering consultants for engineering and design of various packages for meeting the requirements of huge capacity addition targets in the country.

High AT&C /T&D Losses

Aggregate Technical and Commercial (AT&C) loss captures technical, commercial losses in the network and also loss due to non realization of billed amount and is a true indicator of total losses in the system.

High technical losses in the system were primarily due to inadequate investments into system improvement works, which resulted in unplanned extensions of the distribution lines, overloading of transformers and conductors, and lack of adequate reactive power support. The commercial losses are mainly due to low metering efficiency, theft & pilferages. This may be eliminated by improving metering efficiency, proper energy accounting & auditing and improved billing & collection efficiency. Fixing of accountability of the personnel / feeder managers may help considerably in reduction of AT&C loss.

T&D (Transmission and Distribution) losses represent the difference in the amount of electricity supplied and the amount actually metered. The gap between average tariff and average cost of supply, which was historically high, has declined to around paisa 49 per kWh in 2006-07 (Rs.2.76/kWh less Rs.2.27/kWh). The tariffs for agricultural and domestic consumers is subsidised in most states.

AT&C losses currently exceed 29% for the country as a whole.

Country	AT&C losses
Japan	4%
USA	6%
China	7%
Brazil	17%
Pakistan	26%
India	29.24%

Source : Ministry of Finance, PFC Report

This issue is being addressed by Govt. through R-APDRP. AT&C losses are showing a declining trend and have come down from 38.86% in 2001-02 to 29.24% in 2007-08 *(Source : PFC).*

Strained commercial viability of State Power Utilities

As per the report of 13th Finance commission, during 2007-08 subsidies amounting to Rs. 16,950 crore were given to state utilities. The subsidies have persisted due to:

a) Inability of the state utilities to enhance operating efficiencies and reduce T&D losses adequately.

b) High cost of short term power purchases. Several utilities have not planned capacity addition in time and are relying on short term purchases at high rates (an average of Rs.7.31 per kWh as compared to Rs.4.52 per kWh in 2007-08). The inability to reduce T&D losses has increased the purchase levels and supply costs.

c) Due to lack of political will, there is an absence of timely tariff increase leading to increased gap in tariff and cost of supply resulting further in impaired utilities' operations.

Some states have not raised tariffs for the past eight to nine years in spite of increasing deficits. Tariff increase requirements to bridge the gap, even in the better performing states, are as much as 7 % p.a. on an average at the 2007-08 subsidy levels. In some of the poorly performing states the increase in tariff requirement is as much as 19 % p.a. and the same is very difficult to achieve. As a result, the net losses (financial losses & subsidies) of state T&D utilities are on the increase and are projected at the level Rs.68,643 crore for the year 2010-11 (being over 1% of GDP) and the same poses a high risk to their commercial viability.

Fuel Constraints

As per CEA, due to non availability of coal, the loss of generation was around 14.5 BUs. The power generation in India is predominantly based on coal, 70% of generation during 2009-10 was based on coal. This trend is likely to continue in the future. Almost 74% of domestic coal production is utilized for thermal power generation. The total coal production for the year 2009-10 was 526.6 MMT*(source: Monthly economic Report, March'2010, MoF)*. India is the third largest producer of coal in the world. National energy requirement is expected to grow to almost 4 times of present level to 2 BMT/annum by 2030-31. The domestic coal production has to grow in the range rate of 7%-9% range in order to match with the growth in demand. This is a big challenge.

As per Coal India Ltd (CIL), as against demand of 732 MMT as at the end of 11th plan, the supply is expected to be of the order of 628 MMT(as against Planning Commission's forecast of 680 MMT) leaving a shortfall of 104 MMT. The shortfall in supply is made good by importing 59 Million Tonnes of coal during 2008-09 *(Source: Economic Survey 2008-09)*. The indigenous coal supply has to be augmented to match the growth in power sector since most of the thermal plants may not use coal blended with more than 15% of imported fuel because of the design of the boilers. Imported coal is also subjected to wide price fluctuations.

Slow development of coal mines allocated to Power Developers

In order to augment coal resources, the government is promoting captive block allocation to match rising demand. So far, 208 coal blocks, with geological reserves of 50 BMT have been allocated to public and private companies for captive and commercial mining. However, less than 20 of these coal blocks have started production and it is expected that they will contribute to about 21 MMT of coal production during 2010-11. The coal ministry has issued 40 show cause notices and allocations of 7 coal mines have been cancelled. The development of coal mines has been delayed primarily due to delay in site exploration and signing of mining lease for appointment of contractors and also delay in environment clearances.

Slow Diversification of Fuel basket

With the total coal reserves assessed in the country at 267 BMT, (proven reserves of around 106 BMT), the known coal reserves are expected to exhaust in about 45-50 years, assuming an annual growth in domestic consumption of 5% as per Integrated Energy Policy issued by Planning Commission. Going forward, coal will remain the mainstay for power generation in India and the share on coal based stations for power generation is expected to be in the range of 75%-78%. However, it would be a challenge to diversify the fuel basket to reduce uncertainties in energy supply.

- Hydro based power generation

India is endowed with an estimated hydro power potential of more than 150,000 MW. However, installed capacity of hydro electric projects is only 36,863 MW contributing to only 23.13% of the fuel basket. Hydro- electric power contributed 13.83% of total generation during last fiscal. No capacity addition took place in hydro sector during 2009-10 and it is expected that the 11th plan achievement will also be around 50% of the target. Private sector accounts for only about 3 per cent of the installed capacity. However, the share of private sector in hydro capacity is slated to grow. There are 14 schemes with an installed capacity of 4,383 MW under construction in the private sector. Private developers have been allotted 129 schemes with an installed capacity 36,123 MW by States which are yet to be taken up for construction.

The share of hydro generation is low since these projects are dependent on the rain fall and are used primarily to meet peaking demand. The hydroelectric potential has been given thrust by government of India by launching New Hydro Power Policy 2008 offering incentives to investors in order to increase the installed capacity of hydro projects to over 50,000 MW by 2012.

(Source: Economic Survey 2009-10)

- Nuclear based power generation

At present the installed nuclear power capacity in the country is only 4560 MW which is about 3% of the total power generating capacity. India, though, has limited Uranium reserves; it has the second largest deposits of Thorium in the world. India's three stage nuclear power programme envisages increasing the role of nuclear power for the national development. The first stage of this programme with setting up of Pressurized Heavy Water Reactors (PHWR) is already in the commercial domain. The second stage of this programme comprises setting up of Fast Breeder Reactors (FBR) and the third stage will be based on Thorium Reactor Technology. With the development of Thorium based technology, role of nuclear power will increase significantly in the future. Looking at the technological development, the energy security, the absence of Green House Gases (GHGs) and the economics of nuclear power, Government of India has planned to have a nuclear power capacity of 20,000 MW by the year 2020 and about 60,000 MW by the year 2030.

- Renewable Energy Sources (RES) based Power generation

The share of RES based capacity to total installed capacity in India has increased gradually from 8% in 2007-08 to 9.74% in 2009-10. Although there is immense potential for growth of RES based power generation in the country, the challenges in formulating future energy policies are too many. The new technologies used in this sector are faced with market acceptability and credibility problems.

Power generation from RES increases the uncertainty in accurate availability of power which in turn affects grid reliability and operations.

Further, the cost-competitiveness of renewable technologies vis-a-vis conventional systems is another issue that requires to be tackled. The high capital cost of RES based power generation is the biggest market barrier for increasing share of generation.

OUTLOOK

Power sector in India is poised to have a CAGR of 9.0%-9.8% upto end of 12th Plan and hence offers multiple opportunities of growth to public as well as private sector entities so as to achieve Govt's objective of "power for all". The main features of India's power generation programme would be:

- To continue rapid capacity addition
- To augment indigenous power equipment manufacturing capacity
- To reduce uncertainties of supply of energy
- To reduce price vulnerability
- Minimize the risks arising out of equipment failures
- Diversification of its fuel basket

We attempt to give some more details concerning certain aspects of the sector and the Company by way of information and analysis.

NTPC VIS–A-VIS ALL INDIA

With approximately 20% of capacity, your Company contributes to around 30% of country's generation.

	All India	NTPC	% share
Capacity (MW)	159,398	28,840	18.09%
Generation (MU)	771,551	218,839	28.36%
Capacity incl. JVs (MW)	159,398	31,704	19.89%
Generation incl. JVs (MU)	771,551	230,007	29.81%

Source: All India Data - CEA's executive summary

Your Company is the largest utility in Asia and 8th largest amongst listed global utilities as per Forbes Global 2000 ranking published in the year 2010. It has also been ranked No.1 Independent Power Producer in Asia and No.2 Independent Power Producer Globally in Platts Top 250 Global Energy Company for 2009. It has also been ranked as the 10th largest electricity producer in the World and 3rd largest in Asia based on its generation during 2008-09. It is also ranked as 341st largest company in the world in the Forbes Global 2000.

Over the last fiscal, operationally NTPC stations performed better than collective performance of any other sector.

PLF COMPARISON (%)

	2009-10	2008-09	Increase
Central sector	85.49	84.30	1.19
State sector	70.90	71.17	-0.27
Pvt sector	83.88	91.01	-7.13
National avg.	77.53	77.27	0.26
NTPC	**90.81**	**91.14**	**-0.33**

After excluding your Company's PLF, national average PLF will reduce to 73% approximately during fiscal 2010 as compared to 72.23% approximately during last fiscal.

National Availability Factor for coal stations was 85.45% during fiscal 2010 as compared to 85.04% last year. As against national AVF, your Company's coal stations had AVF of 91.76% during fiscal 2009 as compared to 92.23% last year.

COMPETITION

Due to the gap between demand and supply in the Indian power sector, there has generally been a stable market for power generation companies in India. NTPC is the largest power generating company in the country having a market share of approximately 18% in terms of installed capacity and about 28% in terms of national generation. The Maharashtra State Power Generation Company Ltd with an installed capacity of 11,330 MW with market share of 7.1% is the next largest entity.

The share of private sector capacity has increased to 29,041 MW as of March 31, 2010 and going forward the same is expected to increase even more aggressively as is evident from capacity added during 11th plan so far. Private sector has contributed to around 12.14% to total electricity generation in the year 2009-10 as compared to their share of 9.5% in the previous year.

EA 2003 and other reforms in the power sector provide opportunities for increased investment in power generation. Specifically, non-discriminatory open access regulations of state regulatory commissions which enable generators to sell directly to bulk consumers, have made investment in power generation more viable.

Further, the Tariff Policy issued in January 2006 provides that all future requirements of power should be procured through tariff based competitive bidding by distribution licensees. There are exceptions in the tariff policy for cases of expansion of existing projects or where there is a state controlled or state-owned company as an identified developer and where tariff is regulated.

The Competitive Bidding Guidelines have created a level playing field for both CPSUs and private sector developers to participate in the tariff based bidding process for securing power projects including coal based ultra mega power projects. This competition is likely to increase further in future.

With proven in house engineering capabilities built in the past and wide ranging experience of project execution, we are confident that we shall be able to retain our leadership position in the industry and are on our way to become 75000 MW plus company by 2017. Further, our high operational efficiency enables us to sell power at competitive prices and achieve savings. We believe that our monitoring and maintenance techniques offer us a competitive advantage in an industry where reliability and maintenance costs are a significant determinant of profitability.

RISKS AND CONCERNS

The Company has to sustain its leadership position in the country by growing at an appropriate rate and at the same time improve its operational efficiency to continue to generate at high PLF minimizing the outages. In order to reduce dependence on conventional fuel, the Company is foraying into hydro, nuclear and non-conventional energy sources. As a step in backward integration, the Company is entering into coal mining business and also LNG value chain.

To sustain its leadership position in the country and befitting its "Maharatna" stature, the company has drawn an ambitious Corporate Plan up to the year 2032 with diversified power generation portfolio based on thermal, hydro, nuclear and renewable energy sources. Though our growth strategies are built upon the inherent strengths of the company, various activities undertaken to achieve the targets make us susceptible to various risks. We recognize and realize that risks are not merely the hazards to be avoided but in many cases offer opportunities which create value ultimately leading to enhancement of shareholders' wealth.

To effectively manage the risks associated with our business, we have taken adequate measures to institutionalize risk management process in the company by implementing an elaborate Enterprise Risk Management (ERM) framework. As part of implementation of the ERM framework, an Enterprise Risk Management Committee (ERMC) has been constituted with Executive Directors representing geographically dispersed regions and core functions of the company. ERMC, as owner of Enterprise Risk Management framework has been entrusted with the responsibility to identify and review the risks and formulate action plans and strategies for risk mitigation on short-term as well as long-term basis. The ERMC has identified key areas out of which following have been classified as the top risks for the company:

- Inconsistent fuel supply
- Delay in execution of projects
- Risks related to coal mining and coal washeries
- Risks pertaining to Hydro Projects
- Hindrances in acquisition of land
- Non compliance with environmental, pollution and other related regulatory norms including Ash Utilization
- Inability to attract and retain skilled employees

These areas are being regularly monitored through reporting of key performance indicators of identified risks and exceptions with respect to risk assessment criteria are being reported to the top management. The ERMC meets every quarter to deliberate on mitigating strategies. So far, eight such meetings of ERMC have been held.

On the above issues, a number of initiatives have been taken such as establishing a state of the art Project Monitoring Centre at Delhi. PMC provides milestone based project monitoring, real time network updation, real time video capture apart from latest video conferencing facility leading to speedy resolution of critical issues, review of project progress by top management alongwith chief executives of major agencies. As regards augmentation of fuel supply, a three pronged strategy is in place- spot purchase of coal/ gas, coal imports and production of coal by acquiring coal mines in India or abroad. As regards other risks, appropriate actions are taken for their mitigation.

INTERNAL CONTROL

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. 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 experienced firms of Chartered Accountants in close co-ordination with 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 and supervision of operational efficiency of designed key controls by Internal Audit. The framework has been partially rolled out and tested at some of the locations. The system provides elaborate system of checks and balances based on self assessment as well as audit of controls conducted by Internal Audit at process level. Gap Tracking report for testing of controls for design efficiency and operating efficiency has been reviewed by Audit Committee and action has been taken to further strengthen the Internal Control System by further standardizing systems and procedures. The system presents a written assessment of effectiveness of company's internal control over financial reporting by the process owners, project/office heads to facilitate certification by CEO and CFO and enhances reliability of assertion.

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis is furnished below on Reported Audited Financial Statements and Adjusted Profit. The Adjusted Profit has been arrived at after adjustments on account of one-off items/extra ordinary items which have been indicated against each broad category of revenue and expense to explain better the year on year (YoY) performance.

A Results of Operations

1 Gross Income

		Fiscal 2010	Fiscal 2009	% Change
	Units of electricity sold (million units)	**205091**	**193688**	**5.89%**
	Income			**Amount in Rs.Million**
1	Energy Sales (Excl Electricity Duty)	461,687	417,913	10.47%
2	Energy Internally Consumed	551	514	7.20%
3	Consultancy & other services	1,539	1,325	16.15%
4	Other income (excluding income related to OTSS*)	18,571	21,063	-11.83%
5	Income related to OTSS *	9,991	11,476	-12.94%
6	**Total (4+5)**	**28,562**	**32,539**	**-12.22%**
	Gross Income (1+2+3+6)	**492,339**	**452,291**	**8.85%**

*OTSS-One Time Settlement Scheme

The gross income of the Company comprises of income from sale of electricity, consultancy and other services, and interest earned on investments such as term deposits, mutual funds and bonds (issued under one-time-settlement scheme). The gross income for fiscal 2010 is Rs.492,339 million as against Rs.452,291 million in the previous year registering an increase of 9%. This gross income excludes provisions written back. Each element of income is discussed below:

Tariffs for computation of Sale of Energy

The charges for electricity are based on tariff rates determined by the CERC. The tariff rates consist of a capacity charge for recovery of annual fixed cost based on plant availability, energy charges for recovery of fuel costs and an unscheduled interchange charge for the deviation in generation with respect to schedule payable (or receivable) at rates linked to frequency prescribed in the regulation to bring grid discipline. The CERC sets tariff rates on a plant-by-plant basis in accordance with the tariff regulations/ norms notified by them. CERC has issued new Tariff Regulations for the period 2009-14, Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, which is a balanced regulation for both consumers and investors.

Capacity Charge

The capacity charge for making plant capacity available is allowed to be recovered in full if plant availability is at least 85%. If the availability of the plant is lower than 85%, the capacity charges are recovered on a pro rata basis. The significant elements of the capacity charges permissible under the Tariff Regulations 2009 are:

- Return on equity on pre-tax basis at a base rate of 15.5%, to be grossed up by the normal tax rate as applicable for the respective year on a prescribed 70:30 debt to equity ratio for new projects. For projects commissioned on or after April 1, 2009, there is an additional return of 0.5% if the new projects are completed within the timeline specified in the 2009 Regulations. In the year, in which the concerned utility pays Minimum Alternate Tax (MAT), the base rate will be grossed up by applying MAT rate.
- Interest cost incurred on normative debt at weighted average rate of interest on loan portfolio of the project
- Interest on working capital determined on a normative basis
- Depreciation up to 90% of capital costs, excluding the cost of freehold land, based upon the rates of depreciation prescribed in the regulation, for a 12 year period from the date of commercialization. The remaining depreciable value thereafter, is to be spread over the balance useful life of the assets.
- Normative operation and maintenance costs determined by the CERC based on capacity of unit, on a per megawatt basis.
- Normative secondary fuel oil costs for coal-based stations.
- Special allowance per annum per MW for plants in operation beyond their useful life in lieu of recovery for capital expenditures on renovation and modernization.
- Compensation allowances on a per annum per MW basis to meet expenses on new capital assets, including minor capital assets, after 10 years of commercial operation.

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 consumption, specific oil consumption etc.

Other Charges

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

- Cost of hedging interest on and repayment of foreign currency loans and exchange rate fluctuations for unhedged portion of interest on and repayment of foreign currency loans on a normative basis.

- The unscheduled interchange charge payable (or receivable) at rates notified by the CERC from time to time.

For the fiscal 2009, our tariffs were determined pursuant to the CERC's Tariff Regulations, 2004 while for fiscal 2010, Tariff Regulations, 2009 are applicable. In the new regulations the following changes have been made as compared to Tariff Regulations, 2004:

Key changes over Tariff Regulations 2004-09

- Pre-tax return on equity (ROE) to be computed by grossing up post-tax ROE of 15.50% p.a. (base rate) for existing stations with the applicable tax rate (with the tax to be borne by the company) as against post-tax ROE of 14% p.a. in old regulations (with tax on generation income as a pass through). The concept of grossing up of ROE by MAT introduced, in case a utility pays MAT.
- Secondary oil component of 2 ml/kwh which was a part of variable charges has been reduced in the new regulations to 1 ml/kwh and has been made part of fixed charges with the condition that savings made, if any, are to be shared with beneficiaries equally.
- Full capacity (fixed) charges to be recovered at 85% normative plant availability factor as against 80% under old regulations.
- Incentive of Rs.0.25 per unit for more than 80% Plant Load Factor in old regulations has been done away with and in new regulations, recovery of fixed charges has been made proportionate to the availability factor. Thus, incentive/disincentive are a part of the fixed charges in the new Regulations.
- O&M charges have been increased considering the inflation, employees' wage revision etc. and are available on a normative basis on per MW capacity of stations.
- Deprecation which was being allowed at rates specified by CERC till the repayment of normative loan and thereafter spread over useful life of assets in old regulations is now to be given as per the rates provided in new regulations in the initial 12 years and thereafter spread over the balance useful life of the assets.
- Advance against Depreciation (AAD) which was provided under old regulations has been done away with, in new regulations.
- Many of the operating parameters like heat rate, allowed auxiliary consumption etc. have been tightened.

During fiscal 2010, final tariff orders for the period 2004-09 have been issued for unit 1 and 2 of Sipat-II. Thus, under Tariff Regulations, 2004, tariff orders have been issued for all the stations except for unit 1 and 2 of Kahalgaon-II declared commercial during fiscal 2009 and NCTPP unit 5 & Kahagaon-II unit 3 which were declared commercial during fiscal 2010. Tariff orders are yet to be issued for all the stations under CERC Tariff Regulations 2009-14.

Sale of Electricity

Your Company sells electricity to bulk customers comprising, mainly, electricity utilities owned by State Governments. Sale of electricity is made pursuant to long-term Power Purchase Agreements (PPAs) entered into for 25 years in case of most of our coal-fired plants and for 15 years in case of most of gas-fired plants in line with the estimated average life of the plants. The actual lives of the stations are often longer and unless, customer ceases to draw power, contracts continue to be in force until they are formally extended, renewed or replaced. With the issuance of CERC Tariff Regulation 2009, the estimated average life of the gas stations is also estimated as 25 years. Hence, the long-term power purchase agreements for new gas stations hence forth will also be for the same period.

Income from sale of electricity for the fiscal 2010 was Rs.461,687 million which constituted 94% of the gross income. The income from sale of electricity has increased by 10% over the previous year's income of Rs.417,913 million. The increase is mainly on account of 5.89% increase in units sold partly due to increase in the commercial capacity by 990 MW comprising unit 5 of 490 MW of NCTPP Stage-II w.e.f. 31.01.2010 and unit 7 of 500 MW of Kahalgaon Stage II w.e.f. 20.03.2010 and partly due to higher generation from gas stations due to improved gas supply. Sale of electricity is also higher on account of unit 1 & 2 of 500 MW each at Sipat-II and unit 5 & 6 of 500 MW each at Kahalgaon-II being in commercial operation for the entire fiscal 2010 as compared to part of fiscal 2009.

Tariff Regulations, 2009 provide that the company shall continue to provisionally bill the beneficiaries with the tariff approved by the CERC and applicable as on 31st March, 2009 till approval of tariff in accordance with these Regulations. The tariff petitions have been made to CERC for all stations under Tariff Regulations, 2009. Pending determination of station-wise tariff by the CERC, sales of Rs.444,739 million for fiscal 2010 have been recognized on provisional basis (explained in note 2(a) of Notes on Accounts, Schedule-26).

For the units commissioned during fiscal 2010, namely, unit 7 of Kahalgaon, Stage II and unit 5 of NCTPP, Stage-II, CERC is yet to issue final tariff orders. Accordingly, sales of Rs.17,354 million for fiscal 2010 relating to these units/

stations have been recognized on provisional basis (explained in note 2(b) of Notes on Accounts, Schedule-26). It is pertinent to mention that unit 5 (490 MW) of NCTPP, Stage-II has commenced commercial operation within the normative schedule given by CERC and is eligible for additional 0.5% Return on Equity as per Tariff Regulations, 2009.

While revising the rates of depreciation and removing the provision for Advance Against Depreciation (AAD), CERC Tariff Regulations, 2009 also provide that the balance depreciable value of the each of the existing stations as on 1st April, 2009 shall be worked out by deducting the cumulative depreciation including AAD as admitted by the CERC up to 31st March 2009 from the gross depreciable value of the assets thereby merging AAD with depreciation for tariff recovery. Accordingly, the accounting policy relating to AAD has been revised (please refer to Accounting Policy no. 12.1.2) and the amount of AAD required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been assessed station-wise and wherever an excess has been determined as on 1st April 2009, the same has been recognised as sales during the year amounting to Rs.3,115 million. In addition, Rs.53 million has been recognised as sales during the year out of AAD consequent to this change (explained in note 17(a) of Notes on Accounts, Schedule-26).

As per Tariff Regulations, 2009, the deferred tax liability for the period up to 31st March 2009 whenever it materializes shall be recoverable directly from the beneficiaries. Accordingly, the deferred tax liability recoverable from beneficiaries has been computed by identifying the major changes in the deferred tax liability/asset and an amount of Rs.2,485 million has been included in sales (explained in note 2(d) of Notes on Accounts, Schedule-26).

If the income tax/deferred tax recoverable from or payable to beneficiaries is excluded from income from sale of electricity (pl. refer to Sch.17), it has increased by 14% over last fiscal.

Rs.million

	Fiscal 2010	Fiscal 2009	% Change
Energy Sales (Excl Electricity Duty)	461,687	417,913	10%
Less: Tax Recoverable from customers	-7,199	7,583	
Less: Deferred tax recoverable from customers	2,485	-	
Energy Sales (Excl Electricity Duty and tax recoverable from customers)	466,401	410,330	14%

The average selling price this year has increased to Paise 227.41 per kWh compared to Paise 211.85 per kWh in the previous year. The increase is mainly due to increase in fixed charges consequent upon change in CERC norms w.e.f 01.04.2009. The average tariff includes adjustments pertaining to previous years. Excluding adjustment of sales pertaining to previous period, the average selling price would be 226.83 p/Kwh in the current year as against 206.63 p/Kwh in the previous year.

There has been 100% realization of the dues during the last seven years. 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 provisional bill raised on the last working day of the month.

Under OTSS, tri-partite agreements are valid up to 31st October, 2016. For the period beyond October 2016, the supplies which will be made to state utilities, the same shall be covered by an escrow arrangement. The supplementary agreements have been signed with all state utilities which have a provision of keeping a first charge on their revenue streams for supplies made by your company. Under the Supplementary Agreement, the state utilities have agreed to provide payment security through execution of the Hypothecation Agreement and the Default Escrow agreement. Further, this will be over and above the LC requirement of 105% of average monthly billing.

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 sales with a debit to respective expense head under power charges. The increase in energy internally consumed is 7% which is lower than increase in fuel charges over the previous year.

Consultancy and other services

Accredited with an ISO 9001:2000 certification, the Consultancy Division of your Company undertakes the consultancy and turnkey project contracts for domestic and international clients in the different phases of power plants viz engineering, project management, construction management, operation and maintenance of power plants.

During the year, Consultancy Division posted an income of Rs.1,513 million as against Rs.1,313 million achieved in the last fiscal. In the fiscal 2010, it has recorded a profit of Rs.557 million as against Rs.452 million in the last fiscal. A total of 53 orders valued at Rs.2,511 million were secured by the Division during the year including 4 overseas assignments of Rs.266 million.

Other Income

'Other income' mainly comprises of income from bonds issued under OTSS, income from investment of surplus cash, dividend on equity investment in joint ventures & subsidiaries and miscellaneous income.

'Other income' in fiscal 2010 was Rs. 28,562 million as compared to Rs.32,539 million in the fiscal 2009. Broadly the break up of other income is as under:

Rs Million

	Fiscal 2010	Fiscal 2009
Interest for the year on tax free bonds /Loan to State Govt.	9,991	11,476
Income on investment of surplus cash	13,447	15,909
Dividend/Income from mutual funds	654	361
Dividend from JVs and Subsidiaries/Interest from subsidiaries	208	180
Income earned on other heads such as hire charges, profit on disposal of assets, etc	4,707	3,096
Total	**29,007**	**31,022**
Interest on IT refund (non-recurring)		2,199
Total	**29,007**	**33,221**
Less: Transfer to EDC/ development of coal mines	379	414
Less: Transfer to Deferred Foreign Currency Fluctuation Liability	66	268
Net other income	**28,562**	**32,539**

Interest income from OTSS bonds (including loan to State Government) for fiscal 2010 is Rs.9,991 million as compared to Rs.11,476 million in fiscal 2009.The reduction in interest income to the extent of Rs.1,485 million is due to redemption of OTSS bonds amounting to Rs.16,515 million and repayment of loan amounting to Rs.957 million in lieu of settlement of dues. We have earned income of Rs.13,447 million during fiscal 2010 on account of investments made from surplus cash as against Rs.15,909 million earned last year. The income on investment of surplus cash has registered a 15% decrease over last fiscal mainly due to reduction in interest earnings due to low interest rate regime. However, the dividend earned from investments made in mutual funds has registered a 81% increase from Rs.361 million to Rs.654 million.

We have earned Rs.173 million as dividend from our investments in joint venture and subsidiary companies. Another Rs.35 million has been earned as interest from loan of Rs.263 million extended to Kanti Bijlee Utpadan Nigam Limited, one of our subsidiaries. Further, an amount of Rs.4,707 million has been earned from various other sources consisting of miscellaneous income of Rs.2,254 million, surcharge received from customers on late payment as per CERC regulations amounting to Rs.623 million and interest of Rs.196 million earned from loan of Rs.1,417 million extended to Ratnagiri Gas and Power Private Ltd. etc.

During fiscal 2009, Commissioner of Income Tax (Appeals) had issued a favourable decision on certain issues relating to previous years consequent to which net tax refund of Rs.2,400 million was payable to your company and the interest earned on this refund amounting to Rs.2,199 million had been accounted under "other income".

Adjusted Gross Income

The gross income reported for the year includes certain revenues pertaining to previous years. The revenue from sale of electricity for fiscal 2010 is reduced by Rs.6,006 million pertaining to previous years which have been recognized in sales based on the orders of the CERC / Appellate Tribunal (explained in note 2(c) of Notes on Accounts, Schedule-26). This reduction in sales is on primarily on account of income tax pertaining to previous year amounting to Rs.7,199 million payable to the beneficiaries. If this income tax element is excluded from total reduction of Rs.6,006 million, the balance amount of Rs.1,193 million represents sales pertaining to previous years which have been included in sale of electricity for fiscal 2010. Similarly, for fiscal 2009, an amount of Rs.10,201 million pertaining to previous years was included in the sales.

As per our accounting policy (please refer to Accounting Policy no. 12.1.3), foreign exchange variation on restatement of foreign currency loans as at the Balance Sheet date which is payable/recoverable to/from customers later on settlement as per CERC Regulations is accounted for by creating a deferred liability/asset in the accounts instead of adjusting the same in the profit & loss account. Accordingly, Deferred Foreign Exchange Fluctuation Asset of Rs.319 million on account of exchange differences recoverable from customers has been created with corresponding credit to sales during fiscal 2010 as against Rs.1,894 million accounted in previous year.

In addition, interest earned on income tax refund amounting to Rs.2,199 million had been adjusted as one-off item during fiscal 2009.

The gross income of the company after such adjustments is as under:

Rs Million

	Fiscal 2010	Fiscal 2009
Gross Income	**492,339**	**452,291**
Less:		
Sales of previous years	1,193	10,201
Exchange Fluctuation receivable from customers	319	1,894
Interest on IT refund	-	2,199
Adjusted Gross Income	**490,827**	**437,997**

2 Expenditure

2.1 Expenditure related to operations

Rs.Million

Expenditures	Fiscal 2010	Rs per kwh	Fiscal 2009	Rs per kwh
Commercial Generation -MU	218,439		206,156	
Fuel	294,628	1.35	271,107	1.32
Employees' remuneration and benefits	24,124	0.11	24,631	0.12
Generation, administration and other expenses	20,940	0.10	18,192	0.09
Total	**339,692**	**1.56**	**313,930**	**1.53**

The expenditure incurred on fuel, employees, generation, administration and other expenses for the fiscal 2010 was Rs.339,692 million which is 8% more than the expenditure of Rs.313,930 million incurred during the previous year. In terms of expenses per unit of power produced, it was Rs.1.56 per unit in fiscal 2010 in comparison to Rs.1.53 per unit in the previous year. This increase is mainly due to increase in cost of coal and increase in operation and maintenance expenses. The increase in commercial generation due to additional capitalization has resulted in an additional operational expenditure of Rs.10,917 million. A discussion on each of these components is given below.

2.1.1 Fuel

Expenditure on fuel constituted 87% of the total expenditure relating to operations as compared to 86% in previous year. Expenditure on fuel was Rs.294,628 million in fiscal 2010 in comparison to Rs. 271,107 million in fiscal 2009 representing an increase of 9%. The break-up of fuel cost in percentage terms is as under:

	Fiscal 2010	Fiscal 2009
Fuel cost (Rs./million)	**294,628**	**271,107**
	% break-up	
Coal	76%	70%
Gas	14%	15%
Oil	5%	10%
Naphtha	5%	5%

The higher fuel expenses were mainly on account of increase in cost of coal partly due to increased consumption resulting mainly from additional capitalization of 990 MW and partly due to increase in price of coal. Coal India Limited (CIL) and SCCL increased the prices of coal by about 10%-15% w.e.f. 16.10.2009 and 30.12.2009 respectively depending upon grade of coal. Also, the stations generally consumed a greater proportion of costlier imported coal in fiscal 2010 than in fiscal 2009. However, there has been decrease in the price of gas and oil during fiscal 2010. Fuel cost per unit generated increased to Rs.1.35 in fiscal 2010 from Rs.1.32 in fiscal 2009. The increase in fuel cost due to addition of commercial capacity is Rs.8,633 million.

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 company purchases coal under the long term coal supply agreements with subsidiaries of Coal India Limited (CIL) and with Singareni Collieries Company Limited (SCCL). A model Coal Supply Agreement (CSA) was signed with CIL on May 29, 2009. Based on the revised model CSA, coal agreements have been signed with the various subsidiary coal companies of CIL by the various coal based stations except Farakka and Kahalgaon. The CSA for Ramagundam with SCCL is in an advanced stage of finalization (explained in note 10 of Notes on Accounts, Schedule-26).

As per the provisions of the new CSA, the CSA is valid for 20 years and has a provision for review after every 5 years. The annual quantity envisaged to be supplied to the existing power stations against the various CSAs is 98.7 million tonnes. The CSAs contain a provision for payment of incentive/levy of penalty to/from coal companies on supplies in excess of 90% of the Annual Contracted Quantity (ACQ).

In an effort to encourage coal companies to supply Annual Contracted Quantity (ACQ), new CSA provides for incentive payments as a percentage of Weighted Average base price of coal in the following three slabs:

Supplies in the range of	Rate of Incentive
90%-95% of the ACQ	10%
95%-100% of the ACQ	20%
Supplies exceeding ACQ	40%

CSA also contains clauses of penalty for under supply/ under off-take by coal companies and power plants respectively. The price and other charges for coal, as per new CSA, will be as notified by CIL for its subsidiary companies from time to time.

During the fiscal 2010, coal based stations consumed 135.10 Million Tonnes of coal as against 129.49 Million Tonnes in the fiscal 2009.This was including 6.76 Million Tonnes of coal which was imported as compared to 4.71 Million Tonnes imported in fiscal 2009.

In order to ensure uninterrupted supply of coal to its power stations, your company during fiscal 2010 resorted to sourcing of coal through e-auction and bilateral arrangements. Your company participated in 23 e-auctions conducted by the subsidiary companies of CIL and procured 0.58 Million Tonnes of coal for Farakka & Kahalgaon. A bilateral agreement was reached with Eastern Coalfields Limited (ECL) for supply of 2 Million Tonnes of coal to Farakka and Kahalgaon projects. In addition, bilateral agreements were entered with SCCL for supply of one Million Tonne to Farakka and Kahalgaon project, one Million Tonne to NCTPP and Sipat project and 2.5 Million Tonnes to Ramagundam project.

The company sources gas domestically under an administered price and supply regime. The main gas supplier is GAIL. Gas prices are fixed by the Ministry of Petroleum and Natural Gas. 13.88 Million Metric Standard Cubic Meters per Day (MMSCMD) of gas was received during the fiscal 2010 as against 10.75 MMSCMD received in fiscal 2009. This includes 3.88 MMSCMD of spot gas and fall back RLNG as compared to 2.02 MMSCMD received last year. The increased gas supply has resulted in the increased PLF of gas stations to 78.38% during fiscal 2010 as compared to 67.01% last year.

The gas supply for fiscal 2010 also includes 0.35 MMSCMD of KG D6 gas. Government of India has allocated 4.46 MMSCMD of KG D6 gas for company's National Capital Region (NCR) stations of Anta, Auraiya, Dadri and Faridabad. Gas Supply and Purchase Agreements (GSPA) have been signed for the supply of 0.61 MMSCMD which was subsequently revised to supply of 1.81 MMSCMD. The supplies have started for 0.61 MMSCMD from 01.11.2009 and 1.81 MMSCMD from 25.02.2010.The supplies of balance 2.65 MMSCMD of this gas are expected to start as soon as the GAIL's pipeline capacity is made available.

To meet the shortfall in supply of Natural Gas from GAIL, the Company sought supplies of RLNG on limited tender basis from all the known gas suppliers in the country. These supplies are being contracted on best effort basis with no penalty either on the supplier or the buyer for supplies not offered / not off taken. During fiscal 2010, supplies to the extent of 887 MMSCM were received from the various suppliers. Further, supplies were also received from GAIL/IOCL/ BPCL on "fall back" basis to the extent of 529 MMSCM. Thus, the total consumption of RLNG during the year was 1416 MMSCM.

In order to meet the gas requirements of its NCR power stations, your company had signed RLNG agreement with GAIL for supply of a firm quantity of 2.0 MMSCMD of RLNG (with supplies of additional 0.5 MMSCMD on fallback basis) for a period of 10 years. The supplies under this agreement have started from 01.01.2010.

Rajiv Gandhi Combined Cycle Power Project (RGCPP), Kerala generates power on naphtha as no gas supply is available. Besides RGCPP, other gas based stations also used Naphtha depending upon the demand from customers and schedule from load dispatch centres. During the fiscal 2010, 0.578 million MTs of naphtha was consumed as against 0.923 million MTs in the previous year.

2.1.2 Employees' Remuneration and Benefits

Employees' remuneration and other benefits have reduced by 2% from Rs. 24,631 million in fiscal 2009 to Rs.24,124 million in fiscal 2010. Employees' remuneration and benefits expenses include salaries and wages, bonuses, allowances, benefits, contribution to provident and other funds and welfare expenses. These expenses account for approximately 7% of our operational expenditure in fiscal 2010 as compared to 8% in fiscal 2009.

The main reason for reduction in employee cost is the additional provision of Rs.4,144 million that was made towards gratuity/pension during fiscal 2009 due to increase in ceiling of gratuity payment to Rs.1 million from Rs.0.35 million for an employee. Since, no such additional provision is made in the fiscal 2010, there is a decrease in the employee cost per unit of generation from Rs.0.12 in the previous fiscal to Rs.0.11 in the current fiscal.

The pay revision of the executive category of employees of the Company which was due w.e.f. 1st January 2007 has been approved during the current fiscal based on the guidelines issued by Department of Public Enterprises (DPE), GOI. However, pay revision of the employees of the non-executive category is under finalisation and a provision of Rs.3,145 million has been updated for fiscal 2010 as compared to Rs.1,767 million provided in fiscal 2009 on estimated basis having regard to the guidelines issued by DPE. Out of the total wage provision, an amount of Rs.1,387 million has been paid as ad-hoc advance towards pay revision (explained in note 6 of Notes on Accounts, Schedule-26).

The increase in employee cost due to additional commercial capacity is Rs.1,040 million.

2.1.3 Generation, Administration and Other Expenses

Generation, administration and other expenses consist primarily of repair and maintenance of buildings, plant and machinery, power and water charges, security, insurance, training and recruitment expenses and expenses for travel and communication. These expenses have remained at approximately 6% of our operational expenditure in fiscal 2010. In absolute terms, these expenses increased to Rs.20,940 million in fiscal 2010 from Rs.18,192 million in fiscal 2009 registering a hike of 15%. Out of this, the increase of Rs.2,748 million is attributable to addition of commercial capacity during fiscal 2010. In terms of expenses per unit of generation, it is Rs.0.10 in fiscal 2010 as compared to Rs.0.09 in previous fiscal.

Repair & Maintenance expenses constitute 61% of total Generation, Administration and Other Expenses and have increased to Rs.12,783 million from Rs.10,992 million resulting in an increase of 16%.

The other increase in generation & administration expenses is mainly attributable to increase in water charges and security expenses. Water charges have increased by 30% from Rs.932 million in fiscal 2009 to Rs.1,209 million in fiscal 2010 due to revision of water charges in certain stations. Security expenses have increased to Rs.2,014 million in fiscal 2010 from Rs.1,490 million in fiscal 2009 on account of levy of service tax on this service during the current fiscal.

The miscellaneous expenses have reduced from Rs.827 million in fiscal 2009 to Rs.373 million in fiscal 2010 since Rs.531 million was included in fiscal 2009 on account of arbitration award issued against the Company at one of our gas projects.

2.1.4 Adjusted Expenditure related to Operations

If the impact of wage revision is adjusted, the operational expenditure for the fiscal 2010 and fiscal 2009 would be as follows:

Rs Million

	Fiscal 2010	Fiscal 2009
Total Expenditure related to Operations	**339,692**	**313,930**
Less:		
Wage revision provision/ Pension /Gratuity	3,042	9,579
Additional Incentive provision	2,080	1,048
Provision on account of arbitration award		531
Adjusted Expenditure related to Operations	**334,570**	**302,772**

2.2 Depreciation

The depreciation charged to the profit and loss account during the year was Rs. 26,501 million as compared to Rs.23,645 million in fiscal 2009, registering an increase of 12%. This is due to increase in gross block by Rs.44,971 million i.e. from Rs.623,530 million in the previous fiscal to Rs.668,501 million in the current fiscal. The increase in gross block is largely on account of increase in commercial capacity by 990 MW resulting from additional capitalization amounting to Rs.38,324 million on account of unit 5 of NCTPP Stage-II and unit 7 of Kahalgaon Stage II. Further, depreciation for units 1 & 2 of 500 MW each at Sipat-II and units 5 & 6 of 500 MW each at Kahalgaon-II were charged pro-rata during fiscal 2009 while depreciation on the same has been charged for the entire fiscal 2010. The impact on depreciation from additional capitalization during the fiscal 2010 is Rs.2,020 million.

As per the accounting policy of the company, depreciation is charged on straight line method as per the rates given in schedule set forth in the Companies Act, 1956 except for some items for which depreciation at higher rates is charged (please refer to Accounting Policy No.12.2.1). Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, CERC through Tariff Regulations, 2009 notified the rates of depreciation for the purpose of determination of tariff. CERC exercising its powers under Section 79 of the Electricity Act, 2003 requested the Ministry of Power to advise the Ministry of Corporate Affairs to notify the rates of depreciation considered by the CERC for tariff determination as depreciation under Section 205 (2) (c) of the Companies Act, 1956. However, Ministry of Corporate Affairs is yet to notify such rates under Section 205 (2) (c) of the Companies Act, 1956.

As per the legal opinions obtained, the Tariff Policy cannot override the provisions of the Companies Act, 1956 and your company is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific provision in the Electricity Act, 2003. Hence provisions of Section 616 of the Companies Act, 1956 are also not applicable in this regard. Accordingly, depreciation is being charged consistently at the rates specified in Schedule XIV of the Companies Act, 1956 with effect from the financial year 2004-05 (explained in note 4 of Notes on Accounts, Schedule-26).

2.3 Provisions made (and written back)

During the fiscal 2010, the Company had made provisions amounting to Rs.109 million in comparison to Rs.246 million provided for in fiscal 2009. The provisions were made mainly in respect of doubtful advances and claims, obsolescence /diminution in value of surplus stores and for other items. During the fiscal 2010, the Company had also written back provisions made in earlier years amounting to Rs.128 million in comparison to Rs.170 million of provisions written back in fiscal 2009. During fiscal 2010, there is write-back of Rs.44 million in respect of doubtful construction advances for one of the projects.

2.4 Interest and Finance Charges

The interest and finance charges for the fiscal 2010 were Rs.18,089 million in comparison to Rs.19,962 million in fiscal 2009. The details of interest and finance charges are tabulated below:

Rs.Million

	Fiscal 2010	Fiscal 2009
Interest Charges:		
Interest on borrowings	24,806	21,532
Others	386	701
Total Interest charges	**25,192**	**22,233**
Finance Charges	7,704	7,293
Total	**32,896**	**29,526**
Less: Adjustments and transfers		
Exchange differences regarded as adjustment to interest costs	**(1)**	**(2,688)**
Interest charges capitalised	14,484	12,171
Finance charges capitalised	324	81
Interest and finance charges capitalised	**14,808**	**12,252**
Net interest and finance charges	**18,089**	**19,962**

Interest amount on long term borrowings (including Interest during Construction) has increased by 13% over last fiscal due to increase in long term borrowings (net of repayment) during the year by Rs. 32,176 million. However, average cost of borrowing has reduced marginally to 7.1576% in fiscal 2010 from 7.1618% in previous fiscal due to your company's ability to raise loans at competitive rates from domestic as well international sources as well as reduction in interest cost of foreign loans. Our borrowings are denominated in Rupees and foreign currencies.

The exchange differences in respect of overseas borrowings relating to fixed assets/capital work-in-progress are treated in accordance with provisions of Accounting Standard (AS) 11 issued by ICAI based on guidelines issued by Companies (Accounting Standards) Rules, 2006 issued by National Advisory Committee on Accounting Standards from time to time. Out of this, the exchange differences in respect of assets during the period of construction /renovation and modernisation are capitalized by transfer to EDC.

During the fiscal 2010, an unfavourable exchange rate variation treated as adjustment to interest costs amounting to Rs.1 million increased the interest expenses as against Rs.2,688 million in fiscal 2009. The reason for substantial reduction in adverse amount of exchange rate variation is depreciation in the currencies of all our foreign denominated loans against Indian rupee namely, US dollar by 11%, Japanese yen by 7% and Euro by 10%. The USD, Japanese yen and Euro denominated loans contributed to about 68%, 28% and 4% respectively in the loan basket at the end of fiscal 2010 as compared to 67%, 29% and 4% in previous fiscal. The component of USD has increased marginally since all the drawdowns made under foreign loans during the year were denominated in USD.

In respect of one of our hydro power project, the construction work has been suspended temporarily from 18th May 2009 on the advice of the Ministry of Power, Government of India (GoI). Presently, the issue regarding resumption of the project is under consideration with the GOI. Pending decision, borrowing costs of Rs.237 million have not been capitalised from the date of suspension. (explained in note 12 of Notes on Accounts, Schedule-26). The gross amount of interest amounting to Rs.288 million has been treated as one-off adjustment from Profit after Tax in the adjusted income for the year 2009-10.

During fiscal 2009, interest charges (others) also include Rs.538 million towards interest cost on account of award issued by the Arbitration Tribunal for one of our Gas Project.

The finance charges have increased by 6% from Rs. 7,293 million in fiscal 2009 to Rs.7,704 million in fiscal 2010. The increase is mainly due to increase in rebate payable to customers as per the Rebate Scheme of the company from Rs.6,700 million in previous fiscal to Rs.6,937 million in current fiscal. In order to secure 100% realization of amounts billed, the Company had introduced a revised Rebate Scheme 2009-10. The current Rebate Scheme provides for a rebate of 2.25% on the amounts credited to the Company's account on the first day of the month which gets reduced by 0.05% for each day's delay upto the 5th day of the month provided that entire amount is credited to the Company's account. Beyond 5th day, 2% rebate is allowed for credit to Company's account which gets progressively reduced to nil after last day of the month. Finance charges for fiscal 2010 also include an amount of Rs.206 million on account of upfront fee paid towards loans tied-up with a nationalized bank for financing projects under construction and has been consequently capitalized.

For the fiscal 2010, an amount of Rs.14,808 million relating to interest and finance charges of projects under construction was capitalized while the corresponding amount for the previous year was Rs. 12,252 million. However, if the impact of exchange difference is excluded, the interest and finance charge capitalized during fiscal 2009 is Rs.11,441 million. Thus after excluding exchange rate variation, interest and finance charges capitalized registering an increase of 29%.

The interest and finance charges for fiscal 2010 after these adjustments and without taking into account the exchange differences treated as adjustment to interest costs is Rs.17,800 million.

Rs. Million

	Fiscal 2010	Fiscal 2009
Total Interest charges less interest charges capitalised	10,709	12,750
Total Finance charges excluding finance charges capitalized	7,380	7,212
Net interest and finance charges	**18,089**	**19,962**
Less : Adjustment of exchange diff. regarded as borrowing cost	1	1877
Less: Interest cost on account of hydro project/ arbitration award	288	538
Total Adjusted Interest and Finance charges	**17,800**	**17,547**

2.5 Prior period income / expenditure

Certain elements of income and expenditure have been charged to the profit and loss account relating to previous years. For the fiscal 2010 a net amount of Rs. 779 million was booked as prior period income whereas a net amount of Rs. 1,083 million was charged as prior period expenditure to the profit and loss account in the previous year. For the current fiscal, an amount of Rs.973 million which was charged to employee cost in earlier year (towards excess provision on account of fitment benefit under pay revision) has been written back through 'Prior Period' adjustments on finalisation of the pay revision.

3 Profit before tax, provisions and prior period adjustments

The profit of the Company before tax and prior period adjustments for the current and the previous year, both on reported and adjusted basis, is tabulated below:

Rs. Million

	Reported		Adjusted	
	Fiscal 2010	Fiscal 2009	Fiscal 2010	Fiscal 2009
Gross Income	492,339	452,291	490,827	437,997
Expenditure related to operations	339,692	313,930	334,570	302,772
Depreciation	26,501	23,645	26,501	23,645
Interest and Finance charges	18,089	19,962	17,800	17,547
Profit before tax, prov. & prior period adjust.	**108,057**	**94,754**	**111,956**	**94,033**

4 **Provision for Tax**

The Company provides for current tax and deferred tax computed in accordance with provisions of Income Tax Act, 1961. The payment of fringe benefit tax (FBT) has been abolished by Finance Act 2009 from 1st April 2009 and accordingly, no FBT is payable for the year.

As per erstwhile Tariff Regulations, 2004, the Company recovered actual tax payments in respect of generation business from its customers while taxes on the income from all other activities was borne by the Company. However, under Tariff Regulations, 2009, w.e.f. 1st April 2009, income tax is recoverable on normative basis as Return on Equity following the applicable rate of tax for respective year. The actual income tax liability, if any, (more or less than the normative) is to be borne by NTPC. Accordingly, provision for current tax has been computed at the applicable rate of 33.99% for the financial year 2009-10.

The deferred tax liability related to the period upto 31st March 2009 is recoverable from customers as and when the same materializes. However, the deferred tax liability/asset for the period after 1st April 2009 is to the account of the company.

During the year, the deferred tax liability (net) of Rs.51,350 million that existed as on 31st March 2009 (out of which Rs.51,349 million was recoverable from customers) has been reviewed and restated to Rs.24,942 million. In terms of Regulation 39 of CERC Tariff Regulations, 2009, the Company has determined the amount of the deferred tax liability (net) materialised during the year pertaining to the period up to 31st March 2009 by identifying the major changes in the elements of deferred tax liability/asset, as recoverable from the beneficiaries. Accordingly, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2010 works out to Rs.30,494 million and Rs.28,402 million respectively resulting in increase in the deferred tax liability amounting to Rs.2,091 million arising during the current year. The same has been debited to Profit & Loss Account (explained in note 26 of Notes on Accounts, Schedule-26).

	Fiscal 2009			(Rs Million)
	Current tax	Deferred tax	FBT*	Total
Provision for fiscal 2009	25,337	(4,488)	210	21,059
Adjustment for earlier years	(13,953)	-	-	(13,953)
Payable to customers	-	4,488		4,488
Capitalised	-	-	(12)	(12)
Net prov. as per P&L Account	**11,384****	**-**	**198**	**11,582**

*FBT-Fringe Benefit Tax

**Rs.7,583 million is recoverable from customers

	Fiscal 2010			(Rs Million)
	Current tax	Deferred tax	FBT*	Total
Provision for fiscal 2010	24,709	2,091	-	26,800
Adjust. for earlier years	(5,254)	-	27	(5,227)
Net prov. as per P&L A/C	**19,455**	**2,091**	**27**	**21,573**

Net provision of tax for the fiscal 2010 was Rs. 21,573 million in comparison to Rs. 11,582 million in the fiscal 2009, an increase of Rs.9,991 million. The net tax was lower during fiscal 2009 as company had received tax refund of Rs.13,953 million on account of the favourable decisions relating to previous years by CIT (Appeal) , out of which an amount of Rs.2,400 million was retained by your company and the balance was paid to customers.

5 **Profit After Tax before provisions made and written back and prior period adjustments**

Rs.Million

	Reported		Adjusted	
	Fiscal 2010	**Fiscal 2009**	**Fiscal 2010**	**Fiscal 2009**
Profit before tax, provisions and prior period adjustments	**108,057**	**94,754**	**111,956**	**94,033**
Tax as per P&L	(21,573)	(11,582)	(21,573)	(11,582)
Deferred Tax impact/IT refund			2,091	(2,400)
Profit after tax (before prov. and prior period adjust.)	**86,484**	**83,172**	**92,474**	**80,051**

The profits before prior period adjustments and provisions on reported basis have grown by almost 4% while on an adjusted basis have grown by 16%.

6 **Net Profit After Tax**

The net profit after tax after provisions (made and written back) and prior period adjustments on a reported and adjusted basis are as follows:

Rs.Million

	Reported		Adjusted	
	Fiscal 2010	**Fiscal 2009**	**Fiscal 2010**	**Fiscal 2009**
Profit after tax (before provisions and prior period adjustments)	**86,484**	**83,172**	**92,474**	**80,051**
Provisions (net of write back)	19	(76)	19	(76)
Add: Income tax on interest on IT refund pertaining to previous years				747
Add:Prior period adjustments	779	(1,083)		
Net profit after tax	**87,282**	**82,013**	**92,493**	**80,722**

On a reported basis, the net profit after tax for the fiscal 2010 has increased by about 6.42% while on an adjusted basis, the net profit after tax has grown by 14.58%.

7 **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 tax and interest in the generation business for the fiscal 2010 was Rs. 101,524 million as against Rs. 90,531 million for fiscal 2009. Excluding income tax payable/recoverable from customers amounting to Rs. 4,714 million for fiscal 2010 and Rs. 7,583 million for fiscal 2009, the above has increased by 28% mainly on account of increased generation. For the profit before tax on 'Other Business' represented by income from consultancy, the same was Rs. 582 million for fiscal 2010 and Rs. 418 million for the previous fiscal registering a growth of 39%.

B **Financial Condition**

1 **Net worth**

The net worth of the Company at the end of fiscal 2010 increased to Rs. 624,375 million from Rs. 573,701 million in the previous year registering an increase of 9% mainly due to retained earnings. Correspondingly, the book value per share also increased from Rs. 69.58 to Rs.75.72.

2 **Loan Funds**

The loans as on March 31, 2010 were Rs. 377,970 million in comparison to Rs. 345,678 million as on March 31, 2009. A summary of the loans outstanding is given below:

Rs.Million

	As at March 31		% change
	2010	**2009**	
Secured Loans			
Bonds	85,500	82,500	4%
Foreign Currency terms loans	5,286	7,180	-26%
Other	13	16	-19%
Sub-total	**90,799**	**89,696**	**1%**
Unsecured Loans			
Fixed Deposits	134	14	857%
Foreign Currency Bonds	22,835	25,775	-11%

	As at March 31		% change
	2010	2009	
Foreign Currency loans	75,417	78,281	-4%
Rupee term loans	180,785	151,911	19%
Loans from GOI	-	1	-100%
Bonds (unsecured)	8,000	-	-
Sub-total	**287,171**	**255,982**	**12%**
Total	**377,970**	**345,678**	**9%**

GOI-Government of India

Over the last fiscal, the debt has registered a growth of 9%. Debt amounting to Rs. 69,824 million was raised during the year 2009-10 and as against this, an amount of Rs. 69,703 million was utilized to finance capital expenditure. The balance amount of Rs. 120 million was towards accretion in Public Deposits of the Company. The domestic debt funds included term loans amounting Rs.47,510 million raised and bonds aggregating to Rs.15,000 million (including bonds of Rs.8,000 million utilized for refinancing loans) privately placed during the year.

Rs. Million

Source	Debt Raised & Utilised	Repayment	Net
Term Loan	47,510	18,637	28,873
Bonds	15,000	4,000	11,000
Foreign Currency Debt	7,193	3,907	3,286
Others	120	4	116
Total	69,823	26,548	43,275
FERV	-	10,983	(10,983)
Total	**69,823**	**37,531**	**32,292**

During the year, fresh agreements for term loans aggregating Rs. 168,190 million were entered into including the loan agreement of Rs. 85,000 million with State Bank of India signed on May 14, 2009 and Rs. 27,500 million signed with Canara Bank on June 23, 2009 to finance capital expenditure of power generation projects, coal mining business and Renovation and Modernisation activities.

Your Company has redeemed bonds amounting to Rs.4,000 million during the year. Repayments amounting to Rs.18,637 million were made under various term loans extended by Indian Banks and Govt. of India. Repayment of Rs.3,907 million was made during the year towards foreign currency loans. Fixed Deposits for Rs.4 million were also discharged during the year.

The credit rating by CRISIL and ICRA of the Company as an issuer and also the rating for rupee bonds & fixed deposits program continued to be 'AAA' and "LAAA" respectively, being the highest rating. During the rating exercise of our domestic borrowings from banks including the amounts committed by them, CRISIL has assigned the highest possible rating i.e. 'AAA'. In addition, during the fiscal 2009, ICRA has assigned 'LAAA' rating for sanctioned lines of credit extended from domestic banks.

During the year, Standard and Poors' and Fitch Ratings maintained the "Investment Grade" foreign currency ratings of your company. While, Fitch Ratings continued to maintain the 'stable' outlook for the ratings, the outlook on the company's rating was revised from 'negative' to 'stable' by Standard and Poors' in March 2010. The Company's foreign currency ratings are at par with sovereign ratings of India.

The debt to equity ratio at the end of fiscal 2009-10 of the Company increased to 0.61 from 0.60 at the end of the previous fiscal.

The Debt Service Coverage Ratio (DSCR) for the year has improved to 3.92 from 3.67 in the previous financial year and Interest Service Coverage Ratio of fiscal 2010 has improved to 13.64 from 10.19 in previous fiscal. Both these ratios have shown improvement due to higher Earnings Before Interest, Tax and depreciation and also due to reduction in net interest charged to P&L Account.

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

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

Rs million

	Rupee Loans	Foreign Currency loans	Total
Within 1 year	22,919	17,003	39,922
1 – 3 years	52,549	18,929	71,478
3 – 5 years	56,579	13,766	70,345
5 – 10 years	119,481	36,567	156,048
Beyond 10 years	22,904	17,273	40,177
Total	**274,432**	**103,538**	**377,970**

3 Fixed Assets

During the year your Company added Rs.44,971 million to the gross block mainly on account of capitalization of one unit of Kahalgaon-II (500MW) Power Project and one unit of Dadri-II (490MW) Power Project. Due to increase in construction activities, there was an addition of Rs.55,413 million in the capital-work-in-progress registering an increase of 26% over the last year. In addition, there was also an increase of 3% in Construction Stores and Advances.

Rs.Million

	As at March 31		
	2010	2009	% Change
Gross block	668,501	623,530	7%
Net Block	347,613	329,377	6%
Capital Work-in-Progress	267,624	212,211	26%
Construction stores and advances	53,419	51,838	3%
Total fixed assets	**668,656**	**593,426**	**13%**

4 Investments

The Investments consist mainly of bonds issued under One Time Settlement Scheme and bonds issued against outstanding dues besides equity participation in joint ventures and subsidiaries. The investments also include the deployment of surplus cash generated out of operations in various treasury instruments issued by Government of India. During fiscal 2010, the investments increased by about 6%. Broadly the break-up of investments is as follows:

Rs.Million

	As at March 31	
	2010	2009
Bonds issued under One time settlement scheme	98,217	114,732
Investments in Joint Ventures	24,803	18,729
Investment in subsidiaries	5,496	4,146
Investment of surplus cash in various instruments	19,435	1,865
Others	120	120
Bonds against dues (issued prior to one time settlement scheme)	-	243
Total investments	**148,071**	**139,835**

Bonds issued against settlement of receivables account for 66% of total investments at the end of fiscal 2010. Bonds received under One Time Settlement Scheme (OTSS) amounting to Rs.16,515 million were redeemed during the year as per scheduled redemption. These OTSS bonds carry a 'call option' giving right to SEBs to redeem the bonds before scheduled redemption date. However, no call option was exercised by any SEB during the year 2009-10.

Your company fully redeemed Rs.243 million of 10% Secured Non- Cumulative Non-Convertible Redeemable GRIDCO Bonds as per redemption plan, during the fiscal 2010.

Your company invested Rs.6,074 million in following joint ventures during the year:

Rs. Million

Name of JV	Amount
NTPC-Tamil Nadu Energy Company Ltd.	2,345
Aravali Power Company Private Ltd.	2,000
NTPC BHEL Power Projects Private Ltd.	199
Meja Urja Nigam Private Limited	192
BF-NTPC Energy Systems Ltd.	58
Nabinagar Power Generating Company Private Ltd.	950
Transformer and Electrical Kerala Ltd.	314
National High Power Test Laboratory Private Ltd.	9
International Coal Ventures Ltd.	1
Energy Efficiency Services Ltd.	6
Total	**6,074**

The company also invested Rs.1,350 million in subsidiaries as under:

Rs. Million

Name of Subsidiary	Amount
NTPC Hydro Ltd.	99
Bhartiya Rail Bijlee Company Ltd.	1,251
Total	**1,350**

During the year, there was an investment of surplus funds in short term funds for Rs.19,435 million.

5 Current Assets

The current assets and current liabilities as on March 31, 2010 and March 31, 2009 and the changes therein are as follows:

Rs.Million

	As at March31		YoY Change	% Change
	2010	2009		
Current Assets	Amt	Amt	Amt	
Inventories	33,477	32,434	1,043	3%
Sundry Debtors	66,514	35,842	30,672	86%
Cash and Bank balances	144,595	162,716	(18,121)	-11%
Other Current Assets	8,440	9,794	(1,354)	-14%
Loans and Advances	55,131	68,467	(13,336)	-19%
Total Current Assets	**308,157**	**309,253**	**(1,096)**	**-**

A major portion of current assets comprised of Cash and Bank balances. As on March 31, 2010, cash and bank balances stood at Rs.144,595 million being 47% of the total current assets in comparison to Rs.162,716 million as at March 31, 2009 which was 53% of the total current assets as on that date. Of this, Rs.138,255 million was kept as term deposits with banks as on March 31, 2010 while the term deposits for the last year was Rs. 159,998 million.

The next largest component of current assets is Sundry Debtors. Sundry Debtors net of provisions have increased from Rs 35,842 million in previous financial year to Rs. 66,514 million showing an increase of 86%. Sale of energy, however, only grew by 10%.

As on 31.03.2010, Sundry Debtors amounted to Rs. 74,875 million as compared to Rs. 44,203 million as at the end of previous year. As a percentage of sales, the sundry debtors represent are 16% of sales as compared to 10% in previous financial year. The Sundry debtors were equivalent to 59 days of sales for current year compared to 38 days in previous year. Reason for increase in debtor balances is mainly the discontinuance of Special Rebate Scheme by the company w.e.f 01.04.2010. Special Rebate Scheme had a provision for giving additional rebate to customers who made payments on the last day of the month on the basis of provisional billing to be adjusted from the final bill raised in the subsequent month. This resulted in reduced debtors at the end of each month. Due to discontinuation of Special Rebate in the first five days of the month w.e.f 1st April, 2010, the sundry debtors as on 31st March, 2010 have increased.

Loans and advances reduced by 19% as compared to previous financial year mainly on account of Lower Advance tax and tax deducted at source (Net of Provision for tax). Besides advance tax and tax deducted at source (net of provisions) amounting to Rs.20,644 million, this includes a loan of Rs.6,222 million to the Government of Delhi subsequent to the conversion of the dues of Delhi Vidyut Board under the one-time-settlement scheme. The Government of Delhi pays 8.5% tax-free interest on this loan. The other loans and advances are mostly to suppliers and contractors and also on account of advances extended to employees for various purposes such as building of house, purchase of vehicles etc. as per the policies of your Company. The advances to employees mainly include Rs.1,387 million paid as adhoc advance to employees in non-executive category pending pay revision (explained in note 6 of Notes on Accounts, Schedule-26).

Inventories as at March 31, 2010 were Rs.33,477 million being 11% of current assets as against Rs. 32,434 million as on March 31, 2009. Inventories mainly comprise of components and spares and coal which are maintained for operating plants. Components and spares were Rs.16,500 million as against Rs.15,662 million in previous year end. Coal inventory amounted to Rs. 11,175 million as against Rs. 11,133 million in previous year.

6 Current Liabilities

Rs.Million

	As at March 31		YoY change	% change
	2010	2009		
	Amt	Amt	Amt	
Liabilities	76,876	74,391	2,485	3%
Provisions	30,705	32,495	-1,790	-6%
Total Current Liabilities	**107,581**	**106,886**	**695**	**1%**

The current liabilities as at March 31, 2010 were Rs. 76,876 million as against Rs. 74,391 million in the previous year. The current liabilities mainly comprise of creditors for capital expenditure, creditors for supply of goods and services, deposits and retention money from contractors. The creditors and retention money, deposits etc. at the end of the year stood at Rs. 68,844 million as against Rs. 64,469 million in the previous year.

The current liabilities have also increased by Rs. 2,869 million on account of unsettled liabilities due to price variation claims accounted on estimation basis rather than on acceptance basis due to change in accounting policy (explained in note 17(b) to Notes on Accounts, Schedule-26). Besides these, advances from customers were Rs. 2,935 million as against Rs 4,520 million in the previous year. These sums include amount payable to the customers on account of income tax refunds.

7 Provisions

As on March 31, 2010, your Company had provisions outstanding amounting to Rs. 30,705 million as against Rs. 32,495 million on 31st March 2009. This mainly comprised Rs.20,345 million (previous year Rs. 21,927 million) being provision for estimated employee benefits under AS 15 (Revised 2005) "Employee Benefits" and estimated benefits payable pending pay revision w.e.f. 01.01.07.

The provision in current year is lower mainly due to reduction in provision amount after payment of pay revision arrears to employees on finalization of pay-revision of employees in executive category.

Further, provisions include Rs 6,596 million on account of proposed dividend which would be paid subject to approval of our shareholders. The income tax payable on the proposed dividend is Rs.1,072 million included in the Provisions of FY 2009-10.

8 Cash flows

Cash, cash equivalents and cash flows on various activities for the past five years are tabulated below:

Rs. Million

	For the year ended March 31				
	2010	2009	2008	2007	2006
Opening Cash & cash equivalents	162,716	149,332	133,146	84,714	60,783
Net cash from operating activities	105,942	96,881	97,860	80,653	59,720
Net cash used in investing activities	-104,977	-75,004	-58,187	-31,458	-26,992
Net cash flow from financing activities	-19,086	-8,493	-23,487	-763	-8,797
Change in Cash and cash equivalents	-18,121	13,384	16,186	48,432	23,931
Closing cash & cash equivalents	144,595	162,716	149,332	133,146	84,714

Net cash from operating activities for the year ended March 31, 2010 increased by 9% from the previous year. Net cash from operating activities was Rs.105,942 million as against Rs 96,881 million for the previous year.

Net cash used in investing activities increased to Rs 104,977 million in FY 2009-10 from Rs. 75,004 million in the previous year registering an increase of 40%. Cash flows on investing activities arise from expenditure on setting up power projects, investment of surplus cash in various securities, investments in joint ventures and subsidiaries. Cash utilized for purchase of fixed assets increased by 8% from Rs. 100,087 million in the previous year to Rs. 107,741 million during FY 2009-10. Net cash used in purchase of investments (after adjusting sale of investments and the redemption of OTSS bonds) increased by Rs.17,732 million during the year. No call option was exercised by SEBs on OTSS bonds during the FY 2009-10. The investment in Joint Venture companies and subsidiaries was Rs.7,424 million in current financial year as against Rs.4,093 million during previous year. Cash generated from investing activities also reduced due to reduction in interest amount on OTSS bonds.

During the year, out of cash raised from operating activities the company paid net Rs.19,086 million of cash for servicing financing activities as against Rs.8,493 million in the previous year. During the FY 2009-10 the company had an inflow of Rs.69,824 million from long term borrowings as against Rs. 73,600 million in the previous year. Cash used for repayment of long term borrowings during the current fiscal was Rs.26,548 (excluding exchange rate variation of Rs.10,983 million) million as against Rs.22,666 million repaid in the previous year. Cash used for paying dividend and the tax thereon was Rs.36,639 million as against Rs.34,718 million in the previous year.

BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES

NTPC has six subsidiary companies. The financial statements of the subsidiaries are included in this Annual Report elsewhere. Out of six subsidiary companies, one company namely, Pipavav Power Development Company Limited (PPDCL) is under winding up. The performance of remaining five subisidiaries is briefly discussed here:

(a) NTPC Electric Supply Company Limited (NESCL)

The financial highlights of the Company are as under:

Particulars	Fiscal 2010	Fiscal 2009
	Rs Million	
NTPC's investment in equity	0.8	0.8
Gross Income	800	785
Profit After Tax	266	185
	Rs Per Share	
Earnings Per Share	3,286.38	2,284.54

The company was formed on August 21, 2002 as a wholly owned subsidiary company of NTPC with an objective to make a foray in the business of distribution and supply of electrical energy as a sequel to reforms initiated in the Power Sector. Presently the company is undertaking the following activities:

- The company has been involved in the execution of work on turnkey basis under the government's rural electrification program namely "Rajiv Gandhi Grameen Vidyuti-Karan Yojana" in 29 districts in 5 states, namely, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa and West Bengal covering more than 38000 villages and approximately 27 lakh Below Poverty Line (BPL) connections. During the year 2009-10, the Company achieved electrification of 8,017 villages and provided electricity connection to 8.6 lakh BPL households which is higher then the MOU target of 7,500 Un-electrified/ De-electrified and 8.5 lakhs BPL connections. So far the Company has achieved electrification of 16,954 villages.
- The Company is assisting the DISCOMs and utilities for enhancement and bringing the sectoral reforms process and has been participating in the distribution infrastructural development programme under consultancy assignments. The Company is executing project management consultancy work for setting up 220 KV substations, switch yard and associated facilities at BPCL Kochi Refinery.
- The Company is also involved in the turnkey execution of infrastructure for Power supply arrangement for Port based Special Economic Zone at Vallarpadam for Cochin Port Trust (CPT) as well as turn key execution of development of infrastructure for power supply arrangement for all coal mining projects of NTPC.
- NESCL is also trying to implement a new business model in which bulk power is brought to the load centre from NTPC merchant plants & is distributed to a predetermined geographical area having dedicated consumers as an independent licensee. This model shall not only pave the way for NESCL to take up the retail distribution but also assist the state utilities in meeting the power shortages in the respective states.

As on 31.3.2010, paid up capital of the Company is Rs. 0.8 million. The Company has paid a dividend of Rs.40 million for the year 2009-10 as against Rs 25 million paid in the previous year.

Joint venture of NESCL

NESCL has set up a JV with Kerala Industrial Infrastructure Development Corporation (KINFRA), a statutory body of Government of Kerala with equity participation of 50% each named as KINESCO Power and Utilities Pvt. Ltd on 17th September 2008, to take up retail distribution of power in various Industrial parks developed by KINFRA in Kerala and other SEZs and industrial areas. The license has been issued for Kakkanad, Kalamassery and Palakkad by the state regulator. The new JV Company has taken over the operations from 1st Feb 2010 in the Kakkanad Industrial area of KINFRA.

As on 31.3.2010, the paid up capital of the Company is Rs. 1 million and Rs. 2.6 million of share application money is pending for allotment.

(b) NTPC Vidyut Vyapar Nigam Limited (NVVN)

The financial highlights of the Company are as under:

Particulars	Fiscal 2010	Fiscal 2009
	Rs Million	
NTPC's investment in equity	200	200
Gross Income	851	1,211
Profit After Tax	284	495
	Rs. Per Share	
Earnings per share	14.20	24.76

The company was formed on November 1, 2002 as a wholly owned subsidiary company of NTPC with an objective to undertake business of sale and purchase of electric power, to effectively utilise installed capacity and thus enabling reduction in the cost of power. During the year 2009-10, the company transacted business with various state electricity boards spread all over the country and traded 5.549 billion units of electricity in comparison to 4.831 billion units traded in the previous year.

As on 31.3.2010, the paid up capital of the Company is Rs. 200 million. The Company has paid a dividend of Rs.100 million for the year 2009-10.

(c) NTPC Hydro Limited (NHL)

The financial highlights of the Company are as under:

Particulars	Fiscal 2010	Fiscal 2009
NTPC's investment in equity(incl. share capital deposit) (Rs. Million)	1026	927
Loss (Rs.)	Nil	10,800

In furtherance of its efforts to take forward the hydro capacity addition and to give exclusive thrust to small and medium sized Hydro Power Projects upto 250MW capacity, NTPC Ltd. had set up a wholly owned subsidiary company named "NTPC Hydro Ltd." in December, 2002. Presently the company is implementing the following projects:

- Lata Tapovan hydro electric project (171 MW) in the state of Uttrakhand. All the statutory clearances have been obtained and entire land required for the project has been physically acquired. The main EPC package, namely, Civil & HM Works (Hydro Mechanical) is currently under tendering process and award is envisaged during the current calendar year. The project is to be developed as a regional power station with 12% free power to Govt. of Uttarakhand and balance to be supplied to the beneficiaries of Northern states. PPAs with number of beneficiary states have also been signed. The project is slated for commissioning during 12th Plan. Annual generation from this project is estimated as 869 MU.
- Rammam-III (120 MW) in the state of West Bengal- All the statutory clearances have been obtained and majority of land acquisition activities have been completed. Various infrastructure developmental works are under progress. The main EPC package, namely, Civil & HM Works is currently under tendering process and award is envisaged during the year 2010-11.The project is for the benefit of West Bengal and Sikkim states and is slated for commissioning during 12th Plan. Annual generation from this project is estimated as 476 MU.

As on 31.3.2010, the paid up capital of the Company is Rs. 1,008 million and Rs. 18 million of share application money is pending for allotment.

(d) Kanti Bijlee Utpadan Nigam Limited

As per the decision of Govt. of India, a new company named 'Vaishali Power Generating Company Ltd.' was incorporated on September 6, 2006 as a subsidiary of NTPC to take over Muzaffarpur Thermal Power Station (MTPS) (2 x 110 MW). The Company was rechristened as 'Kanti Bijlee Utpadan Nigam Limited' on 10.04.2008. The present equity contribution in the company is 64.57% by NTPC and 35.43% by BSEB.

Unit 2 of 110 MW of the transferred station is under operation w.e.f. 29.01.08 after restoration and refurbishment and generated infirm power of 460.58 MUs during financial year 2009-10 which is highest ever generation by this unit since its inception. Renovation and Modernization (R&M) of existing units 2X110 MW is to commence in 2010-11 for which contract has been awarded to BHEL on 15.04.10.

The Board of the Company has approved the Feasibility Report for the expansion of MTPS by 2x195 MW. Main Plant package award has been finalized and Letter of Intent (LOI) was issued to BHEL in March 2010 for Rs.1,076 crore.

As on 31.3.2010, the paid up capital of the Company is Rs. 885 million and Rs. 44 million of share application money is pending for allotment which includes Rs. 22 million as the share of NTPC Ltd.

The financial highlights of the Company are given below:

Particulars	Fiscal 2010	Fiscal 2009
NTPC's investment in equity (incl share capital deposit) (Rs.Mln)	594	594
Loss (Rs.)	7,50,950	27,866
Earnings per share (Rs)	(0.13)	(0.28)

(e) Bhartiya Rail Bijlee Company Limited (BRBCL)

"Bhartiya Rail Bijlee Company Limited" was incorporated as a subsidiary of NTPC on November 22, 2007 having equity participation of 74:26 by NTPC Ltd. and Ministry of Railways, Govt. of India respectively for setting up of 4 units of 250 MW each of coal based power plant at Nabinagar, district Aurangabad, Bihar. Land measuring 1,250 acres (approx) was taken under possession during the year. As on 31.3.2010, the paid up capital of the Company is Rs. 4,000 million and Rs. 1,462 million of share application money is pending for allotment which includes Rs. 712 million as the share of NTPC Ltd.

The financial highlights of the Company are given below:

Particulars	Fiscal 2010	Fiscal 2009
	Rs. Million	
NTPC's investment in equity (incl. share capital deposit)	3,672	2,421
Loss	0.2	3.9
	Rs. Per Share	
Earnings per share	(0.00)	(0.03)

BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES

a) Utility Powertech Limited (UPL)

The financial highlights of the Company are as under:

Particulars	Fiscal 2010	Fiscal 2009
	Rs. Million	
NTPC's investment in equity	10	10
Gross Income	2,629	2,383
Profit After Tax	90	8
	Rs. Per Share	
Earnings per share	22.45	2.03

UPL is a joint venture company of NTPC and Reliance Infrastructure Limited formed to take up assignments of construction, erection and supervision in power sector and other sectors in India and abroad as well as to provide man power to power, telecom and other sectors. As on 31.3.2010, the paid up capital of the Company is Rs. 40 million (including Rs. 20 million of paid up equity capital issued as fully paid up bonus shares in the previous year) with 50% initially contributed by NTPC Ltd.

b) NTPC-SAIL Power Company Pvt. Ltd. (NSPCL)

NSPCL, a 50:50 Joint venture Company of NTPC and SAIL was incorporated on 08.02.1999 for running the Captive Power Plants of SAIL at Durgapur, Rourkela. Later, Bhilai Electricity Supply Company Ltd. merged into NSPCL.

NSCPL owns and operates a capacity of 814 MW mostly as captive power plants for SAIL's steel manufacturing facilities located at Durgapur, Rourkela and Bhilai. Two units of 250 MW each of Bhilai expansion were commissioned during 2008-09 out of which 255 MW capacity is allocated for captive use and the balance 245 MW is allocated for CSEB, UT Daman & Diu and UT Dadra & Nagar Haveli. Both the units were declared commercial during 2009-10.

The above stations generated a total of 5.043 BUs (including 2.418 BUs from Bhilai expansion units) during 2009-10 as compared to 2.389 BUs during the corresponding previous year. Captive power plants (314 MW) of NSPCL recorded annual generation of 2625 MUs at 95.5% PLF, highest ever since inception. Further, both 250MW units of Bhiliai Expansion (2X250MW) achieved 100% PLF & AVF during March '10 and achieved 85% AVF during 2009-10 after commercial operation.

As on 31.03.2010, the paid up capital of the Company is Rs. 9,505 million and out of this, 50% has been contributed by NTPC Ltd.

The financial highlights of this Company are as under:

Particulars	Fiscal 2010	Fiscal 2009
	Rs. million	
NTPC's investment in equity	4,752	4,752
Gross Income	9,571	2,697
Profit After Tax	839	355
	Rs. Per Share	
Earnings per share	0.88	0.42

NSPCL has recommended a final dividend of Rs.290 million of which NTPC's share is Rs.145million.

c) NTPC-ALSTOM Power Services Private Limited (NASL)

The financial highlights of the Company are as under:

Particulars	Fiscal 2010	Fiscal 2009
	Rs. million	
NTPC's investment in equity	30	30
Gross Income	286	597
Profit After Tax	13	34
	Rs. Per Share	
Earnings per share	2.18	5.73

NASL is a 50:50 joint venture company between NTPC and ASLTOM POWER GENERATION AG, Germany. The company was formed on 27.09.1999 for taking up Renovation & Modernization assignments of power plants both in India and SAARC countries. During 2009-10, NASL has submitted technical bids for Badarpur and Bandel projects. As on 31.3.2010, the paid up capital of the Company is Rs. 60 million with 50% being contributed by NTPC Ltd.

d) NTPC Tamil Nadu Energy Company Ltd. (NTECL)

NTPC Tamil Nadu Energy Company Ltd, was formed as a 50:50 joint venture between NTPC and Tamil Nadu Electricity Board (TNEB) on May 23, 2003 to develop and operate 1500MW power project at Vallur. The project is named as Vallur Thermal Power Project and is expected to use Ennore port infrastructure facilities. Mega Power Status was accorded to the project (3x500 MW) on 12.03.08.

Investment Approval of Stage-I, Phase-II (1 x 500MW) expansion of the Project was accorded by the NTECL Board on 19.05.09.MOEF clearance for phase-II (1 x 500 MW) was accorded on 03.06.09 while Main Plant Boiler & Turbine contract was awarded to M/s BHEL on 28.07.09.Financial closure of Phase-II was achieved with signing of Loan Agreement with M/s REC on 06.03.10 for Rs. 21,140 million. The construction work at site is in full progress.

The paid up capital of the Company is Rs. 8500 million and out of this, 50% has been contributed by NTPC Ltd. Further as on 31.03.2010, the amount of Share Capital Deposit pending for allotment is Rs. 555 million. Out of this, Rs. 155 million was contributed by NTPC Ltd. during 2009-10.

e) Ratnagiri Gas and Power Pvt. Limited

Ratnagiri Gas and Power Private Ltd has been formed as joint venture between NTPC, GAIL, Maharashtra State Electricity Board and Indian Financial institutions with NTPC having a stake of 29.65% for taking over and operating gas based Dabhol Power Project. Block # I RGPPL was also revived and declared commercial on May 19, 2009.The total generation from all the Power Blocks during 2009-10 is 8,289 MUs. All the power blocks machines are in operation. GoI has allocated full quantum of gas required for Power Blocks (about 8.5 MMSCMD). RGPPL commenced power generation using domestic gas from KG D-6 basin from September 30, 2009. The current drawl is around 7.2 MMSCMD.

As on 31.3.2010, the paid up capital of the Company is Rs. 20,000 million and out of this, Rs.5,929 million has been contributed by NTPC Ltd. Further as on 31st March 2010, out of Share Capital Deposit pending allotment amounting to Rs 2,970 million, an amount of Rs. 1,000 million has been contributed towards equity by NTPC Ltd.

The financial highlights of the Company are as under:

Rs. Million

Particulars	Fiscal 2010	Fiscal 2009
NTPC's investment in equity (incl. share capital deposit	6,929	6,929
Gross Income	37,702	12,612
Profit (Loss)	445	(6,551)
	Rs. Per Share	
Earnings per share(Basic)	0.22	(3.83)

f) Aravali Power Company Private Limited

Aravali Power Company Private Limited (A Joint Venture Company of NTPC Ltd., Indraprastha Power Generating Co. Ltd. [IPGCL] of Delhi Govt. and Haryana Power Generating Co. Ltd. [HPGCL] of Haryana Govt.) is setting up Aravali Super Thermal Power Project of 1500 MW (3x500 MW), a coal fired power plant, in Jhajjar district of Haryana. The project is being set up by NTPC on concept-to-commissioning basis. NTPC Ltd. would also operate and maintain the station on Management Contract basis for at least 25 years. The project is being set up for meeting the power requirement of Haryana and NCT of Delhi. The power will be shared on 50:50 basis between Haryana and NCT of Delhi.

Construction activities at the site are in full swing. Boiler Hydro Test for Unit-I has been completed on 26.01.10. For Unit-II, TG erection work commenced in January, 2010. Boiler Drum Lifting of Unit-III was completed on 12.11.2009 and TG Deck casted on 14.02.2010. Unit-I & II is expected to be ready during 2010-2011. For the fuel linkage, Letter of Assurance obtained from MCL for 6.94 MTPA (F Grade Coal). Water agreement signed with Haryana Irrigation Department on 21.12.09 for supply of 150 cusec of water from JLN canal.

As on 31.3.2010, the paid up capital of the Company is Rs. 13,170 million with 50% being contributed by NTPC Ltd.

g) NTPC-SCCL Global Venture Pvt. Ltd

NTPC Limited alongwith Singareni Collieries Company Limited formed a 50:50 joint venture Company under the name and style of "NTPC-SCCL Global Ventures Private Limited" on July 31, 2007 to undertake various activities in coal and power sectors including acquisition of coal/lignite mine blocks, development and operation of integrated coal based power plants and providing consultancy services. In the proposed Joint Venture Company both NTPC and SCCL shall hold 50% equity each.

As on 31.3.2010, the paid up capital of the Company is Rs. 1 million, out of which 50% has been contributed by NTPC Ltd.

h) Meja Urja Nigam Private Limited

NTPC has formed a JV Company with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) under the name "Meja Urja Nigam Private Limited" on April 2, 2008 for setting up a power plant of 1320 MW (2X660 MW) at Meja Tehsil in Allahabad district in the state of Uttar Pradesh.

All significant clearances except MOEF clearance have been obtained. Application for MoEF clearance submitted on 30.03.10. CWC/MOWR clearance for use of Ganga Water received on 17.11.09. In-principle approval for Coal Linkage received from the MOC. Land acquisition has been completed. Further, possession & mutation for 1,118 Hectares of Government & Private Land & Resettlement of PAPs has commenced. The project is identified under Bulk Tendering for 660 MW units.

As on 31.03.2010, the paid up capital of the Company is Rs. 604 million and out of this, 50% has been contributed by NTPC Ltd. Further as on 31.3.2010, out of Share Capital Deposit pending for allotment amounting to Rs. 385 million, Rs.192 million being 50% of the total Share Capital Deposit has been contributed by NTPC Ltd.

i) NTPC BHEL Power Projects Pvt Ltd. (NBPPL)

"NTPC BHEL Power Projects Pvt Ltd." (NBPPL) was formed on April 28, 2008 as a JV Company with Bharat Heavy Electrical Ltd (BHEL) for carrying out Engineering Procurement and Construction (EPC) activities in the power sector and to engage in manufacturing and supply of equipment for power plants and other infrastructure projects in India and Abroad. The Company has acquired 750 acres of land at YSR Puram in Chittoor district (Andhra Pradesh) for setting up manufacturing plant. The company has also bagged contracts for execution of Balance of Plant package for a value of Rs. 79 Crore for Palatana Combined Cycle Power Plant in Tripura and 1x100 MW Namrup Thermal Power Station valued at Rs. 71.81 Crore.

As on 31.03.2010, the paid up capital of the Company is Rs. 500 million, out of this, 50% has been contributed by NTPC Ltd.

j) BF-NTPC Energy Systems Limited

"BF-NTPC Energy Systems Limited" (BFNESL) was formed on June 19, 2008 with Bharat Forge Limited (BFL) to establish a facility to take up manufacturing of castings, forgings, fittings and high pressure piping required for power projects and other industries, Balance of Plant (BOP) equipment for the power sector.

BFNESL has finalized land in Solapur, Maharashtra for setting up manufacturing facilities; foundation stone for the same was laid on 20th March, 2010.

As on 31.3.2010, the paid up capital of the Company is Rs. 21 million with 49% being contributed by NTPC Ltd. Further, out of Rs. 99 million of share application money pending allotment as on 31.03.2010, Rs.49 million has been contributed by NTPC.

k) Nabinagar Power Generating Company Private Limited

"Nabinagar Power Generating Company Private Limited" (NPGCL) was incorporated as a JV Company on September 9, 2008 with equal equity contribution from Bihar State Electricity Board for setting-up of a coal based power project at New Nabinagar in district Aurangabad of State of Bihar. The project will have a capacity of 1,980 MW (3X660 MW). The Company will also undertake operation & maintenance of the project after its commissioning.

Feasibility Report of the project was approved by NPGCL Board on 02.07.09.Land acquisition activities have been initiated. Application for MoEF clearance submitted on 29.03.10. In-principle approval for Coal Linkage received from the MOC. The project is identified under Bulk Tendering for 660 MW units.

As on 31.3.2010, the paid up capital of the Company is Rs. 1 million with 50% being contributed by NTPC Ltd. during 2009-10. Further as on 31.3.2010, out of share application money pending for allotment amounting to Rs. 2,229 million, Rs.950 million has been contributed by NTPC Ltd.

l) National Power Exchange Limited (NPEX)

"National Power Exchange Limited" (NPEX) was incorporated as a JV Company with NHPC Ltd., Power Finance Corporation Ltd. and Tata Consultancy Services Ltd. on December 11, 2008 to operate a Power Exchange at National level. This Power Exchange would provide a neutral and transparent electronic platform for trading of power on "day ahead basis" and ensure clearing of all trades in a transparent, fair and open manner with access to all players in the power markets. NTPC Ltd. & NHPC Ltd. have contributed 16.67% equity each, Power Finance Corporation Ltd. 16.66% of equity while Tata Consultancy Services has contributed 50% equity in the share capital of this Company. An in-principle approval by CERC to set up and operate a national level power exchange was received on July 1, 2009. New Regulations for power exchange have been issued by Central Electricity Regulatory Commission on 20th Jan 2010.The Company has initiated action for compliance and aligning itself to these regulations.

As on 31.3.2010, the paid up capital of the Company is Rs. 50 million with 16.67% amounting Rs. 8 million contributed by NTPC Ltd.

m) International Coal Ventures Private Limited (ICVL)

A JV Company was incorporated on May 20, 2009 under the name "International Coal Ventures Private

Limited" (ICVL) in association with Steel Authority of India (SAIL), Coal India Limited (CIL), Rashtriya Ispat Nigam Limited (RINL) and NMDC Limited (NMDC). SAIL, CIL, RINL, NMDC and NTPC shall contribute in the equity share capital of the Company in the ratio of 2:2:1:1:1 respectively. The Company has been incorporated for the purpose of carrying on business for overseas acquisition and/ or operation of coal mines or blocks/ companies for securing coking and thermal coal supplies. ICVL is pursuing coal opportunities from countries like Australia, Indonesia, Mozambique, South Africa and USA. As on 31.03.2010, the paid up capital of the Company is Rs. 7 million

n) **National High Power Test Laboratory Private Limited (NHPTLPL)**

NTPC has formed a JV Company on May 22, 2009 under the name "National High Power Test Laboratory Private Limited" (NHPTLPL) in association with NHPC Limited (NHPC), Power Grid Corporation of India Limited (PGCIL) and Damodar Valley Corporation (DVC). All JV partners have contributed equally in the equity share capital of the Company. The Company has been incorporated for setting up an On-line High Power Test Laboratory for short-circuit test facility in the Country. The project Feasibility Report has been submitted by Technical Consultants, CSEI, Italy.

As on 31.03.2010, the paid up capital of the Company is Rs. 35 million which includes Rs. 9 million being 25% of paid up equity capital contributed by NTPC Ltd.

o) **Energy Efficiency Services Pvt. Limited**

A JV company has been formed on December 10, 2009 under the name "Energy Efficiency Services Limited" with Power Finance Corporation Limited (PFC), Powergrid Corporation of India Limited (PGCIL) and Rural Electrification Corporation Limited (REC) to carry on and promote the business of Energy Efficiency and climate change including manufacture and supply of energy efficiency services and products. NTPC, PFC, PGCIL and REC hold shares in the equity share capital of the Company equally.

As on 31.03.2010, the share application money pending for allotment in the Company is Rs. 25 million which includes Rs. 6 million being 25% of this amount contributed by NTPC Ltd.

p) **Transformers and Electricals Kerala Limited (TELK)**

In line with the Business Collaboration and Shareholders Agreement executed between NTPC Limited, Government of Kerala and Transformers and Electricals Kerala Limited (TELK), 44.6% of presently paid-up capital of TELK were acquired from Government of Kerala at a total value of Rs. 313.4 million during 2009-10. The shares were credited in NTPC's demat account on 19.06.2009. TELK is engaged in manufacturing and repair of heavy duty transformers. During the year TELK produced 5,085 MVA transformers as against 4,566 MVA in 2008-09, an increase of 11.37%.

As on 31.03.2010, the paid up capital of the Company is Rs. 430 million with Rs. 314 million contributed by NTPC Ltd.

Consolidated Financial Statements of NTPC Ltd, its Subsidiaries and Joint Venture Companies

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:

Rs. million

	Fiscal 2010	Fiscal 2009
Gross Income	512,035	460,365
Profit before Tax	110,491	93,073
Profit after Tax	88,377	80,925
Net Cash from operating activities	119,235	102,417

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

RSharma

(R. S. Sharma)
Chairman & Managing Director

Place: New Delhi
Date: August 04, 2010

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

In our Company, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence and accordingly, the Corporate Governance philosophy has been scripted as under:

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

Our company believes in integrity as a necessary condition for enduring success. Transparency, fairness, accountability and responsibility are the pillars of the Company's business activities.

Besides adhering to provisions of Listing Agreement we are also following guidelines on Coporate Governance issued by Department of Public Enterprises, Government of India.

1.2 Corporate Governance Recognitions

In recognition of excellence in Corporate Governance, during the year the Company was adjudged as one of the best governed company of India by a jury headed by Former Chief Justice of India and was conferred **'ICSI National Award for Excellence in Corporate Governance – 2009'** by the Institute of Company Secretaries of India.

The Company has also bagged **'Golden Peacock Global Award for Excellence in Corporate Governance for the year 2009'** by the Golden Peacock Global Awards Jury, under the Chairmanship of former Prime Minister of Sweden.

2. BOARD OF DIRECTORS

2.1 Size of the Board

We are a Government Company within the meaning of section 617 of the Companies Act, 1956 as the President of India presently holds 84.5% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors vests in the President of India.

In terms of the Articles of Association of the Company strength of our Board shall not be less than four Directors or more than twenty Directors. These Directors may be either whole-time functional Directors or part-time Directors. The constitution of the Board is as under:

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

(ii) Two government nominees and

(iii) Nine independent directors as per the requirement of the Listing Agreement.

2.2 Composition

The Board of Directors have an optimum combination of executive and non-executive Directors. As on 31st March 2010, the Board comprised seventeen Directors out of which six were whole-time functional Directors including the Chairman & Managing Director. One whole-time Director ceased to be Director on the Board of the Company with effect from 31st December 2009. Another incumbent in his place has been appointed by the Government of India w.e.f. 13th May, 2010. Two Directors are nominees of the Government of India. The Board also has nine independent Directors who have been appointed by the Government of India through a search committee constituted for the purpose. The Directors bring to the Board wide range of experience and skills. Brief profile of the Directors is set out elsewhere in the Annual Report.

The listing agreements with stock exchanges stipulate half of the Board members to be independent directors.

We are compliant with Clause 49 (IA) of the Listing Agreement regarding composition of the Board of Directors.

2.3 Age limit and tenure of Directors

The age limit of the Chairman & Managing Director and other whole-time functional Directors is 60 Years.

The Chairman & Managing Director and other whole time Functional Directors are appointed for a period of five years from the date of taking charge or till the date of superannuation of the incumbent, or till further instructions from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Power, Government of India retire from the Board on ceasing to be officials of the Ministry of Power.

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

2.4 Board Meetings

The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed by circulation.

Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD. Sensitive matters are discussed at the meeting without written material being circulated.

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

Nineteen Board Meetings were held during the financial year 2009-10 on April 16, April 28, May 22, June 22, June 29, July 22, July 27, August 13, August 31, September 11, October 13, October 23, November 11, December 10, December 29, 2009, January 9, January 29, February 24 and March 13, 2010. The maximum interval between any two meetings during this period was 31 days. Details of number of Board meetings attended by Directors, attendance at last AGM, number of other directorship/ committee membership (viz. Audit Committee and Shareholders Grievance Committee as per SEBI's Corporate Governance Code) held by them during the year 2009-10 are tabulated below:

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 17.09.09)	Number of other Director-ships held on 31.03.10	Number of Committee memberships in companies on 31.03.10$	
						As Chairman	As Member
	Functional Directors						
1	Shri R.S. Sharma Chairman & Managing Director	19	19	Yes	9	-	-
2	Sh. Chandan Roy Director (Operations)	19	18	Yes	6	2	-
3	Shri R.K. Jain Director (Technical) (upto 31.12.2009)	15	15	Yes	*NA	*NA	*NA
4	Shri A.K. Singhal Director (Finance)	19	19	Yes	12	2	4
5	Sh. R.C Shrivastav Director (HR)	19	18	Yes	6	-	3
6	Sh. K.B. Dubey Director (Projects) (upto 31.07.2009)	7	6	*NA	*NA	*NA	*NA
7	Shri I.J. Kapoor Director (Commercial)	19	19	No	5	-	-
8	Shri B.P. Singh Director (Projects) (From 01.08.2009)	12	12	Yes	3	-	1
	Non-executive Directors (Government Nominees)						
9	Shri V.P. Joy JS (Th.), Ministry of Power (upto 04.05.2009)	2	2	*NA	*NA	*NA	*NA
10	Shri I.C.P. Keshari JS (Th.), Ministry of Power (from 04.05.2009)	17	16	No	-	-	-
11	Shri Rakesh Jain JS&FA, Ministry of Power (from 09.06.2009)	16	15	Yes	4	1	3

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 17.09.09)	Number of other Director-ships held on 31.03.10	Number of Committee memberships in companies on 31.03.10$	
	Independent Directors						
12	Shri M.N. Buch Former Secretary, GOI	19	17	Yes	1	1	-
13	Shri Shanti Narain Former Member, Railway Board	19	11	Yes	2	-	3
14	Shri P.K. Sengupta Former CMD, Coal India Ltd.	19	18	Yes	-	-	1
15	Shri K. Dharmarajan Former DG, IIFT	19	14	No	2	1	-
16	Dr. M. Govinda Rao Director, NIPFP	19	16	Yes	1	1	-
17	Shri Kanwal Nath Ex Deputy, C&AG	19	16	Yes	-	-	1
18	Shri Adesh Jain President, Project Management Associates, Centre for Excellence in Project Management	19	16	No	1	-	-
19	Shri A.K. Sanwalka Ex-General Manager, Northeast Frontier Railway	19	19	Yes	1	1	1
20	Shri Santosh Nautiyal Ex-Chairman, National Highway Authority of India	19	19	Yes	2	-	2

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

$ In line with clause 49 of Listing Agreement, only the Audit Committee and Shareholders/ Investors Grievance Committee have been taken into consideration in reckoning the number of committee memberships of Directors or Chairman and as Member.

2.5 Information placed before the Board of Directors:

The Board has complete access to any information within the Company. The information regularly supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Review of progress of ongoing projects including critical issues and areas needing management attention
- Annual Accounts, Directors' Report, etc.
- Quarterly financial results for the company.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of meetings of Board of Directors of subsidiary companies
- The information on recruitment and promotion of senior officers to the level of Executive Director which is just below the Board level and Company Secretary.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Any significant development in Human Resources/

Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.

- Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.
- Short term investment of surplus funds.
- Information relating to major legal disputes.
- Highlights of important events from last meeting to the current meeting.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

i) Audit Committee.

ii) Shareholders / Investors Grievance Committee.

iii) Remuneration Committee

iv) Committee on Management Controls.

v) Contracts Sub- Committee.

vi) Project Sub-Committee.

vii) Investment/Contribution Sub-Committee.

viii) Committee of the Board for allotment and post-allotment activities of NTPC's Securities

ix) Committee for Further Public Offering of NTPC's Securities

3.1 AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956, provisions of Listing Agreement and Guidelines on Corporate Governance as issued by Department of Public Enterprises, Govt. of India.

Scope of Audit Committee

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
2. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
3. Ensure Compliance of Internal Control Systems.
4. 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.
5. Noting appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service.
6. Reviewing, with the management, the annual financial statements 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 (2AA) of section 217 of the Companies Act, 1956;
   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 any related party transactions;
   g. Qualifications in the draft audit report.
7. Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
8. Reviewing the adequacy of internal audit function, 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.
9. Discussion with internal auditors any significant findings and follow up there on. Review of internal audit observations outstanding for more than two years.
10. 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.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
12. 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.

13. Review of Observations of C&AG including status of Government Audit paras.
14. To review the functioning of the Whistle Blower mechanism.
15. Investigation into any matter in relation to the items specified above or referred to it by the Board.
16. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
17. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
18. 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.
19. 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 auditor and internal auditor, together with the management responses.
20. 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.
21. Reviewing with the management, statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), statement of funds utilised for purposes other than 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.

Constitution

The Audit Committee has been constituted with the membership of:

i) Four independent Directors to 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 2010, the Audit Committee comprised the following members:-

Shri K. Dharmarajan	Independent Director
Shri P.K. Sengupta	Independent Director
Shri Shanti Narain	Independent Director
Shri Kanwal Nath	Independent Director
Shri Rakesh Jain w.e.f. 09.06.2009	Government Nominee

Director (Finance) and Head of Internal Audit and the Statutory Auditors are invited to the Audit Committee Meetings for interacting with the members of the committee. Besides, Cost Auditors of the Company are also invited to the meetings of the Audit Committee as and when required. Senior functional executives are also invited as and when required to provide necessary inputs to the committee.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

Six meetings of the Audit Committee were held during the financial year 2009-10 on May 21, July 27, October 5, October 23, November 11, 2009 and January 29, 2010.

The details of the meetings of Audit-Committee attended by the members are as under:-

Members of Audit Committee	Meetings held during his tenure	Meetings attended
Shri K. Dharmarajan	6	6
Shri P. K. Sengupta	6	5
Shri Shanti Narain	6	4
Shri Kanwal Nath	6	5
Shri Rakesh Jain	5	5

Shri K. Dharmarajan, Independent Director chaired all the meetings of Audit Committee held during the year 2009-10. However, in the absence of Shri K. Dharmarajan, Shri P.K. Sengupta, Independent Director attended the Annual General Meeting of the Company as the Chairman of the Audit Committtee to answer the queries of the shareholders.

Director (Finance) and Head of Internal Audit were present in all Audit Committee Meetings held during the year under review as invitees as per requirement of Listing Agreement.

3.2 SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has constituted 'Shareholders / Investors Grievance Committee'.

Scope of the Committee

This Committee looks into redressal of Shareholders' and Investors' complaints like delay in transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc. as well as complaints/grievances of the Bondholders.

Constitution

The Committee has been constituted with the membership of:

i) One Nominee Director of Ministry of Power represented on the Board of NTPC

ii) Director (Finance), NTPC and

iii) Director (HR) or Director (Technical), NTPC

iv) One Independent Director.

Composition

As on 31st March 2010, this committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (HR)
Shri A.K. Sanwalka	Independent Director

Meeting and Attendance

Two meetings of the Shareholders / Investors Grievance Committee were held during the financial year 2009-10 on October 13, 2009 and March 29, 2010:

Members of Shareholders / Investors Grievance Committee	Meetings held	Meetings attended
Shri Rakesh Jain	2	2
Shri A.K. Singhal	2	2
Shri R.C. Shrivastav	2	2
Shri A.K. Sanwalka	2	2

Name and designation of Compliance Officer

Shri A.K. Rastogi, Company Secretary is the compliance officer in terms of Clause 47 of the Listing Agreement.

Investor Grievances

During the financial year ending 31st March 2010, Company has attended its investor grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of the complaints received during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI / Stock Exchange complaints	1	27	28	0
Other IPO related complaints	0	949	949	0
Other Dividend related complaints	5	7738	7738	5
Total	6	8714	8715	5

Investor complaints shown pending as on March 31, 2010 have been attended subsequently.

Number of pending share transfers

As on March 31, 2010, no share transfer request was pending. Share Transfers have been affected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practicing Company Secretary has been furnished to Stock Exchanges.

3.3 REMUNERATION COMMITTEE

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 its policy for its distribution within the prescribed limits. As on 31st March 2010, the Committee comprised the following Members:

Shri M.N. Buch	Independent Director
Shri P.K. Sengupta	Independent Director
Shri Kanwal Nath	Independent Director
Shri I.C.P. Keshari	Government Nominee

Meeting and Attendance

Only one meeting was held during the year on 11.09.2009 in which all the members except Shri I.C.P. Keshari, Government Nominee were present.

3.4 COMMITTEE ON MANAGEMENT CONTROLS

On being conferred enhanced autonomy by the Government of India under 'Navratna 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.

As on March 31, 2010, the committee comprised the following Directors:

Shri Rakesh Jain	Government nominee
Shri Chandan Roy	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Dr. M. Govinda Rao	Independent Director

3.5 CONTRACTS SUB-COMMITTEE

This Committee has been constituted for approval of award of contracts of value exceeding Rs. 25 crore but not exceeding Rs.100 crore and consultancy assignments exceeding Rs. 2 crore each. As on March 31, 2010, the Committee for Contracts comprised the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Rakesh Jain	Government Nominee
Shri I.C. P. Keshari	Government Nominee
Shri A.K. Singhal	Director (Finance)
Shri B.P. Singh	Director (Projects)
Position Vacant	Director (Technical)

3.6 PROJECT SUB-COMMITTEE

The Project Committee examines and makes recommendations to the Board on proposals for Investment in New/Expansion Projects and Feasibility Reports of new projects. As on 31st March 2010, the Committee comprised the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Chandan Roy	Director(Operations)
Position Vacant	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri B.P. Singh	Director (Projects)
Shri Rakesh Jain	Government Nominee
Shri I.C.P. Keshari	Government Nominee
Shri M.N. Buch	Independent Director
Shri I.J. Kapoor	Director (Commercial)

3.7 INVESTMENT/CONTRIBUTION COMMITTEE

The terms of reference of Investment/Contribution Committee of the Board is for deployment of surplus funds as per Govt. Guidelines issued from time to time, and acceptance of Bonds/Debt Instruments in lieu of settled dues with State Electricity Boards or State Transmission Companies and deciding terms and conditions thereof. This committee also approves contribution/donation for national, public, benevolent or charitable cause, purpose or object or other funds not directly related to the business of the company or welfare of its employees between Rs. 5 lakh to Rs. 20 lakh subject to maximum limit of Rs. 1 crore in a year.

As on 31st March 2010, the Committee comprised the following Members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Chandan Roy	Director (Operations)
Shri A.K. Singhal	Director (Finance)

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 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 allotment, issue of Certificate/Letter of allotment, transfer, transmission, re-materialisation, issue of duplicate certificates, consolidation/split of NTPC's domestic and foreign Securities. As on 31st March 2010, the Committee comprised the following Members:

Shri A.K. Singhal	Director(Finance)
Shri Chandan Roy	Director(Operations)
Shri R.C. Shrivastav	Director (HR)

3.9 COMMITTEE FOR FURTHER PUBLIC OFFERING OF NTPC'S SECURITIES

The Committee for Further Public Offering of NTPC's Securities was constituted by the Board of Directors, in its meeting held on 11.11.2009.

The scope of work of this committee was to oversee, finalize, settle, approve and adopt the Red Herring Prospectus and the Prospectus for the FPO by way of offer for sale by the President of India, recommend appointment, conditions to the agreements, fee payable to various agencies, Intermediaries, Auditors for the FPO, to make applications to various Government/ Statutory Authorities, to open bank accounts as required under Section 73 of the Companies Act, 1956, to issue receipts/ allotment/ transfer letters/ confirmations of allocation notes to successful bidders and applicants and other actions for facilitating process of FPO.

The Committee was constituted with the membership of Shri Chandan Roy, Director (Operations), Shri A.K. Singhal, Director (Finance), Shri R.C. Shrivastav, Director (HR) and Shri I.J. Kapoor, Director (Commercial). Shri A.K. Singhal, Director (Finance) was the Chairman of the Committee.

During the process of FPO, five meetings of the Committee were held on 15th December 2009, 1st January 2010, 9th January 2010, 8th February 2010 and 17th February 2010. The details of attendance of the members in the Committee Meetings is as under:

Members of Committee for Further Public Offering of Equity Shares	Meetings held	Meetings attended
Shri Chandan Roy	5	4
Shri A.K. Singhal	5	5
Shri R.C. Shrivastav	5	5
Shri I.J. Kapoor	5	4

With the completion of allotment of shares under FPO on 18.02.2010, the committee ceased to exist w.e.f.19.02.2010 as decided by the Board of Directors in its meeting held on 11.11.2009.

4. **GROUP OF DIRECTORS**

Apart from Committees as explained above, the Board has constituted a number of Group of Directors for specific purposes. The scope of work of various Group of Directors and its Constitution as existed on 31.03.2010 is as under:

(i) **Group of Directors for Corporate Social Responsibility:** This Group of Directors has been constituted to have a closer look into various related issues and prepare a roadmap for operating the scheme for Corporate Social Responsibility of NTPC. This Group of Directors comprises the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (HR)
Shri Santosh Nauityal	Independent Director

(ii) **Group of Directors for Vigilance Matters and Non-Vigilance Matters:** Two Group of Directors has been constituted to examine all the petitions which are submitted before the Board as appellate/ reviewing authority in terms of CDA rules. The Chief Vigilance Officer of NTPC is being associated with the Group of Directors for Vigilance Matters. The Group of Directors for Vigilance Matters comprised the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri R.C. Shrivastav	Director (HR)
Shri I.C.P. Keshari	Government Nominee
Shri Kanwal Nath	Independent Director

The Group of Directors for non-vigilance matters comprised the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Chandan Roy	Director (Operations)
Shri R.C. Shrivastav	Director (HR)
Shri I.C.P. Keshari	Government Nominee
Shri Adesh Jain	Independent Director

(iii) **Group of Directors for implementation of DPE Guidelines pertaining to Revision of Pay Scales:** This Group of Directors has been constituted to work out the details with regard to implementation of various provisions as per DPE guidelines pertaining to revision of pay scales. This Group of Directors comprised the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Chandan Roy	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (HR)
Shri I.C.P. Keshari	Government Nominee
Shri Kanwal Nath	Independent Director
Shri M.N. Buch	Independent Director

(iv) **Group of Directors for Import of Coal:** This Group of Directors has been constituted to approve the recommendations of Executive Directors level Committee authorized to hold discussions with the prospective PSU bidders viz. STC, MMTC and CIL in a pre-bid conference to explore (a) various options/ bidding strategies to be adopted by them by which they can ensure maximization of competition amongst the coal suppliers and (b) pricing methodology. This Group of Directors comprised the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Chandan Roy	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri Kanwal Nath	Independent Director
Shri A.K. Sanwalka	Independent Director

(v) **Group of Directors for Gas Supply Agreement to be entered into between NTPC & PLL's Off Takers:** This Group of Directors has been constituted for approving the terms and conditions of the Gas Supply Agreements to be entered into between NTPC & PLL's Off-Takers namely GAIL, IOCL and BPCL. This Group of Directors comprises the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri K. Dharmarajan	Independent Director

(vi) **Group of Directors for appointment of Financial Consultant for carrying out due diligence of Coal Mines/ Blocks:** This Group of Directors has been constituted to approve appointment of financial consultant for carrying out due diligence of coal mines/ blocks abroad on offer for acquisition of stake. This Group of Directors comprise the following members:

Shri R.S. Sharma	Chairman & Managing Director
Shri Chandan Roy	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Position Vacant	Director (Technical)

(vii) **Group of Directors for procurement of Coal through E-Auction:** This Group of Directors has been constituted to explore procurement of shortfall coal quantity for Farakka & Kahalgaon through E-Auction mode i.e. Forward & Spot. This Group of Directors comprises the following members:

Shri Chandan Roy	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri P.K. Sengupta	Independent Director
Shri K. Dharmarajan	Independent Director

5. REMUNERATION OF DIRECTORS

As already stated under the heading Remuneration Committee above, the remuneration of the Functional Directors and sitting fee payable to the Independent Directors is decided by the Government of India. The Ministry of Power, Government of India has authorized the Board of Directors of the Company to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956. Accordingly, the Board decides the sitting fee payable to the Independent Directors. Presently, sitting fee of Rs. 15,000/- for each meeting of the Board, Committees of the Board and Group of Directors constituted by the Board from time to time, is being paid to each Independent Director.

Details of remuneration of functional Directors of the company paid for the financial year 2009-10:

(in Rupees)

Sl	Name of the Director	Salary	Benefis	Bonus/ Commission	Performance Linked Incentives	Total
1	Shri R.S. Sharma	16,24,151.00	7,67,031.00	-	11,03,096.00	34,94,278.00
2	Sh.Chandan Roy	11,12,443.00	7,47,079.00	-	7,92,586.00	26,52,108.00
3	Shri A.K. Singhal	17,13,114.00	9,30,666.00	-	7,97,503.00	34,41,283.00
4	Shri R.C. Shrivastav	15,52,694.00	8,01,419.00	-	7,97,287.00	31,51,400.00
5	Shri I.J. Kapoor	16,37,481.00	6,78,875.00	-	4,72,283.00	27,88,639.00
6	Sh. B.P. Singh (from 01.08.2009)	13,96,540.00	7,60,938.00	-	3,49,832.00	25,07,310.00
7	Shri K.B. Dubey (upto 31.07.2009)	20,11,876.00	14,17,676.00	-	7,91,325.00	42,20,877.00
8	Shri R.K. Jain (upto 31.12.2009)	25,62,618.00	6,11,499.00	-	7,81,809.00	39,55,926.00

Performance linked incentives paid is based on the incentive scheme of the company.

Details of payments towards sitting fee to Independent Directors during the year 2009-10 are given below:

(in Rupees)

Name of Part-time non-official Directors	Sitting Fees		Total
	Board Meeting	Committee /Group of Directors Meeting	
Shri M.N. Buch	2,55,000	1,35,000	3,90,000
Shri Shanti Narain	1,65,000	60,000	2,25,000
Shri P.K. Sengupta	3,60,000	15,000	3,75,000
Shri K. Dharmarajan	2,10,000	1,20,000	3,30,000
Dr. M. Govinda Rao	2,40,000	30,000	2,70,000
Shri Kanwal Nath	2,40,000	1,80,000	4,20,000
Shri Adesh Jain	2,40,000	-	2,40,000
Shri A.K. Sanwalka	2,85,000	60,000	3,45,000
Shri Santosh Nautiyal	2,85,000	60,000	3,45,000

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 in financial and non financial areas 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 Department of Public Enterprises Task Force on the basis of actual achievement as per signed MoU.

To ensure targets as set in MoU are achieved well within schedule, the Company has a strong "Internal MoU" system specifying tighter 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. 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 12, 2007	September 17, 2008	September 17, 2009
Time	11.30 A.M.	11.30 A.M.	11.00 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010
Special Resolution	NIL	Increase in Borrowing Powers of the Board upto Rs.1,00,000 crore and authority to the Board for mortgaging the assets of the company.	Amendments in Articles of Association regarding audit of accounts and appointment of auditors.

Special Resolution passed through Postal Ballot

No Resolution has been passed through Postal Ballot during the year.

No special resolution is proposed to be passed through Postal Ballot at the Annual General Meeting.

8. DISCLOSURES

The transactions with related parties contain (i) payment to companies under Joint Venture Agreement and on account of contracts for works/ services, (ii) remuneration to key management personnel and (iii) equity contribution, which are not in nature of potential conflicts with interest of the company at large. Details of related party transactions are included in the Notes to the Accounts (Schedule 26) as per Accounting Standard (AS)-18 in Companies (Accounting Standards) Rules, 2006.

The company has complied with all the requirements of the Listing Agreement with Stock Exchange as well as Regulations and Guidelines prescribed by SEBI. 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.

The Company has adopted all suggested items to be included in the Report on Corporate Governance. Information on adoption (and compliance) / non-adoption of the non-mandatory requirements is at Annex-1.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement(s), the certificate duly signed by Shri R.S. Sharma, Chairman & Managing Director and Shri A.K. Singhal, Director (Finance) was placed before the Board of Directors at the meeting held on 17.05.2010 and is annexed to the Corporate Governance Report.

9. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through web site.

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions as also participation at investor conferences from time to time. Annual analysts and investors meets are 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 and latest updates and announcement regarding the company can be accessed at company's website: www.ntpc.co.in including the following:-

- Quarterly / Half-yearly / Annual Financial Results
- Shareholding Pattern
- Transcripts of conferences with analysts
- Corporate disclosures made from time to time to Stock Exchanges

Disclosures made to stock exchanges are also made through Corporate Filing & Disemmination System (CFDS).

Quarterly Results

Newspapers	Date of publication of results for the quarter ended		
	30.06.2009	30.09.2009	31.12.2009
Financial Express	28.07.2009	24.10.2009	30.01.2010
Jansatta (Hindi)	28.07.2009	24.10.2009	-
Hindustan (Hindi)	-	24.10.2009	30.01.2010
Buiness Line	28.07.2009	24.10.2009	30.01.2010
Business Standard (Hindi)	28.07.2009	24.10.2009	30.01.2010
Business Standard	28.07.2009	24.10.2009	30.01.2010
Hindustan Times	28.07.2009	24.10.2009	30.01.2010
Economic Times	28.07.2009	-	-

Official Releases and Presentations

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the website.

In order to make the general public aware of the achievements of the company, a press conference is held after the close of the financial year where the highlights of the company for the year are briefed to the Press for information of the stakeholders with intimation to the Stock Exchanges.

10. CODE OF CONDUCT

The Board of Directors has laid down separate Code of Conduct - one for Board Members and the other for Senior Management Personnel in alignment with Company's Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct is available at the website of the Company.

Declaration as required under clause 49 of the listing Agreement

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, 2010.

New Delhi (R.S. Sharma)
May 12, 2010 Chairman & Managing Director

11. Code of Internal Procedures and Conduct for Prevention of Insider Trading

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Internal Procedures and Conduct for Prevention of Insider Trading" with the objective of preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Officers, Designated Employees and their dependents) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, wherever necessary. Company Secretary has been designated as Compliance Officer for this Code.

12. SHAREHOLDERS' INFORMATION

i) Annual General Meeting

Date : September 23, 2010

Time : 10.30 a.m.

Venue : Air Force Auditorium, Subroto Park, New Delhi - 110 010

ii) Financial Calendar for FY 2010-11

Particulars	Date
Accounting Period	April 1, 2010 to March 31, 2011
Unaudited Financial Results for the first three quarters	Announcement within a month from the end of each quarter
Fourth Quarter Results	Announcement of Audited Accounts on or before May 31, 2011
AGM (Next year)	September 2011 (Tentative)

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from September 11, 2010 to September 23, 2010 (both days inclusive).

iv) Payment of Dividend

The Board of Directors of the Company has recommended payment of a final Dividend of Rs. 0.8 per share (8% on the paid-up share capital) for the financial year ended March 31, 2010 in addition to the Interim Dividend of Rs. 3.0 per share (30% on the paid-up share capital) paid on March 23, 2010 (Dividend paid in Previous Year is Rs. 29683.7 million).

The record date for the payment of Dividend is September 10, 2010.

v) Dividend History

Year	Total paid-up capital (Rs. in crore)	Total amount of dividend paid (Rs. in crore)	Date of AGM in which dividend was declared	Date of payment
2004-05	8245.46	1978.93	12.02.2005* 23.09.2005	10.03.2005 27.09.2005
2005-06	8245.46	2308.73	30.01.2006* 19.09.2006	27.02.2006 23.09.2006
2006-07	8245.46	2638.55	31.01.2007* 12.09.2007	14.02.2007 25.09.2007
2007-08	8245.46	2885.91	30.01.2008* 17.09.2008	13.02.2008 03.10.2008
2008-09	8245.46	2968.37	24.01.2009* 17.09.2009	13.02.2009 29.09.2009
2009-10	8245.46	2473.64#	13.03.2010*	23.03.2010

* Date of Board Meeting

amount represents the interim dividend paid for the year 2009-10

vi) Listing on Stock Exchanges

NTPC equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited	Bombay Stock Exchange Limited
Scrip Code: NTPC EQ	Scrip Code: 532555

Stock Code : ISIN – INE733E01010

vii) Market Price Data – NSE

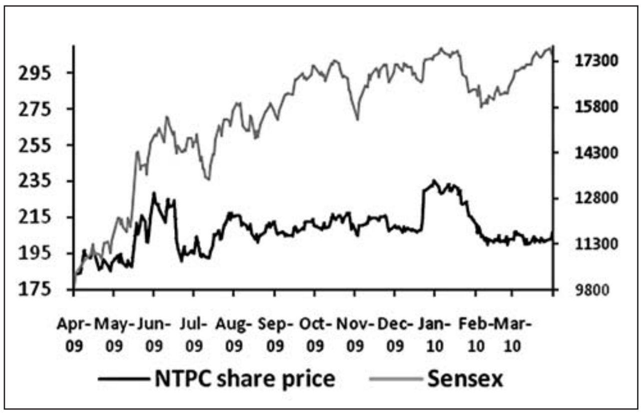
Month	High (Rs.)	Low (Rs.)	Closing (Rs.)
April' 09	205.80	176.05	190.00
May' 09	225.00	185.65	215.40
June' 09	233.00	182.00	195.05
July' 09	225.00	188.50	215.60
August' 09	220.45	201.05	212.35
Sept' 09	215.30	203.25	213.75
October' 09	222.00	205.10	212.40
Nov' 09	220.10	201.70	209.80
Dec' 09	241.35	205.25	235.65
January' 10	238.90	210.35	214.30
February' 10	217.00	197.00	203.05
March' 10	208.35	198.05	207.25

viii) Market Price Data – BSE

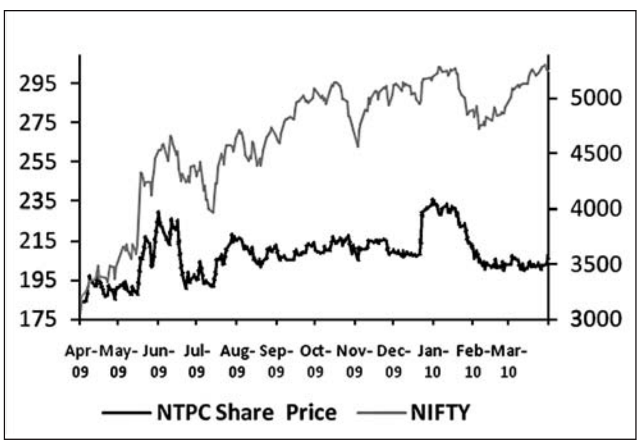
Month	High (Rs.)	Low (Rs.)	Closing (Rs.)
April' 09	205.50	176.10	190.15
May' 09	222.75	185.15	215.45
June' 09	233.00	186.55	195.05
July' 09	220.10	188.00	215.60
August' 09	220.40	200.85	212.65
Sept' 09	215.30	203.55	213.70
October' 09	223.00	205.25	211.40
Nov' 09	218.85	201.65	209.75
Dec' 09	241.70	205.10	235.70
January' 10	239.00	210.50	214.25
February' 10	216.90	196.10	203.00
March' 10	208.40	199.50	207.00

ix) Performance in comparison to indices

BSE Sensex and NTPC Share Price



NIFTY and NTPC Share Price



x) Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd
Plot No.17 to 24,
Vitthalrao Nagar, Madhapur
Hyderabad-500081
Tel No.: 91 40 23420818
Fax No.: 91 40 23420814
E-mail: mailmanager@karvy.com

xi) Share Transfer System

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its 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.

Pursuant to clause 47-C of the Listing Agreement with Stock Exchanges, certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

xii) Further Public Offer of NTPC's Shares

In February 2010, 412,273,220 equity shares of NTPC were issued to public by way of Offer for Sale by the President of India acting through Ministry of Power, Government of India. The Further Public Offer was made for cash at price determined through the Alternate Book Building Method under Part D of

Schedule XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. After the allotment procedure, the shares held in the Government of India's account were transferred to the successful bidders and applicants. Thus, the shareholding of the Government of India reduced to 84.5% from 89.5% in the paid-up capital of the Company.

xiii) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March 2010 are given below:

According to Size

a. Distribution of shareholding according to size, % of holding as on March 31, 2010:

Number of shares	Number of share-holders	% of share-holders	Total No. of shares	% of shares
1-5000	845278	93.82	111722980	1.35
5001-10000	34504	3.83	25657288	0.31
10001-20000	12598	1.40	18008890	0.22
20001-30000	3652	0.41	9054286	0.11
30001-40000	1332	0.15	4693077	0.06
40001-50000	946	0.10	4418316	0.05
50001-100000	1253	0.13	8978437	0.11
100001 and above	1407	0.16	8062931126	97.79
Total	900970	100.00	8245464400	100.00

b. Shareholding pattern as on March 31, 2010

Category	Total no. of shares	% to Equity
GOI	6967361180	84.50
FIIs	210122856	2.55
Indian Public	189352358	2.29
Banks & FI	605730814	7.35
Private Corp. Bodies	124725053	1.51
Mutual Funds	140099161	1.70
NRI / OCBs	4983237	0.06
Others	3089741	0.04
Total	8245464400	100.00

c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on March 31, 2010 are given below:

Name of Shareholder	No. of Shares	% to Paid-up Capital	Category
Government of India	6967361180	84.50	Government
Life Insurance Corporation of India	289800841	3.51	IFI

xiv) Dematerialisation of Shares and Liquidity

The shares of the Company are in compulsory dematerialsed segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode

	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	4,57,35,699	0.56
Held in dematerialized form in NSDL	8,19,96,33,985	99.44
Physical	94,716	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

(i) Demat Suspense Account:

Details (in aggregate) of shares in the suspense account opened and maintained after Initial Public Offering and Further Public Offering of Equity Shares of NTPC as on 31.03.2010 is furnished below:

Details of "KCL Escrow Account NTPC – IPO Offer" (account opened and maintained after IPO):

Opening Bal (as on 01.04.2009)		Disposed off during 2009-2010		Closing Bal (as on 31.03.2010)	
Cases	Shares	Cases	Shares	Cases	Shares
202	35677	13	2109	189	33568

Details of "NTPC LIMITED – FPO Unclaimed Shares Demat Suspense Account" (account opened and maintained after FPO):

Opening Bal (after FPO)		Disposed off till 31.03.2010		Closing Bal (as on 31.03.2010)	
Cases	Shares	Cases	Shares	Cases	Shares
773	169344	479	116228	294	53116

The voting rights on the shares mentioned in the closing balance of above two accounts shall remain frozen till the rightful owner of such shares claims the shares.

xv) 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

xvi) Number of Shares held by the Directors as on March 31, 2010

Directors	No. of shares
Shri R.S. Sharma	2304
Shri Chandan Roy	14516
Shri A.K. Singhal	10329
Shri R.C. Shrivastav	2304
Shri I.J. Kapoor	4608
Shri B.P. Singh	2765
Shri I.C.P. Keshari	NIL
Shri Rakesh Jain	NIL
Shri M.N. Buch	NIL
Shri Shanti Narain	NIL
Shri P.K. Sengupta	NIL
Shri K. Dharmarajan	NIL
Dr. M. Govinda Rao	NIL
Shri Adesh Jain	700
Shri Kanwal Nath	NIL
Shri A.K. Sanwalka	NIL
Shri Santosh Nautiyal	NIL

xvii) Locations of NTPC plants

National Capital Region (NCR-HQ)

Thermal Power Stations

i) Badarpur Thermal Power Station- Badarpur, New Delhi

ii) National Capital Thermal Power Project- Distt. Gautum 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 Power Project- Distt. Gautum Budh Nagar, Uttar Pradesh

Eastern Region (ER-HQ)- I

Thermal Power Stations

i) Barh Super Thermal Power Project- Distt. 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 – Hazaribagh, Jharkhand

Eastern Region (ER-HQ)- II

Thermal Power Stations

i) Talcher Super Thermal Power Station- Distt. Angul, Orissa

ii) Talcher Thermal Power Station- Distt. Angul, Orissa

iii) Bongaigaon Thermal Power Project, Distt. Kokrajhar, Assam.

iv) Gajamara Super Thermal Power Project, Distt. Dhenkanal, Orissa

v) Darlipalli Super Thermal Power Project, Distt. Sundergarh, Jharsuguda, Orissa

Northern Region (NR-HQ)
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

Southern Region (SR-HQ)
Thermal Power Stations

i) Ramagundam Super Thermal Power Station- Distt. Karimnagar, Andhra Pradesh

ii) Simhadri Super Thermal Power Project- Vishakapatnam, Andhra Pradesh

Gas Power Stations

i) Rajiv Gandhi Combined Cycle Power Project – Distt. Alappuzha, Kerala

Wind Energy Project, Belgaum, Karnataka
Western Region (WR-HQ)
Thermal Power Stations

i) Korba Super Thermal Power Station- Distt. Korba, Chhattisgarh

ii) Sipat Super Thermal Power Project-Distt. Bilaspur, Chattisgarh

iii) Vindhyachal Super Thermal Power Station- Distt. Sidhi, Madhya Pradesh

iv) Solapur Super Thermal Power Project – Solapur, Maharashtra

v) Mouda Super Thermal Power Project – Nagpur, Maharashtra

vi) Gadarwara Super Thermal Power Project, District Narsinghpur, Madhya Pradesh

Gas Power Stations

i) Jhanor Gandhar Gas Power Project- Distt. Bharuch, Gujarat

ii) Kawas Gas Power Project- Aditya Nagar, Surat, Gujarat

HYDRO PROJECTS

i) Koldam Hydro Power Project – Distt. Bilaspur, Himachal Pradesh

ii) Tapovan – Vishnugad Hydro Power Project – Distt. Chamoli, Uttarakhand

iii) Loharinag- Pala Hydro Power Project- Distt. Uttarkashi, Uttarakhand

iv) Rupsiyabagar Khasiabara Hydro Power Project – Distt. Pithoragarh, Uttarakhand

v) Kolodyne –II Hydro Power Project, Mizoram

JOINT VENTURE POWER PROJECTS

i) Rourkela CPP-II - Distt. Sundargarh, Orissa

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) New Nabinagar Super Thermal Power Project – Nabinagar, Bihar

ix) TELK-Factory, Ernakulam, Kerala

POWER PROJECTS UNDER SUBSIDIARY COMPANIES

Thermal Power Projects

i) Muzaffarpur Thermal Power Station, Muzaffarpur, Bihar

ii) Nabinagar Thermal Power Project, Nabinagar, Bihar (in JV with Railways)

Hydro Power Projects

i) Lata Tapovan Hydro Power Projects – Distt. Chamoli, Uttarakhand

ii) Rammam Hydro Project – III- Distt. Darjeeling, West Bengal

xviii) 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
Investor Services Department	2436 7072	2436 1724
E- mail id	isd@ntpc.co.in	
Public Spokesperson Mr. K. Sivakumar Executive Director (Finance)	2436 9335	24365742
E-mail id	ksivakumar@ntpc.co.in	

	Telephone No.	Fax No.
Company Secretary Mr. Anil Kumar Rastogi	2436 0071	2436 0241
E-mail id	akrastogi@ntpc.co.in	

As per Circular of Securities & Exchange Board of India dated 22.01.2007, exclusive e-mail id for redressal of investor complaints is isd@ntpc.co.in.

For and on behalf of Board of Directors

RNarma

Place: New Delhi (R.S. Sharma)
Date: 17.05.2010 Chairman & Managing Director

ANNEX-1

Non – Mandatory Requirements

Besides the mandatory requirements as mentioned in preceding pages, the status of compliance with non-mandatory requirements of Clause 49 of the Listing Agrement is provided below:

1. **The Board:** The Company is headed by an Executive Chairman. No Independent Director has been appointed for the period exceeding, in the aggregate, a period of nine years, on the Board of the Company.

2. **Remuneration Committee:** Please refer to para 3.3 of this Report.

3. **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 "Company Performance" section.

4. **Audit Qualification:** It is always Company's endeavour to present unqualified financial statements.

5. **Training to Board Members:** The Board of Directors have the responsibility of strategic supervision of the Company and undertake periodic review of various matters including performance of various 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 Board of Directors undergo training from time to time. The Board of Directors are fully briefed on all business related matters, risk assessment and 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.

6. **Whistle Blower Policy:** The Company has not adopted any separate "Whistle Blower" policy. However, under the provisions of "Fraud Prevention Policy" adopted by the Company, a Whistle Blower mechanism is in place for reporting of fraud or suspected fraud involving employees of the Company as well as representatives of vendors, suppliers, contractors, consultants, service provider or any other party doing any type of business with NTPC. All reports of fraud or suspected fraud are investigated with utmost speed. The mechanism for prevention of fraud is also included in the policy.

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We. R.S. Sharma, Chairman & Managing Director and A.K. Singhal, Director (Finance) of NTPC Limited to the best of our knowledge and belief, certify that :

(a) We have reviewed the balance sheet and profit and loss account (stand alone & consolidated) and all its schedules and notes on accounts and the Cash flow Statement for the year ended March 31, 2010 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 are 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.

Place : New Delhi	(A.K. Singhal)	(R.S. Sharma)
Date : 15.05.2010	Director (Finance)	Chairman & Managing Director

AUDITORS CERTIFICATE

The Members

NTPC Limited

We have examined the compliance of conditions of corporate governance by **NTPC Limited,** for the year ended on March 31, 2010 as stipulated in the clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges.

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 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 Agreements.

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 Dass Gupta & Associates Chartered Accountants Firm Reg. No. 000112N	For Varma & Varma Chartered Accountants Firm Reg. No. 004532S	For B. C. Jain & Co. Chartered Accountants Firm Reg. No. 001099C
(Naresh Kumar) Partner M. No. 082069	(Cherian K. Baby) Partner M. No. 016043	(Ranjeet Singh) Partner M. No. 073488
For S.K. Mittal & Co. Chartered Accountants Firm Reg. No. 001135N	For Parakh & Co. Chartered Accountants Firm Reg. No. 001475C	For S.K. Mehta & Co. Chartered Accountants Firm Reg. No. 000478N
(Krishan Sarup) Partner M.No. 010633	(V.D. Mantri) Partner M. No. 074678	(Rohit Mehta) Partner M. No. 091382

Place: New Delhi
Date : May 17, 2010

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

Some of the important energy conservation measures taken during the year 2009-2010 in different areas are as under:

ENERGY AUDITS

During 2009-10, 107 energy audits in the areas of auxiliary power consumption, water balance, cooling water system, thermal insulation, compressed air, coal handling plant, MGR, milling system, air conditioning, ash handling system, GT compressors, GT open cycle efficiency, WHRB performance, lighting etc. were carried out at different stations of the company.

Till now 255 executives of NTPC have passed Energy Auditors Examination of Bureau of Energy Efficiency to become Certified Energy Auditors / Managers.

AUXILIARY POWER CONSUMPTION

Replacement of inefficient BFP cartridges and attending BFP recirculation valves at Dadri, Rihand, Singrauli, Unchahar, Kahalgaon, Korba, Vindhyachal, Badarpur etc., Application of efficiency improvement coating on cooling water pump internals at Talcher Thermal & Kawas, Vapour Absorption System for control room airconditioning at Unchahar, Attending passing of LPBFP recirculation valve at Dadri gas, Installation of FRP blades in HVAC cooling towers and fin fan Coolers at Kawas, Optimization of operation of CW pumps, ARCW and clarified water pumps & Cooling Tower Fans at Anta, Auraiya, Unchahar, Farakka, Korba, Vindhyachal, Maintaining optimum DP across Feed Regulating Station at Kahalgaon, Korba, Singrauli and Vindhyachal, Optimization of HP/LP water pumps at Dadri coal, Singrauli and Rihand, External cleaning of Fin Fan coolers by steam jetting at Kawas, Optimization of AC compressors and airwasher units at Kahalgaon, Talcher Thermal, Simhadri and Anta, Optimization of air compressors at Tanda, Vindhyachal and Simhadri.

LIGHTING

Installation of timer switches in plant and township lighting at Anta and Kahalgaon, Replacement of conventional GLS lamps and conventional FTLs with CFLs at Singrauli, Unchahar, Vindhyachal, Ramagundam, Kayamkulam, Kawas and Gandhar.

HEAT ENERGY

New installation of Online condenser tube cleaning system at Rihand, New installation of Online water washing system for GT compressors at Kayamkulam, Repair of Thermal Insulation and cladding at Unchahar and Kayamkulam, Optimization of ejector steam pressure at Vindhyachal.

Arresting passing in HP heaters at Ramagundam, Improving condenser vacuum by tube cleaning, arresting air leakages etc at Anta, Talcher Thermal and Gandhar, Cleaning of Boiler with ammonia at Auraiya.

DM WATER

Reuse of uncontaminated SWAS drains at various stations.

MISCELLANEOUS WATER

Reuse of water from ash pond at various stations, Reuse of clarified return water and raw water from coal settling pond at various stations

b) Additional investments and proposals for reduction in consumption of energy:

Provision of Rs.1068 lacs has been kept in BE 2010-11 for different energy conservation schemes like:

- On-Line Energy Management System
- Vapor absorption system for Air Conditioning
- Up gradation of Boiler Feed Pumps
- Energy efficient devices in lighting

c) Impact of measures taken for energy conservation:

Savings achieved during 2009-2010 on account of specific efforts for energy conservation:-

S.No.	Area/Activities	Energy Unit	Savings Qty. of units	Rs. (Lacs)
1	Electrical	MU	93.78	1542.45
2.a	Heat Energy (equivalent MT of coal)	MT	72747	894.68
2.b	Heat Energy (equivalent MCM of Gas)	MCM	2.55	177.67
2.c	Heat Energy (equivalent MT of Naptha)	KL	414	146.66
3.a	D.M. Water	MT	22920	9.15
3.b	Miscellaneous Water	M.Cu M	16.38	159.83
4	LDO	KL	86	29.53
	Grand Total			**2959.97**

Savings achieved during 2008-09: Rs: 498.02 Million

B. Technology Absorption:

Efforts made towards technology as per Form –B (Form-B enclosed)

C. 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			Rs.(Million)
1.	Foreign Exchange Outgo		
	a)	Value of Imports calculated on CIF basis:	
		Capital Goods	8970
		Spare Parts	1393
	b)	Expenditure:	
		Professional and Consultancy Charges	53
		Interest	3588
		Others	188
2.	Foreign Exchange Earned		
	Consultancy		8
	Interest		-
	Others		1

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 2009 - 10:

1. **MOU Projects with MoP for 2009 – 10 Completed :** Technical Specification of Centralized Ammonia based Flue Gas Conditioning System (with Heavy Water Board, Mumbai); Setup Advance Computing Centre : Phase-I; Design of integrated biodiesel pilot unit for using 80% energy from biofruit instead of existing 15%; Optimization of process parameter for bench scale PSA system for CO2 separation from flue gas (with IIT Mumbai, IIP Dehradun, NEERI Nagpur, CSMRI Bhavnagar); Lab scale design & dev of automated LTSH/eco tube surface inspection system; Feasibility study of producing methane from raw water, as a supplemental fuel to boiler (with IIT Delhi); ECBC 2007 compliance of new building; Lab scale development of technique for online monitoring of colloidal silica in steam water cycle
2. **Developmental Projects undertaken by NETRA:**
   - A. **Climate Change:** Study of CO2 capture technology (With IIT Guwahati); Study of CO2 storage technology (With IIT Kharagpur); PSA based CO2 capture technology (With IIT Mumbai, IIP Dehradun, NEERI Nagpur, CSMRI Bhavnagar)
   - B. **New & Renewable Energy:** Preparation of Technical Specifications for a demonstration plant for Solar air Conditioning; Preparation of DPR for setting up of '1 MW Solar Thermal Demonstration Plant; Designing of Integrated self sustaining biodiesel plant
   - C. **Efficiency Improvement and Cost reduction:** Lab Testing of 5 KW MALAE Cycle pilot plant (With UICT, Mumbai); Studies on Flue Gas Heat Recovery from power plant; CFD Modeling of 210 MW Boiler (With NCL Pune); Field trials of Robotic crawler for boiler tube thickness; Technical Feasibility Report for Plasma coal burners for Oil Gun Replacement; Technical Feasibility Report for Heat Pipe based Air Pre-Heater; Motor winding modification specifications suitable for VFD retrofitting; Development of nano coating material for HV insulators (with IIT Roorkee); etc.
3. **Scientific Support to NTPC Stations:**
   NETRA continued to provide scientific support to NTPC stations and other utilities such as: Studies on Corrosion Induced damages to RCC structures of cooling towers of Simhadri (Stage 1); Change of specifications of PA fan blades of coastal power stations; 11 boilers were chemically cleaned to improve the heat transfer; Environmental Appraisal of 20 stations have been carried out and corrective actions are being taken by the stations based on the appraisal; Health assessment of plant components like Platen super heater tubes of Ramagundam, generator rotor, main steam pipeline, hot gas path components of gas stations, etc; failure investigations such as LP turbine blade of Tanda, condenser tubes of Badarpur, Condenser tubes of Tarapore Atomic Power station, etc; repair of critical electronic card; improvement in heat transfer of HRSGs of gas stations; Development of guidelines for CW system operation & monitoring and cleaning of sulphuric acid tanks; development of chemical treatment programs for Tanda, Jhajjar, Talcher Kaniha, Talcher Thermal, etc; Design of cathodic protection system for condenser water boxes at Badarpur; Condition monitoring of 500 HV transformers by DGA, 1300 rotating equipment by wear debris analysis, ion exchange resins of 18 stations; etc
4. **Scientific Support to Other Utilities:**
   Scientific services provided to more than 60 other utilities such as Panipat, Kota Thermal, Lehra Mohabat, Faridabad, JPL (Raigarh), Neyvelli, IPGCL, DVC, PGCIL. NHPC, etc
5. **Works under Patent:**
   Three (3) Patents namely: 1 - Integrated approach for biodiesel preparation utilizing biofruit (Pongamia fruit) utilizing 83% energy instead of existing 15%"; 2 – Sensor for tube inspection and 3 - Method and Apparatus for efficient heat integration; have been filed by NETRA in 2009 – 10

2.0 Benefits derived as a result of above Research & Technology Development:

NETRA activities as carried out have helped in increasing the availability, reliability and efficiency of the stations. Chemical treatment and corrosion control measures suggested is helping the stations in improving the efficiency, availability and life of various heat exchangers/cooling towers. Techniques developed by NETRA are implemented at stations, which are enhancing the life of boiler & turbine components.

The timely and scientific failure analysis of various components helped in identifying the cause of failure and thus providing necessary input for taking corrective action in preventing re-occurrence of similar failures thereby increasing the availability of power plant equipment.

Studies on CO2 fixation/utilization; solar thermal; biofuels will result into development of technologies for reduction in the impact on climate change and technologies for affordable renewable energy sources. Development of technologies for efficiency improvement will help in reducing cost of generation

3.0 FUTURE PLANS

Developmental Projects planned to be taken up:

A. **Climate Change:** Feasibility study of CO2 fixation for development of Product/EOR; Feasibility report for setting up of 100 Kg/day pilot plant of microalgae based CO2 capture technology; NIT for setting up of pressure swing adsorption (PSA) based CO2 capture pilot plant 100 Kg/hr. flue gas capacity; Feasibility studies on 1.2 T/day CO2 fixation by aqueous carbonation of fly ash at Ramagundam

B. **New & Renewable Energy:** Award for solar heating ventilation and air-conditioning (HVAC) system; TS for 1 MW solar thermal pilot plant; Commissioning of integrated biodiesel pilot plant to produce energy for existing biodiesel plant at Dadri; Set-up & commissioning of solar radiation station at suitable locations; Lab scale demo of methane production from raw water of Badarpur (with IIT Delhi); Experimental set up of Thermoelectric Generation

C. **Efficiency Improvement & Cost reduction:** Installation of a demonstration pilot plant at Dadri Thermal for the proof of concept of the theoretical model developed for extraction of moisture from flue gas (With IIT Delhi); Completion of integrated Polarization Depolarization Current – Recovery Voltage (PDC-RV) measurement apparatus for Insulation condition monitoring of Transformers; Preparation of TS for 100 TR Flue gas heat recovery – AC plant; Field trials of Robotic based inspection system at one station; PR for heat pipe based air-preheater pilot plant; Finalization of Technical Specifications for 2nd Phase Advanced computing Center

4.0 Expenditure on R&D:

S. No.	Description	Expenditure in (Rs./Millions)	
		2009 - 2010	2008 - 2009
a)	Capital	14	12
b)	Recurring	206	81
c)	Total	220	93
d)	Total R&D expenditure as a percentage of total turnover	0.0475%	0.0222%

5.0 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.	Super critical Technology with 256 Kg/cm2 Steam Pressure and 568/595 C MS/RH steam temperature is being adopted for improvement in thermal efficiency and reduced emission of green house gasses.	2008	Being Implemented in Barh-II and further Being implemented in 11 units (in Mauda, Sholapur, Meja, Nabinagar and Raghunathpur plant) through bulk tendering mechanism.
2	Feasibility of IGCC (Integrated Gasification Combined Cycle) established for high ash Indian coal. Further efforts are on to take ahead the work already done to implement IGCC technology demonstration plant of about 100 MW capacity.	2010	-
3	Communicable Numerical Relay Technology (on IEC 618500) along with Networking Systems introduced in 33 KV/11KV /6.6 KV/3.3 KV and LV System	2009	Implemented at Dadri-II, Korba-III & IGSTPP, Simhadri-II. Being Implemented in all ongoing projects.
4	765 KV Switchyard & associated equipments including 24KV/ 765KV Generator Step up (GSU) Trans-former.	2005	Implemented at Sipat
5	Switchyard Control & Data Acquisition (SCADA) System based on universal protocol IEC 61850.	2005	- do -
6	Boiler Flame Viewing Camera	2009	Implemented in Kahagaon and Sipat-II

For and on behalf of the Board of Directors

RNarma

(R.S. Sharma)
Chairman & Managing Director

Place : New Delhi
Dated : August 04, 2010

Annex-V to Directors' Report

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

	NAME OF THE SUBSIDIARY	PIPAVAV POWER DEVELOPMENT COMPANY LTD.	NTPC ELECTRIC SUPPLY COMPANY LTD.	NTPC VIDYUT VYAPAR NIGAM LTD.	NTPC HYDRO LTD.	KANTI BIJLEE UTPADAN NIGAM LIMITED	BHARTIYA RAIL BIJLEE COMPANY LIMITED
1.	Financial year of the Subsidiary ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
2.	Date from which they became Subsidiary	December 20, 2001	August 21, 2002	November 1, 2002	December 12, 2002	September 6, 2006	November 22, 2007
3.	Share of the subsidiary held by the company as on March 31, 2010 a) Number & face value	3,75,000 equity shares of Rs. 10/- each	80,910 equity shares of Rs. 10/- each	2,00,00,000 equity shares of Rs. 10/- each	10,07,99,040 equity shares of Rs. 10/- each	5,71,51,000 equity shares of Rs 10/- each	29,60,00,000 equity shares of Rs 10/- each
	b) Extent of holding	100%	100%	100%	100%	64.57%	74%
4.	The net aggregate amount of the subsidiary companies Profit/(loss) so far as it concerns the member of the holding company						
	a) Not dealt with in the holding company's accounts						
	i) For the financial year ended March 31, 2010	13,470	26,59,00,884	28,39,24,389	NIL	(7,50,950)	(1,68,354)
	ii) Upto the previous financial years of the subsidiary company	(37,63,470)	23,98,31,152	106,46,268	(813,26,692)	(27,866)	(47,19,250)
	b) Dealt with in the holding company's accounts						
	(i) For the financial year ended March 31, 2010	Nil	Nil	Nil	Nil	Nil	Nil
	(ii) For the previous financial year of the subsidiary company since they become the holding company's subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

RNarma

(R.S. Sharma)
Chairman & Managing Director

Place : New Delhi
Dated : August 04, 2010

Annex- VI to Directors' Report

STATISTICAL DATA OF GRIEVANCE CASES

2009-10

S. No.	Particulars	Public Grievance Cases	Staff Grievances Cases
1.	Grievance cases outstanding at the beginning of the year	-	3
2.	Grievance cases received during the year	-	27
3.	Grievance cases disposed off during the year	-	24
4.	Grievance Cases outstanding at the end of the year	-	6

For and on behalf of the Board of Directors

RNarma

Place : New Delhi
Dated : August 04, 2010

(R.S. Sharma)
Chairman & Managing Director

STATICAL INFORMATION ON RESERVATION OF SCs/STs FOR THE YEAR 2009

Representation of SCs/STs as on 01.01.2010:

Group	Employees on Roll	SCs	%age	STs	%age
A	13274	1565	11.78	552	4.15
B	4826	723	14.98	321	6.65
C	5998	1055	17.58	437	7.28
D	1734	396	22.83	173	9.97
Total	**25832**	**3739**	**14.47**	**1483**	**5.74**

Recruitment of SCs/STs during the year 2009:

Group	Total Recruitment	SCs	%age	STs	%age
A	1051	131	12.46	82	7.80
B	-	-	-	-	-
C	9	2	22.22	-	-
D	-	-	-	-	-
Total	**1060**	**133**	**12.54**	**82**	**7.73**

Promotions of SCs/STs during the year 2009:

Group	Total	SCs	%age	STs	%age
A	3083	422	13.68	152	4.93
B	1792	230	12.83	180	10.04
C	2346	453	19.30	136	5.79
D	213	30	14.08	12	5.63
Total	**7434**	**1135**	**15.26**	**480**	**6.45**

The following backlog vacancies reserved for SCs/ STs/ OBCs have been filled through special recruitment drive/ advertisement of backlog vacancies along with current vacancies:

SCs : 6

STs : 19

OBCs : 54

For and on behalf of the Board of Directors

RNarma

(R.S. Sharma)
Chairman & Managing Director

Place : New Delhi
Dated : August 04, 2010

Annex- VIII to Directors' Report

PHYSICALLY CHALLENGED PERSONS

With a view to focus on its role as a socially responsible and socially conscious organization, NTPC has endeavored to take responsibility for adequate representation of physically challenged persons in its workforce. With this in view, NTPC launched a massive recruitment drive to make up the shortfall of physically challenged persons. Presently, 458 physically challenged persons are on rolls of NTPC. Reservation has been provided for PH as per rules/ policy. Some of the other initiatives taken for the welfare of physically challenged persons by NTPC over the years are as under:

- For individual needs of the VH employees, screen reading software and Brailee shorthand machines made available by the Projects of NTPC.
- "Sign language" training for the employees in general.
- Changes in the existing building have been/are being made to provide barrier free access to physically challenged.
- Ramps have also been provided for unhampered movement of wheelchair.
- At most of the NTPC Projects, wherever house are located in multi-storied structure, allotment to physically challenged has been made on the ground floor.
- Special parking enclosure near the ramp at the office entrance as well as PH friendly toilets and lift at CC and projects.
- Wheel chairs have been provided to employees with orthopaedics disabilities. If required, the assistance of an attendant has also been sanctioned.
- Wherever required, gates/door of the quarter has been widened.
- At CC procurement of stationery items like files, envelopes are mainly being done from NGOs/agencies like ADI, MUSKAN, Blind relief Association who are working for physically challenged 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 NTPC for treatment and distribution of aids like artificial limbs, tricycles, wheelchairs, calipers etc.
- Shops have been allotted in NTPC Township to physically challenged persons so that they may earn their livelihood. Similarly, PCOs within/outside plant premises are also allotted to physically challenged persons.
- Regular interactive meetings are being organized with physically challenged employees.
- Training needs are being fulfilled as per the individual requirement.
- 5 number of scholarship @ Rs.1500/- per month/per student are given to PH students pursuing MBA/PGDBM course.
- 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.
- Physically challenged (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 NTPC Conveyance Advance Rules.
- At all projects/offices, Nodal Officers (physically challenged) have been nominated.
- Reimbursement towards low vision aids, dark glasses etc. subject to maximum of Rs.1000/- every year has been introduced. Similarly, hearing aid; behind the ear model for each ear restricted to Rs.10,000/- or actual cost whichever is lower have been introduced. It may be replaced every 4 years subject to certificate of condemnation by ENT Specialist.
- Relaxation in qualifying marks for open recruitment: pass marks only and also 10% relaxation in written test and interview from the year 2002 onwards.
- The minimum performance level marks for promotions within the cluster is relaxed by 3 marks in case of employees belonging to SC/ST/Physically Challenged category.
- NTPC has launched special recruitment drive for fulfilling up 18 backlog vacancies for Physically Challenged Persons in Group A posts and the recruitment process has been completed in July-2010.

For and on behalf of the Board of Directors

RNarma

Place : New Delhi (R.S. Sharma)
Dated : August 04, 2010 Chairman & Managing Director

UNGC – Communication on Progress (2009-10)

NTPC expresses its continued support for the Global Compact and its commitment to take action in this regard, as was communicated by the Chairman & Managing Director, NTPC in his letter dated May 29, 2001 addressed to Secretary General, United Nations.

NTPC has posted the brief of Global Compact and its commitment to the principles of GC on its website at www.ntpc.co.in . The principles of GC were communicated to all employees through in – house magazines, internal training programmes and posters. NTPC, a core member of Global Compact Network (GCN), India, (formerly known as Global Compact Society) actively participated in the Annual Convention of the Global Compact Network at Mumbai and Asia Pacific Regional Conclave at New Delhi. NTPC representative contributed as faculty for various training programmes organized by GCN for Global Compact Member Organizations in Chennai and Delhi.

NTPC is in the process of preparing its "Corporate Sustainability Report" covering Economic, Environmental and Social aspects with the "triple bottom line" approach based on widely accepted and updated Global Reporting Initiative (GRI) Guidelines.

Human Rights: Principle 1-2

Most of NTPC's operating power stations are located in remote rural areas which are socio-economically backward and deficient in the basic civic amenities. NTPC, as responsible corporate citizen, has been addressing the issue of community development in the neighbourhood areas of its stations, which had been impacted due to establishment of the project.

While, this has been initially administered as part of Resettlement and Rehabilitation (R&R) effort, NTPC recognized its social responsibility to continue community and peripheral development works where the same has been closed under R&R policy. Towards this, NTPC adopted "Corporate Social Responsibility–Community Development (CSR-CD) Policy" in July'04. Keeping in view the new Organizational Strategies towards Community Development in line with the emerging trends and multifarious community needs, the CSR-CD policy of NTPC is being re-visited

Under this policy, during 2009-10, NTPC allocated a fund of Rs.86 million to 20 operating stations for carrying out comprehensive Community Development work in the area of health, education, drinking water and peripheral development. In addition, Quality Circles (QCs) are functioning in neighborhood villages of its stations. The NTPC employees participate in various CD activities through Employee Voluntary Organization for Initiative in Community Empowerment (EVOICE). 50 Solar Lanterns were provided for Girls' Hostel attached to one of the Kasturba Gandhi Balika Vidyalay in the vicinity of NTPC Korba Station through TERI under their LaBL campaign.

NTPC representatives associated with Confederation of Indian Industry (CII) as Certified Assessors for the assessment of CII-ITC Sustainability Award constituted by the CII and actively participated and contributed for establishing CSR Hub at TISS, Mumbai.

NTPC Foundation, registered in December'2004, is engaged in serving and empowering the physically challenged and economically weaker sections of the society. The Information and Communication Technology (ICT) Centre, set up jointly by NTPC Foundation and University of Delhi, and similar ICT facilities to the existing blind schools in Lucknow, Ajmer, Thiruvanathapuram and Mysore are helping a large number of physically challenged students to learn IT Skills and move along with the mainstream society. More than 800 physically challenged students have got benefited in these centres till now.

NTPC Foundation is providing grants for setting up of Distributed Generation Projects for preparation of feasibility report, DPR, Insurance and for meeting funding gap.

Major activities taken up by NTPC in this area are highlighted under the head "Inclusive Growth" and "NTPC Foundation" under Directors' Report for the Annual Report 2009-10.

Labour Standard: Principle 3-6

For addressing the issue of labour standard in comprehensive manner, NTPC has decided to adopt international standards like SA-8000 and OHSAS-18001.

During the year 2009-10, accreditation SA-8000 got revalidated for Auraiya, Badarpur, Jhanor-Gandhar and Dadri stations of NTPC. Revalidation is in process at Faridabad, Kayamkulam, Unchahar and Vindhyachal. The process for accreditation has been initiated at Kawas station.

Environment: Principle 7-9

As a result of pursuing sound environment management systems and practices, NTPC's all 20 operating stations have obtained accreditation for ISO – 14001 Certification. Surveillance audit was done through agencies at various stations to ensure adherence to the ISO requirements. During the year 2009-10, 6 stations viz. Korba, Singrauli, Unchahar, Ramagundam, Kayamkulam and NCPP-Dadri Stations have been recertified under ISO – 14001

Steps have been taken up by dedicated groups for training of NTPC Employees for strengthening Environment Management at Stations, Regional Headquarters and Corporate Centre. Following training programmes were organized in the area of environment during the year:

"Strengthening Environment Management" for Executives working in Environment Management Group/ Function, "Insight into the Environmental Issues" exclusively for Senior Officials at the level of DGM & Above, and "Environmental Concerns" for Non-EMG Executives.

Major activities taken up by NTPC in the area of Environment are highlighted under the head "Environment Management" under Directors' Report for the Annual Report 2009-10.

Anti-corruption: Principle10

The Company has a Vigilance Department headed by Chief Vigilance Officer who is a nominee of the Central Vigilance Commission. The Vigilance Department Consisting of Four Units, namely Corporate Vigilance Cell, Departmental Proceeding Cell (DPC), MIS Cell, Technical Cell (TC). These units deal with various facets of Vigilance Mechanism Exclusive and independent functioning of these Units ensure transparency, objectivity and quality in vigilance functioning. The Vigilance Department submits its reports to Competent Authority including the Board of Directors. The CVO also reports to the Central Vigilance Commission as per their norms.

Major activities taken up by NTPC in the area regarding Implementation of Integrity Pact, Implementation of Fraud Prevention Policy, Preventive Vigilance Workshops and Vigilance Awareness Week etc. are highlighted under the head "Vigilance" under Directors' Report for the Annual Report 2009-10.

For and on behalf of the Board of Directors

RNarma

Place : New Delhi (R.S. Sharma)
Dated : August 04, 2010 Chairman & Managing Director

CONTENTS OF PRESIDENTIAL DIRECTIVES

1. **Induction of supercritical technology through bulk ordering of 660MW generating units for Central Public Sector Undertakings (CPSUs) under the Administrative control of Ministry of Power**

Vide Presidential Directive No.8/3/2002-Th-II (Vol.-IV) dated 4th September, 2009 read with letter of even No. dated 7th October, 2009, the Government of India has directed NTPC for induction of supercritical technology through bulk ordering of 660MW generating units by NTPC Limited for itself and on behalf of its JV Companies, and on behalf of DVC as per details given in the Appendix-I enclosed with the letter. Government of India has also approved that the liquidated damages be made applicable to all the vendors and the same may be followed strictly. A detailed road map for implementation of the same in this regard was to be provided to the Ministry so that action is completed within 45 days from the date of issue of the letter. Government of India has further directed that the whole procedure has to be completed in accordance with the approval of Government of India as per detail given in Annexure to the letter and NTPC has to evolve a monitoring mechanism for reviewing the progress in this regard and also depute a dedicated team for implementation of the same.

Approval/ guidelines for bulk tendering of 11 units of 660 MW units of SG (Steam Generator) and STG (Steam Turbine Generator) packages were received from MOP through their letter no. 8/3/2002-Th.II (Vol.IV) dated 04.09.2009 as Presidential Directive.

As per directive, Invitation of Bids (IFB) had to be completed within 45 days of its issuance. In compliance of the aforesaid directive, the IFB was published on 16.11.2009 (within 45 days) for both SG and STG packages. Further, the provisions specified in Presidential Directive were adequately taken care while framing Qualification Requirements and finalizing the bidding documents. The bidding documents were on sale from 21.10.2009 to 23.12.2009. Subsequently, Stage-I (Techno-Commercial) bids have been opened on 12.02.2010 for both SG and STG packages. As for SG Package only one valid bid was received, the NIT was annulled and fresh bids have been invited. For STG Package, the bids are under evaluation.

2. **Winding up of Pipavav Power Development Company Limited (PPDCL) through striking off the name of PPDCL under Section 560 of the Companies Act, 1956 subject to final settlement of claims pending with Gujarat Power Corporation Limited/Government of Gujarat**

Vide Presidential Directive No.5/5/2004-Th.II dated 3.7.2009, Government of India has conveyed the approval of Government to permit NTPC Limited for winding up of Pipavav Power Development Company Limited pending final settlement of claims with Gujart Power Corporation Limited/Government of Gujarat.

Vide Presidential Directive No.5/5/2004-Th.II dated 15th April, 2010, the Government of India has conveyed the approval of Government to permit NTPC Limited for winding up of the Pipavav Power Development Company Limited through striking off the name of PPDCL under Section 560 of the Companies Act, 1956 subject to final settlement of all claims pending with Gujarat Power Corporation Limited/Government of Gujarat and the completing all formalities under the statues.

After decision of disassociation of NTPC from Pipavav Project, Rs.131 million was received towards reimbursement of cost of land and other expenditure incurred by NTPC Limited for Pipavav Project including interest thereon. On taking up the matter further payment of Rs.20 million has been made by GPCL as full and final settlement of claims of NTPC.

After receipt of approval of Government of India a necessary applications/declarations have been filed with the Registrar of Companies, Delhi & Haryana on 29.4.2010 for striking off the name of the company from the Register of the Companies maintained by the Registrar of Companies.

3. **Contract relating to Main Plant Package for Barh Super Thermal Power Project Stage-I (3x660MW) awarded on M/s. Technopromexport, Russia by NTPC Ltd.**

NTPC had sought permission from Ministry of Power for termination of Main Plant Package Part-A (Steam Generator & Auxiliaries) Contract for Barh Super Thermal Power Project Stage-I (3x660MW) awarded on M/s. Technopromexport, Russia (TPE). However, Ministry of Power vide letter No.5/9/2010-th.II dated 28th May, 2010 has directed NTPC to invite reference to the record of discussions between MOP/NTPC and TPE on 12.03.2010 held in the Ministry of Power and to NTPC's letter dated 17.04.2010 containing the anticipated cost implications of continuing/discontinuing with the above contract. Ministry of Power has further directed that the matter was taken to the Cabinet Committee on Infrastructure (CCI). CCI in its meeting dated 19.5.2010 has decided that "NTPC may carry on with the contract with TPE in Barh Stage-I notwithstanding CBI's advisory to NTPC for civil action against TPE as per tender conditions and the contract. However, CBI is to continue with the investigation of corruption/criminal part of the case." Accordingly, NTPC has been asked to take all necessary actions for early completion of the project in view of the CCI's decision as above.

In view of the above directive of the Ministry of Power, it has been decided to go ahead with the contract with TPE and discussions are being held with them for execution of work and settlement of claims.

The exact financial implication of the above directive can not worked out at this stage. However, anticipated extra financial implication works out to approx. Rs.1190 crores.

For and on behalf of the Board of Directors

RSharma

(R.S. Sharma)

Chairman & Managing Director

Place : New Delhi

Dated : August 04, 2010

Annex-XI to Directors' Report

The quantity of ash produced, ash utilized and percentage of such utilization during 2009-10 from NTPC Stations is as under:

Sl. No.	Stations	Ash Produced	Ash Utilization	% Utilization
		Lakh MTs	Lakh MTs	%
1	Badarpur	12.53	10.66	85.11
2	Dadri	17.39	15.55	89.41
3	Singrauli	35.84	26.16	73.00
4	Rihand	28.56	21.00	73.52
5	Unchahar	22.09	20.48	92.73
6	Tanda	9.70	7.08	73.01
7	Korba	52.31	38.79	74.14
8	Vindhyachal	50.17	37.31	74.36
9	Sipat	21.43	0.21	0.96
10	Ramagundam	42.80	31.34	73.22
11	Simhadri	22.18	10.00	45.09
12	Farakka	28.47	23.62	82.99
13	Kahalgaon	30.31	6.99	23.05
14	Talcher-Thermal	11.43	11.43	100.00
15	Talcher-Kaniha	77.00	15.46	20.08
	Total	462.19	276.08	59.73

For and on behalf of the Board of Directors

RNarma

(R.S. Sharma)
Chairman & Managing Director

Place : New Delhi
Dated : August 04, 2010

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. GRANTS-IN-AID

3.1 Grants-in-aid received from the Central Government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.

3.2 Where the ownership of the assets acquired out of the grants vests with the government, the grants are adjusted in the carrying cost of such assets.

3.3 Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

4. FIXED ASSETS

4.1 Fixed Assets are carried at historical cost less accumulated depreciation.

4.2 Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

4.3 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4.4 Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Fixed Assets.

4.5 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

4.6 In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

4.7 Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

5. CAPITAL WORK-IN-PROGRESS

5.1 In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-Progress.

5.2 Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

5.3 Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

5.4 Unsettled liability for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

6. OIL AND GAS EXPLORATION COSTS

6.1 The Company follows 'Successful Efforts Method' for accounting of oil & gas exploration activities.

6.2 Cost of surveys and prospecting activities conducted in search of oil and gas are expensed off in the year in which these are incurred.

6.3 Acquisition and exploration costs are initially capitalized as 'Exploratory Wells-in-Progress' under Capital Work-in-Progress.

7. DEVELOPMENT OF COAL MINES

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

8. FOREIGN CURRENCY TRANSACTIONS

8.1 Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

8.2 At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

8.3 Exchange differences (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.

8.4 Exchange differences arising from settlement / translation of foreign currency loans (other than regarded as borrowing cost), deposits / liabilities relating to fixed assets / capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement / translation of long term foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.

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

9. BORROWING COSTS

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

10. INVESTMENTS

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

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

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

11. INVENTORIES

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

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

12. PROFIT AND LOSS ACCOUNT

12.1 INCOME RECOGNITION

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

12.1.2 Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.

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

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

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

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

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

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

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

12.2 EXPENDITURE

12.2.1 Depreciation is charged on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a)	Kutcha Roads	47.50 %
b)	Enabling works - residential buildings including their internal electrification. - non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	 06.33 % 19.00 %
c)	Personal computers and Laptops including peripherals	19.00 %
d)	Photocopiers and Fax Machines	19.00 %
e)	Air conditioners, Water coolers and Refrigerators	08.00 %

12.2.2 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.

12.2.3 Assets costing up to Rs.5000/- are fully depreciated in the year of acquisition.

12.2.4 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 earlier. Intangible assets - Others are amortized on straight line method over the period of legal right to use.

12.2.5 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 prospectively over the residual life.

12.2.6 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 prospectively over the revised useful life determined by technical assessment.

12.2.7 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.

12.2.8 Capital expenditure on assets not owned by the company is amortised over a period of 4 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of stations under operation is charged off to revenue.

12.2.9 Leasehold lands other than acquired on perpetual leases are amortised over the lease period. Leasehold buildings are amortised over the lease period or 30 years, whichever is lower. Leasehold land and buildings, whose lease periods are yet to be finalised, are amortised over a period of 30 years.

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

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

12.2.12 Actuarial gains/losses in respect of 'Employee Benefit Plans' are recognised in the statement of Profit & Loss Account.

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

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

12.2.15 Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Transit and handling losses of coal as per norms are included in cost of coal.

13. FINANCE LEASES

13.1 Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.

13.2 Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. 12.2.1. 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 shorter.

13.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

14. PROVISIONS AND CONTINGENT LIABILITIES

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

15. CASH FLOW STATEMENT

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

BALANCE SHEET

Rs. million

As at March 31,	SCHEDULE	2010	2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	**82,455**	82,455
Reserves and surplus	2	**541,920**	491,246
		624,375	573,701
DEFERRED REVENUE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION	3	**16,108**	19,360
DEFERRED INCOME FROM FOREIGN CURRENCY FLUCTUATION		**-**	6,077
LOAN FUNDS			
Secured loans	4	**90,799**	89,696
Unsecured loans	5	**287,171**	255,982
		377,970	345,678
DEFERRED FOREIGN CURRENCY FLUCTUATION LIABILITY		**611**	545
DEFERRED TAX LIABILITY (Net)		**30,494**	51,350
Less: Recoverable		**28,402**	51,349
		2,092	1
TOTAL		**1,021,156**	945,362
APPLICATION OF FUNDS			
FIXED ASSETS	6		
Gross Block		**668,501**	623,530
Less: Depreciation		**320,888**	294,153
Net Block		**347,613**	329,377
Capital Work-in-Progress	7	**267,624**	212,211
Construction stores and advances	8	**53,419**	51,838
		668,656	593,426
INVESTMENTS	9	**148,071**	139,835
DEFERRED FOREIGN CURRENCY FLUCTUATION ASSET		**3,652**	9,734
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	10	**33,477**	32,434
Sundry debtors	11	**66,514**	35,842
Cash and bank balances	12	**144,595**	162,716
Other current assets	13	**8,440**	9,794
Loans and advances	14	**55,131**	68,467
		308,157	309,253
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	15	**76,876**	74,391
Provisions	16	**30,705**	32,495
		107,581	106,886
Net current assets		**200,576**	202,367
DEFERRED EXPENDITURE FROM FOREIGN CURRENCY FLUCTUATION		**201**	-
TOTAL		**1,021,156**	945,362
Notes on accounts	26		

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

For and on behalf of the Board of Directors

(A.K.RASTOGI)	(A.K.SINGHAL)	(R.S. SHARMA)
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates	For S.K. Mittal & Co.	For Varma & Varma
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000112N	Firm Reg. No.001135N	Firm Reg. No. 004532S
(Naresh Kumar)	(Krishan Sarup)	(Cherian K. Baby)
Partner	Partner	Partner
M No.082069	M No.010633	M No.016043
For Parakh & Co.	For B.C. Jain & Co.	For S.K. Mehta & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 001475C	Firm Reg. No.001099C	Firm Reg. No. 000478N
(V.D. Mantri)	(Ranjeet Singh)	(Rohit Mehta)
Partner	Partner	Partner
M No.074678	M No.073488	M.No.091382

Place : New Delhi
Dated : 17th May 2010

PROFIT & LOSS ACCOUNT

Rs. million

For the year ended March 31,	SCHEDULE	2010	2009
INCOME			
Sales (Gross)	17	**465,685**	421,454
Less: Electricity duty		**2,459**	2,216
Sales (Net)		**463,226**	419,238
Energy internally consumed		**551**	514
Provisions written back	18	**128**	170
Other income	19	**28,562**	32,539
Total		**492,467**	452,461
EXPENDITURE			
Fuel		**294,628**	271,107
Employees' remuneration and benefits	20	**24,124**	24,631
Generation, administration & other expenses	21	**20,940**	18,192
Depreciation		**26,501**	23,645
Provisions	22	**109**	246
Interest and finance charges	23	**18,089**	19,962
Total		**384,391**	357,783
Profit before Tax and Prior Period Adjustments		**108,076**	94,678
Prior Period income/ expenditure (net)	24	**(779)**	1,083
Profit before tax		**108,855**	93,595
Provision for :			
Current tax			
Current year		**24,709**	25,337
Earlier years		**(5,254)**	(13,953)
Fringe Benefit tax			
Current year		**-**	210
Earlier years		**27**	-
Deferred tax			
Current year		**2,091**	(4,488)
Less:			
Deferred tax recoverable			
Current year		**-**	(4,488)
Current/Fringe Benefit Tax transferred to Expenditure during construction period /Development of coal mines		**-**	12
		21,573	11,582
Profit after tax		**87,282**	82,013
Balance brought forward		**151**	211
Write back from Bond Redemption Reserve		**2,000**	1,250
Write back from Foreign Project Reserve		**-**	*
*Rs.81,229			
Balance available for appropriation		**89,433**	83,474
Appropriations			
Transfer to Bonds Redemption Reserve		**4,978**	4,537
Transfer to Capital Reserve		**50**	86
Transfer to General Reserve		**47,500**	44,000
Dividend			
Interim		**24,736**	23,087
Final - proposed		**6,596**	6,596
Tax on Dividend			
Interim		**4,204**	3,914
Final		**1,072**	1,103
Balance carried to Balance Sheet		**297**	151
Expenditure during construction period (net)	25		
Earning Per Share (Equity shares, face value Rs.10/- each) - Basic and Diluted (Rs.)		**10.59**	9.95
Notes on Accounts	26		

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

For and on behalf of the Board of Directors

(A.K.RASTOGI)
Company Secretary

(A.K.SINGHAL)
Director (Finance)

(R.S. SHARMA)
Chairman & Managing Director

As per our report of even date

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

(Naresh Kumar)
Partner
M No.082069

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.001135N

(Krishan Sarup)
Partner
M No.010633

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

(Cherian K. Baby)
Partner
M No.016043

For Parakh & Co.
Chartered Accountants
Firm Reg. No. 001475C

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

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

(Ranjeet Singh)
Partner
M No.073488

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

(Rohit Mehta)
Partner
M.No.091382

Place : New Delhi
Dated : 17th May 2010

CASH FLOW STATEMENT

Rs. million

	For the year ended March 31,		2010	2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before tax and Prior Period Adjustments		**108076**	94678
	Adjustment for:			
	Depreciation	**26501**		23645
	Provisions	**109**		246
	Deferred revenue on account of advance against depreciation	**(3252)**		5626
	Deferred foreign currency fluctuation Assets/liability	**6148**		(11743)
	Deferred Income from foreign currency fluctuation	**(6401)**		6,470
	Interest charges	**25193**		24921
	Guarantee fee & other finance charges	**634**		349
	Interest/income on bonds/investments	**(10080)**		(11330)
	Prior period adjustments (Net)	**779**		(1083)
	Dividend income	**(173)**		(138)
	Provisions written back	**(128)**		(170)
	Bonds issue and servicing expenses	**25**		64
	Profit on disposal of fixed assets	**(70)**		(127)
	Loss on disposal of fixed assets	**276**		403
			39561	37133
	Operating Profit before Working Capital Changes		**147637**	131811
	Adjustment for:			
	Trade and other receivables	**(30671)**		(6014)
	Inventories	**119**		(4833)
	Trade payables and other liabilities	**(5647)**		16577
	Loans and advances	**21263**		(14428)
	Other current assets	**641**		(1288)
			(14295)	(9986)
	Cash generated from operations		**133342**	121825
	Direct taxes paid		**(27400)**	(24944)
	Net Cash from Operating Activities - A		**105942**	96881
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets	**(107741)**		(100087)
	Disposal of fixed assets	**40**		248
	Purchase of investments	**(105208)**		-
	Sale of investment	**104396**		16920
	Investment in subsidiaries/joint ventures	**(7424)**		(4093)
	Loans & advances to subsidiaries	**22**		(125)
	Interest/income on bonds/investment received	**10791**		12054
	Income tax on interest/income on bonds/investment	**(26)**		(59)
	Dividend received	**173**		138
	Net cash used in Investing activities - B		**(104977)**	(75004)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		**69824**	73600
	Repayment of long term borrowings		**(26548)**	(22666)
	Interest paid		**(25071)**	(24298)
	Guarantee Fee & other Finance charges Paid		**(627)**	(347)
	Dividend paid		**(31332)**	(29683)
	Tax on dividend		**(5307)**	(5035)
	Bonds issue and servicing expenses		**(25)**	(64)
	Net cash flow from financing activities - C		**(19086)**	(8493)
	Net increase/decrease in cash and cash equivalents (A+B+C)		**(18121)**	13384
	Cash and cash equivalents(Opening balance) *		**162716**	149332
	Cash and cash equivalents(Closing balance) *		**144595**	162716

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

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

* Includes **Rs.116 million** (Previous year Rs.103 million) deposited as security with Government Authorities as per court orders.

* Includes **Rs.226 million** (Previous year Rs.58 million) lying in designated bank accounts towards unclaimed dividend.

For and on behalf of the Board of Directors

(A.K.RASTOGI)	(A.K.SINGHAL)	(R.S. SHARMA)
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates	For S.K. Mittal & Co.	For Varma & Varma
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000112N	Firm Reg. No.001135N	Firm Reg. No. 004532S
(Naresh Kumar)	(Krishan Sarup)	(Cherian K. Baby)
Partner	Partner	Partner
M No.082069	M No.010633	M No.016043
For Parakh & Co.	For B.C. Jain & Co.	For S.K. Mehta & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 001475C	Firm Reg. No.001099C	Firm Reg. No. 000478N
(V.D. Mantri)	(Ranjeet Singh)	(Rohit Mehta)
Partner	Partner	Partner
M No.074678	M No.073488	M.No.091382

Place : New Delhi
Dated : 17th May 2010

Schedules to the Balance Sheet Rs. million

As at March 31,	2010	2009
Schedule 1		
SHARE CAPITAL		
AUTHORISED		
10,000,000,000 equity shares of Rs.10/- each (Previous year 10,000,000,000 equity shares of Rs.10/- each)	**100,000**	100,000
ISSUED, SUBSCRIBED AND PAID-UP		
8,245,464,400 equity shares of Rs.10/- each fully paid-up (Previous year 8,245,464,400 equity shares of Rs.10/- each fully paid-up)	**82,455**	82,455
Schedule 2		
RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	**1,398**	1,312
Add : Transfer from Profit & Loss Account	**50**	86
	1,448	1,398
Security Premium Account	**22,281**	22,281
Bonds Redemption Reserve		
As per last Balance Sheet	**16,889**	13,602
Add : Transfer from Profit & Loss Account	**4,978**	4,537
Less : Write back during the year	**2,000**	1,250
	19,867	16,889
Foreign Project Reserve		
As per last Balance Sheet	**-**	*
Less : Write back during the year	**-**	*
*Rs.81,229/-	**-**	-
General Reserve		
As per last Balance Sheet	**450,527**	406,525
Add : Transfer from Profit & Loss Account	**47,500**	44,000
Less: Adjustments during the year	**-**	(2)
	498,027	450,527
Surplus in Profit & Loss Account	**297**	151
Total	**541,920**	491,246
Schedule 3		
DEFERRED REVENUE - ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION		
As per last Balance Sheet	**19,360**	13,734
Add : Revenue deferred during the year	**244**	5,626
Less: Revenue reversed during the year	**328**	-
Less: Revenue recognised during the year	**3,168**	-
Total	**16,108**	19,360

Schedules to the Balance Sheet Rs. million

As at March 31,	2010	2009
Schedule 4		
SECURED LOANS		
Bonds		
10.00% Secured Non-Convertible Taxable Bonds of Rs. 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6th year and in annual instalments thereafter upto the end of 10th year respectively from 5th September 2001 (Twelfth Issue - Private Placement) [1]	**2,000**	3,000
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of Rs. 10,00,000/- each redeemable at par in ten equal annual instalments commencing from the end of 6th year and upto the end of 15th year respectively from 18th April 2002 (Thirteenth Issue -Part A - Private Placement) [2]	**6,000**	6,750
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of Rs. 10,00,000/- each with ten equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6th year and in annual instalments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth Issue - Part B - Private Placement) [2]	**6,000**	6,750
8.00% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 10th April 2018 (Sixteenth Issue -Private Placement) [3]	**1,000**	1,000
8.48% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 1st May 2023 (Seventeenth Issue - Private Placement) [3]	**500**	500
5.95% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of 6th year and in annual instalments thereafter upto the end of 10th year respectively from 15th September 2003 (Eighteenth Issue - Private Placement) [4]	**4,000**	5,000
7.50% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 12th January 2019 (Nineteenth Issue - Private Placement) [5]	**500**	500
7.552% Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 23rd September 2009 and ending on 23rd March 2019 (Twentieth Issue - Private Placement) [6]	**4,500**	5,000
7.7125% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 2nd August 2010 and ending on 2nd February 2020 (Twenty first issue - Private Placement) [7]	**10,000**	10,000
8.1771% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 2nd July 2011 and ending on 2nd January 2021 (Twenty second issue - Private Placement) [8]	**5,000**	5,000
8.3796% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 5th August 2011 and ending on 5th February 2021 (Twenty third issue - Private Placement) [8]	**5,000**	5,000
8.6077% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - Private Placement) [8]	**5,000**	5,000
9.37% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.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) [9]	**5,000**	5,000
9.06% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.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) [9]	**5,000**	5,000
11.25% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par in five equal annual instalments commencing from 6th Nov 2019 and ending on 6th Nov 2023 (Twenty seventh issue - Private Placement) [9]	**3,500**	3,500
11% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par on 21st November 2018 (Twenty Eighth issue - Private Placement) [9]	**10,000**	10,000
8.65% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par on 4th February 2019 (Twenty ninth issue - Private Placement) [9]	**5,500**	5,500
7.89% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par on 5th May 2019 (Thirtieth issue - Private Placement) [9]	**7,000**	-
Loans and Advances from Banks		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year Rs.1,375 million, Previous year **Rs.1,398 million**) [10]	**5,286**	7,180
Other Loans and Advances		
Obligations under finance lease (Due for repayment within one year Rs. 6 million, Previous year Rs.4 million) [11]	**13**	16
TOTAL	**90,799**	89,696

Schedules to the Balance Sheet

Schedule 4

SECURED LOANS

Note:

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

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

3 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.

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

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

6 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.

7 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project on first pari-pasu charge basis, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.

8 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II)Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.

9 Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extension of charge already created.

10 Secured by English mortgage/hypothecation of all the present and future fixed and movable assets of Rihand Super Thermal Power Station as first charge, ranking pari-passu with charge already created, subject to however, Company's Banker's first charge on certain movable assets hyphothecated to them for working capital requirement.

11 Secured against fixed assets obtained under finance lease.

Note:

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

Schedules to the Balance Sheet Rs. million

As at March 31,	2010	2009
Schedule 5		
UNSECURED LOANS		
Fixed Deposits	**134**	14
(Due for repayment within one year **Rs.6 million**, Previous year Rs.7 million)		
Bonds		
8.78 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 9th March 2020 (Thirty first issue- Private Placement)*	**5,000**	-
8.8493% Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 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)*	**1,050**	-
8.73 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 31st March 2020 (Thirty third issue- Private Placement)*	**1,950**	-
Foreign Currency Bonds / Notes		
5.50 % Eurobonds due for repayment on 10th March 2011 (Due for repayment within one year **Rs.9,134 million,** Previous year Rs.Nil)	**9,134**	10,310
5.875 % Fixed Rate Notes due for repayment on 2nd March 2016	**13,701**	15,465
Loans and Advances		
From Banks and Financial Institutions		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year **Rs.610 million**, Previous year Rs.498 million)	**26,383**	28,842
Other Foreign Currency Term Loans (Due for repayment within one year **Rs.5,884 million**, Previous year Rs.2,296 million)	**49,034**	49,439
Rupee Term Loans (Due for repayment within one year **Rs.17,907 million**, Previous year Rs.19,301 million)	**180,785**	151,911
From Others		
Loans from Government of India (Due for repayment within one year **Rs.nil,** Previous year Rs.1 million)	**-**	1
TOTAL	**287,171**	255,982

* To be secured by registered and/or equitable mortgage on immovable properties.

Schedules to the Balance Sheet
Schedule 6

FIXED ASSETS

Rs. million

	Gross Block				Depreciation				Net Block	
	As at 1.04.2009	Additions	Deductions/ Adjustments	**As at 31.03.2010**	Upto 31.03.2009	For the year	Deductions/ Adjustments	**Upto 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
TANGIBLE ASSETS										
Land :										
(including development expenses)										
Freehold	16,224	1,239	(35)	**17,498**	-	-	-	**-**	**17,498**	16,224
Leasehold	4,719	160	85	**4,794**	554	65	7	**612**	**4,182**	4,165
Roads,bridges, culverts & helipads	4,253	141	(137)	**4,531**	875	77	(2)	**954**	**3,577**	3,378
Building :										
Freehold										
Main plant	24,495	2,603	28	**27,070**	10,218	701	1	**10,918**	**16,152**	14,277
Others	19,141	859	(153)	**20,153**	5,319	465	(7)	**5,791**	**14,362**	13,822
Leasehold	498	-	(2)	**500**	173	17	-	**190**	**310**	325
Temporary erection	260	59	(5)	**324**	260	60	(4)	**324**	**-**	-
Water Supply, drainage & sewerage system	5,742	72	(1)	**5,815**	2,286	292	-	**2,578**	**3,237**	3,456
MGR track and signalling system	8,659	306	(40)	**9,005**	5,240	260	(1)	**5,501**	**3,504**	3,419
Railway Siding	2,895	-	1	**2,894**	1,047	139	-	**1,186**	**1,708**	1,848
Earth Dam Reservoir	1,757	41	-	**1,798**	558	84	-	**642**	**1,156**	1,199
Plant and machinery	520,971	38,197	1,300	**557,868**	258,872	24,601	856	**282,617**	**275,251**	262,099
Furniture, fixtures & other office equipment	4,105	387	5	**4,487**	2,593	179	31	**2,741**	**1,746**	1,512
EDP, WP machines and satcom equipment	2,986	433	40	**3,379**	2,055	273	54	**2,274**	**1,105**	931
Vehicles including speedboats	92	11	7	**96**	68	4	6	**66**	**30**	24
Construction equipments	1,157	185	74	**1,268**	738	74	87	**725**	**543**	419
Electrical Installations	2,183	430	(183)	**2,796**	1,213	96	(9)	**1,318**	**1,478**	970
Communication Equipments	788	50	8	**830**	394	29	14	**409**	**421**	394
Hospital Equipments	232	17	1	**248**	142	9	1	**150**	**98**	90
Laboratory and workshop equipments	156	74	(1)	**231**	103	5	-	**108**	**123**	53
Leased assets - Vehicles	20	3	1	**22**	6	5	-	**11**	**11**	14
Capital expenditure on assets not owned by the Company	1,387	471	(5)	**1,863**	1,032	96	-	**1,128**	**735**	355
Assets of Government	28	-	-	**28**	-	-	-	**-**	**28**	28
Less:Grants from Government	28	-	-	**28**	-	-	-	**-**	**28**	28
Assets held for disposal valued at net book value or net realisable value whichever is less	20	-	(7)	**27**	-	-	-	**-**	**27**	20
INTANGIBLE ASSETS										
Right of Use - Land	13	51	6	**58**	-	3	-	**3**	**55**	13
- Others	-	84	-	**84**	-	1	-	**1**	**83**	-
Software	777	47	(38)	**862**	407	233	(1)	**641**	**221**	370
Total	**623,530**	**45,920**	**949**	**668,501**	**294,153**	**27,768**	**1,033**	**320,888**	**347,613**	**329,377**
Previous year	533,680	77,205	(12,645)	623,530	272,743	25,224	3,814	294,153	329,377	260,937

	2010	2009
Deduction/Adjustments from Gross Block for the year includes:		
Disposal/Retirement of assets	**1,344**	1,852
Cost adjustments	**60**	(18,243)
Assets capitalised with retrospective effect / Write back of excess capitalisation	**(557)**	4,281
Others	**102**	(535)
	949	(12,645)

Schedules to the Balance Sheet

Schedule 6

FIXED ASSETS

Rs. million

	2010	2009
Deduction/Adjustments from Depreciation for the year includes:		
Disposal/Retirement of assets	**1,098**	1,328
Assets capitalised with retrospective effect / Write back of excess capitalisation	**(166)**	2,391
Others	**101**	95
	1,033	3,814
Depreciation for the year is allocated as given below:		
Charged to Profit & Loss Account	**26,501**	23,645
Allocated to the fuel cost	**1,195**	1,043
Transferred to Expenditure during construction period (net) - (Schedule 25)	**192**	141
Transferred to development of coal mines	**3**	2
Adjustment with Deffered Income/Expense from Deferred Foreign Currency Fluctuation	**(123)**	393
	27,768	25,224

Schedule 7

CAPITAL WORK-IN-PROGRESS

	As at 1.04.2009	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2010
Development of land	2,929	661	38	31	**3,521**
Roads, bridges, culverts & helipads	583	203	165	141	**480**
Piling and foundation	7,949	1,553	3,187	-	**6,315**
Buildings :					
Main plant	10,035	7,421	(3,074)	2,603	**17,927**
Others	2,611	2,002	109	859	**3,645**
Temporary erection	42	52	25	53	**16**
Water supply, drainage and sewerage system	370	120	(9)	69	**430**
Hydraulic works, barrages, dams, tunnels and power channel	18,690	5,922	1,573	-	**23,039**
MGR track and signalling system	2,729	1,014	21	306	**3,416**
Railway siding	637	436	14	-	**1,059**
Earth dam reservoir	890	189	(28)	41	**1,066**
Plant and machinery	155,262	83,775	2,556	38,069	**198,412**
Furniture, fixtures and other office equipment	68	137	8	143	**54**
EDP/WP machines & satcom equipment	31	108	12	117	**10**
Vehicles	-	3	-	1	**2**
Construction equipments	-	43	2	41	**-**
Electrical installations	702	412	228	414	**472**
Communication equipment	22	42	16	28	**20**
Hospital Equipments	-	2	-	2	**-**
Laboratory and Workshop Equipments	-	16	(2)	16	**2**
Intangible assets - software	1	14	1	9	**5**
Capital expenditure on assets not owned by the company	738	1,426	41	470	**1,653**
Exploratory wells-in-progress	32	45	-	-	**77**
Development of coal mines	967	392	1	-	**1,358**
	205,288	105,988	4,884	43,413	**262,979**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	691	165	23	-	**833**
Difference in exchange on foreign currency loans	2,063	(10,984)	(6,457)	-	**(2,464)**
Expenditure towards diversion of forest land	1,677	3	-	-	**1,680**
Pre-commisioning expenses (net)	233	498	728	-	**3**
Expenditure during construction period (net)	2,407	20,337*	(42)	-	**22,786**
Less: Allocated to related works	-	18,049	-	-	**18,049**
	212,359	97,958	(864)	43,413	**267,768**
Less: Provision for unserviceable works	148	-	4	-	**144**
Total	212,211	97,958	(868)	43,413	**267,624**
Previous year	184,389	121,880	21,302	72,756	212,211

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

Schedules to the Balance Sheet

Rs. million

As at March 31,	2010	2009
Schedule 8		
CONSTRUCTION STORES AND ADVANCES		
CONSTRUCTION STORES *		
(At cost)		
Steel	**9,816**	10,844
Cement	**222**	169
Others	**9,354**	6,365
	19,392	17,378
Less: Provision for shortages	**12**	11
	19,380	17,367
ADVANCES FOR CAPITAL EXPENDITURE		
Secured	**4**	1,273
Unsecured, considered good		
Covered by bank guarantees	**26,264**	28,757
Others	**7,771**	4,441
Considered doubtful	**22**	67
	34,061	34,538
Less:Provision for bad & doubtful advances	**22**	67
	34,039	34,471
Total	**53,419**	51,838
* Includes material in transit, under inspection and with contractors	**11,781**	9,433

As at March 31,	Number of shares/bonds/ securities Current Year/ (Previous Year)	Face value per share/bond/ security Current Year/ (Previous Year) (Rs.)	2010	2009
Schedule 9				
INVESTMENTS				
(Valuation as per Accounting Policy No.10)				
I. LONG TERM (Trade - unless otherwise specified)				
A) Quoted				
a) Government of India Dated Securities (Non-Trade)	- (19139000)	- (100)	**-**	1,875
Less: Amortisation of Premium			**-**	10
			-	1,865
b) Equity Shares (fully paid-up)				
PTC India Ltd.	12000000 (12000000)	10 (10)	**120**	120
Sub Total (A)			**120**	1,985
B) Unquoted (fully paid-up)				
a) Bonds				
i) 8.50 % Tax-Free State Government Special Bonds of the Government of (#)				
Andhra Pradesh	7563900 (8824550)	1000 (1000)	**7,564**	8,824
Assam	308784 (360248)	1000 (1000)	**309**	360
Bihar	11366400 (13260800)	1000 (1000)	**11,366**	13,261
Chattisgarh	2899320 (3382540)	1000 (1000)	**2,899**	3,382
Gujarat	5023440 (5860680)	1000 (1000)	**5,024**	5,861

Schedules to the Balance Sheet

As at March 31,	Number of shares/bonds/ securities Current Year/ (Previous Year)	Face value per share/bond/ security Current Year/ (Previous Year) (Rs.)	2010	2009
Schedule 9				
INVESTMENTS				
(Valuation as per Accounting Policy No.10)				
Haryana	6450000 (7525000)	1000 (1000)	**6,450**	7,525
Himachal Pradesh	200328 (233716)	1000 (1000)	**200**	234
Jammu and Kashmir	2204160 (2571520)	1000 (1000)	**2,204**	2,571
Jharkhand	5760736 (6720856)	1000 (1000)	**5,761**	6,721
Kerala	6014400 (7016800)	1000 (1000)	**6,014**	7,017
Madhya Pradesh	4985040 (5815880)	1000 (1000)	**4,985**	5,816
Maharashtra	2288400 (2669800)	1000 (1000)	**2,289**	2,670
Orissa	6617244 (7720118)	1000 (1000)	**6,617**	7,720
Punjab	2077380 (2423610)	1000 (1000)	**2,077**	2,424
Rajasthan	870000 (1160000)	1000 (1000)	**870**	1160
Sikkim	205176 (239372)	1000 (1000)	**205**	239
Uttar Pradesh	23939400 (27929300)	1000 (1000)	**23,939**	27,929
Uttaranchal	2397900 (2797550)	1000 (1000)	**2,398**	2,798
West Bengal	7045448 (8219736)	1000 (1000)	**7,046**	8,220
ii) **Other Bonds**				
10.00 % Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003, 06/2002, 06/2009	- (3744)	- (12500)	**-**	47
10.00 % Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003, 09/2002, 09/2009	- (3780)	- (12500)	**-**	47
10.00 % Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003 - 10/2002, 10/2009	- (5970)	- (25000)	**-**	149
b) **Equity Shares in Joint Venture Companies**				
Utility Powertech Ltd. (includes 1,000,000 bonus shares)	2000000 (2000000)	10 (10)	**10**	10
NTPC-Alstom Power Services Private Ltd.	3000000 (3000000)	10 (10)	**30**	30
NTPC-SAIL Power Company Private Ltd.	475250050 (475250050)	10 (10)	**4,752**	4,752
NTPC-Tamil Nadu Energy Company Ltd.	425000000 (190000000)	10 (10)	**4250**	1,900
Ratnagiri Gas & Power Private Ltd.	592900000 (500000000)	10 (10)	**5,929**	5,000
Aravali Power Company Private Ltd.	658524200 (458524200)	10 (10)	**6,585**	4,585
NTPC-SCCL Global Ventures Private Ltd. (*Current/previous year Rs.5,00,000/-)	50000 (50000)	10 (10)	*****	*

Schedules to the Balance Sheet

As at March 31,			2010	2009
Schedule 9				
INVESTMENTS				
(Valuation as per Accounting Policy No.10)	Number of shares/bonds/ securities Current Year/ (Previous Year)	Face value per share/bond/ security Current Year/ (Previous Year) (Rs.)		
NTPC BHEL Power Projects Private Ltd. (*previous year Rs.5,00,000/-)	25000000 (50000)	10 (10)	**250**	1*
Meja Urja Nigam Private Limited	30179800 (100000)	10 (10)	**302**	1
BF-NTPC Energy Systems Ltd. (*previous year Rs.4,90,000/-)	1029000 (49000)	10 (10)	**10**	1*
National Power Exchange Ltd.	833500 (833500)	10 (10)	**8**	8
Nabinagar Power Generating Company Private Ltd. (*current/previous year Rs.5,00,000/-)	50000 (50000)	10 (10)	**1***	1*
Transformer and Electrical Kerala Ltd.	19163438 (-)	10 (10)	**314**	-
National High Power Test Labortory Private Ltd.	875000 (-)	10 (-)	**9**	-
International Coal Ventures Ltd.	100000 (-)	10 (-)	**1**	-
c) Equity Shares in Subsidiary Companies				
Pipavav Power Development Company Ltd.	375000 (375000)	10 (10)	**4**	4
NTPC Electric Supply Company Ltd. *(current/previous year **Rs.8,09,100/-**)	80910 (80910)	10 (10)	*****	*
NTPC Vidyut Vyapar Nigam Ltd.	20000000 (20000000)	10 (10)	**200**	200
NTPC Hydro Ltd.	100799040 (92426200)	10 (10)	**1,008**	924
Kanti Bijlee Utpadan Nigam Ltd. (Formerly Vaishali Power Generating Company Ltd.) (*previous year Rs.5,10,000/-)	57151000 (51000)	10 (10)	**572**	*
Bhartiya Rail Bijlee Company Ltd.	296000000 (185000000)	10 (10)	**2,960**	1,850
d) Shares in Cooperative Societies			**ß**	ß
Sub Total (B)			**125,412**	134,242
C Share application money pending allotment in :				
NTPC Hydro Ltd.			**18**	3
Kanti Bijlee Utpadan Nigam Ltd. (Formerly Vaishali Power Generating Company Ltd.)			**22**	594
Bhartiya Rail Bijlee Company Ltd.			**712**	571
NTPC-Tamilnadu Energy Company Ltd.,			**155**	160
Ratnagiri Gas & Power Private Ltd.			**1,000**	1,929
Meja Urja Nigam Private Limited			**192**	301
NTPC BHEL Power Projects Private Ltd.			**-**	50
Nabinagar Power Generating Company Pvt. Ltd.			**950**	-
BF-NTPC Energy Systems Ltd.			**49**	-
Energy Efficiency Services Ltd.			**6**	-
Sub Total (C)			**3,104**	3,608
Total (I)			**128,636**	139,835
II. CURRENT (Non-trade - unquoted)				
Mutual Funds				
SBI-SHF Ultra Short term Fund -IP - DDR*	424791050 (-)	10 (-)	**4,250**	-

Schedules to the Balance Sheet

As at March 31,			2010	2009
Schedule 9				
INVESTMENTS				
(Valuation as per Accounting Policy No.10)	Number of shares/bonds/ securities Current Year/ (Previous Year)	Face value per share/bond/ security Current Year/ (Previous Year) (Rs.)		
UTI Treasury Advantage Fund - IP - DDR	7681994 (-)	1000 (-)	**7,684**	-
Canara Robeco Treasury Advantage Super - IP-DDR	604553577 (-)	10 (-)	**7,501**	-
Total (II)			**19,435**	-
Total (I + II)			**148,071**	139,835
Quoted Investments				
Book Value			**120**	1,985
Market Value			**1,336**	2,755
Unquoted Investments				
Book Value			**147,951**	137,850

(#) Includes bonds of Rs.65,333 million (Previous year Rs.65,623 million) permitted for transfer/trading by Reserve Bank of India. Balance can be transferred/ traded subject to prior approval of Reserve Bank of India.

Details of purchase and sale of current investments during the year

Mutual Funds	**No. of Units**	**Purchase Cost**
SBI-Magnum Insta Cash Fund-DDR	701,540,002	11,751
SBI Premier Liquid Fund Super -IP-DDR	598,839,538	6,008
SBI-SHF Ultra Short Term Fund-IP-DDR	1,024,023,977	10,246
UTI Liquid Cash Plan Institutional-DDR	23,509,975	23,967
UTI Treasury Advantage Fund-IP-DDR	1,999,572	2,000
Canara Robeco Liquid Super - IP-DDR	2,404,768,759	24,146
Canara Robeco Treasury Advantage Super - IP-DDR	616,951,242	7,655

* Institutional Plan - Daily Dividend Reinvestment

			Rs. 2010	Rs. 2009
ß Shares in Co-operative societies (unquoted)				
NTPC Employees Consumers and Thrift Co-operative Society Ltd. Korba	500 (500)	10 (10)	**5,000**	5,000
NTPC Employees Consumers and Thrift Cooperative Society Ltd. Ramagundam	250 (250)	10 (10)	**2,500**	2,500
NTPC Employees Consumers Cooperative Society Ltd. Farakka	500 (500)	10 (10)	**5,000**	5,000
NTPC Employees Consumers Cooperative Society Ltd. Vindhyachal	108 (108)	25 (25)	**2,700**	2,700
NTPC Employees Consumers Cooperative Society Ltd. Anta	500 (500)	10 (10)	**5,000**	5,000
NTPC Employees Consumers Cooperative Society Ltd. Kawas	500 (500)	10 (10)	**5,000**	5,000
NTPC Employees Consumers Cooperative Society Ltd. Kaniha	250 (250)	20 (20)	**5,000**	5,000
			30,200	30,200

Schedules to the Balance Sheet Rs. million

As at March 31,	2010	2009
Schedule 10		
INVENTORIES		
(Valuation as per Accounting Policy No.11)		
Components and spares	**16,500**	15,662
Loose tools	**50**	46
Coal	**11,175**	11,133
Fuel oil	**1,716**	1,797
Naphtha	**1,001**	860
Chemicals & consumables	**298**	281
Steel Scrap	**120**	116
Others	**3,121**	3,029
	33,981	32,924
Less : Provision for shortages	**30**	51
Provision for obsolete/ unserviceable items/ dimunition in value of surplus inventory	**474**	439
Total	**33,477**	32,434
Inventories include material in transit, under inspection and with contractors	**1,584**	1,527
Schedule 11		
SUNDRY DEBTORS		
(Considered good, unless otherwise stated)		
Debts outstanding over six months		
Unsecured, considered doubtful	**8,361**	8,361
	8,361	8,361
Other debts		
Unsecured	**66,514**	35,842
	74,875	44,203
Less: Provision for bad & doubtful debts	**8,361**	8361
Total	**66,514**	35,842
Schedule 12		
CASH & BANK BALANCES		
Cash on hand (includes cheques, drafts, stamps on hand **Rs.25 million**, previous year Rs.15 million)	**25**	15
Balance with Reserve Bank of India earmarked for fixed deposits from public	**308**	308
Balances with scheduled banks		
Current Accounts (a)	**6007**	2,395
Term Deposit Accounts (b)	**138,255**	159,998
Total	**144,595**	162,716

(a) Includes **Rs. 226 million** of Unclaimed Dividend (Previous year Rs.58 million)

(b) **Rs.116 million** (Previous year Rs.103 million) deposited as security with Government Authorities/Others as per court orders

Schedules to the Balance Sheet Rs. million

As at March 31,		2010	2009
Schedule 13			
OTHER CURRENT ASSETS			
Interest accrued :			
Bonds		**4,525**	5,236
Government of India dated securities		**-**	47
Term deposits		**3,607**	4,242
Others		**138**	138
Other recoverables		**149**	120
Others		**21**	11
Total		**8,440**	9,794
Schedule 14			
LOANS AND ADVANCES			
(Considered good, unless otherwise stated)			
LOANS			
Employees (including accrued interest)			
Secured		**4,002**	3,927
Unsecured		**1,167**	1,044
Considered doubtful		**2**	2
Loan to State Government in settlement of dues from customers			
Unsecured		**6,222**	7,179
Loan to a Subsidiary Company (including accrued interest)			
Secured		**263**	308
Others			
Secured		**1,917**	2,200
Unsecured		**1**	1
ADVANCES			
(Recoverable in cash or in kind or for value to be received)			
Subsidiary Companies			
Unsecured		**270**	247
Contractors & suppliers, including material issued on loan			
Secured		**24**	134
Unsecured		**11,904**	9,911
Considered doubtful		**3**	1
Employees (including imprest)			
Unsecured		**1,539**	3,283
Considered doubtful		**1**	1
Advance tax & tax deducted at source	**91,101**		69,697
Less: Provision for taxation	**70,457**		34,734
		20,644	34,963
Others			
Unsecured		**796**	599
Considered doubtful		**151**	152
Claims recoverable			
Unsecured		**4,830**	3,325
Considered doubtful		**30**	34
		53,766	67,311
Less: Provision for bad and doubtful loans, advances and claims		**187**	190
		53,579	67,121
DEPOSITS			
Deposits with customs, port trust and others (#)		**1,552**	1,346
Total		**55,131**	68,467
(#) Sales Tax deposited under protest with sales tax authorities		**115**	271
Due from Directors & Officers of the Company			
Directors		**1**	3
Officers		**904**	1,145
Maximum amount outstanding during the year			
Directors		**4**	3
Officers		**1,820**	1,443

Schedules to the Balance Sheet Rs. million

As at March 31,	2010	2009
Schedule 15		
CURRENT LIABILITIES		
Sundry Creditors		
For capital expenditure		
Micro & Small Enterprises (#Rs.2,71,460/- ,*Rs.2,03,017/-)	**#**	*
Others	**30,091**	23,673
For goods and services		
Micro & Small Enterprises	**5**	10
Others	**25,810**	28,392
Book overdraft	**153**	115
Deposits, retention money from contractors and others	**12,904**	12,411
Less: Bank deposits/Investments held as security	**119**	132
	68,844	64,469
Advances from customers and others	**2,935**	4,520
Other liabilities	**1,356**	1,951
Unclaimed dividend (#)	**226**	58
Interest accrued but not due :		
Loans from Government of India (*Rs.60,080/-)	**-**	*
Foreign currency loans/bonds	**322**	443
Rupee term loans	**1,191**	921
Bonds	**1,992**	2,025
Fixed deposits from public	**10**	4
Total	**76,876**	74,391
(#) No amount is due for payment to Investor Education and Protection Fund		
Schedule 16		
PROVISIONS		
Income/Fringe Benefit Tax		
As per last balance sheet	**-**	-
Additions during the year	**19,482**	11,594
Amount adjusted during the year	**(50,975)**	(23,140)
Less: Set off against taxes paid	**70,457**	34,734
	-	-
Proposed dividend		
As per last balance sheet	**6,596**	6,596
Additions during the year	**6,596**	6,596
Amounts used during the year	**6,596**	6,596
	6,596	6,596
Tax on proposed dividend		
As per last balance sheet	**1,103**	1,121
Additions during the year	**1,072**	1,103
Amounts paid during the year	**1,103**	1,121
	1,072	1,103
Employee benefits		
As per last balance sheet	**21,927**	15,293
Additions during the year	**7,278**	8,541
Amounts paid during the year	**8,642**	1,907
Amounts reversed during the year	**218**	-
	20,345	21,927
Obligations incidental to land acquisition		
As per last balance sheet	**2,842**	-
Additions during the year	**222**	2,842
Amounts paid during the year	**361**	-
Amounts reversed during the year	**35**	-
	2,668	2,842
Others		
As per last balance sheet	**27**	806
Additions during the year	**2**	5
Amounts adjusted during the year	**-**	783
Amounts reversed during the year	**5**	1
	24	27
Total	**30,705**	32,495

Schedules to the Profit & Loss Account Rs. million

For the year ended March 31,	2010	2009
Schedule 17		
SALES		
Energy Sales (including Electricity Duty) *	**460,575**	423,861
Less : Advance against depreciation deferred (net)	**(84)**	5,626
Add : Revenue recognized out of advance against depreciation	**3,168**	-
Add : Exchange fluctuation receivable from customers	**319**	1,894
	464,146	420,129
Consultancy, project management and supervision fees (including turnkey construction projects)	**1,539**	1,325
Total	**465,685**	421,454

* Includes (-) **Rs.7,199 million** (Previous year Rs.7,583 million) on account of income tax recoverable from customers as per CERC Regulations, 2004 and **Rs.2,485 million** (Previous year Nil) on account of deferred tax recoverable from customers as per CERC Regulations, 2009

Schedule 18

PROVISIONS WRITTEN BACK

Doubtful Debts	**1**	1
Doubtful loans, advances and claims	**4**	145
Doubtful construction advances	**45**	-
Shortage in construction stores	**7**	4
Shortage in stores	**20**	11
Obsolescence/Dimunition in value of surplus stores	**41**	8
Unserviceable Capital work-in-progress	**5**	-
Others	**5**	1
	128	170

Schedules to the Profit & Loss Account

For the year ended March 31,		2010	2009
Schedule 19			
OTHER INCOME			
Income from Long Term Investments			
Trade			
Dividend from Subsidiaries		**105**	78
Dividend from Joint Ventures		**68**	60
Interest			
Government Securities (8.5% tax free bonds issued by the State Governments)		**9,401**	10,805
Other Bonds (Gross) (Tax deducted at source **Rs. 4 million**, Previous year Rs.12 million)		**7**	43
Non-Trade			
Interest from Government of India Securities (Gross)	**18**		131
Less: Amortisation of premium	-		10
		18	121
Profit on redemption of Investments		**50**	-
Income from Current Investments (Non-Trade)			
Dividend from Mutual Fund Investments		**604**	361
Income from Others			
Interest (Gross) (Tax deducted at source **Rs.1,948 million**, previous year Rs.3,672 million)			
Loan to State Government in settlement of dues from customers		**590**	671
Indian banks		**13,429**	15,803
Foreign banks		**-**	(15)
Employees' loans		**165**	175
Customers		**600**	967
Others		**669**	530
Subsidiary Company		**35**	42
Interest on Income Tax refunds	**4,526**		3,306
Less: Refundable to customers	**4,526**		1,107
		-	2,199
Surcharge received from customers		**623**	67
Hire charges for equipment		**28**	13
Profit on disposal of fixed assets		**70**	127
Exchange differences		**291**	24
Miscellaneous income		**2,254**	1,150
		29,007	33,221
Less : Transferred to Expenditure during construction period (net) - Schedule 25		**379**	413
Transferred to Deferred Foreign Currency Fluctuation Liability		**66**	268
Transferred to Development of coal mines		**-**	1
Total		**28,562**	32,539

Rs. million

	2010	2009
Schedule 20		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, bonus, allowances & benefits	**23,351**	19,677
Contribution to provident and other funds	**3,315**	6,130
Welfare expenses	**2,802**	3,169
	29,468	28,976
Less: Allocated to fuel cost	**1,522**	1,228
Transferred to development of coal mines	**219**	158
Transferred to expenditure during construction period (net) - Schedule 25	**3,603**	2,959
Total	**24,124**	24,631

Schedules to the Profit & Loss Account — Rs. million

For the year ended March 31,		2010	2009
Schedule 21			
GENERATION, ADMINISTRATION & OTHER EXPENSES			
Power charges	1,109		1,010
Less: Recovered from contractors & employees	142		126
		967	884
Water charges		1,296	932
Stores consumed		311	310
Rent	216		158
Less:Recoveries	62		56
		154	102
Repairs & maintenance			
Buildings		1,054	940
Plant & machinery			
Power stations	10,960		9,379
Construction equipment	6		9
		10,966	9,388
Others		882	804
Insurance		795	461
Rates and taxes		228	198
Water cess & environment protection cess		262	255
Training & recruitment expenses	725		417
Less: Fees for application and training	40		36
		685	381
Communication expenses		331	275
Travelling expenses		1,340	1,274
Tender expenses	235		217
Less: Receipt from sale of tenders	19		20
		216	197
Payment to auditors		24	25
Advertisement and publicity		156	109
Security expenses		2,245	1,663
Entertainment expenses		114	137
Expenses for guest house	112		94
Less:Recoveries	13		12
		99	82
Education expenses		216	183
Brokerage & commission		17	14
Donations		5	1
Community development and welfare expenses	205		138
Less: Grants-in-aid	1		9
		204	129
Ash utilisation & marketing expenses	22		47
Less: Sale of ash products	1		-
		21	47
Directors sitting fee		3	2
Books and periodicals		19	17
Professional charges and consultancy fees	411		292
Less: Grants-in-aid	16		-
		395	292
Legal expenses		111	46
EDP hire and other charges		162	122
Printing and stationery		109	102
Oil & gas exploration expenses		34	87
Claims/advances written off		-	2
Hiring of vehiles		369	316
Miscellaneous expenses		599	1,027
Stores written off		2	2
Survey &Investigation expenses written off		43	36
Loss on disposal/write-off of fixed assets		276	403
		24,710	21,245
Less : Allocated to fuel cost		1,829	1,450
Transferred to development of coal mines		174	84
Transferred to Expenditure during construction period (net) - Schedule 25		1,767	1,519
Total		20,940	18,192
Spares consumption included in repairs and maintenance		6,628	5,922

Schedules to the Profit & Loss Account — Rs. million

For the year ended March 31,	2010	2009
Schedule 22		
PROVISIONS		
Doubtful advances and claims	**1**	4
Shortage in stores	**18**	41
Obsolete/Dimunition in the value of surplus stores	**76**	172
Shortage in construction stores	**9**	8
Unserviceable capital work-in-progress	**3**	16
Others	**2**	5
Total	**109**	246

	2010	2009
Schedule 23		
INTEREST AND FINANCE CHARGES		
Interest on :		
Bonds	**7,664**	6,052
Loans from Government of India	**-**	5
Foreign currency term loans	**1,883**	2,301
Rupee term loans	**13,530**	11,361
Public deposits	**11**	3
Foreign currency bonds/notes	**1,704**	1,738
Amounts payable to customers	**14**	72
Others	**386**	701
Exchange differences regarded as adjustment to interest cost	**1**	2,688
	25,193	24,921
Finance Charges :		
Bonds servicing & public deposit expenses	**19**	18
Guarantee fee	**397**	339
Management fee	**3**	1
Commitment charges/exposure premium	**27**	9
Rebate to customers	**6,937**	6,700
Reimbursement of L.C.charges on sales realisation	**72**	133
Bank charges	**27**	21
Bond issue expenses	**5**	45
Legal expenses on foreign currency loans	**1**	-
Foreign currency bonds/notes expenses	**1**	1
Up-front end fee	**206**	-
Others	**9**	26
	7,704	7,293
Sub-Total	**32,897**	32,214
Less: Transferred to Expenditure during construction period (net) - Schedule 25	**14,808**	12,252
Total	**18,089**	19,962

Schedules to the Profit & Loss Account		Rs. million
For the year ended March 31,	**2010**	2009
Schedule 24		
PRIOR PERIOD INCOME/EXPENDITURE (NET)		
INCOME		
Sales	**(325)**	4,640
Others	**25**	26
	(300)	4,666
EXPENDITURE		
Salary, wages, bonus, allowances & benefits	**(994)**	(5)
Repairs and Maintenance	**(3)**	3
Depreciation	**166**	(2,391)
Interest including exchange differences regarded as adjustment to interest cost	**102**	7,539
Travelling expenses	**(2)**	-
Insurance	**-**	(1)
Advertisement and publicity	**2**	1
Professional consultancy charges	**-**	2
Rates & Taxes	**5**	(14)
Power Charges	**3**	-
Rent	**3**	1
Depreciation adjsutment out of Deferred Expenses/Income from Foreign Currency Fluctuation	**-**	736
Exchange differences	**36**	(469)
Others	**(56)**	19
	(738)	5,421
Net Expenditure/(Income)	**(438)**	755
Less: Transferred to Expenditure during construction period (net) - Schedule 25	**346**	(78)
Transferred to Development of Coal Mines	**(5)**	-
Transferred to Deferred Foreign Currency Fluctuation Asset/Liability	**-**	(250)
Total	**(779)**	1,083

Schedules to the Profit & Loss Account

Rs. million

For the year ended March 31,		2010	2009
Schedule 25			
EXPENDITURE DURING CONSTRUCTION PERIOD (NET)			
A. Employees remuneration and other benefits			
Salaries, wages, allowances and benefits		**3,119**	1,949
Contribution to provident and other funds		**337**	678
Welfare expenses		**147**	332
Total (A)		**3,603**	2,959
B. Other Expenses			
Power charges	**565**		502
Less: Recovered from contractors & employees	**8**		8
		557	494
Water charges		**87**	-
Rent		**26**	18
Repairs & maintenance			
Buildings	**41**		44
Construction equipment	**2**		4
Others	**76**		92
		119	140
Insurance		**2**	11
Rates and taxes		**4**	23
Communication expenses		**38**	36
Travelling expenses		**240**	241
Tender expenses	**65**		62
Less: Income from sale of tenders	**1**		1
		64	61
Advertisement and publicity		**7**	13
Security expenses		**231**	173
Entertainment expenses		**19**	22
Guest house expenses		**22**	8
Education expenses		**1**	1
Books and periodicals		**7**	6
Community development expenses		**12**	7
Professional charges and consultancy fee		**82**	47
Legal expenses		**5**	3
EDP Hire and other charges		**8**	7
Printing and stationery		**10**	8
Miscellaneous expenses		**226**	200
Total (B)		**1,767**	1,519
C. Depreciation		**192**	141
Total (A+B+C)		**5,562**	4,619

Schedules to the Profit & Loss Account

Rs. million

For the year ended March 31,	2010	2009
Schedule 25		
EXPENDITURE DURING CONSTRUCTION PERIOD (NET)		
D. Interest and Finance Charges		
Interest on		
Bonds	**4,748**	3,225
Foreign currency term loans	**882**	1,179
Rupee term loans	**8,382**	6,305
Foreign currency bonds/notes	**472**	651
Exchange differences regarded as adjustment to interest cost	**-**	811
Finance Charges		
Commitment charges	**2**	6
Foreign currency bonds/notes expenses	**-**	2
Upfront Fee	**206**	-
Others	**116**	73
Total (D)	**14,808**	12,252
E. Less: Other Income		
Interest from		
Indian banks	**-**	6
Foreign banks	**-**	7
Others	**276**	242
Hire charges	**19**	12
Sale of scrap	**1**	4
Miscellaneous income	**83**	142
TOTAL (E)	**379**	413
F. Prior Period Adjustments	**346**	(78)
G. Income/Fringe Benefit Tax	**-**	11
GRAND TOTAL (A+B+C+D-E+F+G)	**20,337***	16,391

*** Balance carried to Capital Work-in-progress - (Schedule 7)**

SCHEDULE-26

NOTES ON ACCOUNTS

1. a) The conveyancing of the title to **10,884 acres** of freehold land of value **Rs.5,071 million** (Previous year 10,844 acres of value Rs.4,950 million) and buildings & structures valued at **Rs.1,491 million** (previous year Rs.1,137 million), as also execution of lease agreements for **8,958 acres** of land of value **Rs.2,447 million** (previous year 8,820 acres, value Rs.2,720 million) in favour of the Company are awaiting completion of legal formalities.

   b) Leasehold land includes **30 acres** valuing **Rs.1 million** (previous year 30 acres valuing Rs.1 million) acquired on perpetual lease and accordingly not amortised.

   c) Land does not include cost of **1,181 acres** (previous year 1,181 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

   d) Land includes **1,247 acres** of value **Rs.151 million** (previous year 1,223 acres of value Rs.110 million) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

   e) Land includes an amount of **Rs.1,153 million** (previous year Rs.1,243 million) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

   f) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of free-hold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value **Rs. 2 million** (previous year Rs.2 million) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of **Rs.2 million**. 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 'Other Liabilities' in Schedule-15-'Current Liabilities'.

   g) During the year, freehold land measuring **36 acres** was handed over by the Government of Uttar Pradesh to Company in exchange of freehold land measuring **35 acres** without any financial consideration.

   h) The cost of right of use of land for laying pipelines amounting to **Rs.58 million** (previous year Rs.13 million) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the legal right to use.

   i) Cost of acquisition of the right for drawl of water amounting to **Rs.84 million** (previous year nil) is included under intangible assets – Right of Use - Others. The right of drawl of water is for thirty years and the cost is accordingly amortized.

2 a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1st April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at **Rs.444,739 million** during the year ended 31st March 2010 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (ATE) for the tariff period 2004-2009 including as referred to in para 2 (e).

   The Tariff Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31st March 2009 approved by the CERC. The amount provisionally billed during the year ended 31st March 2010 on this basis is **Rs.437,651 million**.

   b) For the units commissioned during the year, pending the determination of tariff by CERC, sales of **Rs.17,354 million** have been provisionally recognised on the basis of principles enunciated in the Tariff Regulations, 2009. The amount provisionally billed for such units is **Rs.15,365 million**.

   c) Sales of (-) **Rs.6,006 million** (previous year Rs.10,201 million) pertaining to previous years has been recognized based on the orders issued by the CERC/ATE.

   d) In terms of Regulation 39, CERC Tariff Regulations, 2009, notified by the CERC, the Company has determined the amount of the Deferred Tax Liability (net) materialised during the year pertaining to the period upto 31st March 2009 by identifying the major changes in the elements of Deferred Tax Liability/Asset, as recoverable from the beneficiaries and accordingly a sum of **Rs.2,485 million** (net) has been recognised as Sales during the year.

   e) In respect of stations/units where the CERC had issued tariff orders applicable from 1st April 2004 to 31st March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the ATE. The ATE disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed an appeal with the Hon'ble Supreme Court of India on some of the issues decided by the ATE which is pending. The Company has submitted that it would not press for determination of the tariff by the CERC as per ATE orders pending disposal of the appeal by the Hon'ble Supreme Court.

   Considering expert legal opinions obtained that, it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 amounting to **Rs.10,443 million** were recognised in earlier years based on provisional tariff worked out by the Company as per the methodology and directions as decided by the ATE. Due to further CERC tariff orders received during the year, the provisional sales of **Rs.10,443** million has now been reduced to **Rs.10,256 million.** The sales accounted as above is subject to final outcome of the decision of the Hon'ble Supreme Court of India and consequential effect, if any, will be given in the financial statements upon disposal of the appeal.

3. Sundry debtors – Other Debts, Unsecured (Schedule 11) includes **Rs.10,011 million** (previous year Rs.3,901 million) towards revenue accounted in accordance with the accounting policy no. 12.1 which is yet to be billed.

4. Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, CERC through Regulations, 2009 notified the rates of depreciation.

   CERC exercising its powers under Section 79 of the Electricity Act, 2003 requested the Ministry of Power to advise the Ministry of Corporate Affairs to notify the rates of depreciation considered by the CERC for tariff determination as depreciation under Section 205 (2) (c) of the Companies Act, 1956. Ministry of Corporate Affairs is yet to notify such rates under Section 205 (2) (c) of the Companies Act, 1956.

The Company has also obtained legal opinions that the Tariff Policy cannot override the provisions of the Companies Act, 1956 and it is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific provision in the Electricity Act, 2003. Hence provisions of Section 616 of the Companies Act, 1956 are also not applicable in this regard. Accordingly, the Company is charging depreciation consistently at the rates specified in Schedule XIV of the Companies Act, 1956 with effect from the financial year 2004-05 except as stated in accounting policy no.12.2.1.

5. Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period 1st April 1986 to 31st May 2006 amounting to **Rs.1,155 million** (previous year Rs.1,155 million) being balance receivable in terms of the management contract with the GOI has not been recognised.

6. The pay revision of the employees of the Company was due w.e.f. 1st January 2007.

   Based on the guidelines issued by Department of Public Enterprises (DPE), Government of India (GOI), the pay revision of the executive category of employees has been approved during the year. Pending finalisation of pay revision in respect of employees in the non-executive category, provision of **Rs.3,145 million** and **Rs.6,590 million** (previous year Rs.1,767 million and Rs. 3,445 million) has been made for the year and upto year respectively on an estimated basis having regard to the guidelines issued by DPE. A sum of **Rs.1,387 million** (previous year Rs.748 million) paid as adhoc advance towards pay revision to the employees in the non-executive category is included in 'Loans and Advances' (Schedule 14).

7. The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **Rs.2,768 million** (previous year Rs.2,768 million) out of which **Rs.2,696 million** (previous year Rs.2,696 million) has been deposited with the GOI and liability for the balance amount of **Rs.72 million** (previous year Rs.72 million) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.

8. As per the direction of the Ministry of Power (MOP), a memorandum of understanding was signed between the Company, Gujarat Power Corporation Ltd. (GPCL) and Gujarat Electricity Board (GEB) on 20th February 2004 to set up Pipavav Power Project. The Company disassociated from the Pipavav Power Project, a wholly owned subsidiary of the Company, on 24th May 2007 after obtaining approval from the MOP. MOP, Government of India, conveyed its approval vide Presidential Directive No. 5/5/2004-TH-II dated 3rd July 2009 for winding-up of the Pipavav Power Development Company Ltd. (PPDCL) pending final settlement of claims with GPCL/Government of Gujarat. The Board of Directors of NTPC Ltd. have also given consent for winding up of the PPDCL.

   MOP, GOI through its further Presidential Directive No. 5/5/2004-TH-II dated 15th April 2010 conveyed the approval of GOI to permit NTPC for winding up of PPDCL through striking off the name under Section 560 of the Companies Act, 1956. Accordingly, necessary application/declarations have been filed with the Registrar of Companies (ROC) for striking off the name of the Company from the Register of Companies maintained by the ROC.

   Pending liquidation of the PPDCL, an amount of **Rs.4 million** (Previous year Rs.4 million) received from GPCL is included in other liabilities under 'Current Liabilities' (Schedule-15). As full amount has been received towards equity invested, no provision is considered necessary for diminution in the value of investment.

9. Consequent to the notification no.S.O.2804 (E) dated 3rd November 2009, issued by Ministry of Environment and Forest (MoEF), Government of India, direct/indirect expenses relating to fly ash for the period from 3rd November 2009 to 31st March 2010 amounting to **Rs.8 million** has been adjusted from 'Ash Utilisation and Marketing Expenses' (Schedule 21) and transferred to the subsidiary company NTPC Vidyut Vyapaar Nigam Limited for adjustment with reserve. The reserve in terms of the said notification is maintained by the said subsidiary company.

10. As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29th May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.

11. The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.

12. Fixed assets, capital work-in-progress and construction stores and advances include **Rs.6,765 million** in respect of one of the hydro power project, the construction of which has been suspended temporarily from 18th May 2009 on the advice of the Ministry of Power, GOI. Presently, the issue regarding resumption of the project is under consideration with the GOI. Pending decision, borrowing costs of **Rs.237 millio**n have not been capitalised from the date of suspension.

13. Progress of work under the contract for steam generator and auxiliaries package at one of the project has been affected due to certain disputes with the contractor. While the contractual and other related issues are under deliberation, the contract continues to be in force and supplies of equipment/structural items have been made by the contractor during the year. Construction of other systems for the project is also in progress. Since activities that are necessary to prepare the asset for its intended use are in progress, borrowing costs continue to be capitalised.

14. Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.

15. The Company is executing a thermal power project in respect of which possession certificates for 1,489 acres of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31st March 2010 **Rs.1,831 million** is included in Fixed Assets (Schedules 6,7 and 8). Management is confident of recovery of cost incurred, hence no provision is considered necessary.

16. a) Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.

b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

17. Effect of changes in Accounting Policies:

a) Tariff Regulations, 2009 issued by the CERC provide that the balance depreciable value of the each of the existing stations as on 1st April, 2009 shall be worked out by deducting the cumulative depreciation including the Advance Against Depreciation (AAD) as admitted by the CERC up to 31st March 2009 from the gross depreciable value of the assets thereby merging AAD with depreciation for tariff recovery. Under the said Tariff Regulations, the CERC also has notified the revised rates of depreciation and removed the provision for AAD.

In view of the change in CERC Tariff Regulations, 2009, the Company revised its accounting policy no. 12.1.2 and the amount of AAD required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been assessed station-wise and wherever an excess has been determined as on 1st April 2009, the same amounting to **Rs.3,115 million** has been recognised as sales during the year. In addition, **Rs.53 million** has been recognised as sales during the year out of AAD consequent to this change.

b) Claims on the Company for price variation which were hitherto accounted for on acceptance. During the year, unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts. Consequently, profit for the year is lower by **Rs. 20 million,** fixed assets are higher by **Rs.2,849 million** and current liabilities are higher by **Rs. 2,869 million.**

18. Revenue grants recognised during the year is **Rs.17 million** (previous year Rs.9 million).

19. **Disclosure as per Accounting Standard (AS) 15:**

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

A. Provident Fund

Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of **Rs. 1,597 million** (Previous year Rs. 985 million) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence no further provision is considered necessary.

B. Gratuity & Pension

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of **Rs.1 million** on superannuation, resignation, termination, disablement or on death.

The Company has a scheme of pension at one of the stations in respect of taken over employees from erstwhile State Government Power Utility.

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

C. Post-Retirement Medical Facility (PRMF)

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

D. Terminal Benefits

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

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. The liability for the same is recognised on the basis of actuarial valuation.

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

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

i) **Expenses recognised in Profit & Loss Account** Rs. million

	Gratuity/ Pension	**PRMF**	**Leave**	**Terminal Benefits**
Current Service Cost	489 {496}	82 {77}	335 {391}	50 {54}
Past Service Cost	- {4,144}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	781 {376}	160 {123}	486 {361}	94 {71}
Expected return on plan assets	(427) {(371)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(399) {192}	116 {212}	345 {1,111}	361 {165}
Expenses recognised in the Profit & Loss Account	444 {4,837}	358 {412}	1,166 {1,863}	505 {290}

ii) **The amount recognised in the Balance Sheet** Rs. million

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2010	10,649 {10,409}	2,444 {2,133}	5,851 {6,479}	1,675 {1,255}
Fair value of plan assets as at 31.03.2010	9,871 {5,364}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	779 {5,045}	2,444 {2,133}	5,851 {6,479}	1,675 {1,255}

iii) **Changes in the present value of the defined benefit obligations:** Rs. million

	Gratuity / Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.04.2009	10,409 {5,361}	2,133 {1,750}	6,479 {5,160}	1,255 {1,017}
Interest cost	781 {376}	160 {123}	486 {361}	94 {71}
Current Service Cost	489 {496}	82 {77}	335 {391}	50 {54}
Past Service Cost	- {4,144}	- {-}	- {-}	- {-}
Benefits paid	(886) {(211)}	(47) {(29)}	(1,794) {(544)}	(85) {(52)}
Net actuarial (gain)/ loss on obligation	(144) {243}	116 {212}	345 {1,111}	361 {165}
Present value of the defined benefit obligation as at 31.03.2010	10,649 {10,409}	2,444 {2,133}	5,851 {6,479}	1,675 {1,255}

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

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.04.2009	5,364 {4,623}	- {-}	- {-}	- {-}
Expected return on plan assets	427 {371}	- {-}	- {-}	- {-}
Contributions by employer	4,691 {512}	- {-}	- {-}	- {-}
Benefit paid	(866) {(193)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	(255) {51}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2010	9,871 {5,364}	- {-}	- {-}	- {-}

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

Particulars	Increase by	Decrease by
Service and Interest cost	50	39
Present value of obligation	422	336

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **Rs.34 million (credit)** (previous year debit of Rs.16 million) for the year have been made on the basis of actuarial valuation at the year end and credited to the Profit & Loss Account.

G. Details of the Plan Assets

The details of the plan assets at cost as on 31st March are as follows: Rs. million

		2010	2009
i)	State Government securities	**2,292**	938
ii)	Central Government securities	**3,177**	1,824
iii)	Corporate Bonds/ debentures	**4,221**	2,236
iv)	RBI Special Deposit	**240**	240
v)	Money Market Instruments	**249**	Nil
	Total	**10,179**	5,238

H. Actuarial Assumptions

Principal assumption used for actuarial valuation are :

		2010	2009
i)	Method used	Projected Unit Credit Method	
ii)	Discount rate	**7.50%**	7.00%
iii)	Expected rate of return on assets: - Gratuity - Pension	 **8.00%** **7.00%**	 8.00% 9.00%
iv)	Future salary increase	**5.00%**	4.50%

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.

I. Actual return on plan assets **Rs.681 million** (previous year Rs.423 million).

J. The Company's best estimate of the contribution towards Gratuity/Pension for the financial year 2010-11 is **Rs.320 million.**

20. The effect of foreign exchange fluctuation during the year is as under:i)The amount of exchange differences (net) credited to the Profit & Loss Account is **Rs.189 million** (previous year debit of Rs.244 million). ii) The amount of exchange differences (net) credited to the carrying amount of fixed assets and Capital work-in-progress is **Rs.11,815 million** {previous year Rs.11,649 million (debit)}.

21. Borrowing costs capitalised during the year are **Rs.14,804 million** (previous period Rs.12,221 million).

22. 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. Construction work-in-progress, construction stores and advances are included in unallocated corporate and other assets. Segment liabilities include operating liabilities and provisions.

Rs. million

	Business Segments					
	Generation		Others		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**461,687**	417,913	**1,539**	1,325	**463,226**	419,238
Internal consumption of electricity	**551**	514	**-**	-	**551**	514
Total	**462,238**	418,427	**1,539**	1,325	**463,777**	419,752
Segment Result #	**101,524**	90,531	**582**	418	**102,106**	90,949
Unallocated Corporate Interest and Other Income					**24,677**	30,615
Unallocated Corporate expenses, interest and finance charges					**17,929**	27,969
Profit before Tax						
Income/Fringe Benefit Taxes (Net)					**21,572**	11,582
Profit after Tax					**87,282**	82,013
Other information						
Segment assets	**469,569**	424,333	**1,433**	1,045	**471,002**	425,378
Unallocated Corporate and other assets					**657,735**	626,870
Total assets	**469,569**	424,333	**1,433**	1,045	**1,128,737**	1,052,248
Segment liabilities	**75,066**	85,967	**889**	722	**75,955**	86,689
Unallocated Corporate and other liabilities					**428,407**	391,858
Total liabilities	**75,067**	85,967	**889**	722	**504,362**	478,547
Depreciation	**26,180**	23,376	**2**	2	**26,182**	23,378
Non-cash expenses other than Depreciation	**109**	245	**-**	-	**109**	245
Capital Expenditure	**98,647**	130,843	**1,139**	277	**99,786**	131,121

* Includes (-) **Rs.6,006 million** (previous year Rs.10,201 million) for sales related to earlier years.

\# Generation segment result would have been **Rs.107,530 million** (previous period Rs.80,330 million) without including the sales related to earlier years.

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

23. **Related Party Disclosures:**

a) Related parties:

i) Joint ventures:

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

ii) Key Management Personnel:

Shri R.S. Sharma	Chairman and Managing Director
Shri Chandan Roy	Director (Operations)
Shri R.K. Jain[1]	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (Human Resources)
Shri K.B. Dubey[2]	Director (Projects)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh[3]	Director (Projects)

1. Superannuated on 31st December 2009.
2. Superannuated on 31st July 2009. 3. W.e.f. 1st August 2009.

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

Particulars	Current Year	Previous Year
Transactions during the year		
• Contracts for Works/ Services for services received by the Company:-		
- Utility Powertech Ltd.	**2,176**	1,853
- NTPC-Alstom Power Services Private Ltd.	**99**	355
• Deputation of Employees:		
- Utility Powertech Ltd.	**17**	13
- NTPC-Alstom Power Services Private Ltd	**45**	23
• Dividend Received:		
- Utility Powertech Ltd.	**3**	12
- NTPC-Alstom Power Services Private Ltd.	**6**	6
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**3**	17
- NTPC-Alstom Power Services Private Ltd	**16**	9
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**361**	281
- NTPC-Alstom Power Services Private Ltd	**147**	143
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**7**	5
- NTPC-Alstom Power Services Private Ltd	**18**	37

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **Rs.40 million** (previous year Rs.39 million).

c) Remuneration to key management personnel for the year is **Rs.26 million** (previous year Rs.14 million) and amount of dues outstanding to the Company as on 31st March 2010 are **Rs.1 million** (previous year Rs.3 million).

24. **Disclosure regarding leases:**

a) Finance leases

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

Rs. million

		31.03.2010	31.3.2009
a)	Obligations towards minimum lease payments		
	• Not later than one year	**7**	6
	• Later than one year and not later than five years	**8**	14
	• Later than five years	**-**	-
	Total	**15**	20
b)	Present value of (a) above		
	• Not later than one year	**6**	4
	• Later than one year and not later than five years	**7**	12
	• Later than five years	**-**	-
	Total	**13**	16
c)	Finance Charges	**2**	4

b) **Operating leases**

The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Schedule 20 - Employees' remuneration and benefits include **Rs.689 million** (previous period Rs.307 million) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are shown as Rent in Schedule 21 – Generation, Administration and Other Expenses.

25. **Earning per share:**

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

	Current Year	Previous Year
Net Profit after Tax used as numerator - Rs. million	**87,282**	82,013
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earning per share (Basic and Diluted) - Rupees	**10.59**	9.95
Face value per share – Rupees	**10/-**	10/-

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

	31.03.2010	31.03.2009
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**41,046**	70,045
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**8,478**	15,310
ii) Disallowances u/s 43B of the Income Tax Act, 1961	**2,074**	3,385
	10,552	18,695
Deferred tax liability (net)	**30,494**	51,350

During the year, the deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2009 amounting to Rs.51,349 million have been reviewed and restated to **Rs.24,942 million**. In terms of Regulation 39, CERC Tariff Regulations, 2009, the Company has determined the amount of the deferred tax liability (net) materialised during the year pertaining to the period up to 31st March 2009 by identifying the major changes in the elements of deferred tax liability/asset, as recoverable from the beneficiaries. Accordingly, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2010 works out to **Rs.30,494 million** and **Rs.28,402 million** respectively.

The net increase during the year in the deferred tax liability is **Rs.2,091 million** (previous year decrease Rs.4,488 million) has been debited to Profit & Loss Account.

27. Research and development expenditure charged to revenue during the year is **Rs.206 million** (previous period Rs.81 million).

28. **Interest in Joint Ventures:**

a) **Joint Venture Entities:**

Company	**Proportion of ownership interest as on (Excluding Share Application Money)**	
	31.03.2010	31.03.2009
	% age	% age
1. Utility Powertech Ltd.	**50**	50
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3, NTPC-SAIL Power Company Private Ltd.	**50**	50
4. NTPC -Tamilnadu Energy Company Ltd.	**50**	50
5. Ratnagiri Gas and Power Private Ltd.*	**29.65**	28.33
6. Aravali Power Company Private Ltd.	**50**	50
7. NTPC - SCCL Global Ventures Private Ltd.	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
12. National Power Exchange Ltd.*	**16.67**	16.67
13. International Coal Ventures Private. Ltd.*	**14.28**	-
14. National High Power Test Laboratory Private Ltd.	**25**	-
15. Transformers & Electrical Kerala Ltd.*	**44.60**	-
16. Energy Efficiency Services Private Ltd.*	**25**	-

* *The accounts are unaudited*

The above joint venture entities are incorporated in India. The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2010 and income and expenses for the year in respect of joint venture entities based on audited/unaudited accounts are given below:

Rs. million

		31.03.2010	31.03.2009
A.	Assets		
	• Long Term Assets	**86,729**	59,208
	• Current Assets	**10,320**	6,509
	Total	**97,049**	65,717
B.	Liabilities		
	• Long Term Liabilities	**63,395**	42,537
	• Current Liabilities and Provisions	**9,155**	6,242
	Total	**72,550**	48,779
C.	Contingent Liabilities	**599**	148
D.	Capital Commitments	**39,895**	36,936
		Current Year	Previous Year
E.	Income	**18,369**	6,412
F.	Expenses	**17,238**	7,879

b) Joint Venture Operations:

The Company along-with M/s Geopetrol International Inc., M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. (the consortium) is carrying out exploration for oil and gas block (Block AA-ONN-2003/2) allotted in the State of Arunachal Pradesh for which a Production Sharing Contract (PSC) was entered into with Government of India. M/s Geopetrol International Inc. with 30% participating interest (PI) is the Operator of the Block. M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. with 15% PI each and the Company with 40% PI are the other joint venture partners.

During the year, unforeseen difficulties were encountered in the drilling plinth preparation at the first location where the operations were taken up. The operator has proposed to withdraw from the PSC and served a notice of resignation. The Company is in search of suitable partner(s) for reconstitution of the consortium and for operation of the block to restart the drilling activities. The Company has taken up the matter with Directorate General of Hydrocarbons for suitable time extension on account of delays in grant of statutory clearances for completion of minimum work programme (MWP) and also on account of force majeure conditions.

Based on the un-audited statement of the accounts forwarded by the Operator, the Company's share of PI in respect of assets and liabilities as at 31st March 2010 and expenditure for the year ended on that date has been accounted for as under:

Rs. million

Item	2009-10 (Un-audited)	2008-09 (Audited)
Expenses	**32**	87
Fixed Assets including Capital work-in-progress	**80**	35
Other Assets	**69**	54
Current Liabilities	**18**	3
Contingent liability	**465**	-

The Company's share of the MWP committed under the PSC for the block is **Rs.606 million** (Previous year Rs.612 million).

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

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

Rs. million

Sl.No	Particulars	Currencies	Amount	
			31.03.2010	31.03.2009
a)	Borrowings, including interest accrued but not due thereon.	USD JPY Others	**70,522** **29,113** **4,225**	74,612 32,339 4,727
b)	Sundry creditors/deposits and retention monies	USD EURO Others	**9,672** **3,493** **419**	6,902 1,218 997
c)	Sundry debtor and Bank balances	USD EURO	**16** **-**	119 310
d)	Unexecuted amount of contracts remaining to be executed	USD EURO Others	**33,465** **46,426** **329**	43,818 40,270 587

31. The pre-commissioning expenses during the year amounting to **Rs.1,459 million** (previous year Rs.1,689 million) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **Rs.961 million** (previous year Rs.1,610 million) resulting in a net pre-commissioning expenditure of **Rs. 498 million** (previous year Rs.79 million).

32. Payment to the Statutory Auditors (Schedule - 21): Rs. million

	Current year	Previous year
Audit Fees	**7**	8
Tax audit Fees	**3**	3
Certification Fees	**8**	7
Reimbursements		
- Travelling Expenses	**4**	5
- Service Tax	**2**	2
Total	**24**	25

33. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2010: Rs. million

Sl.	**Particulars**	**Amount**
a)	Amount remaining unpaid to any supplier: • Principal amount • Interest due thereon (* Rs.218,964/-)	 5 *
b)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along-with the amount paid to the suppliers beyond the appointed day.	5
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 Micro, Small and Medium Enterprises Development Act, 2006. (*Rs.10,813/-)	*
d)	Amount of interest accrued and remaining unpaid (*2,18,964/-)	*
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 Micro, Small and Medium Enterprises Development Act, 2006 (*Rs.1,77,047/-)	*

34. Loans and Advances due from subsidiaries: Rs. million

Name of Subsidiary	**Outstanding Balance as at**		**Maximum Amount Outstanding**	
	31.03.2010	31.03.2009	**31.03.2010**	31.03.2009
NTPC Electric Supply Company Ltd.	**87**	129	**306**	524
NTPC Vidyut Vyapar Nigam Ltd	**85**	20	**212**	78
Pipavav Power Development Company Ltd. (# Rs.27,641/- and* Rs.11096/-)	**-**	*	**#**	*
NTPC Hydro Ltd.	**10**	3	**40**	68
Kanti Bijlee Utpadan Nigam Ltd.	**331**	394	**394**	492
Bharatiya Rail Bijlee Company Ltd.	**20**	9	**72**	82
Total	**533**	555	**1,024**	1,244

35. Disclosure as required by Clause 32 of Listing Agreements:

A. Loans and Advances in the nature of Loans:

1. To Subsidiary Companies Rs. million

Name of the Company	Outstanding Balance as at		Maximum Amount Outstanding	
	31.03.2010	31.03.2009	**31.03.2010**	31.03.2009
Kanti Bijlee Utpadan Nigam Ltd.	**263**	308	**308**	400
NTPC Vidyut Vyapar Nigam Ltd.	**Nil**	Nil	**165**	Nil

2. To Firms/Companies in which Directors are interested : Nil

3. Where there is no repayment schedule or repayment beyond seven year or no interest or interest below Section 372A of the Companies Act, 1956 : **Rs.263 million**

B. Investment by the loanee (as detailed above) in the shares of NTPC : Nil

36. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2010 is **Rs. 305,346 million** (previous year Rs.272,199 million).

37. **Contingent Liabilities:**

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

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for **Rs.38,798 million** (previous year Rs.46,623 million) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

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

(ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of **Rs.17,863 million** (previous year Rs.15,515 million) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **Rs.12,848 million** (previous year Rs.12,585 million) has been estimated. This includes amount of **Rs.2,558 million** (previous year Rs.2,558 million) billed by the Coal supplier on account of MPGATSV tax up to 31st July 2007 which is subject matter of dispute before the Hon'ble Supreme Court.

In respect of (i) and (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement is **Rs. 4,289 million** (previous year Rs.2,750 million).

2. Disputed Income Tax/Sales Tax/Excise Matters

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **Rs. 22,924 million** (previous year Rs.682 million) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimated possible reimbursement of **Rs.17,934 million** (previous year Rs.8 million).

3. Others

Other contingent liabilities amounts to **Rs. 2,661 million** (previous year Rs.1,698 million). 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.

38. Managerial remuneration paid/payable to Directors — Rs. million

	Current Year	Previous Year
Salaries and allowances	**19**	11
Contribution to provident fund & other funds including gratuity & group insurance	**2**	1
Other benefits	**5**	2
Directors' fees	**3**	2

In addition to the above remuneration the whole time Directors have been allowed the use of staff car including for private journeys, on payment of Rs.780/- per month, as contained in the Ministry of Finance (BPE) Circular No.2 (18)/pc/64 dt.29.11.64, as amended.

The provisions for/contribution to gratuity, leave encashment and post-retirement medical facilities are ascertained on actuarial valuation done on overall Company basis and hence not ascertainable separately.

39. During the year, 'Further Public Offer' of 412,273,220 equity shares of Rs.10/- each of the Company through an offer for sale by the President of India, acting through the Ministry of Power, GOI was made through the alternate book building process. Consequently, shareholding of the GOI reduced to 84.50% from 89.50%.

40.	Licensed and Installed Capacities as at:(As certified by Management)	**Current Year**	Previous Year
	Licensed Capacity - Not applicable		
	Installed Capacity (MW Commercial units)	**28,902**	27,912
	Quantitative information in respect of Generation and Sale of Electricity:	**Current Period**	Previous Period
	a) Pre-commissioning period :		
	Generation (in MUs)	**401**	785
	Sales (in MUs)	**338**	724
	b) Commercial period :		
	Generation (in MUs)	**218,439**	206,156
	Sales (in MUs)	**205,091**	193,688

c)	Value of imports calculated on CIF basis (Rs. million):			**Current Year**		Previous Year
	Capital goods			**8,970**		10,386
	Spare parts			**1,393**		919
d)	Expenditure in foreign currency (Rs. million):					
	Professional and Consultancy fee			**53**		24
	Interest			**3,588**		4,067
	Others			**188**		601
e)	Value of Components, Stores and Spare parts consumed (including fuel) (Rs. million):	**%age**	**Amount**		**%age**	Amount
	Imported	**14.13**	**42,607**		10.40	28,855
	Indigenous	**85.87**	**258,960**		89.60	248,484
f)	Earnings in foreign exchange (Rs. million):					
	Professional & Consultancy fee			**8**		21
	Interest			**-**		14
	Others			**1**		1

41. Figures have been rounded off to nearest rupees in millions.
42. Previous year figures have been regrouped /rearranged wherever necessary.

For and on behalf of the Board of Directors

(A. K. Rastogi) Company Secretary	(A. K. Singhal) Director (Finance)	(R. S. Sharma) Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates Chartered Accountants Firm Reg. No.000112N	For S. K. Mittal & Co. Chartered Accountants Firm Reg. No.001135N	For Varma and Varma Chartered Accountants Firm Reg. No.004532S
[Naresh Kumar] Partner M. No. 82069	[Krishan Sarup] Partner M. No. 010633	[Cherian K. Baby] Partner M. No. 16043
For Parakh & Co. Chartered Accountants Firm Reg. No.01475C	For B.C. Jain & Co. Chartered Accountants Firm Reg. No.001099C	For S. K. Mehta & Co. Chartered Accountants Firm Reg. No.000478N
[V. D. Mantri] Partner M. No. 74678	[Ranjeet Singh] Partner M. No. 73488	[Rohit Mehta] Partner M. No.91382

Place: New Delhi
Date: 17th May 2010

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 7966 1975-76 State Code: 55

Balance Sheet date 31 03 10

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	Total Assets
1157139128	1157139128

Sources of Funds

Paid up Capital	Reserves & Surplus
82454644	541919629
Secured Loans	**Unsecured Loans**
90799217	287170937
Deferred Tax Liability (Net)	**Deferred Revenue/Income/Liability**
2092542	16718858

Application of Funds

Net Fixed Assets	Investments
668656044	148070955
Net Current Assets	**Misc. Expenditure**
200576309	NIL
Accumulated Losses	**Deferred Assets/Expenditure**
NIL	3852519

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

Turnover incl. Other Income	Total Expenditure
492466535	383611874
Profit/Loss before tax	**Profit/Loss after tax**
+ 108854661	+ 87282033
Earning per share in Rs	**Dividend Rate %**
10.59	38.00

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

Product Description:	Item Code No.
GENERATION OF ELECTRICITY	NA
CONSULTANCY SERVICES	NA
MANAGEMENTOF POWER STATIONS	NA

For and on behalf of the Board of Directors

(A. K. Rastogi)	(A. K. Singhal)	(R. S. Sharma)
Company Secretary	Director (Finance)	Chairman & Managing Director

AUDITORS' REPORT

To the Members of

NTPC LIMITED

1. We have audited the attached Balance Sheet of **NTPC LIMITED** as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in annexure referred to in para 3 above, we report that:
   a) We have 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e) Being a Government company, pursuant to the Notification no. GSR 829(E) dated 21.10.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the company;
   f) We draw attention to Schedule 26 - Notes on Accounts:
      i) Note no. 2 (a) and (b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission;
      ii) Note no. 2 (e) in respect of accounting of sales of Rs.10,443 million in earlier years (reduced to Rs.10,256 million in the current year) based on the order of the Appellate Tribunal for Electricity in favour of the Company pending disposal of the appeal before the Hon'ble Supreme Court of India.
   g) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies and Notes thereon in Schedule 26, give the information required by the Companies Act, 1956 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 2010,
      b. in the case of Profit and Loss Account, of the profit 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.

For Dass Gupta & Associates Chartered Accountants Firm Reg. No.000112N	For S. K. Mittal & Co. Chartered Accountants Firm Reg. No.001135N	For Varma and Varma Chartered Accountants Firm Reg. No.004532S
[Naresh Kumar] Partner M. No. 082069	[Krishan Sarup] Partner M. No. 010633	[Cherian K. Baby] Partner M. No. 016043
For Parakh & Co. Chartered Accountants Firm Reg. No.01475C	For B.C. Jain & Co. Chartered Accountants Firm Reg. No.001099C	For S. K. Mehta & Co. Chartered Accountants Firm Reg. No.000478N
[V. D. Mantri] Partner M. No. 074678	[Ranjeet Singh] Partner M. No. 073488	[Rohit Mehta] Partner M. No.091382

Place: New Delhi

Date: 17th May 2010

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (3) of our report of even date to the members of NTPC LIMITED on the accounts for the year ended 31st March 2010

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification 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) Substantial part of the fixed assets has not been disposed off during the year.

(ii) (a) The inventory has been physically verified by the management at reasonable intervals.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories, wherever material, have been properly dealt with in the books of account.

(iii) (a) The Company has not granted any loans secured or unsecured to any Company, firm or other parties covered in register maintained under section 301 of the Companies Act, 1956.

In view of clause (iii)(a) above, the clauses (iii)(b), (iii)(c) and (iii)(d) are not applicable.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956.

In view of (iii) (e) above, the clauses (iii) (f) and (iii) (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of electricity, goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956.

In view of clause (v) (a) above, the clause (v) (b) is not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of business.

(viii) 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 section 209 (1) (d) of the Companies Act, 1956 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.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities within a period of six months from the date they became payable which has since been deposited with the appropriate authorities.

(b) The disputed statutory dues aggregating to Rs.1,732 million 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	Rs./million
1	Central Sales Tax and Sales Tax/VAT Acts of Various States	Sales Tax/VAT	Additional Commissioner of Sales Taxes	171
			Commissioner of Sales Tax	65
			Dy. commissioner of Sales/ Commercial Taxes	118
			High Court	721
			Sales Tax Tribunal	129
			Joint Commissioner (Appeal) Trade tax	30
2	Water (Prevention & Control of Pollution) Cess Act, 1977	Water/Pollution Cess	Appellate Authority, Pollution Control Board	13
3.	Indian Stamp Act, 1899	Land Tax	Appellate Authority – Board of Revenue	14
4.	Central Excise Act, 1944	Central Excise Duty	CESTAT	3
5.	Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal/CIT	103
			Allahabad High Court	142
			Asst. Commissioner	116
6.	Bihar Electricity Duty Act, 1948	Electricity Duty	Patna, High Court	107
	Total			**1,732**

(x) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) 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.

(xii) According to the information and explanations given to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year.

(xix) According to the information and explanations given to us, the Company has created security or charge in respect of the Bonds issued by the Company during the year except in respect of certain bonds raised in March 2010 for which security creation is in process.

(xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, two cases of fraud involving an aggregate amount of Rs.1 million towards missing goods and one case of suspected fraud amounting Rs.5 million have been committed on the Company during the year, which are under investigation. Further, by the Company, no frauds have been reported.

For Dass Gupta & Associates Chartered Accountants Firm Reg. No.000112N	For S. K. Mittal & Co. Chartered Accountants Firm Reg. No.001135N	For Varma and Varma Chartered Accountants Firm Reg. No.004532S
[Naresh Kumar] Partner M. No. 82069	[Krishan Sarup] Partner M. No. 010633	[Cherian K. Baby] Partner M. No. 16043
For Parakh & Co. Chartered Accountants Firm Reg. No.01475C	For B.C. Jain & Co. Chartered Accountants Firm Reg. No.001099C	For S. K. Mehta & Co. Chartered Accountants Firm Reg. No.000478N
[V. D. Mantri] Partner M. No. 74678	[Ranjeet Singh] Partner M. No. 73488	[Rohit Mehta] Partner M. No.91382

Place: New Delhi
Date: 17th May 2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NTPC LIMITED, NEW DELHI, FOR THE YEAR ENDED 31 MARCH 2010

The preparation of financial statements of NTPC Limited, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17 May 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of NTPC Limited, New Delhi, for the year ended 31 March 2010. 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 under Section 619(4) of the Companies Act, 1956.

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

Sd/-
(M. K. Biswas)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place: New Delhi
Dated: 11 June 2010

EMPLOYEE COST SUMMARY

Rs. million

Description	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	**2009-10**
A. Salaries, wages & benefits* (incl.Provident Fund and other contributions)	7,082	7,494	7,590	8,180	8,248	9,568	11,703	19,093	25,807	**26,666**
B. Other Benefits										
1. Welfare expenses	1,044	1,359	1,352	1,430	1,723	1,807	1,975	3,200	3,169	**2,802**
2. Township	520	469	460	575	629	567	610	656	745	**562**
3. Educational & school facilities	140	121	119	158	160	160	183	221	269	**141**
4. Medical facilities	298	359	383	427	424	444	571	650	657	**661**
5. Subsidised transport	28	39	35	45	47	46	36	48	49	**24**
6. Social & cultural activities	133	79	79	109	108	100	102	120	115	**132**
7. Subsidised canteen	142	114	139	159	160	174	223	262	185	**185**
Total (B)	2,305	2,540	2,567	2,903	3,251	3,298	3,700	5,157	5,189	**4,507**
Total (A+B)	**9,387**	**10,034**	**10,157**	**11,083**	**11,499**	**12,866**	**15,403**	**24,250**	**30,996**	**31,173**
8. Year end number of employees	21,289	21,383	21,408	20,971	21,420	21,870	23,602	23,677	23,390	**23,743**
9. Average number of employees	21,277	21,336	21,396	21,190	21,196	21,645	22,736	23,640	23,534	**23,567**
10. Average Salary, wages & benefits per employee per annum (Rs.)	332,848	351,237	354,747	386,040	389,139	442,042	514,734	807,657	1,096,584	**1,131,497**
11. Average cost of other benefits per employee per annum (Rs.)	108,333	119,048	119,979	137,002	153,382	152,368	162,738	218,147	220,490	**191,242**
12. Average cost of employees remuneration & benefits per annum (Rs.)	441,181	470,285	474,726	523,042	542,521	594,410	677,472	1,025,804	1,317,074	**1,322,739**

* Excluding payment to personnel employed for social amenities

Revenue Expenditure on Social Overheads for the Year ended 31st March 2010

Rs. million

Sl. No.	Particulars	Township	Education & School Facilities	Medical Facilities	Subsidised Transport	Social & Cultural Activities	Subsidised Canteen	Total	Land Scaping & Wasteland Development	Previous Year
1	Payments to Employees	304	71	758	4	3	11	1,151	50	1,085
2	Material Consumed	37	-	122	-	-	-	159	-	205
3	Rates & Taxes	21	-	-	-	-	-	21	1	33
4	Welfare Expenses	17	103	516	23	109	172	940	-	1,126
5	Others including Repairs & Maintenance	510	33	44	2	24	12	625	1	655
6	Depreciation	168	5	8	-	1	1	183	-	198
7	Sub total (1-6)	1,057	212	1,448	29	137	196	3,079	52	3,302
8	Less Recoveries	191	-	29	1	2	-	223	-	197
9	Net Expenditure (7-8)	866	212	1,419	28	135	196	2,856	52	3,105
10	Previous Year	990	327	1,348	57	178	205	3,105	7	

SUBSIDIARY COMPANIES

NTPC ELECTRIC SUPPLY COMPANY LIMITED

(A wholly owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Eighth Annual Report on the working of the Company for the financial year ended on 31st March 2010 together with Audited Statement of Accounts, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(Rs. Crore)

	2009-10	2008-09
Total Income/Revenue	**79.96**	**78.48**
Total Expenditure	40.28	49.96
Prior period income/expenditure (net)	(0.72)	-
Profit before Tax	**40.40**	**28.52**
Less: Tax	13.81	10.04
Profit after Tax	**26.59**	**18.48**
Balance brought forward	23.98	10.27
Balance available for appropriation	**50.57**	**28.75**
Transfer to General Reserve	2.70	1.85
Proposed Dividend	4.00	2.50
Tax on proposed Dividend	0.68	0.42
Surplus carried forward	**43.19**	**23.98**

DIVIDEND

Your Directors have recommended a dividend of Rs. 4 Crore @ Rs. 494.38 per equity share on the face value of fully paid-up equity share capital of Rs. 10/- each. The dividend shall be paid after your approval at the Annual General meeting.

OPERATIONAL REVIEW

Your Company has received 'Excellent' rating against the achievement of MoU target for the years 2005-06, 2006-07, 2007-08 and 2008-09 in succession.

Your Company has made a foray into distribution sector wherein its Joint Venture Company, KINESCO Power and Utility Private Limited, has taken over operations in Kakkanad Industrial area at Kochi, Kerala from the erstwhile licensee w.e.f. February 1, 2010. The current load is about 14 MW with a projected load ramp up to 180 MW in next five years.

Under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), a flagship programme of the Government of India introduced in March 2005 with objective of providing access to electricity to all rural households, the Company is carrying out project implementation in 29 districts in the states of Madhya Pradesh, Chhattisgarh, Orissa, Jharkhand and West Bengal for electrifying 15814 Un-electrified/De-electrified villages and providing 26.94 lacs Below Poverty Line household connections. The Company is also carrying out various consultancy assignments in distribution sector.

Your Company has been conferred the 'Chairman's Trophy for Excellence in maintaining Financial Accounts' amongst all subsidiaries of NTPC Limited for the year 2008-09, the second time in the last three years including the inaugural edition for the year 2006-07.

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 ending 31st March 2010.

AUDITORS' REPORT AND MANAGEMENT COMMENTS THEREON

The Comptroller & Auditor General of India (C&AG) has appointed M/s Satish K. Aggarwal & Co., Chartered Accountants as the Statutory Auditor of the Company for the financial year 2009-10.

In their report, the Statutory Auditors of the Company have drawn attention of the members to Note no. 9 of schedule 19 to the financial statements. The note explains basis for recognition of income from consultancy contracts and is as per the Accounting Policy adopted by the Company.

C&AG REVIEW

C&AG, vide letter dated May 12, 2010, has decided not to review the report of the Auditors on the accounts of the Company for the financial year 2009-10 and as such has no comments to make under Section 619(4) of the Companies Act, 1956. A copy of the letter issued by C&AG in this regard is placed with the report of Statutory Auditors of your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

There are no significant particulars, relating to conservation of energy, technology absorption under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, as your Company does not own any manufacturing facility. During the period under review there are no foreign exchange earnings and outgo.

PARTICULARS OF EMPLOYEES

The Particular of employees pursuant to Section 217 (2A) of the Companies Act, 1956 are given in Annexure - II.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, 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 2009-10 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, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Shri R.K. Jain and Shri R.C. Shrivastav consequent upon their superannuation from the services of NTPC Limited have ceased to be the Directors of the Company w.e.f. December 31, 2009 (A/N) and June 30, 2010 (A/N), respectively. The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri R.K. Jain and Shri R.C. Shrivastav during their association with the Company.

The Board of Directors, at its Meeting held on July 14, 2010, had appointed Shri S.C. Pandey, Executive Director (Engg.), NTPC Limited as an Additional Director of the Company. Shri S C Pandey holds office up to the date of this Annual General Meeting but is eligible for appointment.

In accordance with the provisions of Companies Act, 1956, Shri R.S. Sharma, Chairman shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for re-election.

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

Place : New Delhi (R S Sharma)

Date : July 15, 2010 Chairman

Annexure-I

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

DISTRIBUTION

The Electricity Act 2003 requires the state governments to set up State Electricity Regulatory Commissions for rationalization of energy tariffs and formulation of policy within each state. As of March 31, 2010, all the states, except Arunachal Pradesh, have set up their Regulatory Commissions. In addition, two Joint Electricity Regulatory Commissions have been set up for Manipur & Mizoram and Goa & UTs. 17 state electricity boards have so far been unbundled into separate generation, transmission and distribution companies. The aim is to bring in reforms in sector for efficient operation of the state electricity boards.

Despite unbundling and corporatizing, the state governments are reluctant for privatization and acquisition of the state owned discoms by other players and thus there has not been any substantial initiative or action towards this objective. Franchisee model is an option which the state governments are now considering after success of this model in Bhiwandi in Maharashtra. On the whole, even franchisee model has not thrown any major opportunity on a large scale.

The country is now poised for a new era in distribution sector where industrial and commercial consumers are willing to pay commensurate tariffs for enjoying quality and reliable power.

The Electricity Act 2003 provides an opportunity to bulk consumers with a load of more than 1 MW to source its' power requirement from elsewhere in the country through Open Access for which the state utility is obliged to provide necessary clearances. This provides an opportunity in various industrial and Special Economic Zones (SEZ) which are being promoted by private players as well as the state industrial development corporations wherein a contiguous geographical area of all such consumers can be earmarked and power fed from upcoming NTPC and other merchant power plants. Today, wherever major industrial development is taking place, this business model offers tremendous opportunity as quality and reliable power can be assured to these growing industries.

Another great opportunity for meeting power demand of high end consumers is foreseen in dedicated rail freight corridor projects which envisage development of multiple industries along rail corridor in different states. Your company is watching development of this project closely so as to take advantage of the opportunity which it may offer in near future.

Development of Renewable Energy Sources (RES)

Today, RES is at 16429 MW accounts for 7.7% of the total installed capacity of nation which stands at 162366 MW. This is targeted to grow to 200000 MW by 2012 of which RES is expected to contribute 25000 MW. Over longer term, the importance of RES would be more strategic in view of its important role in mitigating the effects of climate change. It is imperative for India to build a certain level of self-reliance in renewable technologies of the future. The Government, in its quest for long-term energy and environmental security, is seeking to enhance the share of renewable power in the overall energy basket. 70% of renewable energy is contributed by wind power generation where potential exists for 45000 to 65000 MW of on-shore wind power.

With the launch of Jawaharlal Nehru National Solar Mission, India has embarked upon an ambitious path to tap the vast and inexhaustible solar source. Going by emerging trends, it is amply clear that green technology is set to be the next growth sector.

Your Company is watching these developments closely with a view to occupy the space created by such opportunities.

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 construction, commissioning, operation and maintenance for the last 35 years.

The professional manpower from NTPC Ltd., on secondment at your Company, has been able to leverage the knowledge gained from power project engineering and execution to the distribution sector as well.

Your Company is exposed to the risk arising out of delay in release of funds from owners /clients in the execution of deposit works on their behalf and project handing over and the risk of reduction in profit margins in case of time overrun of such projects.

OPPORTUNITIES AND OUTLOOK

With the uncertainty in privatization and acquisition of state owned discoms by other players, the Company feels that growing need of various industrial and SEZ in the country offers excellent opportunities in electricity distribution. Towards this, your Company may foray either on its own or by forging alliances with developers wherein pre-identified group of industrial and commercial consumers can be serviced by arranging required input power from upcoming NTPC merchant power plants. Exploratory actions have been initiated in this direction. If successful, this model can be replicated in various such places across the country.

To enhance value chain, your Company had signed three MOUs in the year 2008 with leading real estate and SEZ developers for captive power generation with mini gas turbines and its retail distribution within the notified SEZ. However, these projects could not take off owing to global economic meltdown. With the economic scenario in the country once again looking up, the proposal is being revived.

To advance its operational and financial stability, one of the key opportunities the Company foresees is in RES in general and solar & wind projects in particular. Your Company is looking towards this opportunity with great interest and is planning to conduct specific studies for generating green power by wind farms in locations having high wind energy potential.

The above opportunities shall also mitigate concerns towards proper utilization and deployment of experienced manpower resource available with the Company.

With a bright outlook of an economic growth projected at more than 8%, the country is witnessing huge potential investments in core infrastructure areas. With the increasing demand gap, the power sector is also looking towards large infusion of investments. State owned transmission companies are seeking to augment its bulk power transmission capacity. Your Company sees opportunities in not only the EPC area but in ownership model as well where prospects of dedicated transmission lines exist and are likely to explore more possibilities in this business segment.

RISKS AND CONCERNS

So far the main thrust area of your Company has been project implementation on deposit work basis under RGGVY. This activity is expected to last another 12-15 months after which a sudden decline in the revenue stream is foreseen which is perceived as a major concern.

Although the 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 industry through private licensees by introduction of open access and phased withdrawal of cross subsidy but so far these regulations are quite far from realization. Therefore, one of the major risks anticipated by your Company is the inability to make a perceptible presence in the distribution sector under such scenario.

Today total manpower strength of the Company is 177 spread over more than 35 locations across the country. In the event of a sharp decline in revenue stream, it may not be possible to sustain such large manpower resource. The frittering away of manpower which has gathered experience and capability in distribution engineering and execution is another concern. In the absence of any sustainable revenue and to address this concern your Company shall explore the possibility of repatriating manpower back to NTPC Ltd.

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 firms of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited.

PERFORMANCE DURING THE YEAR

Operations

During the period under review, your Company has undertaken rural electrification projects under RGGVY in the states of Madhya Pradesh, Chhattisgarh, Orissa, Jharkhand and West Bengal.

The scheme was launched in April 2005 by merging all ongoing rural electrification schemes. The programme aims at electrifying all villages and habitations, providing access to electricity to all rural households and providing electricity connection to Below Poverty Line (BPL) families free of charge. Under the programme, 90% grant is provided by the Govt. of India and 10% as loan by Rural Electrification Corporation Limited (REC) to the State Governments. REC has been appointed as a nodal agency for the programme.

NTPC Ltd. had entered into a Memorandum of Understanding with REC for implementing and achieving objectives of the programme. Your Company, on behalf of NTPC, is working as an implementing agency.

Staring with 237 Un-electrified/De-electrified (UE/DE) villages and 0.20 lacs BPL connections achieved up to March 2008, your Company touched 1864 UE/DE villages and provided 1.85 lacs BPL connections in financial year 2008-09.

In the financial year 2009-10, against ambitious target of electrifying 7500 UE/DE villages and providing 8.50 lacs BPL household connections, set by the Government of India in the MOU, your Company achieved a higher performance by making ready 8017 UE/DE villages and providing 8.65 lacs BPL connections. This was possible by making, amongst other measures, the following proactive interventions:

- enhancing manufacturing capacity and productivity of pole, MS material and BPL kit manufacturers.
- leveraging IT for better monitoring by developing two tailor-made web based in-house software - Rural Electrification Data Management System (REDMS) for progress reporting and Material Tracking System from inspection call to receipt of material at sites.
- implementation of mechanized pole erection by composite earth drilling and pole pitching augur machine against traditional manual method thereby increasing productivity manifold.
- replacing manually manufactured wooden meter boards by injection moulded polycarbonate switch boards thereby sharply increasing productivity through mass production.

Your Company has now set an ambitious target of electrifying balance 5100 UE/DE villages and providing 12.50 lacs BPL household connections for the year 2010-11 in the allocated 29 districts.

Your Company, during the year, has also provided Project Management Consultancy Services for setting up 220 KV substation, switchyard & connected facilities related to CEMP - II for BPCL, Kochi Refinery Ltd., Pre-award Contract Management Services for Orissa Power Transmission Corporation Ltd., and turnkey execution for power supply arrangement for port based SEZ for the Cochin Port Trust.

Your Company has also provided Third Party Inspection Agency services of rural electrification projects for PGCIL and third party inspection of stock materials for Uttar Haryana Bijli Vitaran Nigam Limited and Uttarakhand Power Corporation Limited. Your Company has also successfully completed assignment for preparation and filing of ARR and tariff petition for Electricity Department, Puducherry before the Joint Electricity Regulatory Commission.

In the pursuit of its efforts to provide consultancy services to various discoms, utilities and other customers in their various projects of distribution infrastructural development, your Company has bagged turnkey execution of two nos. 66/11 kV sub-stations for the Union Territory of Chandigarh and has signed an agreement with NTPC Ltd. for making the infrastructure for power supply arrangements at NTPC coal mining projects.

Financial Performance

The main revenue of your Company has been realized by consultancy, project management and supervision fees.

(Rs. Crore)

	2009-10	2008-09
Sales	**75.76**	71.73
Other income	**4.20**	6.75
Total	**79.96**	78.48

Revenue from RGGVY projects in the financial year 2009-10 contributed approx. 87% of total sales, unchanged from the previous year. Interest from banks contributed approx. 99% of the total other income as compared to 90% in the previous financial year.

The decrease in other income was primarily due to lower bank interest rates on account of slow down in the economy.

The expenditure incurred by your Company on account of employees' remuneration and administrative expenses for the current year as well as previous year is as follows:

(Rs. Crore)

	2009-10	2008-09
Employees' remuneration and benefits	**26.37**	23.27
Administrative and other expenses	**13.61**	26.48
Total operating expenses	**39.98**	49.75

The reduction in administrative expenses is on account of DPR preparation charges for RGGVY projects considered in the previous financial year.

The total expenses including operating expenses of the Company are as follows:-

(Rs. Crore)

	2009-10	2008-09
Total operating expenses	**39.98**	49.75
Depreciation	**0.29**	0.21
Provision, Interest & finance Charges	**0.01**	-
Total Expenses including operating expenses	**40.28**	49.96

The depreciation cost as compared to total expense is negligible since the fixed assets are represented by furniture and fixtures, EDP machines etc. and the Gross Block was of the order of Rs. 1.88 crore as on 31.3.2010.

(Rs. Crore)

	2009-10	2008-09
Profit before tax and prior period adjustments	**39.68**	28.52
Prior period income/expenditure(net)	**(0.72)**	-
Profit before tax	**40.40**	28.52
Provision for current, deferred and fringe benefit tax	**13.81**	10.04
Net profit after tax	**26.59**	18.48

During the period under review, the profit before tax increased by approx. 42% due to increase in sales and reduction in administrative and other expenses.

The net profit after tax has increased to Rs. 26.59 crore as compared to Rs. 18.48 crore in the previous period.

Reserves & Surplus

A sum of Rs. 2.70 crore has been added to Reserves and Surplus after appropriating dividend and dividend tax during the current year as compared to Rs. 1.85 crore during the previous year.

Current Assets, Loans and Advances

The current assets, loans and advances at the end of the year were Rs. 1149.23 crore as compared to Rs. 637.97 crore last year registering an increase of approx. 80%.

(Rs. Crore)

	31.3.2010	31.3.2009
Sundry debtors	**20.63**	17.21
Cash and bank balances	**1103.70**	604.42
Other current assets	**11.85**	4.26
Loans and advances	**13.05**	12.08
Total Current Assets, Loans and Advances	**1149.23**	637.97

The increase was mainly on account of increase in cash and bank balances to Rs. 1103.70 crore from Rs. 604.42 crore due to release of more funds by REC for RGGVY projects.

The major amount of sundry debtors, constituting approx. 51%, was outstanding from Ministry of Power for services rendered as Advisor-cum-Consultant under the APDRP scheme. The realization of these dues with the Ministry of Power was pursued on a continuous basis and is expected in the financial year 2010-11.

Current Liabilities and Provisions

During the financial year 2009-10, current liabilities and provisions have increased to Rs. 1101.26 crore as compared to Rs. 611.45 crore in the financial year 2008-09 mainly on account of amount received for deposit works.

(Rs. Crore)

	31.3.2010	31.3.2009
Liabilities	**1096.20**	606.67
Provisions	**5.06**	4.78
Total Liabilities and Provisions	**1101.26**	611.45

The provisions have increased mainly due to increase in provision of proposed dividend and tax thereon.

Cash Flow Statement (Rs. Crore)

	2009-10	2008-09
Opening Cash and cash equivalents	**604.42**	194.61
Net cash from operating activities	**506.00**	409.35
Net cash used in investing activities	**(3.79)**	2.51
Net cash flow from financing activities	**(2.93)**	(2.05)
Net Change in Cash and cash equivalents	**499.28**	409.81
Closing cash and cash equivalents	**1103.70**	604.42

The closing cash and cash equivalents for the financial year ended March 31, 2010 has increased 1.83 times to Rs. 1103.70 crore from Rs. 604.42 crore.

Financial Indicators

The various performance indicators for the current year as compared to previous year are as under:

	2009-10	2008-09
Capital employed in Rs. Crore	**49.38**	27.47
Net worth in Rs. Crore	**49.38**	27.47
Return on capital employed (PBT/CE)	**81.81%**	103.82%
Return on net worth (PAT/NW)	**53.85%**	67.27%
Dividend as % of equity capital (basic/average)	**4944**	3090
Earning per share in Rs.	**3286.38**	2284.54

The capital employed as well as net worth has increased due to higher profits earned during the financial year 2009-10.

Human Resources

As on 31st March 2010, there were 177 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing in various technical, financial and commercial issues. Today, your Company is proud to state that it has built a competent manpower base required for its growth in the distribution sector.

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

Place : New Delhi (R S Sharma)
Date : July 15, 2010 Chairman

Annexure-II to Directors' Report

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

Name	Designation and Nature of duties	Remuneration (in Rs.)	Qualification	Date of commencement of employment	Exp. (yrs.)	Age (yrs.)	Last employment held
1.	2.	3.	4.	5.	6.	7.	8.
Employed for whole of the year							
Shri Ajay Chaturvedi	DGM (Proj Coord)	27,34,897	MBA (Finance), B.Sc. (Electrical Engg)	06.09.1986	23	44	NTPC Limited
Shri Ajoy Jaiswal	DGM (Finance)	25,86,985	MBA, M Com, B Com (Hons-Accountancy)	24.10.1984	25	46	NTPC Limited
Shri Arun Kumar Gupta	AGM (C&M)	25,93,082	PG Diploma (Material Mgmt.), B Sc (Electrical Engg)	10.11.1980	29	52	NTPC Limited
Shri Ashish Kundu	DGM(C&M)	27,37,939	ICWA (Cost & Work Acct.), B.E.(Electrical Engg)	09.09.1986	23	46	NTPC Limited
Shri Asim Kumar Poddar	AGM (Proj Coord)	30,35,283	B.E. (Electrical Engg)	17.09.1981	28	50	NTPC Limited
Shri Asim Kumar Ray	DGM (Proj Coord)	25,95,952	B.Tech.(Electronics Engg), B Sc (Hons)-Physics	15.11.1978	31	55	NTPC Limited
Shri Bimal Kumar Sen	AGM (Proj Coord)	26,40,191	B.E. (Electrical Engg)	14.02.1983	27	59	Tarapur Atomic Power Station
Shri Biswanath Chatterjee	DGM (Proj Coord)	25,21,203	B.E. (Electrical Engg)	06.09.1983	26	49	NTPC Limited
Shri Biswanath Mukherjee	GM (Proj Coord)	24,07,953	B.E. (Electrical Engg)	05.02.1982	28	56	DAE, Heavy Water Project
Shri G Sridhar	Sr. Manger (P&M)	28,41,623	B.Tech.(Civil Engg)	28.09.1987	22	49	Mahalinga Shetty&Co.Ltd.
Shri Ganesh Venkatraman	DGM (ENGG)	28,86,124	M.Tech. (Energy Mgt.), B.E.(Electronics Engg)	27.06.1984	25	59	Hindustan Brown Bovery Ltd.
Shri George Thomas	DGM (Proj Coord)	24,34,176	PG Diploma (Energy Mgmt), B.Tech. (Electrical Engg)	27.08.1985	24	46	NTPC Limited
Shri Gopal Dutt Joshi	DGM (P&M)	26,01,059	M.Tech.(Mgmt Science), B Tech (Electrical Engg)	12.09.1983	26	48	NTPC Limited
Shri Jagadish Bhattacharyya	DGM (Proj Coord)	26,75,585	M.E.(Thermal Engg), B.E . (Mech Engg)	15.04.1985	25	54	W B S E B
Shri Janhvi Shanker	GM (Proj Coord)	24,99,273	B.Tech. (Electrical Engg)	02.02.1981	29	51	NTPC Limited
Shri Kamaleswar Pal	DGM (Proj Coord)	25,40,394	B.E. (Electrical Engg)	15.11.1978	31	55	NTPC Limited
Shri Kishore Kumar Gupta	DGM (Proj Coord)	28,18,375	B.Sc.(Electrical Engg.)	29.10.1986	23	53	HITEK Industries Ltd.
Shri Krishna Narjala Bhat	DGM (Proj Coord)	25,91,175	B.E. (Electrical Engg)	10.09.1985	24	47	NTPC Limited
Shri Kushal Banerji	DGM(Proj Coord)	24,20,339	B.Tech.(Electrical Engg), B.Sc. (Science)	16.09.1981	28	52	NTPC Limited
Shri Laxmi Narayan Patnaik	DGM(Proj Coord)	31,22,143	B.Sc.(Electrical Engg.)	19.11.1983	26	49	NTPC Limited
Shri Nand Lal	DGM (Proj Coord)	27,98,169	B.E. (Electrical Engg)	26.11.1979	30	53	NTPC Limited
Shri N M Sharma	DGM (C&M)	29,75,644	PG Diploma (Production Mgmt),B.Sc.(Electrical Engg)	12.09.1983	26	51	TISCO
Shri Pawan Kumar Garg	DGM(EDC)	36,94,766	MBA (Finance), B.Sc. (Hons)-Physics	30.12.1983	26	60	NPC
Shri Pankaj Kumar	DGM (HR)	24,93,606	Diploma (General Mgmt), B.Tech. (Mech Engg)	03.11.1982	27	48	NTPC Limited
Shri Pradeep Kumar Mohapatra	AGM (Proj Coord)	29,80,861	B.Sc.(Electrical Engg.)	29.04.1987	23	50	SAIL
Shri P K Dokania	DGM (Proj Coord)	24,58,762	B.Sc.(Mech. Engg.)	29.11.1986	23	52	BSEB
Shri Rakesh Prasad Mathur	Sr. Manger (C&M)	27,32,190	Diploma (Mech Engg)	04.07.1987	22	55	AUTO TRACTORS LTD
Shri Shridhar Madhukar Chauthaiwale	AGM (Proj Coord)	24,24,154	B.E. (Electrical Engg)	19.11.1983	26	48	NTPC Limited
Employed for part of the year							
Shri Joseph Kurian	GM (Proj Coord)	23,18,637	B.Sc. (Electrical Engg.)	17.12.1980	29	52	NTPC Limited
Shri K D Gupta	GM (Proj)	33,17,940	B E (Electrical Engineering)	24.07.1978	31	59	HSCL
Shri S C Gupta	DGM (Proj cordination)	21,79,301	B E (Electrical Engineering)	12.03.1987	23	57	Bongaigaon Refinery & Petrochemical Ltd

Notes:

1. The employee mentioned above is posted on secondment basis from NTPC Limited and is not related to any Directors of the Company.
2. Remuneration includes salary & allowances and perks, permissible under holding Company's rules.

For and on behalf of the Board of Directors

Place: New Delhi
Date: July 15, 2010

(R.S. SHARMA)
CHAIRMAN

Accounting Policies

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

3.1 Fixed Assets are carried at historical cost less accumulated depreciation.

3.2 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4. INVESTMENTS

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

5. PROFIT AND LOSS ACCOUNT

5.1 INCOME RECOGNITION

5.1.1 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.

5.1.2 Claims for reimbursement of expenditure are recognised as other income, as per the terms of consultancy service contracts.

5.1.3 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 at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a	Personal Computers and Laptops including peripherals	19%
b	Photocopiers and Fax Machines	19%
c	Air-conditioners, Water Coolers and Refrigerators	8%

5.2.2 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.

5.2.3 Assets costing upto Rs. 5,000/- are fully depreciated in the year of acquisition.

5.2.4 Cost of software recognized as intangible assets is amortised on straight line method over a period of legal right to use or 3 years, whichever is earlier.

5.2.5 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 prospectively over the residual life determined on the basis of the rate of depreciation.

5.2.6 Expenses on ex-gratia payments under voluntary retirement scheme and training and recruitment are charged to revenue in the year of incurrence.

5.2.7 The liabilities towards employee benefits are ascertained by the Holding Company i.e. NTPC Limited on actuarial valuation. The company provides for such employee benefits as apportioned by the Holding Company.

5.2.8 Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.

5.2.9 Pre-paid expenses and prior period expenses/income of items of Rs. 1,00,000/- and below are charged to natural heads of accounts.

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 STATEMENT

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

NTPC ELECTRIC SUPPLY COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH 2010

Rs.

	Sch. No.	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	**809100**	809100
Reserves & surplus	2	**493034036**	273931152
Deferred tax liability		**625423**	305384
TOTAL		**494468559**	275045636
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		**18825670**	13490095
Less: Depreciation		**7167713**	4163224
Net Block		**11657957**	9326871
INVESTMENTS	4	**3100000**	500000
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	5	**206358117**	172140041
Cash and bank balances	6	**11036983283**	6044154479
Other current assets	7	**118515443**	42647669
Loans and advances	8	**130478356**	120801194
		11492335199	6379743383
LESS:CURRENT LIABILITIES AND PROVISIONS			
Liabilities	9	**10961969147**	6066723399
Provisions	10	**50655450**	47801219
		11012624597	6114524618
Net current assets		**479710602**	265218765
TOTAL		**494468559**	275045636
Contingent liabilities	11		
Notes on accounts	19		

Schedules 1 to 19 and accounting policies form integral part of accounts.

As per our report of even date
For Satish K. Aggarwal & Co.
Chartered Accountants

For & On Behalf of the Board of Directors

(Pranav Aggarwal)	**(S P Singh)**	**(A K Singhal)**	**(R S Sharma)**
Partner	Chief Executive Officer	Director	Chairman

Place: New Delhi
Dated: 7th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2010

Rs.

	Sch. No.	Current Year	Previous Year
INCOME			
Sales	12	**757563215**	717262863
Other income	13	**42017646**	67560930
Total		**799580861**	784823793
EXPENDITURE			
Employees' remuneration and benefits	14	**263657155**	232662686
Administration and other expenses	15	**136106657**	264855533
Depreciation		**2913281**	2091683
Provisions	16	**45458**	-
Interest & finance charges	17	**62243**	13830
Total		**402784793**	499623732
Profit before Tax & Prior Period Adjustments		**396796068**	285200061
Prior Period income/expenditure (net)	18	**(7214855)**	-
Profit before tax		**404010923**	285200061
Provision for:			
Current tax		**137790000**	97889000
Fringe Benefit tax		**-**	2342000
Deferred tax		**320039**	127326
		138110039	100358326
Profit after tax		**265900884**	184841735
Balance brought forward		**239831152**	102738167
Balance available for appropriation		**505732036**	287579902
Transfer to General Reserve		**27000000**	18500000
Dividend			
Interim		**-**	-
Proposed		**40000000**	25000000
Tax on Dividend			
Interim		**-**	-
Proposed		**6798000**	4248750
Balance carried to Balance Sheet		**431934036**	239831152
Earning Per Share (Equity shares, face value Rs.10/- each)		**3286.38**	2284.54

- Basic and Diluted - Non annualised

For Satish K. Aggarwal & Co.
Chartered Accountants

For & On Behalf of the Board of Directors

(Pranav Aggarwal)	**(S P Singh)**	**(A K Singhal)**	**(R S Sharma)**
Partner	Chief Executive Officer	Director	Chairman

Place: New Delhi
Dated: 7th May, 2010

NTPC ELECTRIC SUPPLY COMPANY LIMITED

Schedule 1
CAPITAL

	31.03.2010	31.03.2009
		Rs.
Authorised		
10,000,000 equity shares of Rs. 10/- each (Previous year 10,000,000 equity shares of Rs. 10/- each)	**100000000**	100000000
Issued, Subscribed and Paid-Up		
80,910 equity shares of Rs. 10/- each (Previous year 80,910 equity shares of Rs. 10/- each) are held by the holding company, NTPC Ltd. and its nominees.	**809100**	809100

Schedule 2
RESERVES AND SURPLUS

	31.03.2010	31.03.2009
		Rs.
General Reserve		
As per last Balance Sheet	**34100000**	15600000
Less: Adjustment during the year	**-**	-
	34100000	15600000
Add: Transfer from Profit & Loss Account	**27000000**	18500000
	61100000	34100000
Surplus, balance in Profit & Loss Account	**431934036**	239831152
Total	**493034036**	273931152

Schedule 3
FIXED ASSETS

Rs.

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions / Adjustments	**As at 31.03.2010**	As at 01.04.2009	For the year	Deductions / Adjustments	**Up to 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
TANGIBLE ASSETS										
Temporary erection	190549	-	-	**190549**	47637	142912	-	**190549**	**-**	142912
Furniture, fixtures & other office equipment	7763088	2463728	(188731)	**10415547**	2222896	1282958	(91208)	**3597062**	**6818486**	5540192
EDP & WP machines	4599563	2683116	-	**7282679**	1152015	1352873	-	**2504888**	**4777791**	3447548
INTANGIBLE ASSETS										
Software	936895	-	-	**936895**	740676	134539	-	**875215**	**61680**	196219
Total	**13490095**	**5146844**	**(188731)**	**18825670**	**4163224**	**2913281**	**(91208)**	**7167713**	**11657957**	**9326871**
Previous period	8650782	5539422	700109	**13490095**	2348668	2091683	277127	**4163224**	**9326871**	6302114

Schedule 4
INVESTMENTS
(Valuation as per Accounting Policy No. 4)

	Number of shares Current Year / (Previous Year)	Face value per share Current Year / (Previous Year) (Rs.)	31.03.2010	31.03.2009
				Rs.
LONG TERM				
Unquoted (fully paid-up)				
Equity Shares in Joint Venture Companies:				
KINESCO Power and Utilities Private Ltd.	50000 (-)	10 (-)	**500000**	-
Share application money pending allotment in:				
KINESCO Power and Utilities Private Ltd.			**2600000**	500000
Total			**3100000**	500000

Schedule 5
SUNDRY DEBTORS

	31.03.2010	31.03.2009
(Considered good, unless otherwise stated)		
Debts outstanding over six months		
Unsecured	**107199668**	119435951
Other debts		
Unsecured	**99158449**	52704090
Total	**206358117**	172140041

Schedule 6
CASH AND BANK BALANCES

	31.03.2010	31.03.2009
Balances with scheduled banks		
Term Deposit Account	**11036983283**	6044154479
Total	**11036983283**	6044154479

Schedule 7
OTHER CURRENT ASSETS

	31.03.2010	31.03.2009
Interest accrued on short term deposits with Indian banks	**102348186**	30453786
Other recoverables	**16167257**	12193883
Total	**118515443**	42647669

Schedule 8
LOANS & ADVANCES

	31.03.2010	31.03.2009
(Considered good, unless otherwise stated)		
ADVANCES		
Others		
Unsecured	**1763411**	1121879
CENVAT recoverable		
Unsecured	**6435249**	469333
DEPOSITS		
Advance tax & tax deducted at source	**443915391**	308867777
Less: Provision for taxation	**321635694**	189657795
	122279697	119209982
Total	**130478356**	120801194

Schedule 9
CURRENT LIABILITIES

	31.03.2010	31.03.2009
		Rs.
Sundry Creditors		
For goods and services		
Other than Micro & Small Enterprises	**91656160**	36851039
Book overdraft	**79426112**	449993741
Deposits, retention money from contractors and others	**1484088**	855973
	172566360	487700753
Advances from customers and others	**587112819**	344936498
Other liabilities	**38665738**	63957020
Amount received against deposit works	**10076776688**	5041417985
Amount payable to NTPC Ltd.	**86847543**	128711143
Total	**10961969147**	6066723399

Schedule 10
PROVISIONS

	31.03.2010	31.03.2009
Income/Fringe Benefit tax		
As per last Balance Sheet	**-**	89420209
Additions during the year	**137790000**	100231000
Amount adjusted during the year	**(183845694)**	(6586)
Less: Set off against taxes paid	**321635694**	189657795
	-	-
Proposed Dividend		
As per last Balance Sheet	**25000000**	17500000
Additions during the year	**40000000**	25000000
Amounts used during the year	**25000000**	17500000
	40000000	25000000
Tax on Proposed Dividend		
As per last Balance Sheet	**4248750**	2974125
Additions during the year	**6798000**	4248750
Amounts used during the year	**4248750**	2974125
	6798000	4248750
Employee benefits		
As per last Balance Sheet	**18552469**	15889304
Additions during the year	**-**	8311191
Amounts used/reversed during the year	**14740477**	5648026
	3811992	18552469
Others		
As per last Balance Sheet	**-**	-
Additions during the year	**45458**	-
Amounts used during the year	**-**	-
	45458	**-**
Total	**50655450**	47801219

Schedule 11

CONTINGENT LIABILITIES	31.03.2010	31.03.2009
		Rs.
Claims against the Company not acknowledged as debt in respect of:		
Others	105628893	1275357
Total	**105628893**	1275357

Possible reimbursement Rs. Nil (Previous period Rs. Nil)

Schedule 12

SALES	Current Year	Previous Year
Consultancy, project management and supervision fees	757563215	717262863
Total	**757563215**	717262863

Schedule 13

OTHER INCOME		Current Year	Previous Year
Reimbursables billed to clients		216036	6673406
Interest from Indian Banks (Gross) (Tax deducted at source Rs. 57485910, Previous period Rs. 58889151)	399113336		259646931
Less: Transferred to amount received against deposit works - Schedule 9	357311726		198759407
		41801610	60887524
Total		**42017646**	67560930

Schedule 14

EMPLOYEES' REMUNERATION AND BENEFITS	Current Year	Previous Year
Salaries, wages, bonus, allowances & benefits	225805546	186715768
Contribution to provident and other funds	25156602	19199084
Welfare expenses	12695007	26747834
Total	**263657155**	232662686

Schedule 15

ADMINISTRATION AND OTHER EXPENSES		Current Year	Previous Year
Power charges		471463	486856
Rent		4428865	3412429
Repairs and maintenance			
Building	-		40470
Others	37921986		10828872
		37921986	10869342
Insurance		27752	67434
Training and recruitment expenses		108550	99151
Communication expenses		3583358	2630320
Traveling expenses		29422319	24135420
Tender expenses	200915		7043098
Less: Receipt from sale of tenders	13546		4414500
		187369	2628598
Payment to Auditors		120291	109508
Advertisement & publicity		277000	-
Entertainment expenses		1413419	599108
Expenses for transit camp		694346	1208821
Brokerage & commission		33000	22500
Books and periodicals		111139	42308
Professional charges & consultancy fees		35093276	206014050
Legal expenses		-	12142
EDP hire and other charges		971672	556173
Printing and stationary		1010304	454423
Expenses on hiring of vehicles		17248251	8059830
Miscellaneous expenses		2982301	3447120
Total		**136106657**	264855533

Schedule 16

PROVISIONS	Current Year	Previous Year
Others	45458	-
Total	**45458**	-

Schedule 17

INTEREST AND FINANCE CHARGES	Current Year	Previous Year
		Rs.
Interest on:		
Others	3908	-
Finance Charges:		
Bank charges	58335	13830
Total	**62243**	13830

Schedule 18

PRIOR PERIOD INCOME/EXPENDITURE (NET)	Current Year	Previous Year
INCOME	-	-
EXPENDITURE		
Salary, wages, bonus, allownaces & benefits	(7198232)	-
Depreciation	(16623)	-
Total	(7214855)	-

Schedule - 19

NOTES ON ACCOUNTS

1) The Company is operating in a single segment, that is providing consultancy, project management and supervision services.

2) Earning per share:
The elements considered for calculation of Earning Per Share (Basic & Diluted) are as under:

	Current Year	Previous Year
Net Profit after Tax used as numerator (Rupees)	26,59,00,884	18,48,41,735
Weighted average number of equity shares used as denominator	80,910	80,910
Earning per share (Rupees) – Basic & Diluted	3,286.38	2,284.54
Face value per share (Rupees)	10.00	10.00

3) Disclosure regarding Operating Leases:
The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Schedule 14 - Employees' remuneration and benefits include Rs. 1,93,54,842 (Previous year Rs. 99,58,151) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and transit camps are shown as Rent in Schedule 15 - Administration and other expenses.

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

	31.03.2010	31.03.2009
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	6,09,971	3,05,384
ii) Provisions disallowed for tax purposes		
Less: Deferred tax assets	15,452	-
i) Provisions disallowed for tax purposes	-	-
Deferred Tax Liability (Net)	6,25,423	3,05,384

The net increase in the deferred tax liability of Rs. 3,20,039 (Previous year decrease Rs. 1,27,326) has been debited to Profit and Loss Account.

5) All the employees of the Company are on secondment from the Holding Company, i.e. NTPC Ltd.

6) Employees' remuneration and benefits include Rs. 1,63,37,914 (Previous year Rs. 2,05,04,062) in respect of gratuity, leave encashment, post retirement medical benefits, transfer traveling allowance on retirement/death, long service awards to employees, farewell gift on retirement and economic rehabilitation scheme as apportioned by the Holding Company i.e. NTPC Limited on actuarial valuation at the year end.

7) Employees' remuneration and benefits include Rs. 23,15,020 (Previous year Rs. 11,86,501) towards tax liability on housing perquisites of employees borne by the company as per the decision of the Holding Company i.e. NTPC Limited.

8) The common services being utilized by the Company for it's' office at NOIDA are provided without any charges by the Holding Company.

9) Wherever percentage completion basis is adopted for determining income from consultancy contracts, technical estimates of the percentage of completion and project costs have been considered.

10) Payment to the Statutory Auditors (Schedule 15) Rs.

	Current Year	Previous Year
Audit Fees	72,500	50,000
Tax audit Fees	21,000	17,500
Certification Fees	-	12,500
Reimbursements - Traveling Expenses	17,160	21,010
- Service Tax	9,631	8,498
	1,20,291	1,09,508

11) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (Previous year Rs. 35,04,401).

12) Managerial remuneration paid/payable to Chief Executive Officer:

Rs.

	Current Period	Previous Period
Salaries and allowances	**24,98,958**	13,07,902
Contribution to provident fund & other funds including gratuity & group insurance	**2,72,220**	1,10,366
Other benefits	**1,58,618**	1,45,851

In addition to the above remuneration, the Chief Executive Officer has been allowed the use of staff car, including for private journeys, on payment of Rs. 780 per month, as contained in the Ministry of Finance (BPE) Circular No.2 (18)/pc/64 dt.29.11.64, as amended.

The provisions for / contribution to gratuity, leave encashment and post-retirement medical facilities are ascertained on actuarial valuation done by the Holding Company i.e. NTPC Limited and apportioned on overall basis and hence not ascertainable separately.

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

14) Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. Registration Details State Code : 055

Registration No. U40108DL2002GOI116635

Balance-Sheet date: Date 31 Month 03 Year 2010

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

Public Issue	Right issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III. Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)

Total Liability	Total Assets
11507093	11507093

Source of Funds

Paid-up Capital	Reserves & Surplus
809	493034
Secured Loans	**Unsecured Loans**
NIL	NIL
Deferred Tax Liability	
625	

Application of Funds

Net Fixed Assets	Investment
11658	3100
Net Current Assets	**Deferred Tax Asset**
479710	NIL
Misc. Expenditure	**Accumulated Losses**
NIL	NIL

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

Turnover (Including Other Income)	Total Expenditure
757563	402785
Profit before Tax	**Profit after Tax**
404011	265901
Earning per share in Rs.	**Dividend Rate%**
3286.38	4943.76

V. Generic Name of three Principal Product/Services of Company

(As per monetary terms)

Item Code No. (ITC Code): NA

Product Description: Consultancy Services

For Satish K. Aggarwal & Co.
Chartered Accountants

For and on behalf of Board of Directors

(Pranav Aggarwal)	(S P Singh)	(A K Singhal)	(R S Sharma)
Partner	Chief Executive Officer	Director	Chairman

Place: New Delhi
Dated: 7th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

Rs.

		Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and Prior Period Adjustments		**396796068**	285200061
Adjustment for:			
Depreciation		**2913281**	2091683
Provisions		**45458**	-
Interest Received		**(41801610)**	(60887524)
Prior period adjustments (net)		**7214855**	-
Operating Profit before Working Capital Changes		**365168052**	226404220
Adjustment for:			
Trade & Other Receivables	**(34218076)**		(91038832)
Trade Payables & Other Liabilities	**4880505271**		3997144688
Other Current Assets	**(3973374)**		(11392181)
Loans & Advances	**(6607448)**	**4835706374**	185871788
Cash generated from operations		**5200874426**	4306989684
Direct Taxes Paid		**140859715**	213472518
Net Cash from Operating Activities - A		**5060014711**	4093517166
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		**(5244367)**	(5116440)
Interest Received		**(30092790)**	30637366
Investment in Joint Venture		**(2600000)**	(500000)
Net cash flow from Investing Activities - B		**(37937157)**	25020926
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		**(25000000)**	(17500000)
Tax on Dividend		**(4248750)**	(2974125)
Net Cash flow from Financing Activities - C		**(29248750)**	(20474125)
D. OTHERS		**-**	-
Net Increase/Decrease in Cash & Cash equivalents (A + B + C + D)		**4992828804**	4098063967
Cash & cash equivalents (Opening balance)		**6044154479**	1946090513
Cash & cash equivalents (Closing balance)		**11036983283**	6044154479

Notes: Cash & Cash equivalents consist of Cash in Hand and Balance with Banks.
Previous period's figures have been regrouped/rearranged wherever necessary.

For & On Behalf of the Board of Directors

As per our report of even date
For Satish K. Aggarwal & Co.
Chartered Accountants

(Pranav Aggarwal)	(S P Singh)	(A K Singhal)	(R S Sharma)
Partner	Chief Executive Officer	Director	Chairman

Place: New Delhi
Dated: 7th May, 2010

AUDITORS' REPORT

To the Members of

NTPC ELECTRIC SUPPLY COMPANY LTD.

1. We have audited the attached Balance Sheet fo NTPC Electric Supply Company Ltd. (a wholly owned subsidiary of NTPC Ltd.) as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's managment. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit

to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a resonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. We would draw attention to:

   Note no. 9 of schedule 19 to financial statements in respect of income recognition, technical estimates of percentage of completion and project costs have been certified by the management and hence relied upon by us.

5. Further to our comments in annexure referred to in para 3 above, we report that:

   (a) We have 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 appears from our examination of those books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash FlowStatement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (e) Being a Government company, pursuant to the Notification No. GSR 829(E) dated 17.07.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the company;

   (f) In our opinion, and according to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies and Notes thereon in Schedule 19, give the information required by the Companies Act, 1956 in the manner so required and gives 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 2010,

      b. in the case of Profit and Loss Account, of the profit 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.

For Satish K. Aggarwal & Co.
Chartered Accountants
(Pranav Aggarwal)
Partner
Membership No.: 511914

Place: New Delhi
Date : 7th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Physical verification of fixed assets has been carried out by an internal commitee, appointed for the purpose, which is in our opinion is considered reasonable having regard to the size and nature of its assets. No material discrepancies were noticed on such verification.

(c) No fixed assets have been disposed off during the year.

(ii) (a) The company does not have inventory.

Accordingly, the provisions of clause 4(ii) (b) & (c) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

(iii) (a) The Company has not granted any loans secured or unsecured to any company, firm or other party covered in the register maintained under section 301 of the Companies Act 1956. In view of (iii) (a) above, the clauses (iii) (b), (iii) (c) and (iii) (d) are not applicable.

(e) The Company has not taken any loans secured or unsecured from any company, firm or other party covered in the register maintained under section 301 of the Companies Act 1956. In view of (iii) (e) above, the clauses (iii) (f) and (iii) (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business for purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

(v) (a) The company has not carried out any transactions required to be entered in the register maintained under section 301 of the Companies Act 1956.

(b) In view of clause (v) (a) above, the clause (v) (b) is not applicable.

(vi) The Company has not accepted deposits from the public.

(vii) The provisions of the Order related to internal audit are not applicable to the company as the paid up capital plus reserves of the company are less than Rs. 50 lac at the commencement of the year under audit and the average annual turnover for the three consecutive financial years immediately preceding the year under audit being less than Rs. 5 crore. However, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The maintenance of cost records under section 209(1) (d) of the Companies Act 1956 is not applicable to the company, as the company has not commenced any activities related to distribution of electricity.

(ix) (a) Undisputed statutory dues including income tax, sales tax, wealth tax, service tax, excise duty, custom duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions related to provident fund, investor education and protection fund and employees' state insurance etc. along with the related provisions of clause (ix) (b) are not applicable to the company.

(b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.

(x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) Not applicable as the company has not taken any loans from any financial institution, bank or by way of issue of debentures.

(xii) The company has not granted any loans or advances.

(xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) The company has not raised any term loans.

(xvii) The company has not raised any short term or long-term funds.

(xviii) The company has not made preferential allotment of shares to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956.

(xix) The company has not issued any debentures.

(xx) The company has not raised money through a public issue.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Satish K. Aggarwal & Co.
Chartered Accountants
(Pranav Aggarwal)
Partner
Membership No.: 511914

Place: New Delhi
Date : 7th May, 2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC ELECTRIC SUPPLY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of NTPC Electric Supply Company Limited, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 07 May 2010.

I, on behalf of the Comptroller and Auditors General of India, have decided not to review the report of the statutory auditors' on the accounts of NTPC Electric Supply Company Limited, New Delhi for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

Place: New Delhi
Dated: 12th May, 2010

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

(M. K. Biswas)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

NTPC HYDRO LIMITED

(A wholly-owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 8th Annual Report on the performance of the Company for the financial year ended 31st March, 2010 together with the Audited Accounts and Auditors' Report thereon.

OPERATIONAL REVIEW

Your Company is presently executing two projects namely, Lata Tapovan Hydro Electric Project (171 MW), located in Chamoli District of Uttarakhand and Rammam Hydro Electric Project, Stage – III (120 MW) located in Darjeeling District of West Bengal and West Sikkim District of Sikkim.

Lata Tapovan HEP is being developed as a regional power station with 12% free power to the State of Uttarakhand. In respect of Lata Tapovan HEP, all requisite statutory clearances have been obtained and physical possession of land required for the project has also been obtained.

Rammam HEP, Stage – III, is being developed for the benefit of West Bengal and Sikkim. An interstate agreement between West Bengal and Sikkim in this regard have been signed. All requisite statutory clearances and physical possession of land has been obtained.

Both the projects have been planned for implementation through EPC routes and the EPC packages are under various stages of bidding. These projects are slated for commissioning during 12th Plan period.

FINANCIAL REVIEW

The financial highlights of the Company are as under: (Rs. in Crore)

Particulars	F/Y 2009-10	F/Y 2008-09
Paid-up Share Capital	100.80	92.43
Share Capital Deposit – Pending Allotment	1.75	0.30
Net Block	22.42	7.72
Capital Work in progress	68.34	61.13
Construction Stores & Advances	7.20	15.76
Expenditure transferred to EDC	7.76	7.89

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion analysis report for the year under review as stipulated under the provisions of the DPE Guideline on Corporate Governance is enclosed as Annexure-I.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2010.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C& AG) vide letter dated 21st August 2009 had appointed M/S K. Prasad & Company, Chartered Accountants as Statutory Auditor of the Company for the financial year 2009-10. M/S K. Prasad & Company had conducted statutory audit of the books of accounts for the financial year 2009-10 and there is no adverse comment, observation or reservation in the Auditors' Report on the accounts of the Company.

COMPTROLLERS & AUDITOR GENERAL REVIEW

The Comptroller & Auditor General of India (C&AG) vide its letter dated 11th May 2010 have communicated that C&AG have decided not to review the report of the Statutory Auditors on the accounts of the Company for the year ended 31st March, 2010 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956. Copy of the letter received from C&AG is enclosed as an annexure to the report of the Statutory Auditors.

AUDIT COMMITTEE

As per the provisions of Section 292A of the Companies Act 1956, your Company has constituted an Audit Committee of the Board of Directors. As on 31st March, 2010 the members of Audit Committee were as follows:

1. Shri A.K. Singhal, Director
2. Shri R.C.Shrivastav, Director
3. Shri B.P.Singh, Director

Consequent upon superannuation from the services of NTPC, Shri R.C.Shrivastav ceased to be member of the audit Committee w.e.f. 30th June, 2010 (A/N). In exercise of powers conferred under the Articles of Association, NTPC Limited has appointed Shri D.K.Jain as Director of the Company w.e.f. 7th July, 2010. During the year under review two meetings of the Audit Committee were held on 13th May, 2009 and 4th November, 2009 respectively.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under the provisions of Section 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are enclosed as Annexure-II.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Since the projects undertaken by the Company are in implementation stages, there are no significant particulars, relating to conservation of energy & technology absorption as required to be given under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

During the period under review, there was no earning or expenditure in foreign currency.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act 1956, your Directors confirm that:

1. in the preparation of the Annual Accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. the Directors have 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 as at 31st March 2010 and of the loss of the company for the said 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, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the annual accounts for the financial year ended 31st March 2010, on going concern basis.

BOARD OF DIRCETORS

Consequent upon superannuation from the services of NTPC Limited, Shri K.B.Dubey and Shri R.C.Shrivastav ceased to be the Director of the Company w.e.f. 31st July, 2009 and 30th June, 2010 respectively. Your Board places on record its deep appreciation for the invaluable contribution made by them during his tenure. In exercise of powers conferred under Article 101 of the Articles of Association of the Company, NTPC Limited i.e. holding Company has appointed Shri B.P.Singh, Director (Projects), NTPC and Shri D.K.Jain Director (Technical), NTPC as Directors on the Board of your Company w.e.f. 10th August 2009 and 7th July 2010 respectively. In terms of Section 260 of the Companies Act, 1956, Shri B.P.Singh and Shri D.K.Jain will hold office only upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member of the Company proposing their candidature for the office of Director liable to retire by rotation.

As per the provisions of the Companies Act, 1956, Shri A.K.Singhal, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the support and co-operation extended by the NTPC Limited, the holding Company, Ministry of Power & other agencies of Govt. of India, Govt. of Uttrakhand, Govt. of West Bengal, Govt. of Sikkim, Auditors, Bankers and employees of the Company.

For and on behalf of the Board of Directors

Place:New Delhi (R.S.Sharma)
Dated: 14/07/2010 Chairman

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENT

Availability of Power is one of the most important factors for the growth of any economy. The availability of adequate and reliable Power at the affordable price is one of the determinants of the higher and improved standards of living.

As on 31st March, 2010, the total installed capacity in India was 159398.49 MW out of which, share of Thermal, Hydro, Nuclear and Renewable energy sources were 102453.98 MW (64.3%), 36863.40 MW (23.1%) and 4560 MW (2.86%) and 15521.11 MW (9.7%) respectively.

Hydro Power is our richest renewable and environmentally benign source of energy capable of providing clean and environmental friendly energy at affordable price, however, during the last few years the share of hydro in the total installed capacity has gradually declined.

As per the assessment of CEA, the country is endowed with hydro potential of approx. 150000 MW installed capacity. To meet the all India peak demand and energy requirements at the end of 12th Plan period, a capacity addition of more than 90000 MW has been proposed to be added during the 12th Plan period (2012-2017) which includes 30000 MW through Hydro Power.

II. STRENGTHS

Your company is presently executing two projects namely, Lata Tapovan Hydro Electric Project (171 MW), located in Chamoli District of Uttarakhand and Rammam Hydro Electric Project, Stage – III (120 MW) located in Darjeeling District of West Bengal and West Sikkim District of Sikkim. Your Company has received all statutory clearances in respect of both the projects and infrastructure development activities are presently being carried out.

Strong design and engineering support

Your Company is a wholly owned subsidiary of NTPC Limited. NTPC has installed capacity of nearly 32000 MW. Currently, 17830 MW capacity is under construction by NTPC out of which 1920 MW is of Hydro Electric Projects. With a view to take advantage of expertise of NTPC in engineering, design, contractual and other technical issues, your company has entered into working arrangement with NTPC Limited under which all pre and post award engineering as well as processing and award of EPC packages in respect of Lata Tapovan HEP and Rammam HEP (Stage-III) will be done by NTPC.

Power Purchase Agreements with customers

Your company has entered in to Power Purchase Agreements, for Lata Tapovan HEPP, with North Delhi Power Ltd, BSES Yamuna Power Ltd, BSES Rajdhani Power Ltd, Dakshin Haryana Bijlee Vitran Nigam Ltd, Uttar Haryana Bijlee Vitran Ltd, Jaipur Vidyut Vitran Ltd, Ajmer Vidyut Vitran Nigam Ltd and Jodhpur Vidyut Vitran Nigam Ltd.. The Power Purchase Agreements provide for opening of Letter of Credit, Default Escrow Arrangement and first charge on the Incremental receivables with a view to secure realization of payment. Power Purchase Agreement for Rammam HPP is under discussion with concerned beneficiary.

III. Opportunities

Hydro power Projects not only generates clean energy but also provides drinking water supply, irrigation, increased employment opportunities, industrial development etc. to the region. The Government of India has accorded a high priority to the development of Hydro Potential in the country and in recent years Government has taken a number of policy initiatives to address the issues impending the development of Hydro Power. Both projects of your company are slated for commissioning during the 12th Plan period.

IV. Outlook

As per the re-assessment studies completed by Central Electricity Authority in the year 1987, the Hydro power potential at 60% load factor, had been estimated at 84,000 MW. This potential when fully developed would result in installed capacity of about 1,50,000 MW. At present, installed Hydro Power Capacity of the Country is 36,863.40 MW only. Therefore, there is huge potential in the areas of Hydro Power which are yet to be harnessed. Various reforms and initiatives like enactment of Electricity Act, 2003, ranking study of potential hydro sites by CEA in 2001, 50000 MW Hydro initiative , National Water Policy-2005 etc. have been taken by the Government of India to accelerate development of Hydro Power in the Country. Further, the cabinet in January 2008 had approved a New Hydro Policy-2008 with a view to address various problems which have impeded the development of Hydro Power from time to time.

V. Risk & Concerns/Weakness/ Threats

Environmental & Forest Clearance, lack of infrastructure facilities like roads & construction power, issues relating to land acquisition and R&R, apportionment of catchment area treatment among various beneficiaries, net present value and its upfront payment for assessing the cost of forest diversion etc. are some of the areas of concern which has marred development of Hydro Power in the Country. Hydro Projects are highly capital intensive and have long gestation periods.

VI. Internal Control System

Your Company has adequate Internal Control system at its projects and administrative offices. Your Company is following defined Scheme of Delegation of Power for its employees. In order to ensure that all checks and balances and internal controls are in order, internal audit of all projects and administrative offices are carried out by independent firms of Chartered Accountants and findings of Internal Auditors are placed before the Audit Committee of the Board. Further, being a wholly owned subsidiary of NTPC, the internal control mechanism of the Company is also subject to review periodically by the Internal Audit Department of the NTPC.

VII. Financial Performance

During the financial year Paid-up share Capital of the Company has increased from Rs. 92.42 Crore to Rs. 100.80 Crore. There is an addition of Rs.14.70 Crore in net block of assets. The Capital work in progress has increased by Rs. 7.21Crore and after acquisition of land at Rammam, construction stores & advances has decreased by Rs. 8.56 Crore.

The projects undertaken by the Company are in construction stage, therefore all the administrative expenditures of the Company are transferred to Capital work-in-progress.

VIII. Human Resource

At present, 23 executives are posted in the Company and all employees are on secondment basis from NTPC Limited. Company has adequate number of employees in different functional areas to take care of activities of the Company.

Development of Human resource by imparting Training is a continuous process. In your Company, there is a policy of imparting minimum 7 days training in a year. Training programs are generally conducted in association with Power Management Institute, one of the leading training institute in Power Sector.

IX. Environment Protection

As a responsible corporate citizen, your Company is committed for protection of environment and ecological balance in areas around the project. Both projects undertaken by the Company have received environment clearances from the Ministry of Environment & Forests. The Company has made all payments, which were required to be made for compensatory afforestation to the State Governments.

X. 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 the Board of Directors

Place: New Delhi (R.S.Sharma)

Dated: 14/07/2010 Chairman

ANNEXURE-II

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 WHOSE REMUNERATION EXCEEDED RS. 24,00,000/- PER ANNUM FOR THE WHOLE YEAR

SI. NO	NAME (Surname First & in Alphabetical order)	EMP. NO.	DESIGNATION & NATURE OF DUTIES	REMUNERATION (IN RUPEES)	QUALIFICATION	EXPERIENCE (Yrs)	Date of Commencement of employment	AGE	LAST EMPLOYMENT HELD	REMARKS
1	AGGARWAL, A.K.	070210	DGM - ENGG.	2844703	BE (CIVIL)	33	29.12.83	54	SIMPLEX CONCRETE PILES	
2	HAQ, S.M	040283	DGM - CIVIL CONST	2594449	B.SC(ENGG) - CIVIL	33	12.10.81	58	NORTH EASTERN ELECTRIC POWER	
3	KHETARPAL, RAKESH	000342	CEO -	2649615	BE(CIVIL), ME, MBA	33	09.03.79	57	UTTAR PRADESH IRRIGATION DEPTT	
4	MONDAL, K.R	041634'	DGM - C& M	2821183	B.TECH(MECH), PGDPM	26	30.04.88	51	ASSOCIATED CEMENT COMPANY	
5	PRADHAN, VIJAY KUMAR	001322	AGM - PROJECT	2660210	B.SC(ENGG) - CIVIL	29	30.11.81	53		
6	SINHA, MANOJ	020431	DGM - C & M	2567672	B.TECH (ELECT)	25	01.02.88	46	LOHIA MACHINES	

For and on behalf of the Board of Directors

Place: New Delhi (R.S.Sharma)

Dated: 14/07/2010 Chairman

SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS OF PREPARATION**

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

2. **USE OF ESTIMATES**

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

3. **FIXED ASSETS**

   3.1 Fixed Assets are carried at historical cost less accumulated depreciation.

   3.2 Expenditure on renovation and modernization of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

   3.3 Intangible assets are stated at their cost of acquisition less accumulated amoritisation.

   3.4 Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Fixed Assets.

   3.5 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

   3.6 In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

   3.7 Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/assessments.

4. **CAPITAL WORK-IN-PROGRESS**

   4.1 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.

   4.2 Deposit work/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

5. **PROFIT AND LOSS ACCOUNT**

   EXPENDITURE

   5.1 Depreciation is charged on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets in respect of which depreciation is charged at the rates mentioned below:

Rate of depreciation (p.a.)		
1	Personal Computers/Laptops including Peripherals	19%
2	Photocopiers & Fax Machines	19%
3	Air-conditioners, Water Coolers and Refrigerators	8%

   5.2 Depreciation on addition to / deduction 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.

   5.3 Assets costing up to Rs. 5000/- are fully depreciated in the year of acquisition.

   5.4 Cost of software recognized as intangible assets, is amortised on straight line method over a period of legal right to use or 3 years, whichever is earlier.

   5.5 Capital expenditure on asset not owned by the company is amortised over a period of 4 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of stations under operation is charged off to revenue.

   5.6 Lease hold lands other than acquired on perpetual lease are amortized over the lease period Leasehold buildings are amortised over the lease period or 30 years, whichever is lower. Leasehold land and buildings, whose lease period is yet to be finalised, are amortised over a period of 30 years.

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

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

6. **PROVISIONS AND CONTINGENT LIABILITIES**

   A provision is recognized when the company has a present obligation as 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 STATEMENT**

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

NTPC HYDRO LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.

	SCHEDULE NO.	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Share Capital	1	**1,007,990,400**	924,262,000
Share Capital Deposit-Pending Allotment		**17,500,000**	3,000,000
Total		**1,025,490,400**	927,262,000
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	2	**229,738,740**	81,494,996
Less: Depreciation		**5,557,631**	4,266,017
Net Block		**224,181,109**	77,228,979
Capital Work In Progress	3	**683,358,940**	611,329,703
Construction Stores and Advances	4	**71,997,329**	157,578,357
		979,537,378	846,137,039
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	5	**3,600,243**	8,477,311
Loans and Advances	6	**4,457,926**	2,981,450
Other Current Assets	7	**14,489**	9,714
		8,072,658	11,468,475
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	8	**43,180,657**	9,578,381
Provisions	9	**265,671**	2,091,825
		43,446,328	11,670,206
Net Current Assets		**(35,373,670)**	(201,731)
PROFIT & LOSS ACCOUNT		**81,326,692**	81,326,692
Total		**1,025,490,400**	927,262,000
Notes on Accounts	16		

Schedules 1 to 16, significant accounting policies form an integral part of accounts.

As per our report of even date		For and on behalf of Board of Directors	
For K. PRASAD & COMPANY			
Chartered Accountants			
(K.M. Agarwal)	**(Manish Kumar)**	**(A.K. Singhal)**	**(R.S. Sharma)**
Partner	Company Secretary	Director	Chairman
Membership No. 016205			

Place : New Delhi
Date : 05.05.2010

NTPC HYDRO LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs.

	SCHEDULE NO.	Current Year 31.03.2010	Previous Year 31.03.2009
INCOME			
Other Income	10	-	-
Total		-	-
EXPENDITURE			
Employees' remuneration and benefits	11	-	-
Administration & other expenses	12	-	10,800
Depreciation	2	-	-
Finance charges	13	-	-
Total		-	10,800
Loss before Tax and Prior Period Adjustment		-	10,800
Prior Period Expenditure (net)	14	-	-
Loss before Tax		-	10,800
Fringe Benefit Tax		-	565,209
Less: Allocated to EDC		-	565,209
Loss after Tax		-	(10,800)
Balance brought forward		**(81,326,692)**	(81,315,892)
Balance carried to Balance Sheet		**(81,326,692)**	(81,326,692)
Expenditure During Construction	15		
Earning per share(Basic/Diluted)			
Notes on Accounts	16		

Schedules 1 to 16, significant accounting policies form an integral part of accounts.

As per our report of even date		For and on behalf of Board of Directors	
For K. PRASAD & COMPANY			
Chartered Accountants			
(K.M. Agarwal)	**(Manish Kumar)**	**(A.K. Singhal)**	**(R.S. Sharma)**
Partner	Company Secretary	Director	Chairman
Membership No. 016205			

Place : New Delhi
Date : 05.05.2010

NTPC HYDRO LIMITED
SCHEDULES - FORMING PART OF ACCOUNT

Rs.

	As at 31.03.2010	As at 31.03.2009
Schedule 1		
CAPITAL		
AUTHORISED		
500,000,000 Equity shares of Rs. 10/- each (Previous year 500,000,000 Equity shares of Rs.10/- each)	**5,000,000,000**	5,000,000,000
ISSUED, SUBSCRIBED AND PAID-UP		

Schedule 1 (Contd.)

Rs.

	As at 31.03.2010	As at 31.03.2009
10,07,99,040 Equity shares of Rs. 10/- each fully paid up (Previous year 9,24,26,200 Equity shares of 10/- each fully paid up) held by the holding company, N T P C Limited and its nominees	**1,007,990,400**	924,262,000
Total	**1,007,990,400**	924,262,000

Schedule 2
FIXED ASSETS

Rs.

	Gross Block				Depreciation				Net Block	
Fixed Assets	As at 01.04.2009	Additions	Deductions/ Adjustments	**As at 31.03.2010**	As at 01.04.2009	For the year	Deductions/ Adjustments	**Upto 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
TANGIBLE ASSETS										
Land:										
(including development expenses)										
Freehold	58,910,418	97,236,509	-	**156,146,927**	-	-	-	**-**	**156,146,927**	58,910,418
Leasehold	12,895,437	4,411,213	3,058,019	**14,248,631**	665,438	386,117	64,262	**987,293**	**13,261,338**	12,229,999
Plant & Machinery	78,825	-	-	**78,825**	18,148	3,199	-	**21,347**	**57,478**	60,677
Furniture, Fixtures & other office equipments	4,777,905	68,922	4,975	**4,841,852**	1,819,558	282,990	4,975	**2,097,573**	**2,744,279**	2,958,346
EDP, WP Machines & SATCOM Equipments	3,400,632	831,913	-	**4,232,545**	1,753,420	576,083	-	**2,329,503**	**1,903,042**	1,647,212
Electrical Installations	82,569	-	-	**82,569**	5,907	6,723	-	**12,630**	**69,939**	76,663
Capital expenditure on assets not owned by the company	1,285,375	48,251,420	-	**49,536,795**	-	-	-	**-**	**49,536,795**	1,285,375
INTANGIBLE ASSETS										
Software	63,835	506,761	-	**570,596**	3,546	105,739		**109,285**	**461,311**	60,289
Total	81,494,996	151,306,738	3,062,994	**229,738,740**	4,266,017	1,360,851	69,237	**5,557,631**	**224,181,109**	77,228,979
Previous Year	37,638,671	43,055,410	(800,915)	**81,494,996**	3,012,283	1,362,305	108,571	**4,266,017**	**77,228,979**	34,626,388

Depreciation for the year is allocated as given below:-	Current Year	Previous Year
Charged to Profit & Loss Account	1,360,851	1,362,305
Transferred to Expenditure During Construction (Schedule 15)	1,360,851	1,362,305
Total	-	-

Schedule 3
CAPITAL WORK-IN-PROGRESS

Rs.

	As at 01.04.2009	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2010**	As at 31.03.2009
Roads, Bridge, Culverts & Helipads	824,000	13,221,322	-	-	**14,045,322**	824,000
Dams, Spillways	174,366,000	-	-	-	**174,366,000**	174,366,000
Expenditure towards diversion of forest land	78,462,518	-	(3,058,019)	-	**81,520,537**	78,462,518
Expenditure during construction	282,888,873	77,577,685	-		**360,466,558**	282,888,873
Capital Expenditure on Assets not Owned by the Company	22,997,648	25,253,772	-	48,251,420	**-**	22,997,648
Survey, Investigation, Consultancy and Supervision Charges	51,790,664	1,169,859	-	-	**52,960,523**	51,790,664
Total	611,329,703	117,222,638	(3,058,019)	48,251,420	**683,358,940**	611,329,703
Previous Year	343,591,850	267,737,853	-	-	**611,329,703**	343,591,850

Schedule 4
CONSTRUCTION STORES AND ADVANCES

Rs.

		As at 31.03.2010	As at 31.03.2009
ADVANCES FOR CAPITAL EXPENDITURE			
Unsecured, considered good		**-**	
Covered by bank guarantees		**16,431,685**	16,516,379
Others		**55,565,644**	141,061,978
Total		**71,997,329**	157,578,357
Schedule 5			
CASH & BANK BALANCES			
Balances with scheduled banks			
Current Accounts		**3,600,243**	8,477,311
Total		**3,600,243**	8,477,311
Schedule 6			
LOANS AND ADVANCES			
ADVANCES			
(Recoverable in cash or in kind or for value to be received)			
Employees (including imprest)			
Unsecured, considered good		**-**	-
Others			
Unsecured, considered good		**4,163,525**	2,850,104
DEPOSITS			
Deposits with sales tax authorities		**50,000**	50,000
Others		**104,400**	4,400
Advance Tax & Tax Deducted at Source	1,457,479		
Less: Provision for fringe benefit tax	1,317,478	**140,001**	76,946
Total		**4,457,926**	2,981,450

Schedule 7
OTHER CURRENT ASSETS

Rs.

	As at 31.03.2010	As at 31.03.2009
Interest Accrued (on Term Deposits)	**14,489**	9714
Total	**14,489**	9714
Schedule 8		
CURRENT LIABILITIES		
Sundry Creditors		
For capital expenditure		
Other than micro & small enterprises	**19,233,335**	2,295,962
For goods and services		
Other than micro & small enterprises	**546,908**	586,370
Deposits, Retention Money from Contractors and Others	**7,180,226**	3,843,479
Less: Investments held as security	**-**	15,500
	26,960,469	6,710,311
Amount payable to NTPC Ltd.	**10,004,866**	2,605,705
	36,965,335	9,316,016
Other Liabilities	**6,215,322**	262,365
Total	**43,180,657**	9,578,381
Schedule 9		
PROVISIONS		
Provision for Employee Benefits		
Opening Balances	**2,091,825**	3129181
Addition during the year	**-**	-
Less : Used during the year	**1,826,154**	1037356
Total	**265,671**	**2091825**

Schedule 10

OTHER INCOME

Rs.

		As at 31.03.2010	As at 31.03.2009
Income from other source			
Interest Accrued on Deposit (Gross)		**4,775**	4842
(Tax deducted at source - Current year nil & Previous year nil)			
Miscellaneous Income		**7,437**	37584
Liquidated Damages Recovered		**21,528**	-
Total		**33,740**	42426
Less: Transferred to Expenditure During Construction-Sch. No.15		**33,740**	42426
Total		**-**	-

Schedule 11

EMPLOYEES' REMUNERATION AND BENEFITS

Employees; remuneration and benefits			
Salaries, Wages, Bonus, Allowances & Benefits		**53,726,107**	49,791,722
Contribution to Provident and Other Funds		**5,046,215**	4,920,652
Welfare Expenses		**2,155,925**	4,755,550
		60,928,247	59,467,924
Less: Transferred to Expenditure During Construction-Sch.No.15		**60,928,247**	59,467,924
Total		**-**	-

Schedule 12

ADMINISTRATION & OTHER EXPENSES

Rs.

		Current Year	Previous Year
Power Charges		**208,182**	276,967
Water Charges		**13,240**	3,930
Rent		**4,982,236**	4,890,931
Repairs & Maintenance			
Buildings		**1,390,047**	810,941
Others		**1,234,748**	1,685,336
Insurance		**10,630**	11,770
Training & Recruitment Expenses		**-**	10,800
Communication Expenses		**783,587**	653,354
Payment to Auditors			
Audit Fee		**99,270**	49,635
In Other Capacity		**-**	-
Advertisement & Publicity		**110,000**	59,926
Tender Expenses		**1,165,058**	1,081,548
Security Expenses		**463,705**	30,000
Entertainment Expenses		**248,952**	354,342
Inland Travelling Expenses		**2,740,083**	3,405,099
Expenses for guest house	718,842		
Less: Recoveries	10,655		
		708,187	846,669
Books and Periodicals		**21,221**	31,589
Professional charges and consultancy fees		**194,772**	412,491
Legal Expenses		**1,550**	-
EDP hire and other charges		**531,976**	298,779
Printing and Stationery		**202,490**	162,566
Miscellaneous Expenses		**285,913**	212,074
Rates & Taxes		**109,536**	129,182
Loss on write off of fixed assets		**-**	842
R&R Expenses		**-**	350,563
Expenses on Hiring of vehicle		**1,318,412**	1,745,705
Subscription to trade & other Association		**-**	1,000
		16,823,795	17,516,039
Less: Transferred to Expenditure During Construction-Sch. No.15		**16,823,795**	17,505,239
Total		**-**	**10,800**

Schedule 13

FINANCE CHARGES

Rs.

	Current Year	Previous Year
Bank Charges	**6,211**	12,547
Less: Transferred to Expenditure During Construction-Sch. No.15	**6,211**	12,547
Total	**-**	-

Schedule 14

PRIOR PERIOD EXPENDITURE

Rs.

Expenditure		
Salary, wages, bonus, allowances & benefits	**(1,591,792)**	-
Travelling Expenses	**148,375**	-
Depreciation	**(64,262)**	-
	(1,507,679)	-
Less: Transferred to Expenditure During Construction-Sch.No.15	**(1,507,679)**	-
Total	**-**	-

Schedule 15

EXPENDITURE DURING CONSTRUCTION

A. Employees Remuneration and Other Benefits			
Salaries, Wages, Bonus, Allowances and Benefits		**53,726,107**	49,791,722
Contribution to provident and other funds		**5,046,215**	4,920,652
Welfare expenses		**2,155,925**	4,755,550
Total (A)		**60,928,247**	59,467,924
B. Administration & Other Expenses			
Power		**208,182**	276,967
Water Charges		**13,240**	3,930
Rent		**4,982,236**	4,890,931
Repair & maintenance			
Buildings		**1,390,047**	810,941
Others		**1,234,748**	1,685,336
Insurance		**10,630**	11,770
Communication Expenses		**783,587**	653,354
Remuneration to Auditors		**99,270**	49,635
Advertisement & Publicity		**110,000**	59,926
Tender Expenses		**1,165,058**	1,081,548
Security Expenses		**463,705**	30,000
Entertainment Expenses		**248,952**	354,342
Inland Travelling Expenses		**2,740,083**	3,405,099
Guest House Expenses	718,842		
Less:Recoveries	10,655		
		708,187	846,669
Books & Periodicals		**21,221**	31,589
Professional Charges and Consultancy Fee		**194,772**	412,491
Legal Expenses		**1,550**	
EDP Hire and other charges		**531,976**	298,779
Printing and Stationary		**202,490**	162,566
Miscellaneous Expenses		**285,913**	212,074
Rates & Taxes		**109,536**	129,182
Loss on write off of Assets		**-**	842
Community Development Expenses		**-**	350,563
Expenses on Hiring of vehicle		**1,318,412**	1,745,705
Subscription to Trade & Other Association		**-**	1,000
Total (B)		**16,823,795**	17,505,239
C. Depreciation		**1,360,851**	1,362,305
Total (C)		**1,360,851**	1,362,305
D. Interest & Finance Charges Capitalised			
Bank Charges		**6,211**	12,547
Total (D)		**6,211**	12,547
E. Fringe Benefit Tax		**-**	565,209
Total (E)		**-**	565,209
F. Prior Period Expenditure		**(1,507,679)**	
		(1,507,679)	-
G. Other Income		**33,740**	42,426
		33,740	42,426
Total (A+B+C+D+E+F-G)		**77,577,685**	78,870,798

Schedule 16

NOTES ON ACCOUNT

1. Estimated amount of contract remaining to be executed on capital account and not provided for Rs. 2847.91 lacs (Previous year Rs. 2919.98 lacs). [Net of advances].
2. (a) The execution of lease agreement of 187.324 acres lease hold land of value Rs. 142.49 lacs (Previous year 175.02 acres, value Rs. 98.37 lacs) in favour of the Lata Tapovan Hydro Power Project is still awaiting completion for legal formalities.

   (b) Advances for Capital Expenditure includes amount of Rs. 525.59 lacs deposited with LA Collector Darjeeling towards tree, structure, solitium etc. for Karmi mouza, of Rammam III HEP pending capitalization for finalization of R&R and valuation thereof.
3. Disclosure Regarding Operating Leases:

   The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include Rs. 65,41,281/= (Previous year Rs. 30,72,355/-) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and transit camps are shown as Rent in Schedule -12 Administration and other expenses.
4. Amount payable to NTPC Ltd. holding company has been shown Rs. 1,00,04,866/- as part of the current liabilities. This amount is payable to NTPC Ltd. on account of net balance of transactions upto 31st March 2010. The company will issue equity share against the payable amount to NTPC Ltd. in subsequent year.
5. Earning Per Share

   The elements considered for calculation for Earning per share (Basic and Diluted) are as under: -

	CurrentYear	Previous Year
Net Loss used as numerator	**0**	10800
Weighted Average number of equity shares used as denominator	**92632654**	73540838
Earning Per Share (Rupees) – Basic	**-**	-
Weighted Average number of equity shares used as denominator	**92632654**	73540838
Earning Per Share (Rupees) – Diluted	**-**	-
Face Value per share (Rupees)	**10**	10

6. Corporate expenses has been allocated to Lata Tapovan Project and Rammam Project in the ratio of capital expenditure of the projects during the year -

Rs.

Projects	**2009-10**	2008-09
Lata Tapovan Project	**12315968**	28399469
Rammam Project	**30537694**	8010106

7. Balances shown under advances and creditors are subject to confirmation/ reconciliation and consequent adjustment, if any.
8. Contingent Liability: Company's liability towards reimbursement of Income Tax on HRR perks amounting to Rs. 5,53,120/- stayed by the Hon'ble Allahabad High Court (Previous year 2,76,560/-).
9. All the employees of the company are on secondment from the Holding Company.
10. The employees remuneration and benefits includes (-) Rs.1308374/= (Previous year Rs. 48,81,758/-) in respect of gratuity, leave encashment, post retirement medical benefits, transfer traveling allowance on retirement / death, long service awards to employees, farewell, gift on retirement and economic rehabilitation scheme as apportioned by Holding Company i.e. NTPC Limited on actuarial valuation at the year end.
11. Managerial remuneration paid/payable to Chief Executive Officer

Rs.

	Current Year	Previous Year
Salaries and allowances	**2649615**	1536960
Contribution to provident fund & other funds including gratuity & group insurance	**172032**	96000
Other benefits	**95292**	63712

12. 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" as on 31.03.2010.
13. Previous year figures have been regrouped / rearranged wherever necessary.
14. Information pursuant to part IV of schedule VI of the companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. Registration Details — State Code : 0 5 5

Registration No. U 4 0 1 0 1 D L 2 0 0 2 G O I 1 1 8 0 1 3

Balance-Sheet date — Date: 3 1 Month: 0 3 Year: 2 0 1 0

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

Public Issue: N I L	Right issue: N I L
Bonus Issue: N I L	Private Placement: 8 3 7 2 8

III. Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)

Total Liability: 1 0 6 8 9 3 7	Total Assets: 1 0 6 8 9 3 7
Source of Funds	
Paid-up Capital: 1 0 0 7 9 9 0	Capital Deposit Account: 1 7 5 0 0
Secured Loans: N I L	Reserves & Surplus: N I L
Deferred Tax Liability: N I L	Unsecured Loans: N I L
Application of Funds	
Net Fixed Assets: 9 7 9 5 3 7	Investment: N I L
Net Current Assets: - 3 5 3 7 4	Misc. Expenditure: N I L
Accumulated Losses: 8 1 3 2 7	

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

Turnover (Including Other Income): N I L	Total Expenditure: N I L
Loss before Tax: N I L	Loss after Tax: N I L
Earning per share in Rs.: 0 . 0 0	Dividend Rate%: N I L

V. Generic Name of three Principal Product/Services of Company

(As per monetary terms)

Product Description:	Item Code No.
G E N E R A T I O N O F E L E C T R I C I T Y	N A

As per our report of even date | For and on behalf of Board of Directors

For K. PRASAD & COMPANY

Chartered Accountants

(K.M. Agarwal)	**(Manish Kumar)**	**(A.K. Singhal)**	**(R.S. Sharma)**
Partner	Company Secretary	Director	Chairman

Membership No. 016205

Place : New Delhi

Date : 05.05.2010

NTPC HYDRO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs.

		Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and Prior Period Adjustment		-	(10,800)
Operating Profit before Working Capital Changes		**-**	(10,800)
Adjustment for:			
Trade Payables and Other Liabilities	31,776,122		
Loans and Advances	(1,539,531)		
Other Current Assets	(4,775)		
		30,231,816	(26,202,929)
Cash generated from operations		**-**	(26,213,729)
Direct Taxes paid		**63,055**	(548,991)
Net Cash from Operating Activities-A		**30,294,871**	(26,762,720)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets & CWIP & Const Advance		**(133,400,339)**	(271,435,129)
Net cash used in Investing Activities-B		**(133,400,339)**	(271,435,129)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital Deposits		**98,228,400**	304,462,000
Net cash flow from Financing Activities-C		**98,228,400**	304,462,000
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)		**(4,877,068)**	6,264,151
Cash and cash equivalents (Opening Balance)		**8,477,311**	2,213,160
Cash and cash equivalents (Closing Balance)		**3,600,243**	8,477,311

As per our report of even date | For and on behalf of Board of Directors

For K. PRASAD & COMPANY

Chartered Accountants

(K.M. Agarwal)	**(Manish Kumar)**	**(A.K. Singhal)**	**(R.S. Sharma)**
Partner	Company Secretary	Director	Chairman

Membership No. 016205

Place : New Delhi

Date : 05.05.2010

AUDITORS' REPORT

To the Members of NTPC Hydro Limited
New Delhi

1. We have audited the attached Balance Sheet of **NTPC HYDRO LIMITED** (a wholly owned subsidiary of NTPC Ltd. As at 31st Match 2010, the Profit and Loss Accounts and also the cash flow statement for the year ended on the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Out responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in annexure referred to above, we report that:
   i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
   iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   v) Being a Government company, pursuant to the Notification no. GSR 829(E) dated 17.07.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the company;
   vi) In our opinion to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 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 31st March 2010,
      b. in the case of the Profit and Loss Account, of the Nil profit/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.

For K. Prasad & Company
Chartered Accountants
(K. M. Agarwal)
Partner
Membership No. 16205

Place : New Delhi
Date : 05.05.2010

Annexure referred in paragraph 3 of Auditors' Report to the Members of NTPC HYDRO LIMITED on the accounts for the year ended on 31st March, 2010

i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   b) All fixed assets have been physically verified by the management during the year 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) In our opinion and according the information and explanations given to us no substantial part of fixed assets of the company have been disposed off during the year.

ii) The company does not have inventory. Accordingly, the provisions of clause 4(ii) (b) & (c) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

iii) The company has neither taken nor granted loans, secured or unsecured from/ to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs of clauses 4(iii) (b), (c) & (d) of the Companies Auditors' Report Order, 2003 are not applicable.

iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. The company has not made any purchase/sale of goods. During the course of our aduit, we have not observed any continuing failure to correct major weakness in internal control systems.

v) a) The company has not carried out any transactions required to the entered in the register maintained under section 301 of the Companies Act, 1956.
   b) In view of clause (v) (a) above, the clause (v) (b) is not applicable.

vi) According to the information and explanations given to us, the company has not accepted deposits under the provisions of section 58A & 58AA of the Companies Act, 1956 and the Companeis (Acceptance of Deposits) Rules 1975.

vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

viii) The maintenance of cost records under section 209(I) (d) of the Companies Act, 1956 is not applicable to the company, as the company has not commeced any activities related to distribution of electricity.

ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues of Income Tax and Sales Tax.
   (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
   (c) The provisions related to Providend Fund, Investor Education and Protection Fund, Employees State Insurance, Wealth Tax, Custom Duty, Excise Duty, Service Tax and other Statutory dues are not applicable to the company.
   (d) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

x) As the company has been registered for a period of less than five years, the provisions of clause 4(x) of the Company (Auditor's Report) Order 2003 is not applicable.

xi) According to the information and explanation given to us, the company has not taken loans from financial institution, banks or debenture holders.

xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures, and other securities.

xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.

xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.

xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi) The company has not taken term loans during the year.

xvii) The Company has not raised short term or long term funds during the year.

xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to National Thermal Power Corporation Limited, Holding Company, covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.

xix) The company has not issued any debentures.

xx) The company has not raised money by public issue.

xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For K. Prasad & Company
Chartered Accountants
(K.M. Agarwal)
Partner
Membership No. 16205

Place : New Delhi
Dated: 05.05.2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC HYDRO LIMITED FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of NTPC HYDRO LIMITED, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 05 May 2010.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the statutory auditors' on the accounts of NTPC HYDRO LIMITED, New Delhi for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

(Ghazala Meenai)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place: New Delhi
Dated: 11 May, 2010

NTPC Vidyut Vyapar Nigam Limited

(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Eighth Annual Report on the working of the Company for the financial year ended on 31st March 2010 together with Audited Statement of Accounts, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS (Rs. in Crore)

	2009-10	2008-09
Total Income/Revenue	**85.13**	121.05
Total Expenditure	**42.05**	45.53
Prior period income/expenditure(net)	**-**	0.28
Profit before Tax	**43.08**	75.24
Less: Tax	**14.69**	25.71
Profit after tax	**28.39**	49.53
Balance brought forward	**1.06**	1.23
Profit available for appropriation	**29.45**	50.76
Transfer to general reserve	**17.00**	38.00
Interim Dividend	**-**	2.00
Final Dividend-Proposed	**10.00**	8.00
Tax on Interim Dividend	**-**	0.34
Tax on Final Dividend- Proposed	**1.66**	1.36
Surplus carried forward	**0.79**	1.06

DIVIDEND

Your Directors have recommended a dividend of Rs. 10 Crore @ Rs. 5 per equity share on the face value of fully paid-up equity share capital of Rs. 10 each, for the financial year 2009-10. The dividend shall be paid after your approval at this Annual General meeting.

POWER TRADING-BUSINESS

In accordance with Central Electricity Regulation Commission (CERC) notification your Company is a trading Licensee under Category I (highest category) during the current financial year 2009-10.

During the financial year under review your company had traded 5549 million units (including 2341 million units traded under SWAP arrangements) amounting to Rs.1838 Crore, as compared to 4831 million units (including 2288 million units traded under SWAP arrangements) amounting to Rs.1896 Crore in the financial year 2008-09. The overall volume of power traded by Company during the financial year 2009-10 has increased by 15% over last financial year 2008-09.

BUSINESS INITIATIVES

The Cabinet has approved the Jawaharlal Nehru National Solar Mission on November 19, 2009, with an aim to have capacity of 20000 MW of solar power by 2022, with immediate target for 1000 MW by 2013 for phase-I.

Ministry of Power (MoP), Government of India through a Presidential Directive, on December 22, 2009, has designated your Company as a Nodal Agency for first phase of the National Solar Mission for 2009-2013, with following mandates:-

(i) your Company should enter into Power Purchase Agreements with Solar Power Developers to purchase power from the solar power projects connected at 33kV and above grid at tariff regulated by CERC and enter into back-to-back Power Sale Agreements with Distribution Utilities for sale of such power bundled with power sourced from NTPC, unallocated power.

(ii) the MoP should allocate equivalent megawatt capacity from the unallocated quota of NTPC power stations at the disposal of the Government of India to your Company for bundling together solar power to be procured by the Company under the order.

(iii) solar power and unallocated power of NTPC stations bundled together should be sold by your Company to the Distribution Utilities.

The mentioned arrangement would be limited to cumulative solar power capacity of 1000 MW in operation upto March 31, 2013.

Your Company has excelled in many fields including expanding customer base, selling captive power, selling of Independent Power Producers (IPP) power, entering into power banking arrangements and also selling un-requisitioned surplus from NTPC stations. The customer base of the Company has increased to 65 which include private discoms and also utilities. The Company had made strong presence in all the five regions of India.

Your Company has started trading of power from IPP viz. M/s. Jindal Power Limited and Torent Power Limited and Captive Power Plants of Durgapur Steel Limited, Chhattisgarh, Gujarat and Andhra Pradesh. This new business initiative has contributed significantly to the company's business volumes.

Power Banking arrangement – a new initiative by the company has resulted in not only stabilizing the power market but also lowering the market price. The banking volume of 2288 million units in financial year 2008-09 has been increased to 2341 million units during the financial year 2009-10.

The business initiative for sale of Fly ash and Cenosphere were started during the year 2005-06. During the financial year 2009-10, 759056 MT of fly ash was sold as compared to 634768 MT of fly ash sold in the financial year 2008-09.

The domestic sale of Cenosphere is being conducted through E-auction portal of MSTC Limited, a public sector company. During the year under review the Company has sold 553 MT of Cenosphere as compared to 432 MT of Cenosphere in the financial year 2008-09.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) have appointed M/s N.K. Jain Mittal & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2009-10.

There is no adverse comment, observation or reservation in the Auditors' Report on the accounts of the Company.

REVIEW OF ACCOUNT BY COMPTROLLER & AUDITOR GENERAL OF INDIA

Supplementary Audit was conducted by Comptroller & Auditor General of India under Section 619(3) (b) of the Companies Act, 1956. C&AG vide its letter dated May 31, 2010 communicated that on the basis of audit, nothing significant was noticed giving rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956. A letter from C&AG on the accounts of the Company for the financial year 2009-10 is placed with the report of Statutory Auditors of your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

There are no significant particulars, relating to conservation of energy, technology absorption under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, as your Company does not own any manufacturing facility.

During the financial year under review the Company did not have any foreign currency earnings and expenditure.

PARTICULARS OF EMPLOYEES

The Particular of employees pursuant to Section 217 (2A) of the Companies Act, 1956 are given in Annex-II.

AUDIT COMMITTEE

As per the provisions of section 292A of the Companies Act, 1956, your Company has constituted an Audit Committee of the Board of Directors comprising of Shri Chandan Roy, Shri A.K. Singhal and Shri R.C. Shrivastav. Four meetings of the Audit Committee were held during the financial year 2009-10. The senior-most Director on the Audit Committee shall be the Chairman and quorum shall be of two Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, 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 2009-10 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, 1956 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 going concern basis.

BOARD OF DIRECTORS

Consequent upon superannuation of Shri R.C. Shrivastav, from the services of NTPC Limited, he has ceased to be the Director of the Company w.e.f. June 30, 2010 (A/N). The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri R.C. Shrivastav, during his association with the Company.

The Board of Directors at its Meeting held on September 8, 2009 and July 14, 2010, had appointed Shri Satish Chand Mehta and Shri I.J. Kapoor, respectively, as an Additional Director of the Company. Shri Satish Chand Mehta and Shri I.J. Kapoor holds office only upto the date of ensuing Annual General Meeting. The Company has received a requisite notice in writing from NTPC Limited, proposing their candidature for the office of Director liable to retire by rotation.

In accordance with the provisions of Companies Act, 1956, Shri A.K. Singhal, Director shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offer himself for re-election.

ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Electricity Boards, the Auditors and the Bankers of the Company.

For and on behalf of the Board of Directors

Place: New Delhi (R.S. SHARMA)

Date: July 14, 2010 CHAIRMAN

Annex-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The inadequacy of generation has characterized the Power Sector operation in India. There is an inherent diversity in demand from various States and Regions resulting in periods of seasonal surplus in one area and period of deficit in another.

Diversities between availability and consumption of power leads to significant potential for trading and providing cheap and reliable power to consumers in deficit area. Trading is essential for resource optimization and meeting short-term demand by utilizing surpluses available. The need to meet the challenges posed by growing demands for power by buying power from surplus regions and supplying to deficit regions was felt in late nineties. The Electricity Act 2003 enacted on June 10, 2003 envisaged a multi-buyer and multi-seller market model, wherein, the electricity trading is a critical element in the value chain to develop a competitive market for electricity. The Act recognizes trading in power as a distinct business activity.

Trading can be inter-state or intra-state and the appropriate regulatory commission is to fix the eligibility criteria for a trader. Central Electricity Regulatory Commission (CERC) issued its order and regulations regarding the grant of license for inter state trading in January 2004, which was subsequently repealed by Regulations, 2009.

CERC has fixed a trading margin of 7 paisa per kwh in case the sale price is exceeding Rs. 3 per kwh and 4 paisa per kwh where sale price is less than or equal to Rs. 3 per kwh for short term trading. However, Transactions through power swapping/ banking are out of purview of the CERC Regulations for Short Term Trading.

During the last four years, 45 traders have obtained licenses for serving the needs of the various clients, out of which 6 nos. of licensees have been surrendered / cancelled. 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 2009-10 out of the total electricity generation of approximately 764 billion units approximately 41 billion units were traded, representing 5.35% of trading to total generation.

Structure of Power Industries in India* (Billion Units)

(i)	Long Term (91.3%)	697
(ii)	Trading (5.4%)	41
(iii)	Balancing Market (UI) (3.3%)	26
	Total	764

The trading of Power in India*

(i)	Bilateral through Trading	27
(ii)	Bilateral Direct	6
(iii)	Through Power Exchange	8
	Total	41

*source: CERC

With the acceleration in the trading activities, the unutilized power, declared excess of the order of 1000-1200 MW in the Eastern Region and North Eastern Region has been fruitfully utilized in the other deficit regions, through the inter-regional transmission links.

The National Electricity Policy notified in January 2006, mandates the creation of power exchange to facilitate the development of a better price discovery mechanism for buyers as well as sellers of electricity. The Central Electricity Regulatory Commission has given permission to three companies out of which one Power Exchange viz. National Power Exchange Limited was formed by NTPC Limited.

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.

Your Company is exposed to credit risk due to buyer's inability to make timely payment without any strong payment security mechanism in place.

OPPORTUNITIES AND THREATS

Ministry of Power, Government of India plans to enhance the existing inter-regional power transfer capacity of 20750 MW to 37400 MW by 2012. This would provide considerable opportunities for enhancement of trading volumes. Many Independent Power Producers are setting up generation capacities reserved as merchant capacity for sale in the market. This will provide opportunity to the Company for capturing such merchant capacity for trading.

In recent times number of private traders has increased and they are trading power without proper back-to-back payment security mechanism. In view of the above your company is having the threat of non timely payment by buyers.

OUTLOOK

Your Company has been designated as one of the nodal agencies for cross border trading of power with Bhutan and Bangladesh. Cross border trading of power from Bhutan is expected to commence from 2013-14 with the commissioning of new projects. The Company has also been designated as nodal agency for buying power from solar power developers in India and selling to distribution utilities after bundling with unallocated capacity from NTPC power stations. The business under this segment is expected to commence from 2010-11 onwards.

Your Company is proposing to enter into Memorandum of Understanding with NTPC Limited for selling the merchant capacity from Korba Super Thermal Power Station and Farakka Super Thermal Power Station. This will not only enhance business volume but also help in controlling price of power market.

Your Company was also selling Fly Ash from NTPC Project viz. National Capital Power Project, Dadri since 2008-09 and new NTPC stations such as Kahalgaon Super Thermal Power Station.

Your Company has invited Request for Qualification for setting of cement grinding units under joint ventures with cement manufacturers for twelve NTPC projects and received very good response from cement manufacturers for all stations. In order to enhance the trading business, your Company will take membership of National Power Exchange Limited on start of operation of the exchnage.

RISKS AND CONCERNS

The fixed trading margin of electricity traders limits revenues of trading companies. Due to large number of private players in the market, your Company is also facing competitive pressures. Your Company continues to focus on increasing its market share in power trading and is taking appropriate initiatives to increase its business.

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 all 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 firms 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 power traded by the Company are as follows:

	Fiscal 2010	Fiscal 2009
	Million units	
Purchase & sale of power	3208	2543
Sale of power under Power SWAP Arrangements	2341	2288
Total	**5549**	**4831**

During the financial year 2009-10, your company traded 5549 million units of power representing about 13.95% of nation's total power trading volume. The overall volume of power traded by Company has increased by 15% over last year.

In the past three years, your company has developed a good customer base and has served over 65 customers including State Government/Private Power Utilities, Captive Power Generators etc. in all five regions in the country. Besides trading of short-term surpluses of the various customers, your company has utilized over 300 MUs of the un-requisitioned surplus from NTPC stations.

Your Company had pioneered the innovative arrangement called Power SWAP Arrangements which during the financial year 2009-10, resulted in business of 2341 million units as compared to 2288 million units in financial year 2008-09.

Financial Performance

The main revenue of your Company has been realized by trading of power of 5549 million units contributing to 67% of total revenue.

Rs. in Crore

		2009-10	2008-09
Sale of Power		1829.49	1887.43
Less: Power Purchase		1816.96	1858.80
Power under SWAP Arrangements		8.94	8.66
Rebate on power purchase		35.89	36.59
Sale of Ash/ash products (Before 03.11.2009)		14.15	31.29
Sale of Ash/ash products (from 03.11.2009)	13.15		
Less: Transfer to Fly Ash Utilization Fund	13.15	-	-
other Income		13.62	15.88
Total		**85.13**	**121.05**

During the financial year 2009-10, the Company had traded 5549 million units as compared to 4831 million units in financial year 2008-09. In addition to power trading, your Company is also trading fly ash. During the financial year 2009-10, the Company had sold 759056 MT of fly ash as compared to 634768 MT during financial year 2008-09. The Company had also traded 553 MT of Cenosphere during the financial year under review as compared to 432 MT of Cenosphere during financial year 2008-09.

The Ministry of Environment and Forest, Government of India, through its notification dated November 3, 2009, directed that 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 development of infrastructure or facilities, promotion and facilitation activities for use of fly ash until 100 % fly ash utilization level is achieved; thereafter as long as 100% fly ash utilization levels are maintained, the thermal power station would be free to utilize the amount collected for other development programmes also and in case, there is a reduction in the fly ash utilization levels in the subsequent year(s), the use of financial return from fly ash shall get restricted to development of infrastructure or facilities and promotion or facilitation activities for fly ash utilization until 100% fly ash utilization level is again achieved and maintained.

In view of the above notification the Company had created fly ash utilization fund and transferred an amount of Rs. 10.62 Crore received from sale of fly ash and cenosphere for the period starting from November 3, 2009 (i.e. date of notification) to March 31, 2010, after adjusting amount of Rs. 2.53 Crore utilized for facilitating the ash utilization activities during the above period of the year 2009-10.

The expenditure incurred on open access charges for the current year as well as previous year is negligible. The Total operating expenses of the Company are as follows:-

Rs. in Crore

	2009-10	2008-09
Open access charges	**0.01**	-
Cost of Ash/Ash products	**0.05**	0.24
Rebate on power sale	**31.35**	36.46
Other operating expenses	**10.53**	8.56
Total operating expenses	**41.94**	45.26

During the financial year 2009-10, the cost of Ash and ash products has been of the order of Rs. 0.05 Crore. The rebate on power sale is Rs. 31.35 Crore as compared to Rs. 36.46 Crore in the previous year.

The Total expenses including operating expenses of the Company are as follows:-

Rs. in Crore

	2009-10	2008-09
Total operating expenses	**41.94**	45.26
Depreciation	**0.07**	0.07
Interest & Finance Charges	**0.04**	0.20
Total Expenses including operating expenses	**42.05**	45.53

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 etc. and the Gross Block was of the order of Rs. 0.61 Crore as on 31.3.2010.

Rs. in Crore

	2009-10	2008-09
Profit before tax and prior period adjustments	**43.08**	75.52
Prior period income/expenditure(net)	**-**	0.28
Profit before tax	**43.08**	75.24
Provision for current, deferred tax and fringe benefit tax	**14.69**	25.71
Net profit after tax	**28.39**	49.53

During the financial year under review the Company has earned the net profit after tax of Rs. 28.39 Crore as compared to Rs. 49.53 Crore earned in financial year 2008-09. The Net Profit of the Company has reduced due to stiff competition, margins reduction to the Company and non-availability of SWAP security resulting in reduction of cash surplus and consequential interest thereon. In view of the notification issued by Ministry of Environment and Forest, Government of India, the Company had created fly ash utilization fund and transferred an amount of Rs. 10.62 Crore received from sale of fly ash and cenosphere for the period starting from November 3, 2009 (i.e. date of notification) to March 31, 2010, after adjusting an amount of Rs. 2.53 Crore utilized for facilitating the ash utilization activities during the above period of the year 2009-10, resulting in reduction of revenue and net profit to the Company.

Dividend

Your Directors have recommended a dividend of Rs. 10 Crore @ Rs. 5 per equity share on the face value of fully paid-up equity share capital of Rs. 10/- each, for the financial year 2009-10. The dividend shall be paid after your approval at this Annual General meeting.

Reserves & Surplus

During the financial year 2009-10 a sum of Rs.17 Crore have been added to General Reserve.

Current Assets, Loans and Advances

The current assets, loans and advances at the end of the financial year 2009-10 were Rs. 209.63 Crore as compared to Rs. 187.67 Crore in financial year 2008-09 registering an increase of 11.70%.

Rs. in Crore

	31.03.2010	31.3.2009
Inventories	**0.06**	0.16
Sundry Debtors	**93.07**	62.09
Cash and Bank balances	**112.22**	121.65
Other Current assets	**1.82**	3.43
Loans and Advances	**2.46**	0.34
Total Current Assets, Loans and Advances	**209.63**	187.67

The increase was mainly on account of increase in Sundry Debtors to Rs. 93.07 Crore from Rs. 62.09 Crore. The major amount of debtors has now been recovered from various buyers and balance amount would be realized soon.

Current Liabilities and Provisions

During the financial year 2009-10 Current Liabilities have decreased to Rs. 91.23 Crore as compared to Rs. 98.52 Crore in the financial year 2008-09, mainly on account of decrease in sundry creditors for power purchase.

Rs. in Crore

	31.03.2010	31.3.2009
Liabilities	**91.23**	98.52
Provisions	**11.77**	9.77
Total Liabilities and Provisions	**103.00**	108.29

The provisions for the financial year under review have increased to Rs. 11.77 Crore as compared to Rs. 9.77 Crore in previous financial year, mainly on account of increase in proposed final dividend and tax thereon.

Cash Flow Statement

Rs. in Crore

	2009-10	2008-09
Opening Cash and cash equivalents	**121.65**	94.33
Net cash from operating activities	**(8.56)**	23.70
Net cash used in investing activities	**8.49**	10.64
Net cash flow from financing activities	**(9.36)**	(7.02)
Net Change in Cash and cash equivalents	**(9.43)**	27.32
Closing cash and cash equivalents	**112.22**	121.65

The closing cash and cash equivalent for the financial year ended March 31, 2010 has decreased to Rs. 112.22 Crore from Rs. 121.65 Crore, mainly on account of repayment of operating liabilities of power purchase pertaining to financial year 2008-09.

Financial Indicators

The various performance indicators for the financial year 2009-10 as compared to financial year 2008-09 are as under: -

Rs. in Crore

	Description	**2009-10**	2008-09
A	i) Capital employed	**96.28**	79.55
	ii) Net worth	**96.28**	79.55
B	i) Return on Capital Employed (PBT/CE)	**44.74%**	94.58%
	ii) Return on net worth (PAT/NW)	**29.49%**	62.26%
C	Dividend as % of Equity Capital (basic/average)	**50**	50
D	Earning per share in Rs.(EPS)	**14.20**	24.76

The capital employed as well as net worth has increased due to addition of profit earned during the financial year 2009-10. The EPS of the Company has reduced due to decrease in profitability mainly on account of creation of Ashutilization Fund and lesser interest income. The reduced profitability has resulted in reduction of Return on Capital Employed and Return on Net Worth.

Human Resources

As on 31st March 2010, there were 40 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. Continual training and up-gradation of skills of employees is ensured through mandatory 7 mandays of training every year.

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

Place: New Delhi (R.S. SHARMA)
Date: July 14, 2010 CHAIRMAN

Annex-II to Directors' Report

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

Name	Designation and Nature of duties	Remuneration (in Rs.)	Qualification	Date of commencement of employment	Exp. (yrs.)	Age (yrs.)	Last employment held
1.	2.	3.	4.	5.	6.	7.	8.
Employed for whole of the year							
Ashok Bhatnagar	DGM-Ash Business	24,91,219	M.Sc.	04.08.1984	25	50	H F W & E Lab. Haryana Govt.
Amarinder Kumar Maggu	AGM-Business Development	26,74,721	B.Sc.(Mech.Eng), M.Tech	16.11.1978	31	53	NTPC Limited
Ashok Kumar Goyal	CEO	27,47,356	BE(Mech.Engg.), MBA	29.12.1982	27	53	NTPC Limited
Amitabh Saxena	DGM- Business Development	24,11,040	B.E. (Electrical Engg.)	30.06.1987	22	49	MP Electricity Board
Debabrata Kundu	DGM- System Operation	28,13,829	B.E.(Mech. Engg.)	28.02.1984	26	52	Babcock & Wilcox of India Limited
Dhananjay Kumar Singh	DGM- Ash Business	27,55,547	B.Sc. (Electrical Engg.)	11.12.1986	23	52	Bihar SEB
Indranil Mitra	DGM-HR	25,78,746	M.Sc., PG Diploma	24.12.1982	27	52	NTPC Limited
Krishna Sankar Bandyopadhyay	DGM-Business Develoment	26,77,228	BE(Electrical), LL.B, MBA	07.09.1983	26	49	NTPC Limited
Lekh Raj	DGM-Finance	24,75,053	M.Com, CA	02.07.1984	25	50	NTPC Limited
Rajesh Kumar	DGM- Ash Business	25,43,702	M.Sc, M.Tech	04.08.1984	25	50	NTPC Limited
Rakesh Kumar	AGM- Ash Business	24,06,130	B.Sc., B.Tech (Electrical)	05.02.1977	33	56	NTPC Limited
Robin Mazumdar	AGM-Business Development	26,45,962	B.Sc., B.E (Electrical Engg.), MBA	19.10.1984	25	57	R.S.E.B
Vijay Gulati	AGM- System Operation	27,34,508	B.Sc(Electrical Engg.),MBA, LL.B	25.07.1984	25	53	BHEL Limited

Notes:

1. The employee mentioned above is posted on secondment basis from NTPC Limited and is not related to any Directors of the Company.
2. Remuneration includes salary & allowances and perks, permissible under holding Company's rules.

For and on behalf of the Board of Directors

Place: New Delhi (R.S. SHARMA)

Date: July 14, 2010 CHAIRMAN

NTPC VIDYUT VYAPAR NIGAM LTD

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

3.1. Fixed Assets are carried at historical cost less accumulated depreciation.

3.2. Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4. FOREIGN CURRENCY TRANSACTIONS

4.1. Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

4.2. At the balance sheet date, foreign currency monetary items are reported using the closing rate.

5. INVENTORIES

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

5.2. The diminution in value of obsolete / unserviceable items is ascertained on review and provided for.

6. PROFIT AND LOSS ACCOUNT

6.1. INCOME RECOGNITION

6.1.1. Sale of energy and fly ash/ ash products are accounted for based on rates agreed with the customers.

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

6.2. EXPENDITURE

6.2.1. Depreciation is charged on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a) Personal Computers and Laptops including peripherals	19.00%
b) Photocopiers and Fax Machines	19.00%
c) Air conditioners, Water coolers and Refrigerators	08.00%

6.2.2. 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.

6.2.3. Assets costing up to Rs.5000/- are fully depreciated in the year of acquisition.

6.2.4. 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 earlier.

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

6.2.6. Prepaid expenses and prior period expenses/income of items of Rs.1,00,000/- and below are charged to natural heads of accounts.

6.2.7. The liabilities towards employee benefits are ascertained annually by the Holding Company i.e. NTPC Ltd. on actuarial valuation at the year end. The company provides for such employee benefits as apportioned by the Holding Company.

7. 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.

8. CASH FLOW STATEMENT

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

NTPC VIDYUT VYAPAR NIGAM LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

(Rs.)

	SCHEDULE NO.	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	**200000000**	200000000
Reserves and Surplus	2	**762845863**	595530224
Sub-total (Shareholders' funds)		**962845863**	795530224
FLY ASH UTILIZATION FUND	3	**106227627**	-
DEFERRED TAX LIABILITY (Net)		**161285**	135636
TOTAL		**1069234775**	795665860
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		**6110716**	4291433
Less: Depreciation		**3164013**	2517464
Net Block		**2946703**	1773969
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	**611296**	1657268
Sundry Debtors	6	**930665567**	620933095
Cash and Bank balances	7	**1122160031**	1216491402
Other Current Assets	8	**18226374**	34306486
Loans and Advances	9	**24652547**	3409664
Sub-total (Current Assets, Loans and Advances)		**2096315815**	1876797915
LESS: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	10	**912362491**	985216776
Provisions	11	**117665252**	97689248
Sub-total (Current Liabilities and Provisions)		**1030027743**	1082906024
Net Current Assets		**1066288072**	793891891
TOTAL		**1069234775**	795665860
Contingent liabilities	12		
Notes on accounts	20		

Schedules 1 to 20 and accounting policies form an integral part of accounts.

For and on behalf of Board of Directors

As per our report of even date

For N.K.Jain Mittal & Co.

Chartered Accountants

(N.K.Gupta)	**(Nitin Mehra)**	**(A.K.Singhal)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M.No.81775

Place: New Delhi

Dated: 05.05.2010

NTPC VIDYUT VYAPAR NIGAM LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

(Rs.)

	SCHEDULE NO.	Current Year	Previous Year
INCOME			
Sales	13	**356244155**	685854957
Rebate on power purchase		**358937862**	365924695
Other income	14	**136156532**	158756814
Total		**851338549**	1210536466
EXPENDITURE			
Open access charges		**130000**	15000
Cost of fly ash/ash products	15	**546606**	2399966
Employees' remuneration and benefits	16	**65555706**	59269826
Administration & other expenses	17	**39707385**	26294854
Rebate on power sale		**313522931**	364662147
Depreciation		**674460**	704445
Interest and finance charges	18	**408603**	2023862
Total		**420545691**	455370100
Profit before Tax and Prior Period Adjustments		**430792858**	755166366
Prior Period income/expenditure (net)	19	**-**	2781320
Profit before tax		**430792858**	752385046
Provision for :			
a) Current tax		**146842820**	256525657
b) Deferred tax		**25649**	87016
c) Fringe Benefit tax		**-**	514633
Total (a+b+c)		**146868469**	257127306
Profit after tax		**283924389**	495257740
Balance brought forward		**10646268**	12383528
Balance available for appropriation		**294570657**	507641268
Transfer to General Reserve		**170000000**	380000000
Dividend			
- Interim		**-**	20000000
- Final-proposed		**100000000**	80000000
Tax on Dividend			
- Interim		**-**	3399000
- Final		**16608750**	13596000
Balance carried to Balance Sheet		**7961907**	10646268
Earning Per Share (Equity shares, face value Rs.10/- each)-Basic and diluted		**14.20**	24.76
Notes on accounts	20		

Schedules 1 to 20 and accounting policies form an integral part of accounts.

For and on behalf of Board of Directors

As per our report of even date

For N.K.Jain Mittal & Co.

Chartered Accountants

(N.K.Gupta)	**(Nitin Mehra)**	**(A.K.Singhal)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M.No.81775

Place: New Delhi

Dated:05.05.2010

SCHEDULES FORMING PART OF ACCOUNTS

(Rs.)

Schedule 1	31.03.2010	31.03.2009
SHARE CAPITAL		
AUTHORISED		
2,00,00,000 equity shares of Rs. 10/-each (Previous Year 2,00,00,000 equity shares of Rs. 10/-each)	**200000000**	200000000
ISSUED, SUBSCRIBED AND PAID UP		
2,00,00,000 equity shares of Rs. 10/-each fully paid-up (Previous year 2,00,00,000 equity shares of Rs. 10/- each fully paid up) All shares are held by the holding company, NTPC Limited and its' nominees.	**200000000**	200000000

(Rs.)

Schedule 2	31.03.2010	31.03.2009
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	**584883956**	204883956
Add: Transfer from Profit & Loss Account	**170000000**	380000000
	754883956	584883956
Surplus in Profit & Loss Account	**7961907**	10646268
Total	**762845863**	595530224
Schedule 3		
FLY ASH UTILIZATION FUND		
As per last Balance Sheet	**-**	-
Add: Transfer from Sales (Schedule 13)	**131515160**	-
Less: Utilized during the year	**25287533**	-
Total	**106227627**	-

Schedule 4

FIXED ASSETS

(Rs.)

	Gross Block				Depreciation				Net Block	
	As at 1.04.2009	Additions	Deductions/ Adjustments	As at 31.03.10	As at 1.04.2009	For the year	Deductions/ Adjustments	upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS										
Plant & Machinery	-	1195000	-	**1195000**	-	37842	-	**37842**	**1157158**	-
Furniture,fixtures & other office equipment	1316494	86339	29380	**1373453**	289151	185459	27911	**446699**	**926754**	1027343
EDP & WP machines	2733861	562614	(4710)	**3301185**	2124284	382635	-	**2506919**	**794266**	609577
INTANGIBLE ASSETS										
Software	241078	-	-	**241078**	104029	68524	-	**172553**	**68525**	137049
Total	**4291433**	**1843953**	**24670**	**6110716**	**2517464**	**674460**	**27911**	**3164013**	**2946703**	**1773969**
Previous year	3393165	990466	92198	4291433	1872870	704445	59851	2517464	1773969	1520295

	Current Year	Preious Year
Deductions/Adjustments from Gross Block includes		
Disposal/Retirement of assets	**29380**	-
Assets capitalised with retrospective effect	**(4710)**	-
Others	**-**	92198
	24670	92198
Deductions/Adjustments from Depreciation includes		
Disposal/Retirement of assets	**27911**	-
Others	**-**	59851
	27911	59851
Depreciation for the year is allocated as given below		
Charged to Profit & Loss account	**674460**	704445

(Rs.)

	31.03.2010	31.03.2009
Schedule 5		
INVENTORIES		
(Valuation as per Accounting Policy No.5)		
Cenosphere	**611296**	1657268
Schedule 6		
SUNDRY DEBTORS		
(Considered good, unless otherwise stated)		
Debts outstanding over six months		
Unsecured	**-**	-
Other debts		
Unsecured	**930665567**	620933095
Total	**930665567**	620933095
Schedule 7		
CASH & BANK BALANCES		
Balances with scheduled banks		
-Current Account	**2654668**	3905402
-Term Deposit Account*	**1119505363**	1212586000
Total	**1122160031**	1216491402
* Rs. 45,000/- (Previous year Rs.45,000/-) deposited as security with Sales Tax Authority		
Schedule 8		
OTHER CURRENT ASSETS		
Interest accrued on Term Deposits	**18226374**	34306486
Schedule 9		
LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
ADVANCES		
(Recoverable in cash or in kind or for value to be received)		
RLDCs		
Unsecured	**1851503**	5000
Advance Income/ Fringe Benefit Tax and tax deducted at source	**540647668**	393049214
Less: Provision for taxation	**536976624**	390674550
	3671044	2374664
DEPOSITS		
Deposits with suppliers and others	**19130000**	1030000
Total	**24652547**	3409664

(Rs.)

	31.03.2010	31.03.2009
Schedule 10		
CURRENT LIABILITIES		
Sundry Creditors		
For goods and services		
Other than Micro and Small Enterprises	**782731049**	609015260
Holding Company -NTPC Limited	**85024537**	20358390
Deposits, retention money from buyers	**21034153**	341085711
	888789739	970459361
Advances from customers and others	**21140610**	14444136
Other liabilities	**2432142**	313279
Total	**912362491**	985216776
Schedule 11		
PROVISIONS		
Income/ Fringe Benefit Tax		
As per last balance sheet	**-**	6822
Additions during the year	**146842820**	258911358
Amount adjusted during the year	**(390133804)**	(131756370)
Less: Set off against taxes paid	**536976624**	390674550
	-	-
Proposed dividend		
As per last balance sheet	**80000000**	40000000
Additions during the year	**100000000**	80000000
Amounts used during the year	**80000000**	40000000
	100000000	80000000
Tax on proposed dividend		
As per last balance sheet	**13596000**	6798000
Additions during the year	**16608750**	13596000
Amounts paid during the year	**13596000**	6798000
	16608750	13596000
Employee benefits		
As per last balance sheet	**4093248**	5559837
Additions during the year	**18760**	792156
Amounts reversed during the year	**1699131**	-
Amounts paid during the year	**1356375**	2258745
	1056502	4093248
Total	**117665252**	97689248
Schedule 12		
CONTINGENT LIABILITIES		
Claims against the company not acknowledged as debts in respect of:		
Disputed open access charges	**-**	15600385
Disputed energy charges	**13791836**	108219634
Others	**-**	200000
Total	**13791836**	124020019

(Rs.)

Schedule 13 SALES		Current Year	Previous Year
Power	18294915737		18874348150
Less: Power Purchase	18169623104		18588043014
	125292633		286305136
Power under swap arrangements	89419146		86551229
		214711779	372856365
Fly Ash	140722123		307878924
Cenosphere	810253		5119668
(Before 03.11.2009)		141532376	312998592
Fly Ash	125600820		
Cenosphere	5914340		
(From 03.11.2009)	131515160		
Less: Transfered to Fly Ash Utilization Fund (Schedule 3)	131515160	-	-
Total		356244155	685854957

Schedule 14 OTHER INCOME	Current Year	Previous Year
Interest (Gross) (Tax deducted at source Rs.1,16,02,442/-, Previous year Rs.3,37,54,646/-)	82303612	156447261
Interest/surcharge received from customers	314168	2309208
Security deposit forfeited	53534909	-
Miscellaneous income	3262	345
Gain on Asset Sale	581	-
Total	136156532	158756814

Schedule 15 COST OF FLY ASH/ASH PRODUCTS		Current Year	Previous Year
--Fly Ash	447203		1505661
--Cenosphere	1454806		894305
		1902009	2399966
Less: Transferred to Fly Ash Utilization Fund (Schedule 3)			
--Fly Ash	26472		
--Cenosphere	1328931	1355403	-
Total		546606	2399966

Schedule 16 EMPLOYEES' REMUNERATION AND BENEFITS	Current Year	Previous Year
Salaries, wages, bonus, allowances & benefits	65125850	48403919
Contribution to provident and other funds	5900404	4817455
Welfare expenses	3955719	6048452
	74981973	59269826
Less: Transferred to Fly Ash Utilization Fund (Schedule 3)	9426267	-
Total	65555706	59269826

Schedule 17 ADMINISTRATION & OTHER EXPENSES		Current Year	Previous Year
Power Charges		887100	550635
Rent		26990857	11019029
Repairs & Maintenance			
-Office	2956989		882675
-Others	100433		95077
		3057422	977752
Rates and taxes		3005000	2141100
Training & recruitment expenses		12800	336468
Communication expenses		639086	721691
Travelling expenses		3780226	3157360
Tender expenses	2699405		1981004
Less: Receipt from sale of tenders	280000		270000
		2419405	1711004
Payment to Auditors		96513	79328
Advertisement and publicity		10000	1282874
Entertainment expenses		452930	592853
Brokerage & commission		226071	172070
Ash utilisation & marketing expenses		8008339	43820
Books and periodicals		26494	19969
Professional charges and consultancy fee		3077468	1658504
Legal expenses		61482	19100
EDP hire and other charges		62429	88144
Printing and stationery		399486	191537
Miscellaneous expenses		1000140	1531616
		54213248	26294854
Less: Transferred to Fly Ash Utilization Fund (Schedule 3)		14505863	-
Total		39707385	26294854

(Rs.)

Schedule 18 INTEREST AND FINANCE CHARGES	Current Year	Previous Year
Interest on:		
Cash credit	70672	-
Others	1210	1882750
	71882	1882750
Finance Charges:		
Bank charges	336721	141112
Total	408603	2023862

Schedule 19 PRIOR PERIOD INCOME/EXPENDITURE (NET)		
EXPENDITURE		
Salary, wages, bonus, allowances & benefits	-	2781320

SCHEDULE 20

NOTES ON ACCOUNTS

1. Balances shown under debtors, advances and creditors in so far as these have not been since realized/discharged or adjusted are subject to confirmation/ reconciliation and consequential adjustment, if any.
2. Sales and Purchases of energy are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).
3. Sale of power under SWAP arrangements is billed by margin only to buyers. During the year, revenue on account of above has been recognized for Rs.8,94,19,146/- (previous year Rs.8,65,51,229/-) in schedule 13.
4. The Company sells fly ash and cenosphere given free of cost by its holding Company NTPC Limited. Consequent to the notification dated 03.11.2009, issued by Ministry of Environment and Forest (MoEF), Government of India, the Company has created the Fly Ash Utilization Fund amounting to Rs.13,15,15,160/- being the amount collected from sale of fly ash and Cenosphere for the period 03.11.2009 to 31.03.2010. In compliance of the above said notification the Company has utilized Rs. 2,52,87,533/- being the direct/indirect expenses relating to the sale of fly ash and Cenosphere for the period from 03.11.2009 to 31.03.2010 from the Fly Ash Utilization Fund leaving a balance of Rs. 10,62,27,627/- as at 31.03.2010.
5. Sale of Power includes compensation received of Rs.52,50,59,097/-(previous year Rs.20,39,54,025/-) due to lesser drawl of power by the buyers.
6. Power purchase includes compensation payment of Rs.52,49,34,604/-(previous year Rs.1,71,51,997/-) due to lesser drawl of power by the Company.
7. Employees' remuneration and benefits are net of Rs. (-)8,67,511/- (previous year Rs.34,21,998/-) in respect of gratuity, leave, post retirement medical facility, transfer travelling allowance on retirement / death, long service award to employees, farewell gift on retirement and family economic rehabilitation scheme as apportioned by the Holding Company i.e. NTPC Limited on actuarial valuation basis at the end of the year.
8. All the employees of the Company are on secondment basis from its Holding Company i.e. NTPC Limited.
9. Segment information
   a) Business Segments:
      The Company's principal businesses are trading of energy and trading of fly ash/ ash products.
   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 segment comprising of net fixed assets and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

(Rs.)

Particulars	Business Segments				Total	
	Energy Trading		Fly Ash/Ash products trading			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE						
Sales	**214711779**	372856365	**141532376**	312998592	**356244155**	685854957
Other Income	**51820650**	2309208	**2031689**	335	**53852339**	2309543
Total	**266532429**	375165573	**143564065**	312998927	**410096494**	688164500
Segment Results	**227835995**	315299945	**120691722**	282508898	**348527717**	597808843
Unallocated Corporate Interest and Other Income					**82304193**	156447271
Unallocated Corporate expenses,interest and finance charges					**39052**	1871068
Income Taxes(Net)					**146868469**	257127306
Profit after Tax					**283924389**	495257740

(Rs.)

Particulars	Business Segments				Total	
	Energy Trading		Fly Ash/Ash products trading			
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
OTHER INFORMATION						
Segment assets	**1434957896**	1653109469	**324641296**	188781265	**1759599192**	1841890734
Unallocated Corporate and other assets					**339663326**	36681150
Total Assets					**2099262518**	1878571884
Segment Liabilities	**842265236**	943333891	**174949242**	45662854	**1017214478**	988996745
Unallocated Corporate and other liabilities					**119202177**	94044915
Total Liabilities					**1136416655**	1083041660
Depreciation					**674460**	704445
Non Cash Expenses other than Depreciation						
Capital Expenditure					**1847194**	958119

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

10. Disclosure regarding leases

Expenses on operating leases of the premises for residential use of the employees amounting to Rs.83,16,090/- (Previous year Rs.28,65,578/-) are included in Schedule 16-"Employees remuneration and benefits". Similarly, lease payments in respect of premises for offices are shown in Rent in Schedule 17-"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 are not non-cancelable.

11. Earnings per share

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

	Current Year	Previous Year
Net Profit/(Loss) after Tax used as numerator (Rupees)	**28,39,24,389**	49,52,57,740
Weighted average number of equity shares used as denominator	**2,00,00,000**	2,00,00,000
Earning/(Loss) per share (Rupees)	**14.20**	24.76
Face value per share (Rupees)	**10**	10

12. In compliance of Accounting Standard –22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the item wise details of Deferred tax liability (net) are as under.

(Rs.)

	31.03.2010	31.03.2009
Deferred Tax Liability		
i) Difference of book Depreciation and tax Depreciation	**1,61,285**	1,35,636
Less: Deferred Tax Assets		
i) Provisions Disallowed for Tax Purposes	**NIL**	NIL
Deferred tax Liability (Net)	**1,61,285**	**1,35,636**

The net increase in deferred tax liability of **Rs.25, 649/-** (previous year increase Rs.87,016/-) has been debited to Profit & Loss Account.

13. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.NIL (previous year Rs.4,80,189/-).

14. Payment to the Statutory Auditors (Schedule 17) (Rs.)

	Current Year	Previous Year
Audit Fees	**60,000**	40,000
Tax Audit Fees	**10,000**	9,000
Certification Fees	**17,500**	22,500
Reimbursements -Traveling Expenses -Service Tax	 **NIL** **9,013**	 NIL 7,828
	96,513	79,328

15. Managerial remuneration paid/payable to Chief Executive Officer (Rs.)

	Current Year	Previous Year
Salaries and allowances	**24,90,838**	20,01,098
Contribution to provident fund & other funds including gratuity & group insurance	**1,96,343**	1,93,220
Other benefits	**1,15,304**	85,212
Directors' fees	**NIL**	NIL

The provisions for/contribution of gratuity, leave encashment and post-retirement medical facilities are ascertained on actuarial valuation by the Holding Company i.e. NTPC Ltd. and hence not ascertainable separately.

16. Quantitative information:

		Current Year	Previous Year
a)	Trading of energy (MUs)		
	Power	**3208**	2543
	Power Under Swap Arrangements	**2341**	2288
b)	Trading of Fly Ash / Cenosphere (MTs)		
	Fly Ash	**759056**	634768
	Cenosphere	**553**	432

17. Expenditure in foreign currency (Rs.)

a)	Training & recruitment expenses	NIL	63,493
b)	Traveling Expenses	NIL	2,46,870

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

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. Registration Details

State Code : 0 5 5

Registration No. U 4 0 1 0 8 D L 2 0 0 2 G O I 1 1 7 5 8 4

Balance-Sheet date: Date 3 1 Month 0 3 Year 2 0 1 0

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

Public Issue: N I L

Right issue: N I L

Bonus Issue: N I L

Private Placement: N I L

III. Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)

Total Liability: 2 0 9 9 2 6 3

Total Assets: 2 0 9 9 2 6 3

Source of Funds

Paid-up Capital: 2 0 0 0 0 0

Reserves & surplus: 7 6 2 8 4 6

Fly Ash Utilization Fund: 1 0 6 2 2 8

Secured Loans: N I L

Unsecured Loans: N I L

Deferred Tax Liabilities: 1 6 1

Application of Funds

Net Fixed Assets: 2 9 4 7

Investment: N I L

Net Current Assets: 1 0 6 6 2 8 8

Misc. Expenditure: N I L

Accumulated Losses: N I L

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

Turnover: 8 5 1 3 3 9

Total Expenditure: 4 2 0 5 4 6

Profit/Loss before Tax: 4 3 0 7 9 3

Profit after Tax: 2 8 3 9 2 4

Earning per share in Rs.: 1 4 . 2 0

Dividend Rate%: 5 0

V. Generic Name of three Principal Product/Services of Company

(As per monetary terms)

Product Description:	Item Code No.
TRADING OF ENERGY	N A
TRADING OF FLY ASH AND ASH BASED PRODUCTS	N A

As per our report of even date

For N.K.Jain Mittal & Co.
Chartered Accountants

For and on behalf of Board of Directors

(N.K.Gupta)	**(Nitin Mehra)**	**(A.K.Singhal)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman
M.No.81775			

Place: New Delhi
Dated:05.05.2010

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010

(Rs.)

		Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax and Prior Period Adjustments		**430792858**	755166366
Adjustment for:			
Depreciation	**674460**		704445
Interest charges	**-**		1871068
Interest income	**(82303612)**		(156447261)
Gain on Sale of Assets	**(581)**		-
Prior period adjustments (Net)	**-**		(2781320)
		(81629733)	(156653068)
Operating Profit before Working Capital Changes		**349163125**	598513298
Adjustment for:			
Trade and other receivables	**(309732472)**		(354260411)
Inventories	**1045972**		(73925)
Trade payable and other liabilities	**(75891031)**		217138615
Loans and advances	**(19946503)**		2966500
Increase in Fly Ash Utilization Fund	**106227627**		-
		(298296407)	(134229221)
Cash generated from operations		**50866718**	464284077
Direct taxes paid		**(136536758)**	(227262699)
Net Cash from Operating Activities-A		**(85670040)**	237021378
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	**(1848663)**		(990466)
Disposal of fixed assets	**2050**		32347
Interest on Investments Received	**98383724**		141357382
Income Tax on Interest on Investments	**(11602442)**		(34030145)
Net Cash used in Investing Activities -B		**84934669**	106369118
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**(80000000)**	(60000000)
Tax on dividend		**(13596000)**	(10197000)
Net Cash flow from Financing Activities-C		**(93596000)**	(70197000)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		**(94331371)**	273193496
Cash and Cash equivalents (Opening balance) *		**1216491402**	943297906
Cash and Cash equivalents (Closing balance)*		**1122160031**	1216491402

*NOTE: Cash and Cash Equivalents consist of Cash in Hand & Balance with Banks.

For and on behalf of Board of Directors

As per our report of even date
For N.K.Jain Mittal & Co.
Chartered Accountants

(N.K.Gupta)	**(Nitin Mehra)**	**(A.K.Singhal)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M.No.81775
Place: New Delhi
Dated:05.05.2010

AUDITOR'S REPORT

To the Members of
NTPC VIDYUT VYAPAR NIGAM LIMITED

1. We have audited the attached Balance Sheet of **NTPC VIDYUT VYAPAR NIGAM LIMITED** as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the annexure referred to in para 3 above, we report that:
   a. We have 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e. Being a Government Company, pursuant to the Notification no. GSR 829 (E) dated 21.10.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Company;
   f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies and Notes thereon in Schedule 20, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010,
      ii. in the case of Profit and Loss Account, of the profit for the year ended on that date, and
      iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For N.K. Jain Mittal & Co.
Chartered Accountants
(N.K.Gupta)
Partner
M.No.81775

Place: New Delhi
Dated: 05.05.2010

ANNEXURE TO THE AUDITOR'S REPORT

Statement referred to in paragraph (3) of our report of even date to the members of NTPC VIDYUT VYAPAR NIGAM LIMITED on the accounts for the year ended 31st March 2010.

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Physical verification of fixed assets has been carried out by an internal committee, appointed for the purpose, which in our opinion is considered reasonable having regard to the size and nature of its assets. No material discrepancies were noticed on such verification.

(c) Substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The inventory has been physically verified by the management at reasonable intervals.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventories.

(iii) (a) The company has not granted any loans secured or unsecured to any company, firm or other party listed in the register maintained under section 301 of the Companies Act, 1956.

In view of clause (iii) (a) above, the clause (iii) (b), (iii) (c) and (iii) (d) are not applicable.

(e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of the clause (iii) (e) above, the clause (iii) (f) and (iii) (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.

(v) (a) According to the information and explanation given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the companies Act, 1956.

(b) In view of clause (v) (a) above, the clause (v) (b) is not applicable.

(vi) The company has not accepted deposits from the public.

(vii) In our opinion, the company has an Internal Audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed maintenance of cost accounts and records under section 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The employees of NVVN are on secondment basis from its holding company i.e. NTPC Ltd. The holding company is regular in depositing undisputed statutory dues including dues like Provident Fund, Service Tax etc. with appropriate authorities. Moreover, Sales Tax is being deposited by the company. Further, Income Tax is being directly deposited by the company w.e.f. July 2009. According to the information and explanations given to us, there are no undisputed Provident Fund, Income Tax, Sales Tax and Service Tax etc. in arrear as at 31.03.2010 for a period of more than six month from the date they became payable.

(b) In view of clause (ix) (a) above, the clause (ix) (b) is not applicable.

(x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) 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.

(xii) According to the information and explanations given to us, company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) The company does not carry any term loans.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short- term basis have been used for long –term investment.

(xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares during the year.

(xix) According to the information and explanations given to us, the company has not issued debentures during the year, hence no requirement of creation of security or charge.

(xx) According to the information and explanations given to us, the company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, no fraud has been committed to or by the company during the year.

For N.K. Jain Mittal & Co.
Chartered Accountants
(N.K.Gupta)
Partner
M.No.81775

Place: New Delhi
Dated: 05.05.2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC VIDYUT VYAPAR NIGAM LIMITED, NEW DELHI FOR THE YEAR ENDED, 31 MARCH, 2010

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 5 May 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of NTPC Vidyut Vyapar Nigam Limited, New Delhi for the year ended 31 March 2010. 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 under Section 619(4) of the Companies Act, 1956

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

(M. K. Biswas)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board-III, New Delhi

Place: New Delhi
Dated: 31st May, 2010

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED

(A wholly owned subsidiary of NTPC Limited)

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 9th Annual Report on the performance of the Company for the financial year ended 31st March, 2010 together with Audited Accounts and the Auditors` Report thereon.

OPERATIONAL REVIEW

Your Company was incorporated on 20th December, 2001 as a wholly owned subsidiary of NTPC Limited (NTPC) under the Presidential Directive with a view to develop infrastructure of Pipavav Power Project in the State of Gujarat. NTPC also paid a sum of Rs. 6.05 crore to Gujarat Power Corporation Limited (GPCL) for acquisition of required land for the project. Subsequently with a view to develop Pipavav Power Project through a 50:50 equity participation by NTPC and GPCL under Joint Venture, a Memorandum of Understanding (MOU) was signed by NTPC with GPCL and Gujarat Electricity Board on 20th February, 2004.

Subsequently, Ministry of Power, Govt. of India conveyed the approval of competent authority to allow NTPC Limited to dissociate from Pipavav Power Project (1000MW) in view of Government of Gujarat's decision to develop the project with another strategic partner.

Accordingly, process was started for settlement of dues of NTPC with GPCL/ Government of Gujarat and all the claims with GPCL/ Government of Gujarat have been amicably settled between NTPC and GPCL except a nominal claim of approximately Rs. 21 Lac being the amount of interest.

In line with the DPE guidelines, NTPC had also approached Ministry of Power, Govt. of India for its approval for winding up of the Company. Ministry of Power, Govt. of India had issued a Presidential Directive dated July 3, 2009 to NTPC conveying the approval of Government to permit NTPC for winding up of the Company pending final settlement of claims with Gujarat power Corporation Limited/Government of Gujarat.

Further, GPCL has paid a sum of Rs. 20,34,534/- to NTPC during the financial year 2009-10 towards balance of expenses. The said amount has been accounted for in the books of account of NTPC.

Ministry of Power, GOI, through its further Presidential Directive dated April 15, 2010 had conveyed the approval of GOI to permit NTPC for winding up of PPDCL through striking off the name of PPDCL under section 560 of the Companies Act, 1956. Accordingly an application for winding up of PPDCL under section 560 of the Companies Act, 1956 had already been filed on 29th April, 2010 with Registrar of Companies, NCT of Delhi & Haryana.

FINANCIAL REVIEW

During the year, the Company has incurred Rs. 9,141/- towards various expenses like filing fees, professional fees, audit fees and other petty expenses. Further, in order to prepare the NIL balance sheet (i.e. only Paid up share capital and corresponding Profit & Loss Account in the Balance Sheet) a liability of Rs. 22,611/- payable to holding company i.e. NTPC Limited had been credited to Profit & Loss Account. NTPC shall subsequently recover the same from GPCL as per the settlement already arrived at between NTPC and GPCL.

Due to the above, a profit amount of Rs. 13,470/- had been carried forward to Balance Sheet as against loss of Rs. 21,795/- incurred last year.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March, 2010.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) has appointed M/s .K.K. Jain & Company, Chartered Accountants as Statutory Auditor of the Company for the financial year 2009-10. There are no adverse comments, observation or reservation in the auditor's report on the accounts of the Company except that the Company is not a going concern.

COMPTROLLER & AUDITOR GENERAL REVIEW:

The Comptroller and Auditor General of India (C&AG) vide letter dated 11th May, 2010 has conveyed its decision not to review the report of the statutory auditors' on the accounts of the Company for the year ended 31st March, 2010 and as such has no comments to make under section 619(4) of the Companies Act, 1956. 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 of NIL comments received form C&AG is placed with report of Statutory Auditors.

SECRETARIAL COMPLIANCE REPORT:

The Company has appointed M/s. A. Kaushal & Associates, Company Secretaries for Secretarial Audit and for obtaining the Certificate of compliance under Section 383A(1) of the Companies Act, 1956 for the financial year 2009-10. The Compliance Certificate is attached as Annexure-I.

PARTICULARS OF EMPLOYES:

Since, the Company has no employee, the particulars prescribed under section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:

Since no activity was carried out by the Company during the year there is no significant particular with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo which require disclosure under clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

i) In the preparation of the Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

ii) The Directors had selected such accounting policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2010 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, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) The Directors had prepared the annual accounts on going concern basis.

BOARD OF DIRECTORS:

During the year, no change had been occurred in the Board of Directors of the Company.

Further, pursuant to the provisions of section 256 of the Companies Act, 1956, Shri N. K. Sharma shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

ACKNOWLEDGEMENT:

The Board of Directors wish to place on record its appreciation for the support and co-operation extended by the Union Ministry of Power, NTPC Ltd., Gujarat Power Corporation Ltd., Gujarat State Electricity Corporation and other agencies of Govt. of India/Govt. of Gujarat and Auditors of the company.

For and on behalf of the Board of Directors

Place: New Delhi. (R. S. Sharma)

Dated: July 14, 2010 Chairman

ANNEXURE-I

COMPLIANCE CERTIFICATE

CIN: U40105DL2001GOI113508

Authorise Capital: Rs. 10,00,00,000/-

To

The Members

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED

NTPC Bhawan, Core-7, Scope Complex,

7, Institutional Area, Lodhi Road,

New Delhi – 110 003.

I have examined the registers, records, books and papers of **PIPAVAV POWER DEVELOPMENT COMPANY LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended 31st March, 2010 (the financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I hereby certify that:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns on the dates as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities generally within the time limit prescribed under the Act and the rules made thereunder.
3. The Company being a public limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 4 (Four) times on 13th May, 2009, 22nd July, 2009, 04th November, 2009 & 29th March, 2010 in respect of which meetings proper notices were given and the proceedings were duly recorded and signed in minutes books maintained for the purpose.
5. The Company was not required to close its Register of Member during the financial year.
6. The Annual General Meeting for the financial year ended 31st March, 2009 was held on 22nd July, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. No Extra Ordinary General Meetings was held during the financial year.
8. As explained to me, the Company has not advanced any loan to its directors or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As explained to me, there were no instances falling within the purview of Section 314 of the Act and as such the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company:
    (i) has not made allotment / transfer / transmission of securities during the financial year.
    (ii) was not require to deposit any amount in a separate bank account, as no dividend was declared during the financial year.
    (iii) was not required to post warrant to any member of the Company, as no dividend was declared during the financial year.
    (iv) was not required to transfer any amount in Investor Education & Protection Fund, as there is no unpaid dividend, application money due for the refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
    (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Director or Alternate Director or Director to fill Casual Vacancy during the financial year.
15. The Company has not appointed Managing Director / Whole time director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued equity shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As the Company has not issued any preference shares or debentures, there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited any public deposits including unsecured loans falling within the purview of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
24. The Company has not made any borrowing during the financial year.
25. The Company has not made investments in other body corporate and has not given any guarantees or provided securities to other body corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to Situation of the Registered Office of the Company from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the Objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum of Association with respect to Name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. As explained to me, there was no prosecution initiated against or show cause notices received by the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Provident Fund Trust for its employees and as such the provisions of section 418 of the Act are not applicable.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES
AMIT KAUSHAL
PROPRIETOR
C.P.NO. 6663

PLACE : NEW DELHI
DATE : 22.04.2010

ANNEXURE 'A'

Registers as maintained by the Company:

S.No.	Name of Register(s)	Under Section
1.	Register of Members	150
2.	Register & Returns	163
3.	Minutes Book of General Meetings, Board Meetings.	193
4.	Books of Accounts	209
5.	Register of particulars of contracts in which directors are interested.	301
6.	Register of Director, Managing Director, Manager, Secretary.	303
7.	Register of Directors' Shareholdings	307

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or any other Authorities during the financial year ended 31st March, 2010.

S. No.	Forms & Returns	U/s	For	Filed on
1.	Form No. 23AC & Form No. 23ACA alongwith Notice of Annual General Meeting, Balance Sheet, Profit & Loss Account together with Auditors & Directors' Report thereon.	220	the financial year ended on 31st March, 2009.	10.08.2009
2.	Form No. 20B alongwith Annual Return as per Schedule V	159	the Annual General meeting held on 22nd July, 2009.	17.08.2009
3.	Form No. 66	383A	the filing Compliance Certificate for the financial year ended on 31st March, 2009.	10.08.2009

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

Rs.

	Sch. No.	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	**37,50,000**	37,50,000
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and bank balances	2	**-**	13,068
Loans and advances		**-**	-
		-	13,068
LESS: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	3	**-**	**26,538**
Net Current Assets		**-**	(13,470)
Profit and Loss Account		**37,50,000**	37,63,470
TOTAL		**37,50,000**	37,50,000

Notes on Accounts 4

Schedules 1 to 4 form integral part of Annual Accounts

For & on Behalf of the Board of Directors

(N. K. Sharma) Director   (R. S. Sharma) Chairman

In terms of our report of even date
For K.K.Jain & Co.
Chartered Accountants
(Simmi Jain)
M.No.86496
Partner
FRN No. 02465N
Place: New Delhi
Dated: 22.04.2010

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2010

Rs.

Income :	Current Year	Previous Year
Liability written off-NTPC Ltd.	**22,611**	-
Total	**22,611**	**-**
Expenditure :		
Filing fees	**1,500**	3,100
Professional Fees	**2,096**	2,471
Secretarial Audit Fees	**-**	4,412
Audit fees	**5,515**	11,030
Miscellaneous Expenses	**30**	782
Total	**9,141**	21,795
Profit (Loss) before Tax	**13,470**	(21,795)
Balance brought forward	**(37,63,470)**	(37,41,675)
Balance Carried to Balance Sheet	**(37,50,000)**	(37,63,470)
Earning Per share (Equity Shares of Face Value of Rs.10/-each) - Basic and Diluted	0.04	(0.06)

For & On Behalf of the Board of Directors
(N. K. Sharma) Director   (R. S. Sharma) Chairman

In terms of our report of even date
For K.K.Jain & Co.
Chartered Accountants
(Simmi Jain)
M.No.86496
Partner
FRN No. 02465N
Place: New Delhi
Dated: 22.04.2010

SCHEDULES FORMING PART OF BALANCE SHEET

Schedule 1

Rs.

CAPITAL	**31.03.2010**	**31.03.2009**
Authorised		
1,00,00,000 Equity Shares of Rs.10/- each	**10,00,00,000**	10,00,00,000
Issued Subscribed and Paid-up		
3,75,000 equity shares (previous year 3,75,000 equity shares) of Rs.10/- each held by the holding company, NTPC Limited, and its nominees.	**37,50,000**	37,50,000

SCHEDULE -2
CASH & BANK BALANCES :

Cash on hand	-	306
Balance with Scheduled Bank in Current Account	-	12,762
TOTAL	-	13,068

SCHEDULE -3
CURRENT LIABILITIES & PROVISIONS :

Other Liabilities - For Services	-	26,538
TOTAL	-	26,538

SCHEDULE-4
Significant Accounting Policies:

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

Notes on Accounts:

1. Ministry of Power (MOP) has directed NTPC Limited to disassociate from the Pipavav Power Project in view of Government of Gujarat's (GOG) decision to develop the project with another strategic partner. Keeping in view the above, the Board of Directors of NTPC Limited have already given consent for winding up of the Company after due settlement of claims of PPDCL with GPCL/GOG. Further, on being approached by NTPC, Ministry of Power, GOI had issued a Presidential Directive dated July 3, 2009 to NTPC conveying the approval of GOI to permit NTPC forZ winding up of PPDCL pending final settlement of claims with GPCL/GOG. Further, GPCL has paid a sum of Rs. 20,34,534/- to NTPC Limited during the financial year 2009-10 towards balance of expenses. The said amount has been accounted for in the books of account of NTPC Limited.
   Ministry of Power, GOI, through its further Presidential Directive dated April 15, 2010 had conveyed the approval of GOI to permit NTPC for winding up of PPDCL through striking off the name of PPDCL under section 560 of the Companies Act, 1956.
2. Earning per Share :
   The elements considered for calculation of Earning per Share (Basic and Diluted) are as under:

	Current Year	Previous Year
Net Profit before Tax used as numerator	**13,470**	(21,795)
Weighted Average number of Equity Shares used as denominator	**3,75,000**	3,75,000
Earning per Share – Basic and Diluted	**0.04**	(0.06)
Face value per share	**10**	10

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. Registration Details

State Code : 0 5 5

Registration No. U 4 0 1 0 5 D L 2 0 0 1 G O I 1 1 3 5 0 8

Balance-Sheet date: Date 3 1 Month 0 3 Year 2 0 1 0

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

Public Issue	Right issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L

III. Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)

Total Liability	Total Assets
3 7 5 0	3 7 5 0
Source of Funds	
Paid-up Capital	Reserves & Surplus
3 7 5 0	N I L
Secured Loans	Unsecured Loans
N I L	N I L
Application of Funds	
Net Fixed Assets	Investment
N I L	N I L
Net Current Assets	Misc. Expenditure
N I L	N I L
Accumulated Losses	
3 7 5 0	

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

Turnover	Total Expenditure
N I L	9
Profit/Loss before Tax	Profit/Loss after Tax
1 3	1 3
Earning per share in Rs.	Dividend Rate%
0 . 0 4	N I L

V. Generic Name of three Principal Product/Services of Company
(As per monetary terms)

Item Code No. (ITC Code) -
Product Description -

In terms of our report of even date
For K.K.Jain & Co.
Chartered Accountants
(Simmi Jain)
M.No.86496
Partner
FRN No. 02465N
Place: New Delhi
Dated: 22.04.2010

For & On Behalf of the Board of Directors
(N. K. Sharma) Director   (R. S. Sharma) Chairman

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2010

Rs.

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Operating Profit (Loss) before working capital changes	**13,470**	(21,795)
Adjustment for		
Sundry creditors	**(26,538)**	(288)
Loans & Advances	**-**	-
Net Cash flow (outgo) from Operating Activities – A	**(13,068)**	(22,083)
B. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital	**-**	-
Net Cash flow (outgo) from financing Activities – B	**-**	-
Net Increase (Decrease) in cash and cash equivalents (A+B)	**(13,068)**	(22,083)
Cash & Cash equivalent (Opening Balance)	**13,068**	35,151
Cash & Cash equivalent (Closing Balance)	**-**	13,068

Note : Cash & Cash equivalent includes cash in hand and balance with banks

In terms of our report of even date
For K.K.Jain & Co.
Chartered Accountants
(Simmi Jain)
M.No.86496
Partner
FRN No. 02465N
Place: New Delhi
Dated: 22.04.2010

For & On Behalf of the Board of Directors
(N. K. Sharma) Director   (R. S. Sharma) Chairman

Auditor's Report

To, The Members of PIPAVAV POWER DEVELOPMENT COMPANY LIMITED

We have audited the attached balance sheet of Pipavav Power Development Company Limited, New Delhi as at 31st March, 2010, the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

iii. The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with books of account;

iv. In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

v. Being a Government Company, clause (g) of sub-section (1) of section 274 of the companies Act, 1956 is not applicable to the company (Notification NO. GSR 829 (E) dated 21.10.2003 issued by the Department of Company Affairs);

vi. Ministry of Power has directed National Thermal Power Corporation Ltd to discontinue its involvement in the company in view of Government of Gujarat's decision to develop the project with another strategic partner. Hence the company is not a going concern.

vii. In our opinion and to the best of our information and according to the explanations given to us and subject to our comment in para (vi) above, the said accounts give the information required by the Companies Act, 1956, 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, 2010

(b) in the case of profit & loss account, 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.

As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India under sub-section (4A) of section 227 of the Companies Act, 1956, we further report in terms of matters specified in paragraphs 4 and 5 of the said Order that:

(i) Since the company has not commenced any business operations and is not having any fixed assets/stocks, clauses (i) & (ii) of the paragraph 4 of the Order are not applicable to the company;

(ii) Since the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of Act, clause (iii) of the paragraph 4 of the Order is not applicable to the company;

(iii) Since there is no inventory, fixed assets and sale of goods, clause (iv) of the paragraph 4 of the Order is not applicable to the company;

(iv) According to the information given to us, there are no transactions that need to be entered in the register maintained u/s 301 of the Act, therefore clause (v) of the paragraph 4 of the Order is not applicable to the company;

(v) According to the information and explanations given to us, the company has not accepted any deposits from public during the year, therefore, clause (vi) of the paragraph 4 of the Order is not applicable to the company;

(vi) Since the company is neither a listed company and/nor having a paid up capital exceeding Rs.50 Lakhs as at the commencement of the financial year concerned nor having an average annual turnover exceeding five crore rupees for a period of three consecutive financial year immediately preceding the financial year concerned, clause (vii) of the paragraph 4 of the Order is not applicable to the company;

(vii) The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the company, therefore, clause (viii) of the paragraph 4 of the Order is not applicable to the company;

(viii) According to the information and explanations given to us, since the company has not commenced any business operations, various provisions with regard to payments of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues are not applicable to company for the time being, therefore, clause (ix) of the paragraph 4 of the Order is not applicable to the company;

(ix) The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during financial year covered by our audit and in the immediately preceding financial year.

(x) As per the information and explanations given to us, clause (xi) of the paragraph 4 of the order is not applicable to the company, since there is no dues payable by the company to a financial institutions or bank or debenture holders;

(xi) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, therefore, clause (xii) of the paragraph 4 of the order is not applicable to the company;

(xii) Since the company is not a chit fund/nidhi/mutual benefit fund/society, clause (xiii) of the paragraph 4 of the order is not applicable to the company;

(xiii) Since the company is not dealing or trading in shares, securities, debentures and other investments, clause (xiv) of the paragraph 4 of the order is not applicable to the company;

(xiv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, therefore, clause (xv) of the paragraph 4 of the order is not applicable to the company.

(xv) Since the company has not taken/raised any loans, clauses (xvi) & (xvii) of the paragraph 4 of the order are not applicable to the company;

(xvi) As per the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

(xvii) Since the company has not issued any debentures, clause (xix) of the paragraph 4 of the order is not applicable to the company;

(xviii) Since the company has not raised money by public issue, clause (xx) of the paragraph 4 of the order is not applicable to the company;

(xix) As per information and explanations given to us, no frauds on or by the company has been noticed or reported during the course of our audit.

For K. K. JAIN & CO.
Chartered Accountants
(Simmi Jain)
Partner
M.No.86496
FRN No. 02465N

Place : New Delhi
Dated : 22.04.2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF PIPAVAV POWER DEVELOPMENT COMPANY LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of PIPAVAV POWER DEVELOPMENT COMPANY LIMITED, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 22 April 2010.

I, on behalf of the Comptroller and Auditors General of India, have decided not to review the report of the statutory auditors' on the accounts of PIPAVAV POWER DEVELOPMENT COMPANY LIMITED, New Delhi for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

(Ghazala Meenai)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place: New Delhi
Dated: 11th May, 2010

KANTI BIJLEE UTPADAN NIGAM LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourth Annual Report on the working of the Company together with Audited Accounts and Auditors' Report thereon for year ended on 31st March 2010.

OPERATIONAL AND COMMERCIAL PERFORMANCE

The Unit#2 of Muzaffarpur Thermal Power Station (MTPS) of your Company has been operating after restoration and stabilization since 29.02.2008. The contract for Renovation & Modernisation (R&M) work of Boiler, Turbine, Generator & Auxiliaries (BTG Packages) for 2X110MW units of MTPS has been awarded to Bharat Heavy Electricals Limited (BHEL) and the same would be completed within 28 months from the date of award. R&M cost of both the units would be around Rs. 471.80 crore which is being financed by Backward Region Grants Fund of the Government of India. R&M of Balance of Plant (BOP) is being taken up directly by your Company.

The Board of Directors of your Company has granted investment approval for expansion of existing plant by addition of 2X195 MW units on 06.03.2010. The contract for Main Plant award which includes SG with ESP and TG Package has been awarded to BHEL at a total contract price of Rs. 1076 crore. As per the work schedule, completion of first unit shall be achieved within 31 months and second unit shall be completed within 3 months thereafter. The facilities for the plant would be constructed in the land available with MTPS and as such no additional land is required for plant and township. Only 376 acres of land is required for Ash Dyke, its Corridor and Make-up Water Pump House out of which for 372.27 acres of land, application has been submitted and demand note for deposit of money is received from Government of Bihar. The Company has also signed Power Purchase Agreement with Bihar State Electricity Board. However, power would be allocated by the Ministry of Power, Government of India.

During the year, the power station of the Company had generated 461 MU of electricity which was 104.16% over and above the generation in 2008-2009. The plant operated at an average PLF of 47.8% during the year.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2010 are as under:-

(Rs. Crore)

Particulars	Fiscal 2010	Fiscal 2009
Paid-up Share Capital	**88.5**	0.1
Share Capital Deposit Pending Allotment	**4.3**	61.5
Reserve & Surplus	**187.4**	112.5
Secured Loans	**38.4**	32.1
Net Block	**27.8**	29.4
Capital Work-in-Progress	**146.9**	129.5
Construction Stores & Advances	**141.6**	66.7
Current Assets, Loans and Advances	**29.5**	24.9
Current Liabilities	**27.1**	44.3
Loss after Tax	**(0.08)**	(0.003)
Earning Per Share (Rs.)	**(0.13)**	(0.28)

The financial statements and the performance of the Company have been discussed in the Management Discussion & Analysis section which is at Annex-1 to this Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ending 31st March 2010.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Your Company has initiated a proposal for energy audit at MTPS for further reduction in Auxiliary power consumption. After the R&M of both the units (2X110MW) would be completed, consumption of auxiliary power and fossil fuel would be reduced.

Your Company has successfully introduced ERP system to get leverage from information technology.

During the period under review the Company had no earning or outgo in foreign exchange.

AUDIT COMMITTEE

An Audit Committee of the Board of Directors of the Company has been formed on 07.04.2010 in accordance with Section 292A of the Companies Act, 1956 comprising S/ Shri A.K. Singhal, Vivek Kumar Singh, P.K. Rai and N.N. Misra, Directors as members of the Committee. One meeting of the Audit Committee was held after its formation, i.e. on 11.05.2010.

AUDITORS' REPORT

The Comptroller & Auditor General of India through letter dated 21.08.2009 had appointed M/s GRA & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2009-10. The Statutory Auditors has submitted their report and there is no adverse comment or remark in their report.

COMPTROLLER & AUDITOR GENERAL REVIEW

Comptroller & Auditor General of India (C&AG) vide letter dated 14th May 2010 has decided not to review the report of the Auditors on the accounts of the company for the year ended 31st March 2010 and as such has no comments to make under Section 619(4) of the Companies Act, 1956.

As advised by the office of the C&AG, the NIL comments of C&AG on the accounts of the Company for the year 2009-2010 are being placed with the report of the Statutory Auditors.

PARTICULARS OF EMPLOYEES

The particulars of employees as prescribed under Sec. 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are at Annex-2.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

i) in the preparation of the annual accounts for the Financial Year ending on 31st March 2010, the applicable accounting standards have been followed alongwith 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 as at the end of Financial Year 2009-2010 and of the loss of the company for the said 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, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) the Directors had prepared the annual accounts for the Financial Year ending on 31st March 2010, on going concern basis.

BOARD OF DIRECTORS

Shri R.K. Jain and Shri Swapan Mukherjee have ceased to be the Director of your Company w.e.f. 31st December 2009 consequent upon attaining the age of superannuation.

Shri R.C. Shrivastav has ceased to be the Director of your Company w.e.f. 30th June 2010 consequent upon attaining the age of superannuation.

Shri R.K. Sharma and Shri V.K. Singh have ceased to be the Director of your Company w.e.f. 27th July 2010 consequent upon their nomination being withdrawn by Bihar State Electricity Board.

Shri P.K. Rai, Member (Generation, Distribution and Rural Electrification), BSEB has been nominated by BSEB as a Director in place of Shri Swapan Mukherjee. Shri N.N. Misra, Executive Director (HR), NTPC has been nominated by NTPC as a Director in place of Shri R.K. Jain. The Board of your Company has appointed both Shri P.K. Rai and Shri N.N. Misra as Directors w.e.f. January 9, 2010.

Shri V.C. Gupta, Member (Finance & Revenue), BSEB has been nominated by BSEB as a Director in place of Shri V.K. Singh. Shri G.J. Deshpande, Executive Director (OS), NTPC has been nominated by NTPC as a Director in place of Shri R.C. Shrivastav. The Board of your Company has appointed both Shri V.C. Gupta and Shri G.J. Deshpande as Directors w.e.f. 27th July 2010.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri R.K. Jain, Shri Swapan Mukherjee, Shri R.C. Shrivastav, Shri R.K. Sharma and Shri V.K. Singh during their association with your Company.

As per the provisions of the Companies Act, 1956, Shri A.K. Singhal and Shri P.K. Rai, Directors shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation for co-operation extended by Ministry of Power/ Government of India, Government of Bihar, Bihar State Electricity Board, Planning Commission, Central Electricity Regulatory Commission, Ministry of Environment and Forests 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 the Board of Directors

Place: New Delhi (R.S. Sharma)
Dated: 27.07.2010 Chairman

Annex-1 to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SECTOR AND DEVELOPMENTS

Generation

Existing Installed Capacity

As the Indian economy continues to surge ahead, its power sector has been expanding concurrently to support the growth rate. The demand for power is growing exponentially and the scope for the growth of this sector is immense.

The total installed capacity in the country as on March 31, 2010 is 159,398.49 MW.

The total thermal capacity, including gas stations and diesel generation accounts for about 64.3% of installed capacity of the country followed by hydro capacity at 23.1%. Nuclear stations account for 2.9% and the balance 9.7% is contributed by Renewable Energy Sources.

According to the Ministry of Power, a total of 34 projects were commissioned during 2009-10 with a total capacity of 9,585 MW. These include 31 thermal power plants with a total capacity of 9,106 MW, one hydro power plant with a capacity 39 MW, and two nuclear power plants with a combined capacity of 440 MW.

Existing Generation

The total power generation in the country during the year 2009-10 was 771.551 BUs as compared to 723.794 BUs generated during the last year registering a growth of 6.5%.

Demand and Supply Position

Currently, the sector is characterised by acute power shortages. During the year, the peak shortage was 12.7% and the energy shortage was 10.1%.

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). The All-India PLF for the power sector was 77.48% during 2009-10.

Performance of Kanti Bijlee Utpadan Nigam Limited

During the year, the power station of the Company had generated 461 MU of electricity which was 104.16% over and above the generation in 2008-2009. The plant operated at an average PLF of 47.8% during the year. The Auxiliary power consumption was 14.08% of generation as against 16.25% of generation during the corresponding period in last year. The energy sale during the year was Rs. 144.47 crore at the mutually agreed rate of Rs. 3.65 per unit between the Company and Bihar State Electricity Board (BSEB). Payment at this rate would be subject to adjustment based on tariff decided by Central Electricity Regulatory Commission. Your Company has requested BSEB for making timely payment towards sale of energy.

SWOT ANALYSIS

Strength:

- Fully supported prestigious project of Govt. of India
- Reputed background of promoters
- Strong back up of Govt. of Bihar
- NTPC Limited as a major stake holder
- NTPC as a consultant having wide experience in engineering and management expertise from planning to commissioning and operating power plants
- BHEL as EPC contractor
- Funding of R&M under BRGF scheme of GOI

Weakness:

- Climatic condition of Bihar: Huge Rainfall and Floods
- Manpower constraint
- Socio-economic condition of the area
- Non availability of adequate infrastructure facilities
- Lack of technically skilled and experienced local manpower
- Schedule dependency on Transmission Lines

Opportunity:

- Huge Demand of power by Bihar
- Increasing industrial development in Bihar
- Allocation of power to other States
- R&M of BOP by KBUNL directly

Threats:

- Rising prices of the feed stock
- Constrained availability of coal
- Poor quality of coal
- Increased rate of power due to de-rated capacity of plant
- Delayed Realisation of sale proceeds from Bihar State Electricity Board
- Environmental concern for increasing pollution
- Land Acquisition
- Clearance from various Authorities
- Security Concern

OUTLOOK

The company's outlook appears to be very bright and will get break even very soon once the plant is commissioned and production is stabilized. It will generate sufficient revenue for the growth and development of the company vis-à-vis employment opportunities to the local inhabitants.

RISK AND CONCERN

Risk taking is intrinsic to business growth. All business organizations face risks either from internal operation or from external environment. The base of any business is healthy appetite for risk. This is why one of the greatest and most important challenges for an organization is to define the optimal risk level for its business to ensure that its activities produce risk adjusted returns.

The risk 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 nature of product/operation, accidents and natural calamities like fire, earthquake or cyclone 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 guideline in this regard. Risk arising out of accidents, fire etc is protected through insurance policies and limited through contractual agreements wherever possible.

Financial Risks are concerned with delayed realisation of sale proceeds from BSEB, servicing of debt, releasing of funds from Backward Region Grants Fund scheme of Govt. of India.

The Company is persistently taking up with BSEB for timely payment of sale proceeds and with Planning Commission for release of grant under BRGY scheme.

Operational risks are associated with systems, processes and people and cover areas such as operational failure or interruption, disruption in supply chain.

Low quality and less availability of coal is a major issue. Also, manual unloading of coal consumes most of the time. However, company is in the process of procuring and implementing Wagon Tippler by which Company shall be able to arrange faster unloading of coal. Timely completion of Renovation & Modernisation of Main Plant and Balance of Plant of Unit -1 & Unit -2 of existing MTPS shall help in generation of electricity by the plant in the long run and also the revenue being generated from it.

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 like HR, Accounting, Engineering, etc. 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 this year. The scope of this Committee includes compliance with Internal Control Systems.

FINANCIAL DISCUSSION AND ANALYSIS

Your company was formed on 06.09.2006 as per the decision of Ministry of Power and Government of India to take over the assets of Muzaffarpur Thermal Power Station (2X110MW).

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

During the financial year 2009-2010, M/s Thakur Vaidyanath Aiyer & Co., Chartered Accountants, Patna who were appointed for the purpose of carrying out exercise of physical verification of taken over assets and apportionment of transfer value of various physically verified assets submitted their verification and value report on 25.12.2009. The transferred value of the assets arrived at Rs. 88.4 crore.

Your Company has allotted shares worth Rs. 88.4 crore to NTPC Limited and BSEB on 06.03.2010. NTPC Limited has been allotted shares for Rs. 57.1 crore, the amount which NTPC had paid to Life Insurance Corporation of India against vacation of charge created against transferred assets and shares for the balance value i.e. Rs. 31.3 crore have been allotted to BSEB. After allotment, the shareholding of NTPC and BSEB in the Company is in the ratio of 64.57:35.43.

During the year, the energy sent out was 396 MUs as against 189 MUs during the corresponding period last year. The expenditure incurred on employees remuneration and other benefits relating to employees, administration and other expenses, depreciation, interest and finance charges, less receipts from sale of energy to BSEB, amounting to Rs. 40.5 crore were transferred to Expenditure during Construction Account. The training and recruitment expenses, provision for unserviceable store and provision for shortage store amounting to Rs. 741,820 were charged to Profit & Loss Account. The net loss carried to the Balance Sheet during the year was Rs. 7,50,950/-.

The additions made in the fixed assets during the year was Rs. 13,09,651/- and the gross block after depreciation amounted to Rs. 27.8 crore. The depreciation has been charged on residual life of the assets after allocation of value to assets is being made by M/s Vaidyanath Aiyer & Co., Chartered Accountants.

Out of Rs. 350 crore grant sanctioned by Government of India under Backward Region Grants Fund scheme (BRGF), Bharat Heavy Electricals Limited has been paid Rs. 172.50 crore as an advance and Rs. 15 crore had been paid to your company. The Company has a loan liability of Rs. 26.2 crore payable to NTPC which is secured by mortgage through deposit of title deed.

The addition to buildings, plant & machinery, survey & investigation expenses (Stage-II), pre commissioning expenses and expenditure during construction have been accounted as Capital Work-in-Progress and this amounted to Rs. 146.87 crore.

POWER OF HUMAN RESOURCE

Your Company takes pride in its highly motivated and competent human resource that has contributed its best to bring the Company to its present stature. As an affirmative measure to ensure social justice, your company has endeavored for adequate representation of Scheduled Caste and Scheduled Tribes employees. Out of total 149 employees in the Company, 8 employees belong to SC Category and 4 employees belong to ST Category.

The Company is paying adequate perks and also making employees part of profit by giving Profit Related Payment. They are being imparted training for their professional upgradation from time to time and as an endeavour of being a learning organisation. The Company had paid Rs. 16.7 crore towards Salaries, Wages, Allowances, Benefits, Contribution to Provident and other Funds and welfare expenses.

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.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

Your Company has initiated a proposal for energy audit at MTPS for further reduction in consumption of auxiliary power. After the R&M of both the units (2X110MW) would be completed, consumption of auxiliary power and fossil fuel would be reduced.

During the period under review the Company had no earning or outgo in foreign exchange.

CAUTIONARY STATEMENT

It is clarified that the actual results may vary materially from those expressed or implied in the Management Discussion & Analysis due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors.

For and on behalf of Board of Directors

Place: New Delhi (R.S. Sharma)
Dated: 27.07.2010 Chairman

Annex-2 to the Directors' Report

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Name	Designation and Nature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of Employment	Exp. (Yrs)	Age (Yrs)	Last Employment held	Remarks
1	2	3	4	5	6	7	8	
Employed for Whole of the Year								
Dutta Dilip Kumar	DGM (C&M)	2868124	BE (Electrical)	30.11.1981	29	51	-	-
Jha Satish Chandra	AGM (F&A)	2560302	C.A.	01.07.1987	23	59	-	-
Jha Shambhu Sharan	DGM (TMD)	2519447	BE (Mech.)	01.09.1987	23	48	-	-
Kumar Uttam	DGM (Oper.)	2673787	B.Sc. Engg.(Elect)	21.11.1983	27	51	-	-
Singh Jai Shankar Prasad	AGM (R&M)	2500536	B.Sc. Engg.(Mech)	25.01.1985	25	59	-	-
Sarkar Shuddhasattwa	AGM (MM)	2490407	BE (Mech)	27.10.1986	24	50	-	-
Employed for Part of the Year								
-NIL-								

Notes:

1 Persons named above are/ were employees of the Company.

2 Remuneration includes salary, allowances, leave encashment, leave travel concession, payment for subsidized leased accommodation, reimbursement of medical expenses to employees and employer's contribution to Provident Fund and other funds. However, it does not include the monetary value of the medical treatment provided in the Company's dispensaries/hospitals at Project sites, since it can not be quantified employees-wise. In addition, the employees are entitled to gratuity/ group insurance in accordance with Company's Rules.

3 None of the employees listed above is related to any director of the company.

4 Remuneration mentioned above is inclusive of retirement /separation benefits paid during the year and is not indicative of any regular remuneration structure of employees of the Company.

5 None of the employees hold any equity in the Company.

For and on behalf of the Board of Directors

Place: New Delhi (R.S. Sharma)
Dated: 27.07.2010 Chairman

KANTI BIJLEE UTPADAN NIGAM LIMITED

ACCOUNTING POLICIES 2009-10.

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. GRANTS-IN-AID

3.1 Grants-in-aid received from the Central Government or other authorities towards capital expenditure are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.

3.2 Where the ownership of the assets acquired out of the grants vests with the Government, the grants are adjusted in the carrying cost of such assets.

3.3 Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

4. FIXED ASSETS

4.1 Fixed Assets are carried on historical cost.

4.2 Expenditure on renovation and modernization of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

4.3 Intangible assets are recorded at their cost of acquisition.

4.4 Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Fixed Assets.

4.5 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses related to land in possession are treated as cost of land.

4.6 In the case if assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

4.7 Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

5. CAPITAL WORK-IN-PROGRESS

5.1 In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-Progress.

5.2 Administration and general overhead expenses attributable to construction of fixed assets are identified and allocated on a systematic basis and included in the cost of related assets till they are ready for their intended use.

5.3 Deposit work/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

6. FOREIGN CURRENCY TRANSACTIONS

6.1 Foreign currency transactions are initially recorded at the rates of exchange rulling at the date of transaction.

6.2 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.

6.3 Exchange differences (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost. Exchange differences (gain) are adjusted in the cost of related assets to the extent the related exchange loss was regarded as borrowing cost in the earlier periods till the related assets are ready for their intended use.

6.4 Exchange differences are recognized as income or expense in the period in which they arise.

7. BORROWING COSTS

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

8. INVENTORIES

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

8.2 Diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

9. EXPENDITURE

9.1 Depreciation is charged on straight line method at the rates specified in schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a) Kutcha Roads	47.50%
b) Enabling works - Residential buildings including their internal electrification. - Non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	 06.33% 19.00%
c) Personal computers and Laptops including peripherals	19.00%
d) Photocopiers and Fax Machines	19.00%
e) Air conditioners, water coolers and Refrigerators	08.00%

9.2 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.

9.3 Assets costing up to Rs. 5000/- are fully depreciated in the year of acquisition.

9.4 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 earlier.

9.5 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 unamortized balance of such asset is charged prospectively over the residual life determined on the basis of the rate of depreciation.

9.6 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 prospectively over the revised useful life determined by technical assessment.

9.7 Machinery spares which can be used by in connection with as item of plant and machinery and it's use is expected to be irregular, are capitalized and fully depreciated over the residual useful life of the related plant and machinery.

9.8 Capital expenditure on assets not owned by the company is amortized over a period of 4 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of stations under operation is charged off to revenue.

9.9 Leasehold buildings area 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.

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

9.11 Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.

9.12 Actuarial gains/losses in respect of 'Employee Benefit Plans' are recognized in the statement of profit & loss account.

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

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

9.15 Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Windage and handling losses of coal as per norms are included in cost of coal.

10. 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.

11. CASH FLOW STATEMENT

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

KANTI BIJLEE UTPADAN NIGAM LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

Amount (Rs)

	Schedule No	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	**885,075,370.00**	1,000,000.00
Share Capital Deposit pending Allotment		**43,800,000.00**	614,800,000.00
Reserve & Surplus	2	**1,874,128,334.00**	1,124,879,284.00
		2,803,003,704.00	1,740,679,284.00
LOAN FUNDS			
Secured Loan	3	**383,731,637.00**	320,686,286.00
TOTAL		**3,186,735,341.00**	2,061,365,570.00
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		**334,868,757.22**	323,301,752.00
Less: Depreciation		**56,811,103.96**	29,726,171.00
Net Block		**278,057,653.26**	293,575,581.00
Capital Work-in-Progress	5	**1,468,733,115.70**	1,294,909,252.00
Construction Stores and Advances	6	**1,415,918,574.31**	667,324,419.00
		3,162,709,343.27	2,255,809,252.00
CURRENT ASSETS, LOANS AND ADVANCES			
Inventory	7	**9,685,075.00**	30,884,255.00
Other Current Assets	8	**2,594,755.08**	317,331.00
Sundry debtors	9	**131,240,801.00**	41,743,349.00
Cash & Bank Balances	10	**140,862,411.46**	49,174,518.00
Loans and Advances	11	**10,818,855.36**	126,716,531.00
		295,201,897.90	248,835,983.00
LESS: CURRENT LIABILITIES			
Liabilities	12	**246,353,691.31**	427,630,245.00
Provisions	13	**24,822,209.00**	15,649,420.00
		271,175,900.31	443,279,665.00
Net Current Assets		**24,025,997.73**	-194,443,682.00
TOTAL		**3,186,735,341.00**	2,061,365,570.00

Notes on Accounts 20

Schedule 1 to 20 and accounting policies form part of accounts.

For & On Behalf of the Board of Directors

As per our report of even date
For GRA & Associates
Chartered Accountants

(Rohit Gupta)	**(Ruchi Agarwal)**	**(R.K.Sharma)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M. No 091710
Place: New Delhi
Dated: 11th May 2010

KANTI BIJLEE UTPADAN NIGAM LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010

Amount (Rs)

	Schedule No	For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
INCOME			
Other Income	14	**0.00**	0.00
Total		**0.00**	0.00
EXPENDITURE			
Employees' Remuneration and Benefits	15	**-**	-
Administrative & Other Expenses	16	**741,820.00**	27,866.00
Depreciation		**-**	-
Interest and Finance Charges	17	**9,130.00**	-
Prior Period Expenditure	18	**-**	-
Total		**750,950.00**	27,866.00
Profit/(Loss) before Tax		**(750950.00)**	(27866.00)
Provisions:			
Fringe Benefit Tax		**-**	1,189,107.00
Less: Transferred to EDC		**-**	1,189,107.00
Provisions for Tax (Net)		**-**	-
Profit/ (Loss) after Tax		**(750950.00)**	-27866.00
Balance Brought Forward		**(27866.00)**	
Balance Carried to Balance Sheet		**(778816.00)**	-27866.00
Expenditure During Construction	19		
Earning Per Share (Equity Shares, Face Value Rs 10/- each)			
Basic		**(0.13)**	(0.28)
Diluted (Earning is less than paise one)		**-**	-
Notes on Accounts	20		

Schedule 1 to 20 and accounting policies form part of accounts.

For & On Behalf of the Board of Directors

As per our report of even date
For GRA & Associates
Chartered Accountants

(Rohit Gupta)	**(Ruchi Agarwal)**	**(R.K.Sharma)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M. No 091710
Place: New Delhi
Dated: 11th May 2010

Amount (Rs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1: CAPITAL		
Authorised		
100,000,000 equity shares of Rs 10/- each	**1,000,000,000.00**	1,000,000,000.00
(Previous year 100,000,000 equity shares of Rs 10/- each)		
Issued, Subscribed and paid up		
88507537 equity shares of Rs 10/- each fully paid up	**885,075,370.00**	1,000,000.00
(57151000 equity shares of Rs.10 each fully paid up held by NTPC ltd. and their nominees received in cash and 31356537 equity shares fully paid up shares held by Bihar State Electricity Board and their nominees,in consideration other than cash.)		
(Previous year:51000 equity shares of Rs.10 each fully paid up held by NTPC Ltd. and their nominees and 49000 shares fully paid up held by BSEB and their nominees)		
Total	**885,075,370.00**	1,000,000.00

Amount (Rs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 2: RESERVES AND SURPLUSES		
Capital Reserve		
Opening Balance (Grants-in-aid from Govt of India)	**1,124,907,150.00**	1,124,907,150.00
Add: Received during the year	**750,000,000.00**	-
Closing Balance	**1,874,907,150.00**	1,124,907,150.00
Profit/(Loss) from Profit & Loss Account	**(778816.00)**	(27866.00)
Total	**1,874,128,334.00**	1,124,879,284.00
SCHEDULE 3: SECURED LOANS		
Cash credit from bank	**120,874,493.00**	14,972,000.00
(Secured against Inventory and Trade Debtors acquired from cash credit loan.)		
Loan from Holding Company NTPC Ltd	**262,857,144.00**	305,714,286.00
(Secured by equitable mortgage through deposit of title deed.)		
Total	**383,731,637.00**	320,686,286.00

KANTI BIJLEE UTPADAN NIGAM LIMITED

(Formerly VAISHALI POWER GENERATING COMPANY LIMITED)

SCHEDULE NO 4 - FIXED ASSETS

Amount (Rs)

A/C CODE DESCRIPTION	Gross Block				Depreciation				Net Block	
	As at 01.04.2009	Additions	Adjustments	**As at 31.03.2010**	As at 01.04.2009	During The Period	Dedn/ Adjust	**As at 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
TANGIBLE ASSETS										
Roads,Bridges,Culverts	0	-	12,430,863	**12430863**	0	372891	10689017	**11061908**	**1368955**	0
Water Supply,drainage	0		4,444,628	**4444628**	0	226724		**226724**	**4217904**	0
Other Buildings	308189733		(6,616,539)	**301573194**	26591637	13584238		**40175875**	**261397319**	281598096
Plant & Machinery	770385	0	0	**770385**	69347	39762	0	**109109**	**661276**	701038
Construction Equipment	1832516	0	0	**1832516**	120900	206807	0	**327707**	**1504809**	1711616
Furniture Fixture & Other Office quipment	7144865	1128819	1600	**8272084**	1523291	745549.49	56420	**2325260**	**5946824**	5621574
EDP and WP Machine	4243164	117173	0	**4360337**	1021786	765850	0	**1787636**	**2572701**	3221378
Communication Equipments	0	35776		**35776**		142		**142**	**35634**	0
Vehicles	280545	0	0	**280545**	71812	53304	65890	**191006**	**89539**	208733
INTANGIBLE ASSETS										
Software	840545	27883	0	**868428**	327398	278337	0	**605735**	**262693**	513147
Total	**323301752**	**1309651**	**10260552**	**334868757**	**29726171**	**16273606**	**10811327**	**56811104**	**278057653**	**293575581**
Previous Year	317206210	6095542		**323301752**	17883361	11842810		**29726171**	**293575581**	299322849

	Current Year	Previous Year
Depreciation for the year is allocated as given below:-		
Charged to Profit and Loss Account	**-**	0
Less: Depreciation transferred to EDC-sch 17	**27,084,933**	11842810
Deductions/Adjustment from Gross Block includes-Cost adjustment	**10260552**	
Deductions/Adjustment from Depreciation cost adjustment	**10811327**	

SCHEDULE NO 5
CAPITAL WORK-IN-PROGRESS

Description	Op Balance as at 01.04.09	Additions during 01.04.09 to 31.03.2010	Adjustments	Capitalised during the period	**Cl Balance as at 31.03.2010**
Buildings	1,159,118	2,228,589	-		**3387707**
Plant & Machinery	922844937	1160699909	20090		**2083564936**
Expenditure Pending Allocation					
Survey & Investigation (Stage II-195 MW x 2)	5107976	6692262	0		**11800238**
Pre-commisioning expenses (net)	(259065867)	(370953898)	0		**(630019765)**
Expenditure During Construction	624883178	405523639			**0**
Less: Allocate to CWIP		1030406817			
Total	**1294929342**	**173783683**	**20090**	**0.0**	**1468733116**
Previous Year	1023046675	271862577	0	0.0	**1294909252**

Amount (Rs)

		As at 31.03.2010	As at 31.03.2009
SCHEDULE 6: **CONSTRUCTION STORES AND ADVANCES**			
ADVANCE FOR CAPITAL EXPENDITURE			
Unsecured, considered good			
Covered by Bank Guarantee		**-**	-
Others		**1,281,655,753.10**	534,419,720.00
CONSTRUCTION STORES			
Steel	1,538,017		-
Others	133,212,419		133,451,220.00
		134,750,436.21	
		1,416,406,189.31	667,870,940.00
Less: Provision for obsolete/shortage Store		**487,615.00**	546,522.00
Total		**1,415,918,574.31**	667,324,418.00
SCHEDULE 7: **INVENTORIES**			
(Valued as per Accounting Policy No.6)			
Fuel		**9,681,955.00**	29,432,497.00
Component and Spares		**-**	-
Chemical and Consumables		**3,120.00**	1,451,758.00
Total		**9,685,075.00**	30,884,255.00

Amount (Rs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 8: **OTHER CURRENT ASSETS**		
Interest accrued on Term Deposits	**2,501,019.08**	317,331.00
Others	**93,736.00**	-
	2,594,755.08	317,331.00
SCHEDULE 9: **SUNDRY DEBTORS**		
Debtors for sale of energy	**131,240,801.00**	41,743,349.00
(Less than six months)		
Total	**131,240,801.00**	41,743,349.00
SCHEDULE 10: **CASH & BANK BALANCES**		
Balances with Scheduled Banks		
Cheque in hand	**100,168,000.00**	-
Term Deposit	**34,317,584.64**	36,500,000.00
Current Account	**6,376,826.82**	12,674,518.00
Total	**140,862,411.46**	49,174,518.00

	As at 31.03.2010	As at 31.03.2009
		Amount (Rs)
SCHEDULE 11:		
LOANS AND ADVANCES		
(Considered good,unless otherwise stated)		
Loans		
Employees		
Secured	-	22,346,906.00
Unsecured	-	1,692,946.00
Advances		
Employees	177,309.00	37,266,481.00
Others	1,167,030.36	56,361,396.00
Deposits		
Advance Tax (TDS)	391,343.00	82,334.00
Advance Tax -FBT	597,375.00	-
Deposits with others	8,485,798.00	8,966,468.00
Total	10,818,855.36	126,716,531.00

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 12:		
CURRENT LIABILITIES		
Sundry Creditors		
For Capital expenditure		
Other than Micro & Small Enterprises	94,139,195.01	274,350,217.00
For goods and services		
Other than Micro & Small Enterprises	52,220,646.34	55,726,034.00
Deposits, Retention money from contractors and others	15,256,320.45	9,586,050.00
Less: Investments held as security	1,255,500.00	1,143,412.00
	160,360,661.80	338,518,889.00
Other liabilities	18,232,901.38	936,962.00
Amount payable to Holding Company	67,760,128.13	88,174,394.00
Total	246,353,691.31	427,630,245.00

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 13:		
PROVISIONS		
Fringe Benefit Tax		
Opening Balance	101,690.00	81,672.00
Addition during the year	-	1,290,797.00
Less: advance tax deposited	101,690.00	1,270,779.00
Closing Balance (Fringe Benefit tax)	-	101,690.00
Employee Benefits		
Opening Balance	15,547,730.00	7,424,235.00
Additions during the year	12,953,470.00	11,212,265.00
Amount used during the year	3,678,991.00	3,088,770.00
Closing Balance (Employee Benefit)	24,822,209.00	15,547,730.00
Total	24,822,209.00	15,649,420.00

SCHEDULE 14 : **OTHER INCOME**	For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
Interest from bank(Gross) (Tax Deducted at Source Rs.309009, Previous Year Rs.82334)	2,933,282.72	399,665.00
Misc. income		
Recoveries of Rent& Electricity	1,515,242.84	1,048,421.00
Other Receipts	237,654.57	275,923.00
	4,686,180.13	1,724,009.00
Transferred to Expenditure During Construction - Schedule 19	4,686,180.13	1,724,009.00
Total	-	-

	For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
SCHEDULE 15:		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, bonus, allowances & benefits	148,282,311.53	110,026,911.00
Contribution to provident fund and other funds	9,343,938.41	12,283,672.00
Welfare expenses	9,810,761.39	13,387,581.00
	167,437,011.33	135,698,164.00
Transferred to Expenditure During Construction - Schedule 19	167,437,011.33	135,698,164.00
Total	-	-

Amount (Rs)

SCHEDULE 16 :		For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
ADMINISTRATION & OTHER EXPENSES			
Repair & Maintenance			
Buildings		1,727,677.98	4,140,738.00
P&M-power station		72,185,515.62	54,568,044.00
Others		45,351.00	1,131,042.00
Chemicals & Consumables		3,231,437.56	3,362,866.00
Training & Recruitment		254,205.00	27,866.00
Legal Expenses		252,913.00	100.00
Profession Charges and Consultancy Fees		1,006,572.00	3,290,912.00
Communication Expenses		2,677,138.57	1,717,402.00
Travelling Expenses		8,924,039.00	7,666,863.00
Tender Expenses		662,982.00	747,449.00
Auditors Remuneration			
Fees	70,332.00		
Out of Pocket Expenses	36,924.00	107,256.00	62,108.00
Advertisement Exp		54,850.00	
Printing and Stationery		610,674.00	390,874.00
EDP Hire and Other Charges		170,264.00	105,802.00
Security Expenses		43,592,273.57	14,349,495.00
Entertainment Expenses		389,406.00	153,969.00
Expenses for Guest House		3,535,124.15	2,742,061.00
Books and Periodicals		75,010.00	10,035.00
Stipend		-	-
Education Expenses		-	-
Rent		616,372.00	1,144,000.00
Plant & Machinery written off			180,615.00
Insurance		5,316,032.20	98,363.00
Rates & Taxes		764,786.00	338,861.00
Miscellaneous expenses			
Expenses on Hiring of Vehicles		4,252,027.76	4,261,475.00
Other Expenses		846,080.34	1,741,994.00
Prov. For Unserviceable Store		447,120.00	546,522.00
Prov. For Shortage store		40,495.00	
		151,785,602.75	102,779,456.00
Transferred to Expenditure During Construction - Schedule 19		151,043,782.75	102,751,590.00
		741,820.00	27,866.00

	For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
SCHEDULE 17:		
INTEREST AND FINANCE CHARGES		
Interest on loan from Holding Company	34,451,208.00	41,861,587.00
Interest on Cash Credit from SBI	5,947,881.00	139,073.00
Interest as per IT Act	9,130.00	-
Bank Charges	1,361,042.00	1,156,473.00
	41,769,261.00	43,157,133.00
Less: Interest and Finance charges transferred to EDC - Schedule 19	41,760,131.00	43,157,133.00
Total	9,130.00	-

	For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
SCHEDULE 18:		
PRIOR PERIOD INCOME/EXPENDITURE(NET)		
Expenditure		
Depreciation	10,811,327.00	-
Salary & Wages	22,883,961.00	-
Total	33,695,288.00	-
Less: Transferred to EDC	33,695,288.00	-

	For the period 01.04.2009 to 31.03.2010	Amount (Rs) For the period 01.04.2008 to 31.03.2009
SCHEDULE 19:		
EXPENDITURE DURING CONSTRUCTION		
A. Employees Remuneration and Other Benefits		
Salaries, Wages, Allowances and Benefits	**148,282,311.53**	110,026,911.00
Contribution to provident and other funds	**9,343,938.41**	12,283,672.00
Welfare Expenses	**9,810,761.39**	13,387,581.00
Total (A)	**167,437,011.33**	135,698,164.00
B. Admn & Other Expenses		
Repair & Maintenance		
Buildings	**1,727,677.98**	4,140,738.00
P&M-station	**72,185,515.62**	54,568,044.00
Others	**45,351.00**	1,131,042.00
Chemicals & Consumables	**3,231,437.56**	3,362,866.00
Legal Expenses	**252,913.00**	100.00
Profession Charges and Consultancy Fees	**1,006,572.00**	3,290,912.00
Communication Expenses	**2,677,138.57**	1,717,402.00
Travelling Expenses	**8,924,039.00**	7,666,863.00
Tender Expenses	**662,982.00**	747,449.00
Audit Fee	**107,256.00**	62,108.00
Advertisement Exp	**54,850.00**	-
Printing and Stationery	**610,674.00**	390,874.00
EDP Hire and Other Charges	**170,264.00**	105,802.00
Security Expenses	**43,592,273.57**	14,349,495.00
Entertainment Expenses	**389,406.00**	153,969.00
Expenses for Guest House	**3,535,124.15**	2,742,061.00
Books and Periodicals	**75,010.00**	10,035.00
Education Expenses	**-**	-
Rent	**616,372.00**	1,144,000.00
Plant & Machinery written off		180,615.00
Insurance	**5,316,032.20**	98,363.00
Rates & Taxes	**764,786.00**	338,861.00
Miscellaneous expenses		
Expenses on Hiring of Vehicle	**4,252,027.76**	4,261,475.00
Other Expenses	**846,080.34**	1,741,994.00
Total (B)	**151,043,782.75**	102,205,068.00
C. Depreciation	**16,273,605.96**	11,842,810.00
Total (A+B+C)	**334,754,400.04**	249,746,042.00
D. Interest and Finance Charges		
Interest on loan from Holding Company	**34,451,208.00**	41,861,587.00
Interest on Cash Credit from SBI	**5,947,881.00**	139,073.00
Interest as per IT Act	**-**	-
Finance Charges	**1,361,042.00**	1,156,473.00
Total (D)	**41,760,131.00**	43,157,133.00
E. Fringe Benefit Tax	**-**	1,290,797.00
G. Prior period Exp	**33,695,288.00**	
H. Other receipts	**4,686,180.13**	1,724,009.00
GRAND TOTAL (A+B+C+D+E+F-G)	**405,523,638.91**	292,469,963.00

Schedule-20

Notes on Accounts:

1. The name of the Company has been changed to "Kanti Bijlee Utpadan Nigam Limited" (KBUNL) (formerly known as Vaishali Power Generating Company Limited) vide Registrar of Companies, National Capital Territory of Delhi & Haryana's certificate dated 10th April 2008.

2. In terms of transfer notification dated 08.09.2006 issued by Government of Bihar, Muzaffarpur Thermal Power Station of Bihar State Electricity Board (BSEB) was vested in Kanti Bijlee Utpadan Nigam Limited (Formerly known as Vaishali Power Generating Company Limited) w.e.f. 8th September 2006. As per terms of notification, all assets of the Station (excluding Land which has been transferred on 33 years Lease) have been vested in KBUNL in lieu of purchase consideration of Rs.88,40,75,367/- based on the report dt. 25.12.2009 of M/s Thakur Vaidyanath Aiyer & Co., Chartered Accountants, Patna. Life Insurance Corporation of India had a charge of Rs.57.10 crore on these transferred assets, which has been vacated on 29-03-2008, on payment of Rs. 57.10 crores to LIC by the Holding Company NTPC Ltd as per the transfer notification. Fully paid up share have been issued to NTPC and BSEB in lieu of purchase consideration to the extent of Rs.88,40,75,370/- (NTPC no. of Share 5,71,00,000- value Rs. 57,10,00,000/-& BSEB no of Share 3,13,07,537- value Rs.31,30,75,370/- respectively) as per the resolution of KBUNL Board, in their 18th meeting dt. 6th March,2010 .

3. On allocation of depreciated book value of assets, & assessment of their residual useful life as on transfer date by M/s Thakur Vaidyanath Aiyer & Co., Chartered Accountants, Patna, the depreciation has been charged in the accounts of 2009-10 prospectively for the remaining life of the assets.

4. BSEB vide their letter dt.03.03.2009 requested that M/s PGCIL has created switch yard assets worth Rs. 3,85,33,287/- to be considered in transfer value. Pending receipt of details sought from BSEB the switch yard assets worth Rs. 3,85,33,287/- have been accounted in CWIP through credit to Sundry Creditors for Capital Expenditures the amount payable to BSEB for transfer Value of assets.

5. Both the units of the transferred station are under renovation & modernization since the date of transfer (and not in operation). The plant & machinery comprised in the assets therefore has been accounted as CWIP. From 29-01-08 unit no. 02 (1 x 110 MW) after restoration & refurbishment is on trial operation for attaining stability in operation. The infirm power generated from the unit-02 (1 x 110 MW) of plant during the stability period has been accounted at mutually agreed rate of Rs. 3.65 p/kwh between BSEB & KBUNL .Charges accrued and related expenses including fuel & other direct expenses during stabilization period has been accounted as pre-commissioning income/expenditure. In firm power sent out during the F.Y.-(2009-10) 396 MU (previous year 189MU).

6. As per the MOU dt.9th May 2006, Govt. of India sanctioned a grant of Rs.350.00 crore through Govt of Bihar for renovation & modernization of the taken over station under RSVY grant. M/s BHEL has been paid an advance of Rs.172.50 crores till 31.03.2010 and KBUNL has been paid Rs. 15 crores out of the sanctioned amount and the same have been accounted as 'Grants-in-Aid' in Schedule 2 as Capital Reserve.

7. Estimated amount of contracts remaining to be executed on Capital account and not provided for is Rs. 139.12 cores (Previous Year 152.57 Crores).

8. Earning per share :-

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

	Current year	Previous year
Net Profit after tax used as numerator (Rs)	**(750950)**	(27866)
Weighted average number of equity shares used as denominator	**5913098**	100000
Earning per share Rupees	**(0.13)**	(0.28)
Diluted (Earning less than paise one)	**-**	-
Face value per share (Rupees)	**10/-**	10/-

9. a) Licensed capacity – Not applicable.

   b) Installed capacity – 2x110 MW (Since 29-01-08 one unit no. 02 is in trial operation).

10. Figures have been rounded off to nearest rupee.

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

12. a) Balances shown under advances, creditors and material lying with contractors and material issued on loan in so far as these have since not been realized/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.

    b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

13. Operating leases-

    The Company's significant leasing arrangements are in respect of operating leases of Premises for residential use of employees and offices. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable.Employees' remuneration and benefits include Rs.53,50,828/- (Previous Year Rs.20,10,230/-) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices are shown as Rent in Schedule 16 - Administration and Other expenses.

14. Quantitative information in respect of Generation and Energy sent out during Pre-Commissioning period (in MUs):

	Current Year	Previous Year.
Generation (MUs)	**461**	226
Energy Sent Out (MUs)	**396**	189

15. Information pursuant to Ministry of Environment & Forest notification no. s. o. 2804(E) New Delhi the 3rd November, 2009 for ash:

    (i) Unit no. (1*210MW) is under trial operation .

(ii) Only slurry ash generated (1.80 Lacs.MT) & there is no sale of ash.

(iii) Efforts are on for use of Pond & Slurry ash by road Construction authorities /brick manufacturers as per above notification guidelines.

(iv) For use of Pond ash work shop was organized on 06.02.2010 with brick manufacturers and others.

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. Registration Details State Code : 0 5 5

Registration No. U 4 0 1 0 2 D L 2 0 0 6 G O I 1 5 3 1 6 7

Balance-Sheet date: Date 3 1 Month 0 3 Year 2 0 1 0

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

Public Issue	Right issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L

III. Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)

Total Liability	Total Assets
3 4 5 7 9 1 1	3 4 5 7 9 1 1

Source of Funds

Paid-up Capital	Reserves & Surplus
8 8 5 0 7 5	1 8 7 4 1 2 8
Secured Loans	Unsecured Loans
3 8 3 7 3 2	N I L

Application of Funds

Net Fixed Assets	Investment
3 1 6 2 7 0 9	N I L
Net Current Assets	Misc. Expenditure
2 4 0 2 6	N I L

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

Turnover	Total Expenditure
N I L	7 5 1
Profit/Loss before Tax	Profit/Loss after Tax
- 7 5 1	- 7 5 1
Earning per share in Rs.	Dividend Rate%
- 0 . 1 3	N I L

V. Generic Name of three Principal Product/Services of Company
(As per monetary terms)

Product Description:	Item Code No.
G E N E R A T I O N O F E L E C T R I C I T Y	N A

For & On Behalf of the Board of Directors

As per our report of even date
For GRA & Associates
Chartered Accountants

(Rohit Gupta)	**(Ruchi Agarwal)**	**(R.K.Sharma)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M. No 091710
Place: New Delhi
Dated: 11th May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH 2010

Amount (Rs)

		For the period 01.04.2009 to 31.03.2010	For the period 01.04.2008 to 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss before tax and Prior Period Adjustments		**(750,950.0)**	(27866)
Adjustment for:			
Preliminary Expenses written off		**-**	-
Operating Profit before Working Capital Changes		**(750,950.0)**	(27,866)
Adjustment for:			
Trade Payables & Other Liabilities	**(172103767)**		58331473
Debtors	**(89497452)**		111519070
Other Current Assets	**(2277424)**		(317331)
Inventories	**21199180**		(23191459)
Loans & advances	**116566353**		(69877132)
Cash generated from operations		**(126,113,110.0)**	76464621
Net Cash from Operating Activities - A		**(126,864,060.0)**	76436755
Income Tax/Advance TaxPaid		**(668,677.0)**	(1353113)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		**(906,900,091.0)**	(119728390)
Preliminary Expenses		**-**	-
Net Cash Flow from Investing Activities - B		**(906,900,091.0)**	(119728390)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Loan		**63,045,351.0**	105714286
Grants-in-aid received		**750,000,000.0**	-
Proceeds from Issue of Share Capital/Share Capital Deposit		**313,075,370.0**	43800000
Net Cash Flow from Financing Activities-C		**1,126,120,721.0**	149514286
Net increase/Decrease in cash and cash equivalents (A+B+C)		**91,687,893.0**	47843435
Cash and cash equivalents (Opening Balance)		**49,174,518.0**	1331083
Cash and cash equivalents (Closing Balance)		**140,862,411.46**	49174518

For & On Behalf of the Board of Directors

As per our report of even date
For GRA & Associates
Chartered Accountants

(Rohit Gupta)	**(Ruchi Agarwal)**	**(R.K.Sharma)**	**(R.S.Sharma)**
Partner	Company Secretary	Director	Chairman

M. No 091710
Place: New Delhi
Dated: 11th May 2010

AUDITOR'S REPORT

To the Members of
KANTI BIJLEE UTPADAN NIGAM LTD.
(Formerly Vaishali Power Generating Company Ltd.)

1. We have audited the attached Balance Sheet of KANTI BIJLEE UTPADAN NIGAM LTD. (Formerly Vaishali Power Generating Company Ltd.) (a Subsidiary of NTPC Ltd.) as at 31st March 2010, the Profit and Loss Account and also the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of the section 227 of the Companies Act 1956, we enclose in annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that :

(a) We have 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 such books.

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report are in agreement with the books of accounts.

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, subject to notes to accounts annexed thereto, dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(e) Being a Government Company, pursuant to the Notification No. GSR 829(E) dated 17.07.2003 issued by Government of India. Provision of clause (g) or sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the company;

(f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India : -

(i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2010

(ii) in the case of the Profit & Loss Account, of the loss of the Company for the period ended on that date and

(iii) In the case of Cash Flow Statement, of the cash flow for the period ended on that date.

For GRA & Associates
Chartered Accountants
(Rohit Gupta)
Partner
M. No. 091710

Place : New Delhi
Date : 12-05-2010

ANNEXURE TO AUDITORS' REPORT

{Referred to in paragraph (3) of our report of even date}
Re : KANTI BIJLEE UTPADAN NIGAM LTD.
(Formerly Vaishali Power Generating Company Ltd.)

(i) (a) The company has been formed to take over the assets of Muzaffarpur Power Station from BSEB, the fixed assets records of the same has been maintained and physical verification has been done. However in case of purchases made by the company, the records regarding the same are being maintained. In view of the above the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) There is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and according to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) During the year under reference there has been no substantial disposal of fixed assets of the company.

(ii) (a) The company has been formed to take over the assets of Muzaffarpur Power Station from BSEB, the fixed assets records of the same has been maintained and physical verification has been done. However in case of purchases made by the company, the records regarding the same are being maintained In view of this inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(b) Not Applicable.

(c) Not Applicable.

(d) Not Applicable.

(e) The company has taken secured loan from NTPC its holding company. The maximum amount involved during the year was Rs.30,57,14,286/- and the year-end balance of loans taken from such party was Rs.26,28,57,144/-.

(f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that there are no transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956.

(b) Not Applicable.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits, from the public, covered by the directives issued by the Reserve Bank of India, the provisions of section 58-A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its businesss.

(viii) According to the information and explanation given to us and on the basis of records produced for our verification, we are of the opinion that the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, are not applicable on the company.

(ix) (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, and employees state insurance, income tax, sales tax, Wealth Tax, Service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at the last day of the financial year, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income tax, Sale tax, Wealth tax, Service tax, Custom duty, Excise duty and cess which have not been deposited on account of any dispute.

(x) Not applicable as the company has been formed only on 6th September, 2006 and a period of more than five years has not elapsed since its registration.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, during the year under reference.

(xix) According to the information and explanations given to us the company has not issued any debentures.

(xx) According to the information and explanation given to us the company has not raised any money by way of public issues.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For GRA & Associates
Chartered Accountants
(Rohit Gupta)
Partner
M. No. 091710

Place : New Delhi
Date : 12-05-2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF KANTI BIJLEE UTPADAN NIGAM LTD., NEW DELHI FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of KANTI BIJLEE UTPADAN NIGAM LTD., New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 12th May 2010.

I, on behalf of the Comptroller and Auditors General of India, have decided not to review the report of the statutory auditors' on the accounts of KANTI BIJLEE UTPADAN NIGAM LTD., New Delhi for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

(M. K. Biswas)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III, New Delhi

Place: New Delhi
Dated: 14th May, 2010

BHARTIYA RAIL BIJLEE COMPANY LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Third Annual Report on the working of the Company together with Audited Accounts and Auditors' Report thereon for the year ended 31st March 2010.

OPERATIONAL REVIEW

For setting up 4X250 MW Power Project at Nabinagar, Bihar, 1249.11 acres of land has been handed over by the Government of Bihar during the year 2009-10 and the cumulative land holding of the Company as on 31st March 2010 is 1259.62 acres. Bandobasti Land (Phase II) of 68.5375 acres for which Sec 4 was done on 10.6.09 is under re-verification by DM-Aurangabad. Possession of this land is expected shortly. Further requisition of Makeup water Corridor (39.3775 acre), Additional land for Ash Dyke (50.3125 acre), Left land under main plant and township area (82.7575 acre) and Left land under ash pond area (50.00 acre) i.e. approx 220 acre land requisition is pending with district administration. Due to poor land records and non-availability of Govt staff verification work land acquisition is getting delayed. Further land is to be acquired for MGR corridor for which DPR is to be finalized by Rites. In a bid to reduce project cost Rites has been advised to explore whether single line connection from Nabinagar station is feasible instead of Double line Railway Corridor as was proposed by them. Once this is finalized land for MGR corridor shall be surveyed and thereafter requisition shall be submitted for land acquisition.

Infrastructure civil works has already started and considerable progress has been achieved in site leveling job. Also construction of boundary wall, office building and store shed has been started. Your Company has also awarded Main plant civil works & chimney package in which the agency has mobilized site. Other main packages like 400 KV switchyard, power transformer, LT & HT switchgear etc have also been awarded. Balance packages are in different stage of award by our consultant NTPC limited.

As of now the schedule of Boiler Erection for Unit#1 was June 2010 as against the originally targeted for October 2008. The schedule for synchronization of first unit of 250 MW is in Feb' 12 which is likely to slip due to delay in land acquisition.

Your Company has also commenced the work for the enabling township with award of construction of field hostel, township boundary wall and CISF barracks. Estimate of main township is under preparation.

The company had in June' 09 obtained permission from court for certain premises of Rohtas Industries Limited (which is under liquidation) at Dalmianagar on rent for accommodation of employees and office space. The possession of the buildings has been taken in March' 10 and work of its repairs is under progress which is likely to take 3-4 months. Dalmianagar is about 30-35 kms away from the project site whereas Aurangabad town where our employees are presently staying in different hotels is about 55 kms away.

Your company has approved Rs. 50 lac for Initial Community Development in the affected villages through which activities like providing solar lights etc have been taken up. With a view to improve the employability of the village youth and also to improve availability of skilled manpower around project, your company has approved setting up of ITI in the locality. A public information centre and mobile heath clinic is functioning effectively. Scholarships worth Rs. 8.5 lac has been disbursed to Project Affected Person for pursuing various ITI courses.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2010 are as under:-

(Rs. Crore)

Particulars	Fiscal 2010	Fiscal 2009
Paid-up Share Capital	400.00	250.00
Share Capital Deposit Pending Allotment	146.15	101.11
Net Block	146.41	0.45
Capital Work in Progress	82.44	23.26
Construction Stores & Advances	306.57	309.99
Current Assets, Loans and Advances	19.91	19.71
Current Liabilities	9.66	2.76
Net Current Assets	10.25	16.95
Profit and Loss	(0.49)	(0.47)
Earning Per Share	(0.00)	(0.03)

The financial statements and the performance of the Company have been discussed in the Management Discussion & Analysis section which is at Annex-1 to this Report.

AUDIT COMMITTEE

An Audit Committee of the Board of Directors of the Company was constituted in accordance with Section 292A of the Companies Act, 1956 comprising S/ Shri Chandan Roy, A.K. Singhal and Sudhir Kumar Saxena, Directors as members of the Committee. During the period, three meetings of the Audit Committee were held i.e. on 11.05.2009, 14.10.2009 and on 06.05.2010.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period ending 31st March 2010.

PARTICULARS OF EMPLOYEES

The particulars of employees as prescribed under Sec. 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, who have received remuneration more than Rs. 24,00,000/- if employed for the whole year and Rs. 2,00,000/- per month if employed for part of the year, are given at Annex-2 to the Directors' Report.

AUDITORS' REPORT

The Comptroller & Auditor General of India through letter dated 20th August, 2009 has appointed M/s H.S. Madan & Co., Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2009-2010. The Statutory Auditors has submitted their report and there is no adverse comment or remark in their report.

COMPTROLLER & AUDITOR GENERAL REVIEW

The Comptroller & Auditor General of India (C&AG) through letter dated 2nd June 2010 has conveyed that a supplementary audit was conducted under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of the Company for the year ended 31 March 2010. On the basis of audit nothing significant has come to the knowledge of C&AG which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619 (4) of the Companies Act, 1956.

As advised by the office of the C&AG, the above comments of C&AG and Management Replies' thereto on the accounts for the year 2009-2010 are being placed with the report of the Statutory Auditors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As a measure to conserve energy, the Company has installed solar lights in the affected villages. During the period under review the Company had no earning or outgo in foreign exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

i) in the preparation of the annual accounts for the year ended 31st March 2010, the applicable accounting standards have been followed alongwith 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 as at the end of 31st March 2010 and of the loss of the company for the said 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, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) The Directors had prepared the annual accounts for the year ended 31st March 2010, on going concern basis.

DIRECTORS

Shri K.B. Dubey ceased to be the Director of the Company w.e.f. 31.07.2009 consequent upon attaining the age of superannuation. Ms. Manju Gupta has also ceased to be the Director of the Company w.e.f. 23.02.2010 consequent upon nomination withdrawn by the Ministry of Railways.

NTPC has nominated Shri G.J. Deshpande, Executive Director, NTPC as a Director on the Board of your Company in place of Shri K.B. Dubey. Ministry of Railways has nominated Shri S.K. Saxena, Executive Director (EEM), Railways as the Director on the Board of your Company in place of Ms. Manju Gupta. The Board of your Company has appointed Shri G.J. Deshpande and Shri S.K. Saxena as Director on the Board w.e.f. 14.10.2009 and 23.02.2010 respectively.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri K.B. Dubey and Ms. Manju Gupta during their association with your Company.

As per the provisions of the Companies Act, 1956, Shri A.K. Singhal, 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., 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 (Chandan Roy)

DATE: 29.07.2010 Chairman

Annex-1 to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SECTOR AND DEVELOPMENTS

GENERATION

Existing Installed Capacity

As the Indian economy continues to surge ahead, its power sector has been expanding concurrently to support the growth rate. The demand for power is growing exponentially and the scope for the growth of this sector is immense.

The total installed capacity in the country as on March 31, 2010 was 159,398.49 MW.

Existing Generation

The total power generation in the country during the year 2009-10 was 771.173 BUs as compare to 723.794 BUs generated during the last year registering a growth of 6.5%.

Demand and Supply Position

Currently, the sector is characterised by acute power shortages. During the year, the peak shortage was 13.3% and the energy shortage was 10.1%.

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF). The All-India PLF for the power sector was 77.48% during 2009-10.

SWOT ANALYSIS

Strength:

- Reputed background of promoters
- Strong back up of Ministry of Railways and Government of Bihar
- NTPC Limited as a major stake holder
- NTPC as a consultant having wide experience in engineering and management expertise from planning to commissioning and operating power plants
- BHEL as EPC contractor
- Initial Community Development measures like setting up ITI.

Weakness:

- Land Acquisition
- Climatic condition of Bihar: Huge Rainfall and Floods
- Socio-economic condition of the area
- Non availability of adequate infrastructure facilities
- Lack of technically skilled and experienced local manpower

Opportunity:

- Huge Demand of power by Bihar
- Increasing industrial development in Bihar
- Allocation of power to other States

Threats:

- Land Acquisition
- Rising prices of the feed stock
- Environmental concern for increasing pollution
- Clearances from various Authorities
- Security Concern as area is naxalite affected

OUTLOOK

The company's outlook appears to be very bright and will get break even very soon once the plant is commissioned and production is stabilized. It will generate sufficient revenue for the growth and development of the company vis-à-vis employment opportunities to the local inhabitants.

RISK AND CONCERN

The risk 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 nature of product/operation, accidents and natural calamities like fire, earthquake or cyclone etc.

Financial Risks are concerned with delayed realisation of sale proceeds from Railways and BSEB, servicing of debt.

Operational risks are associated with systems, processes and 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 is in construction phase of project it is not exposed to all such operational risks.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. 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 is in the process of implementation of SAP in all modules like HR, Accounting, Engineering, etc. which will help in retrieving data and maintaining systematic backup.

FINANCIAL DISCUSSION AND ANALYSIS

Bhartiya Rail Bijlee Company Limited was incorporated on 22.11.2007 as a subsidiary of NTPC Limited in joint venture with Ministry of Railways. NTPC holds 74% of equity share capital of the Company and the balance 26% of the equity is held by Ministry of Railways. The Company has been incorporated for providing power to Railways by implementing 4X250MW Coal Based Thermal Power Plant at Nabinagar, Bihar.

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

During the Financial Year 2009-10, your company had allotted 15 crore shares of Rs.10/- each to NTPC Ltd and Ministry of Railways in the ratio of 74:26. Share Capital pending allotment amounted to Rs.71 crore and Rs.75 crore of NTPC Limited and Ministry of Railways respectively. The gross assets comprising of tangible and intangible assets amounted to Rs.146.88 crore and after charging depreciation of Rs. 0.47 crore, the net block was Rs. 146.41 crore. The expenses relating to training have been charged to Profit and Loss Account. Except the training expenses, employees remuneration & benefits, administration & other expenses, depreciation, interest & finance charges amounting to Rs.12.73 crore have been charged to Expenditure During Construction Account and transferred to Capital Work-in-progress.

Your Company has completed financial closure for the project by tying up loan of Rs. 2248 crore and Rs. 1498.75 crore from Power Finance Corporation Limited and Rural Electrification Corporation Limited respectively.

The Company has engaged NTPC Consultancy Wing as its Consultant for pre-award and post-award activities from concept to commissioning of the project at a total contract price of Rs.76 crore, out of which Rs. 31.69 crore payment has been made to NTPC this year.

Your Company has paid Rs. 255.94 crore to BHEL for main plant equipment supply packages. This amount has been included under the head construction, stores and advances.

During the year your company has paid Rs. 8.5 lac to poor students of project affected families for pursuing ITI courses.

The Chief Executive Officer of the Company were paid Rs. 29.61 lac towards salaries, allowances, contribution to PF, gratuity and other benefits during the year in addition to benefit of use of car for official and personal purposes on payment of Rs. 780 per month.

HUMAN RESOURCE

Presently, the Company has total strength of 80 employees, out of which, 79 employees have been deputed from the Holding Company i.e. NTPC Limited and 1 employee has been deputed from Ministry of Railways. As a socially responsible and socially conscious organisation the company has deployed 13 SC employees and 6 ST employees out of the total strength.

The Company is paying adequate perks to the employees. They are being imparted training for their professional up gradation from time to time and as an endeavour of being a learning organisation.

The Company had paid Rs. 8.63 Cr towards Salaries, Wages, Allowances, Benefits, Contribution to Provident and other Funds and welfare expenses.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

The Company is using solar lights in the affected villages as a measure to conserve energy. During the period under review the Company had no earning or outgo in foreign exchange.

CORPORATE SOCIAL RESPONSIBILITY

The Company has opened public information centre and mobile health clinic for public in and around the project. Scholarships worth Rs. 8.5 lac has been disbursed to Project Affected Persons for pursuing ITI courses.

CAUTIONARY STATEMENT

It is clarified that the actual results may vary materially from those expressed or implied in the Management Discussion & Analysis due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors.

For and on behalf of Board of Directors

Place: New Delhi (Chandan Roy)
Dated: 29.07.2010 Chairman

Annex-2 to Directors' Report

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956.

Name	Designation & nature of duties	Remun-eration	Quali-fication	Date of commencement of employment	Exp Yrs	Age Yrs	Last Emp	Remarks
1	2	3	4	5	6	7	8	9
Employed for whole of the Year								
De Dipak Kr	DGM (ME)	25,58,276	BE (Mech)	29.11.85	24	51	SAIL	-
Shrivastav R R	AGM (Proj Coord)	26,41,841	BE (Elect)	15.01.78	31	53	-	-
Employed for the part of the Year								
Das P K	GM (Proj)	38,11,153	BE (Mech)	26.11.79	30	50	-	Resigned
Krishna Gopal	CEO	46,05,235	BE (Elect)	24.11.80	29	60	DVC	Retired
Sen S S	CEO	4,26,456	BE (Elect)	18.11.81	28	53	-	-
Michael G V	DGM (Civil)	2,13,029	BE (Civil)	12.04.84	25	53	GDC Ltd	-

Notes:

1 Persons named above are/ were employees of the Company.

2 Remuneration includes salary, allowances, leave encashment, leave travel concession, payment for subsidized leased accommodation, reimbursement

of medical expenses to employees and employer's contribution to Provident Fund and other funds. However, it does not include the monetary value of the medical treatment provided in the Company's dispensaries/hospitals at Project sites, since it can not be quantified employees-wise. In addition, the employees are entitled to gratuity/group insurance in accordance with Company's Rules.

3 None of the employees listed above is related to any director of the company.

4 Remuneration mentioned above is inclusive of retirement /separation benefits paid during the year and is not indicative of any regular remuneration structure of employees of the Company.

5 None of the employees hold any equity in the Company.

For and on behalf of the Board of Directors

Place: New Delhi (Chandan Roy)
Dated: 29.07.2010 Chairman

BHARTIYA RAIL BIJLEE COMPANY LIMITED

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

3.1 Fixed Assets are carried at historical cost.

3.2 Intangible assets are recorded at their cost of acquisition.

3.3 Capital expenditure on assets not owned by the company is reflected as a distinct item in Capital Work-in-progress till the period of completion and thereafter in the Fixed Assets.

3.4 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

3.5 In the case of assets put to use, where final settlement of bills with contractors is yet to affected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

4. CAPITAL WORK IN PROGRESS

4.1 In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-Progress.

4.2 Deposit work/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

5. FOREIGN CURRENCY TRANSACTION

5.1 Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

5.2 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.

6. PROFIT AND LOSS ACCOUNT

6.1 **EXPENDITURE**

6.1.1 Depreciation on Fixed Assets is charged on straight line method at the rates specified in schedule XIV of the Companies Act, 1956 except for the following at the rates mentioned below:

a)	Kutcha Roads	47.50%
b)	Enabling works	
-	residential buildings including their internal electrification.	06.33%
-	non-residential buildings including their internal Electrification, water supply, sewerage & drainage Works, railway sidings, aerodromes, helipads and airstrips.	19.00%
c)	Personal computers and Laptops including peripherals	19.00%
d)	Photocopies and Fax Machines	19.00%
e)	Air conditioners, water coolers and Refrigerators	08.00%

6.1.2 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.

6.1.3 Assets costing up to Rs.5000/- are fully depreciated in the year of acquisition.

6.1.4 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 earlier.

6.1.5 Expenses incurred on training are charged to revenue.

6.1.6 Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.

6.1.7 Prepaid expenses and prior period expenses/income of items of Rs.1,00,000/- and below are charged to natural heads of accounts.

7. 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.

8. CASH FLOW STATEMENT

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

BHARTIYA RAIL BIJLEE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (Rs.)

	SCHEDULE NO.	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	**4,000,000,000**	2,500,000,000
Share Capital Deposit	2	**1,461,539,000**	1,011,148,000
TOTAL		**5,461,539,000**	3,511,148,000
APPLICATION OF FUNDS			
FIXED ASSETS	3		
Gross Block		**1,468,794,303**	5,812,868
Less: Depreciation		**4,670,802**	1,333,443
Net Block		**1,464,123,501**	4,479,425
Capital Work-in-Progress	4	**824,359,877**	232,555,358
Construction Stores And Advances	5	**3,065,676,691**	3,099,915,336
		5,354,160,069	3,336,950,119
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	6	**193,844,317**	195,426,361
Other Current Assets	7	**184,396**	29,353
Loans & Advances	8	**5,102,227**	1,642,025
		199,130,940	197,097,739
LESS: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	9	**96,639,613**	26,838,622
Provisions	10	**-**	780,486
		96,639,613	27,619,108
Net Current Assets		**102,491,327**	169,478,631
Profit and Loss Account		**4,887,604**	4,719,250
TOTAL		**5,461,539,000**	3,511,148,000
Notes on Accounts	16		

Schedules 1 to 16 and accounting policies form an integral part of accounts

For and on behalf of Board of Directors

As per our Audit Report of even date
For H.S. MADAN & CO.,
Chartered Accountants

H.S. MADAN	**S.S. SEN**	**S.K. SAXENA**	**CHANDAN ROY**
Partner	CEO	Director	Chairman

M. No. 09036
Place :Delhi
Date : 08.05.2010

BHARTIYA RAIL BIJLEE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (Rs.)

	SCHEDULE NO.	Current Year	Previous Year
INCOME			
Other Income	11	-	-
TOTAL		-	-
EXPENDITURE			
Employees Remuneration and Benefits	12	-	-
Administration and other expenses	13	168,354	3,891,180
Depreciation		-	-
Interest and Finance Charges	14	-	-
TOTAL		168,354	3,891,180
Profit / (Loss) before Tax		(168,354)	(3,891,180)
Provision for :			
Fringe Benefit Tax			
Current Year		-	407,694
Earlier Year		9,998	-
Less:			
Fringe Benefit Tax transferred to Expenditure during Construction		9,998	407,694
Profit / (Loss) After Tax		(168,354)	(3,891,180)
Balance(Loss) brought forward		(4,719,250)	(828,070)
Balance (Loss) carried to Balance Sheet		(4,887,604)	(4,719,250)
Expenditure During Construction	15		
Earning Per Share (Equity Shares, face value Rs.10/-each)			
- Basic and Diluted (Rs.)		(0.0)	(0.03)
Notes on Accounts	16		

Schedules 1 to 16 and accounting policies form an integral part of accounts

For and on behalf of Board of Directors

As per our Audit Report of even date
For H.S. MADAN & CO.,
Chartered Accountants

H.S. MADAN	**S.S. SEN**	**S.K. SAXENA**	**CHANDAN ROY**
Partner	CEO	Director	Chairman

M. No. 09036
Place :Delhi
Date : 08.05.2010

SCHEDULES FORMING PART OF ACCOUNTS

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
SCHEDULE - 1		
CAPITAL		
AUTHORISED		
160,60,00,000 equity shares of Rs.10/- each	16,060,000,000	16,060,000,000
(Previous Year: 160,60,00,000 equity shares of Rs.10/- each)		
ISSUED, SUBSCRIBED AND PAID-UP		
40,00,00,000 equity shares of Rs.10 each fully paid-up (29,60,00,000 equity shares fully paid-up held by NTPC Ltd and their nominees and 10,40,00,000 equity shares fully paid-up held by Ministry of Railways, Govt of India and their nominees)	4,000,000,000	2,500,000,000
(Previous year : 25,00,00,000 equity shares of Rs.10 each fully paid-up consisting of 18,50,00,000 shares fully paid-up held by NTPC Ltd and their nominees and 6,50,00,000 shares fully paid-up held by Ministry of Railways, Govt of India and their nominees)		
Total	4,000,000,000	2,500,000,000
SCHEDULE - 2		
SHARE CAPITAL DEPOSIT		
(Amount received pending allotment)		
NTPC Ltd.	711,539,000	571,148,000
Ministry of Railways, Govt. of India.	750,000,000	440,000,000
Total	1,461,539,000	1,011,148,000

SCHEDULE - 3
FIXED ASSETS

Amount (Rs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Additions	Deductions/ AdJustments	As at 31.03.2010	As at 01.04.09	For the year	Deductions/ AdJustments	Upto 31.03.2010	As at 31.03.10	As at 31.03.09
TANGIBLE ASSETS										
LAND										
-Freehold	2,385,515	1,436,038,701	-	1,438,424,216	-	-	-	-	1,438,424,216	2,385,515
Roads, Bridges & Culverts	108,192	305,673	-	413,865	51,391	111,889	-	163,280	250,585	56,801
Temporary Erections	1,088,370	3,200,426	-	4,288,796	1,088,370	2,023,252	-	3,111,622	1,177,174	-
Water Supply, Drainage & Sewerage system	-	21,400	-	21,400	-	4,067	-	4,067	17,333	-
Furniture, Fixtures & Other Office Equipments	942,628	5,012,768	58,400	5,896,996	110,628	630,707	9,348	731,987	5,165,009	832,000
EDP Equipments	229,884	1,592,002	54,436	1,767,450	52,267	299,533	17,565	334,235	1,433,215	177,617
Construction Equipment	-	15,725,333	-	15,725,333	-	148,211	-	148,211	15,577,122	-
Electrical Installations	1,036,479	635,418	-	1,671,897	18,320	95,742	-	114,062	1,557,835	1,018,159
Communication Equipments	9,800	156,236	-	166,036	9,800	619	-	10,419	155,617	-
Laboratory & Workshop Equipments	-	7,784	-	7,784	-	7,784	-	7,784	-	-
INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-
Software	12,000	398,530	-	410,530	2,667	42,468	-	45,135	365,395	9,333
TOTAL	5,812,868	1,463,094,271	112,836	1,468,794,303	1,333,443	3,364,272	26,913	4,670,802	1,464,123,501	4,479,425
Previous year ended 31st March,2009	3,473,885	2,338,983	-	5,812,868	90,698	1,242,745	-	1,333,443	4,479,425	3,383,187

	Current year (Rs.)	Previous Year (Rs.)
Deduction/Adjustments from Gross Block includes :		
Disposal/Retirement of assets	112,836	-
	112,836	-
Deduction/Adjustments from Depreciation includes :		
Disposal/Retirement of assets	26,913	-
	26,913	-
Depreciation for the year is allocated as given below:		
Charged to Profit & Loss Account	-	-
Transferred to Expenditure during construction (Schedule-15)	3,364,272	1,242,745
	3,364,272	1,242,745

SCHEDULE-4

CAPITAL WORK-IN-PROGRESS

Amount Rs.

	As at 01.04.09	Additions	Deductions/ Adjustments	Capitalised	As at 31.03.10
Development of Land	-	33,089,430	-	-	33089430
Roads, Bridges & Culverts	-	305,673	-	305,673	-
Buildings					
Others	-	1,698,114	-	-	1698114
Temporary Erections	1,159,118	275,732	-	1,434,850	-
Temporary Fencing- Plant	-	516,500	-	-	516,500
Temporary Construction -Water Supply & Drains -Plant	21,400	-	-	21,400	-
Electrical Installations	-	28,268	-	-	28,268
Communication Equipment	-	136,038	-	-	136,038
Capital Expenditure on Assets not owned by the compnay	-	104,718,280	-	-	104,718,280
	1,180,518	140,768,035	-	1,761,923	140,186,630
Expenditure pending allocation					
Survey, Investigation,Consultancy & Supervision Charges	169,326,073	325,537,018	-	-	494,863,091
Expenditure During Construction	62,048,767	127,261,389	-	-	189,310,156
	231,374,840	452,798,407	-	-	684,173,247
TOTAL	**232,555,358**	**593,566,442**	**-**	**1,761,923**	**824,359,877**
Previous year	1,604,870	230,950,488	-	-	232,555,358

SCHEDULE - 5

CONSTRUCTION STORES AND ADVANCES

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
CONSTRUCTION STORES *		
(At cost)		
Steel	**4,705,747**	-
Cement	**220,000**	-
Others	**4,500,954**	-
	9,426,701	-
Less : Provision for Shortages	**-**	-
	9,426,701	-
Advance for Capital Expenditure		
(Unsecured, considered good)		
Covered by Bank Guarantee	**2,762,387,280**	2,559,421,597
Others	**293,862,710**	540,493,739
	3,056,249,990	3,099,915,336
Less : Provision for bad & doubtful advances	**-**	-
	3,056,249,990	3,099,915,336
Total	**3,065,676,691**	3,099,915,336

* includes material in transit, under inspection and with contractors

SCHEDULE - 6

CASH & BANK BALANCES

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
Cash on hand	**90,191**	13,911
Balances with Scheduled Banks		
Current Account	**162,754,126**	1,901,889
Term Deposit Account	**31,000,000**	193,510,561
Total	**193,844,317**	195,426,361

SCHEDULE - 7

OTHER CURRENT ASSETS

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
Interest Accrued on :		
Term Deposits with Indian Banks	**184,396**	29,353
Total	**184,396**	29,353

SCHEDULE - 8

LOANS & ADVANCES

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
ADVANCES (Unsecured, Considered Good)		
Employees	**82,500**	322,870
Amount Recoverable from others	**4,270,397**	1,249,118
Advance Tax & Tax deducted at source	**749,330**	70,037
Total	**5,102,227**	1,642,025

SCHEDULE - 9

CURRENT LIABILITIES

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
Sundry Creditors		
For Capital Expenditure		
Other than Micro & Small Enterprises		
NTPC Ltd.	**23,765,238**	9,662,937
Others	**13,667,976**	787,175
For Goods & Services		
Other than Micro & Small Enterprises		
NTPC Ltd.	**20,300,281**	8,591,833
Others	**11,707,086**	3,229,698
Deposits, Retention Money from contractors & others	**11,848,799**	1,816,055
Other Liabilities	**15,350,233**	2,750,924
Total	**96,639,613**	26,838,622

SCHEDULE - 10

PROVISIONS

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
Fringe Benefit Tax		
As per last Balance Sheet	**132,803**	22,410
Adjustment during the year	**9,998**	407,694
Paid during the year	**142,801**	297,301
Closing Balance	**-**	132,803
Employee Benefits		
As per last Balance Sheet	**647,683**	714,122
Additions during the year	**-**	55,796
Amount paid/adjusted during the year	**647,683**	122,235
Closing Balance	**-**	647,683
TOTAL	**-**	780,486

SCHEDULE - 11

OTHER INCOME

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
Interest from Indian Banks (Gross) (Tax deducted at source Rs.5,94,978/-, previous year Rs.70,037)	**3,399,732**	339,514
Interest from Contractors	**916,951**	
Liquidated damages recovered	**46,588**	-
Other Miscellaneous receipts	**44,091**	-
	4,407,362	339,514
Less : Income Transferred to Expenditure During Construction (Schedule-15)	**4,407,362**	339,514
Total	**-**	-

		31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
SCHEDULE - 12			
EMPLOYEES REMUNERATION AND BENEFITS			
Salaries, Wages, Bonus, Allowances and Benefits		**77,121,611**	15,923,703
Contribution to Provident and Other Funds		**5,752,482**	1,370,928
Welfare Expenses		**3,396,898**	1,211,641
		86,270,991	18,506,272
Less : Transferred to Expenditure During Construction (Schedule-15)		**86,270,991**	18,506,272
Total		**-**	-

		31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
SCHEDULE - 13			
ADMINISTRATION AND OTHER EXPENSES			
Rent		**3,665,452**	741,608
Repair & Maintenance			
Office Building		**676,232**	147,546
Others		**42,972**	286,280
Insurance		**58,989**	7,731
Rates & Taxes		**20,000**	-
Training Expenses		**168,354**	11,000
Communication Expenses		**3,205,776**	358,059
Travelling Expenses			
Inland Travel		**11,462,956**	5,080,044
Tender Expenses	8183752		
Less:- Income from sale of tenders	246943	**7,936,809**	8,801,343
Remuneration to Auditors		**38,605**	22,060
Statutory Audit out of pocket exp.		**57,705**	-
Advertisement and publicity		**262,557**	63,831
Security Expenses		**2,113,978**	409,707
Entertainment Expenses		**608,008**	142,289
Transit Hostel Expenses		**858,207**	149,278
Brokerage expenses		**12,600**	-
R&R expenses		**2,034,305**	-
Books & Periodicals		**43,795**	13,869
Wages of daily rated manpower		**1,903,728**	119,548
Professional Charges & Consultancy		**155,324**	16,345
Legal Expenses		**7,296**	21,752,475
Postage & Courier Charges		**56,158**	10,008
EDP expenses		**-**	27,102
Printing and Stationery		**893,878**	504,242
Expenses on Hiring of Vehicles	4077621		
Less:- Vehicle hire charge recovery	0	**4,077,621**	1,236,605
Hire charges-Office Equipment		**427,250**	124,950
Operating expenses of D.G. sets		**433,462**	6,111
Furnishing Expenses		**54,885**	-
Subscription to Trade & Other Assocn.		**-**	3,300
Preliminary Expenses written off		**-**	3,880,180
Miscellaneous Expenses		**816,534**	591,875
Loss on disposal/writeoff of fixed assets		**43,804**	-
		42,137,240	44,507,386
Less : Transferred to Expenditure During Construction (Schedule-15)		**41,968,886**	40,616,206
Total		**168,354**	3,891,180

	31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
SCHEDULE - 14		
INTEREST AND FINANCE CHARGES		
FINANCE CHARGES		
Bank Charges	**54,604**	**10,494**
	54,604	10,494
Less : Transferred to Expenditure During Construction (Schedule-15)	**54,604**	10,494
Total	**-**	-

			31.03.2010 Amount (Rs.)	31.03.2009 Amount (Rs.)
	SCHEDULE - 15			
	EXPENDITURE DURING CONSTRUCTION			
A	**EMPLOYEES REMUNERATION AND BENEFITS**			
	Salaries, Wages, Bonus, Allowances and Benefits		**77,121,611**	15,923,703
	Contribution to Provident and Other Funds		**5,752,482**	1,370,928
	Welfare Expenses		**3,396,898**	1,211,641
	Total (A)		**86,270,991**	**18,506,272**
B	**ADMINISTRATION AND OTHER EXPENSES**			
	Rent		**3,665,452**	741,608
	Repair & Maintenance			
	Leased Buildings		**676,232**	147,546
	Others		**42,972**	286,280
	Insurance		**58,989**	7,731
	Rates & Taxes		**20,000**	-
	Communication Expenses		**3,205,776**	358,059
	Travelling Expenses			-
	Inland Travel		**11,462,956**	5,080,044
	Tender Expenses	8183752		-
	Less:- Income from sale of tenders	246943	**7,936,809**	8,801,343
	Remuneration to Auditors		**38,605**	22,060
	Statutory Audit out of pocket exp.		**57,705**	-
	Advertisement and publicity		**262,557**	63,831
	Security Expenses		**2,113,978**	409,707
	Entertainment Expenses		**608,008**	142,289
	Transit Hostel Expenses		**858,207**	149,278
	Brokerage expenses		**12,600**	-
	R&R- expenses		**2,034,305**	-
	Books & Periodicals		**43,795**	13,869
	Wages of daily rated manpower		**1,903,728**	119,548
	Professional Charges & Consultancy		**155,324**	16,345
	Legal Expenses		**7,296**	21,752,475
	Postage & Courier Charges		**56,158**	10,008
	EDP expenses		**-**	27,102
	Printing and Stationery		**893,878**	504,242
	Expenses on Hiring of Vehicles	4077621		-
	Less:- Vehicle hire charge recovery	0	**4,077,621**	1,236,605
	Hire charges-Office Equipment		**427,250**	124,950
	Operating expenses of D.G. sets		**433,462**	6,111
	Furnishing Expenses		**54,885**	-
	Subscription to Trade & Other Assocn.		**-**	3,300
	Miscellaneous Expenses		**816,534**	591,875
	Loss on disposal/writeoff of fixed assets		**43,804**	-
	Total (B)		**41,968,886**	**40,616,206**
C	**DEPRECIATION**		**3,364,272**	**1,242,745**
D	**INTEREST AND FINANCE CHARGES**			
	FINANCE CHARGES			
	Bank Charges		**54,604**	10,494
	Total (D)		**54,604**	**10,494**
E	**LESS :- OTHER INCOME**			
	Other Income-transferred from Schedule-11		**4,407,362**	339,514
	Total (E)		**4,407,362**	**339,514**
F	**FRINGE BENEFIT TAX**			
	Fringe Benefit Tax		**9,998**	407,694
	TOTAL (F)		**9,998**	**407,694**
	GRAND TOTAL (A+B+C+D-E+F)		**127,261,389**	**60,443,897**

SCHEDULE-16

NOTES ON ACCOUNTS:

1. Estimated amount of Contracts remaining to be executed on capital account and not provided for as on 31.03.2010 is Rs.3094.30 Crores. (Previous year: Rs.2037.15 Crores.)

2. The conveyancing of the title of 1259.62 acres (previous year : 10.51 acres) of Freehold Land of Value Rs.143.84 crores (previous year : Rs.23.85 lacs) in possession of the company as on 31.03.2010 is awaiting completion of legal formalities. Further, an amount of Rs.10.29 Crores (previous year : Rs.50.20 crores) is appearing as deposit for Land as on 31.03.2010 but possession is still awaited.

3. Earning Per Share:

   Earnings per Share has been calculated in accordance with the AS-20.

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

	Current Year	Previous Year
Net loss used as numerator (Rs.)	(1,68,354)	(38,91,180)
Weighted average number of equity shares used as denominator. (Nos.)	34,08,21,918	13,97,70,137
Earning per Share -Basic and Diluted. (Rs.)	(0.00)	(0.03)

4. Contingent liability: Claims against the company not acknowledged as debts is Rs. NIL (Previous year: NIL).

5. All the employees of the company are on secondment posting from the holding company. i.e. NTPC Ltd. excepting one employee on deputation from Ministry of Railways. Salaries paid to Employees on secondment and other benefits to them have been entered in to the Books of Company on the basis of transfer entries made by NTPC in this regard.

6. Expenses on operating leases of the premises for residential use of the employees amounting to Rs.20,62,841/- (previous year: Rs.2,53,390/-) are included in Schedule-12-"Employees Remuneration and Benefits". Similarly, lease payments in respect of premises for offices/transit accommodation are shown in Rent in Schedule-13- "Administration and other expenses".

7. The employees remuneration and benefits includes Rs.47,76,559/- (Previous Year: Rs.23,47,610/-) in respect of gratuity, leave encashment, post retirement medical benefits, transfer traveling allowance on retirement / death, long service awards to employees, retirement benefits, farewell gift on retirement and economic rehabilitation scheme (for employees on secondment from NTPC Ltd.) as apportioned by Holding company i.e. NTPC Ltd. on actuarial valuation.

8. The schedule '5' of construction stores and advances includes amounts of Rs.255,94,21,597.00 (Previous year 31.03.2009: Rs.255,94,21,597.00) paid to M/s Bharat Heavy Electricals Ltd. and Rs.10,29,31,122/- (Previous year 31.03.2009: Rs.50,20,05,798.00) deposited with District Magistrate and Collector, Aurangabad, Bihar, towards main plant equipment supply packages and land respectively.

9. 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.

10. Company has incurred Rs.8,50,000/-(Previous year- Rs.Nil) during the year on scholarship to poor students of project affected families, where the land is to be acquired/to be acquired for company's project as resolved by the board of directors in their meeting.

11. Managerial remuneration paid/payable to Chief Executive Officer :

	Current Year(Rs)	Previous Year(Rs)
Salaries and allowances	**22,77,169**	16,28,515
Contribution to provident fund & other funds including gratuity & group insurance	**1,47,901**	99,859
Other Benefits	**5,35,932**	2,26,604

   In addition to the above remuneration the Chief Executive Officer has been allowed the use of car including for private journey, on payment of Rs.780/- per month.

   The provisions for/contribution to gratuity, leave encashment and post retirement medical facilities are ascertained on actuarial valuation done by the holding company on overall Company basis and hence not ascertainable separately.

12. This year liability of Rs.12,50,000/- (Previous year : Nil) has been provided on account of price escalation for Site Leveling and Ash Dyke Contract as per contract terms. Further, value of additions made in assets, such as Site Leveling etc. based on estimates and provided in the books of accounts at the end of financial year have been shown as Current Liabilities.

13. As per AS-17, Segmental Reporting are not applicable.

14. Previous year figures have been re-grouped/re-arranged wherever necessary.

15. Information pursuant to part IV of schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. Registration Details State Code : 0 5 5

Registration No. U 4 0 1 0 2 D L 2 0 0 7 P L C 1 7 0 6 6 1

	Date	Month	Year
Balance-Sheet date	3 1	0 3	2 0 1 0

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

Public Issue	Right issue
N I L	N I L
Bonus Issue	Private Placement
N I L	1 5 0 0 0 0 0

III. Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)

Total Liability	Total Assets
5 5 5 8 1 7 9	5 5 5 8 1 7 9
Source of Funds	
Paid-up Capital	Capital Deposit Account
4 0 0 0 0 0 0	1 4 6 1 5 3 9
Secured Loans	Reserves & Surplus
N I L	N I L
Deferred Tax Liability	Unsecured Loans
N I L	N I L
Application of Funds	
Net Fixed Assets	Investment
5 3 5 4 1 6 0	N I L
Net Current Assets	Misc. Expenditure
1 0 2 4 9 1	N I L
Accumulated Losses	
4 8 8 8	

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

Turnover	Total Expenditure
N I L	1 6 8
Loss before Tax	Loss after Tax
1 6 8	1 6 8
Earning per share in Rs.	Dividend Rate%
0 . 0 0	N I L

V. Generic Name of three Principal Product/Services of Company
(As per monetary terms)

Product Description:	Item Code No.
G E N E R A T I O N O F E L E C T R I C I T Y	N A

For and on behalf of Board of Directors

As per our Audit Report of even date
For H.S. MADAN & CO.,
Chartered Accountants

H.S. MADAN	**S.S. SEN**	**S.K. SAXENA**	**CHANDAN ROY**
Partner	CEO	Director	Chairman
M. No. 09036			

Place :Delhi
Date :08.05.2010

BHARTIYA RAIL BIJLEE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year Rs.	Previous year Rs.
A **CASH FLOW FROM OPERATING ACTIVITIES**		
Net Loss as per Profit and Loss Account	**(168,354)**	(3,891,180)
Adjustment for Depreciation	**-**	-
Operating Loss before Working Capital Changes	**(168,354)**	(3,891,180)
Adjustment for		
Sundry Creditors & Provisions	**42,037,403**	15,544,992
Other Current Assets	**(155,043)**	(29,353)
Loans & Advances	**(3,460,202)**	(1,642,025)
	38,422,158	13,873,614
Net Cash from Operating Activities-A	**38,253,804**	**9,982,434**
B **CASH FLOW FROM INVESTMENT ACTIVITIES**		
Purchase of Fixed Assets and CWIP	**(1,990,226,848)**	(691,148,263)
Net Cash used in Investing Activities -B	**(1,990,226,848)**	**(691,148,263)**
C **CASH FLOW FROM FINANCING ACTIVITIES**		
Proceeds from issue of Share Capital	**1,500,000,000**	2,499,000,000
Proceeds from Share Capital Deposit	**450,391,000**	(1,634,502,000)
Net Cash flow from Financing Activities-C	**1,950,391,000**	**864,498,000**
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	**(1,582,044)**	**183,332,171**
Cash and Cash equivalents(Opening Balance)	**195,426,361**	12,094,190
Cash and Cash equivalents(Closing Balance)	**193,844,317**	195,426,361

NOTES :

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

Figures for Previous year have been regrouped/rearranged wherever necessary.

For and on behalf of Board of Directors

As per our Audit Report of even date
For H.S. MADAN & CO.,
Chartered Accountants

H.S. MADAN	**S.S. SEN**	**S.K. SAXENA**	**CHANDAN ROY**
Partner	CEO	Director	Chairman
M. No. 09036			

Place : Delhi
Date : 08.05.2010

AUDITORS' REPORT TO THE MEMBERS OF
BHARTIYA RAIL BIJLEE COMPANY LIMITED

1. We have audited the attached Balance Sheet of BHARTIYA RAIL BIJLEE COMPANY LIMITED (a Subsidiary Company of N.T.P.C. Ltd.) as at 31st March 2010, and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of ' The Companies Act, 1956' of India (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 a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further we report that:
   (a) We have 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 accounts as required by law have been kept by the company so far as appears from our examination of those books;
   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts
   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
   (e) Being a Government Company, pursuant to Notification No.GSR 829(E) dated 17/07/2003 issued by the Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the company.
   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010 and
      (ii) in the case of the Profit and Loss Account of the loss for the year ended on that date.
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For H.S.MADAN & CO.
Chartered Accountants
(H.S. MADAN)
PARTNER
M. No. 09036

Place : Delhi
Date : 8th May, 2010

ANNEXURE TO AUDITOR'S REPORT

REFFERED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2010

(i) (a) The company is maintaining proper record showing full particulars including quantitative details and situation of fixed assets.
   (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed.
   (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off during the year.

(ii) The Company does not have inventory. Accordingly, the provisions of clause 4(ii)(b) & (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(iii) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of clauses 4(iii)(b), (c) & (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

   However, Share Capital Deposit still has an unadjusted balance of Rs.146.15 Crores as on 31/03/2010 against which no shares have been allotted by Company so far.

(iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with the regard to purchase of fixed assets. The company has not made any purchase/sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

(v) According to the information given to us, there are no transactions that need to be entered in the register maintained U/s 301 of the Act. Company has awarded a Consultancy Contract of Rs.76.00 Crores to NTPC Ltd., holding

Company. During this year, payments have been made to the tune of Rs.31.69 Crores against this contract. Most of the Directors in Company are from NTPC Ltd. and Interest of Directors as required U/s 299 of Companies Act has already been disclosed in the Board's Meetings. As per Notification No. GSR 233 dt.31/01/1978 published in the Gazattee of India, Section 3(i) dt.11/02/1978, provisions of Section 297 are not applicable.

(vi) According to the information given to us, Company has not accepted deposits under the provisions of section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975

(vii) The provision of the order related to internal audit are not applicable to the company. However, Internal Audit have been conducted by the Holding Company, i.e. NTPC Ltd.

(viii) The maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the company since it has not commenced any activity related to generation of electricity.

(ix) (a) All employees of the company are on secondment posting from its holding company, i.e. NTPC Ltd. except one employee on deputation from Ministry of Railways. According to information given to us, holding company as well as Ministry of Railways are depositing undisputed statutory dues like provident Fund with appropriate authorities.

(b) According to the information and explanation given to us, no undisputed amount payable in respect of income tax, sales tax were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(x) This clause is not applicable as the company is not in existence for 5 years or more from the date of registration till 31st March, 2010.

(xi) This clause is not applicable as the company has not taken any loan from financial institution, bank or by way of issue of debentures.

(xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.

(xiv) The company is not dealing or trading in shares, securities, debentures or other investments and hence, requirements of paragraph 4 (xiv) are not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) The Company has not taken any term loan during the year.

(xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice-versa.

(xviii) The company has made preferential allotment of 15.00 Crore shares at Face Value of Rs.10.00 each to N.T.P.C Ltd. and Ministry of Railways, parties and companies covered in the register maintained under Section 301 of the Act during the year. In our opinion and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the company.

(xix) The Company has not issued any debentures

(xx) The Company has not raised money by public issue.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For H.S.MADAN & CO.
Chartered Accountants

(H.S. MADAN)

Place : Delhi — PARTNER

Date : 8th May, 2010 — M. No. 09036

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of BHARTIYA RAIL BIJLEE COMPANY LIMITED, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditors General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 08 May 2010.

I, on behalf of the Comptroller and Auditors General of India, have Conducted a supplimentry Audio under section 619(3) (b) of the companies Act, 1956 of the financial statement of BHARTIYA RAIL BIJLEE COMPANY LIMITED, New Delhi for the year ended 31 March 2010. This supplimentry audit has been carried out independently without access to the working papers of the statutary 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 suppliment to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

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

(M. K. Biswas)

Place: New Delhi — Principal Director of Commercial Audit and

Dated: 2 June, 2010 — Ex-officio Member Audit Board-III, New Delhi

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. GRANTS-IN-AID

3.1 Grants-in-aid received from the Central Government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.

3.2 Where the ownership of the assets acquired out of the grants vests with the government, the grants are adjusted in the carrying cost of such assets.

3.3 Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

4. FIXED ASSETS

4.1 Fixed Assets are carried at historical cost less accumulated depreciation.

4.2 Expenditure on renovation and modernisation of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

4.3 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4.4 Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the Fixed Assets.

4.5 Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

4.6 In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

4.7 Assets and systems common to more than one generating unit are capitalised on the basis of engineering estimates/ assessments.

5. CAPITAL WORK-IN-PROGRESS

5.1 In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-Progress.

5.2 Administration and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

5.3 Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

5.4 Unsettled liability for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

6. OIL AND GAS EXPLORATION COSTS

6.1 The Company follows 'Successful Efforts Method' for accounting of oil & gas exploration activities.

6.2 Cost of surveys and prospecting activities conducted in search of oil and gas are expensed off in the year in which these are incurred.

6.3 Acquisition and exploration costs are initially capitalized as 'Exploratory Wells-in-Progress' under Capital Work-in-Progress.

7. DEVELOPMENT OF COAL MINES

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

8. FOREIGN CURRENCY TRANSACTIONS

8.1 Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

8.2 At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

8.3 Exchange differences (loss), arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.

8.4 Exchange differences arising from settlement / translation of foreign currency loans (other than regarded as borrowing cost), deposits / liabilities relating to fixed assets / capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement / translation of long term foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.

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

9. BORROWING COSTS

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

10. INVESTMENTS

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

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

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

11. INVENTORIES

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

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

12. PROFIT AND LOSS ACCOUNT

12.1 INCOME RECOGNITION

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

12.1.2 Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.

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

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

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

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

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

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

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

12.2 EXPENDITURE

12.2.1 Depreciation is charged on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets at the rates mentioned below:

a) Kutcha Roads	47.50 %
b) Enabling works	
- residential buildings including their internal electrification.	06.33 %
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	19.00 %
c) Personal computers and Laptops including peripherals	19.00 %
d) Photocopiers and Fax Machines	19.00 %
e) Air conditioners, Water coolers and Refrigerators	08.00 %

12.2.2 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.

12.2.3 Assets costing up to Rs.5000/- are fully depreciated in the year of acquisition.

12.2.4 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 earlier. Intangible assets - Others are amortized on straight line method over the period of legal right to use.

12.2.5 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 prospectively over the residual life.

12.2.6 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 prospectively over the revised useful life determined by technical assessment.

12.2.7 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.

12.2.8 Capital expenditure on assets not owned by the company is amortised over a period of 4 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of stations under operation is charged off to revenue.

12.2.9 Leasehold lands other than acquired on perpetual leases are amortised over the lease period. Leasehold buildings are amortised over the lease period or 30 years, whichever is lower. Leasehold land and buildings, whose lease periods are yet to be finalised, are amortised over a period of 30 years.

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

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

12.2.12 Actuarial gains/losses in respect of 'Employee Benefit Plans' are recognised in the statement of Profit & Loss Account.

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

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

12.2.15 Carpet coal is charged off to coal consumption. However, during pre-commissioning period, carpet coal is retained in inventories and charged off to consumption in the first year of commercial operation. Transit and handling losses of coal as per norms are included in cost of coal.

13. FINANCE LEASES

13.1 Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.

13.2 Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. 12.2.1. 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 shorter.

13.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

14. PROVISIONS AND CONTINGENT LIABILITIES

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

15. CASH FLOW STATEMENT

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

CONSOLIDATED BALANCE SHEET

Rs. Million

As at March 31,	SCHEDULE	2010	2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	**82,455**	82,455
Reserves and surplus	2	**543,824**	491,621
		626,279	574,076
DEFERRED REVENUE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION	3	**16,108**	19,360
DEFERRED INCOME FROM FOREIGN CURRENCY FLUCTUATION		**-**	6,077
LOAN FUNDS			
Secured loans	4	**153,764**	132,117
Unsecured loans	5	**287,721**	256,109
		441,485	388,226
DEFERRED FOREIGN CURRENCY FLUCTUATION LIABILITY		**611**	545
DEFERRED TAX LIABILITY (NET)		**30,869**	51,520
Less: Recoverable		**28,572**	51,519
		2,297	1
MINORITY INTEREST		**2,790**	1,662
TOTAL		**1,089,570**	989,947
APPLICATION OF FUNDS			
GOODWILL ON CONSOLIDATION		**6**	6
FIXED ASSETS			
Gross Block	6	**715,268**	647,410
Less: Depreciation		**327,226**	297,755
Net Block		**388,042**	349,655
Capital Work-in-Progress	7	**312,559**	247,647
Construction stores and advances	8	**64,261**	61,646
		764,862	658,948
INVESTMENTS	9	**117,776**	116,960
DEFERRED FOREIGN CURRENCY FLUCTUATION ASSET		**3,652**	9,734
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	10	**35,330**	33,616
Sundry debtors	11	**70,808**	38,189
Cash and bank balances	12	**160,530**	172,505
Other current assets	13	**8,680**	9,934
Loans and advances	14	**56,807**	70,389
		332,155	324,633
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	15	**97,579**	87,191
Provisions	16	**31,503**	33,143
		129,082	120,334
Net current assets		**203,073**	204,299
DEFERRED EXPENDITURE FROM FOREIGN CURRENCY FLUCTUATION		**201**	-
TOTAL		**1,089,570**	989,947
Notes on accounts	26		

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

For and on behalf of the Board of Directors

(A.K.RASTOGI)	**(A.K.SINGHAL)**	**(R.S. SHARMA)**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates Chartered Accountants Firm Reg. No. 000112N	**For S.K. Mittal & Co.** Chartered Accountants Firm Reg. No.001135N	**For Varma & Varma** Chartered Accountants Firm Reg. No. 004532S
(Naresh Kumar) Partner M No.082069	**(S.K. Mittal)** Partner M No.008506	**(Cherian K. Baby)** Partner M No.016043
For Parakh & Co. Chartered Accountants Firm Reg. No. 001475C	**For B.C. Jain & Co.** Chartered Accountants Firm Reg. No.001099C	**For S.K. Mehta & Co.** Chartered Accountants Firm Reg. No. 000478N
(V.D. Mantri) Partner M No.074678	**(Ranjeet Singh)** Partner M No.073488	**(Rohit Mehta)** Partner M.No.091382

Place : New Delhi
Dated : 17th May 2010

CONSOLIDATED PROFIT & LOSS ACCOUNT

Rs. Million

For the year ended March 31,	SCHEDULE	2010	2009
INCOME			
Sales (Gross)	17	**485,307**	428,974
Less: Electricity duty		**2,743**	2,360
Sales (Net)		**482,564**	426,614
Energy Internally consumed		**551**	514
Provisions written back	18	**128**	171
Other income	19	**28,792**	33,066
Total		**512,035**	460,365
EXPENDITURE			
Fuel		**301,876**	273,464
Electricity purchased		**12**	-
Employees' remuneration and benefits	20	**25,231**	25,325
Cost of material and services		**1,824**	1,244
Generation, administration & other expenses	21	**23,348**	19,749
Depreciation		**28,944**	24,949
Provisions	22	**123**	299
Interest and finance charges	23	**20,782**	21,167
Total		**402,140**	366,197
Profit before Tax and Prior Period Adjustments		**109,895**	94,168
Prior Period income/expenditure (net)	24	**(596)**	1,095
Profit before tax		**110,491**	93,073
Provision for :			
Current tax			
Current year		**25,044**	25,896
Earlier years		**(5,254)**	(13,953)
Fringe Benefit tax			
Current year		**-**	219
Earlier years		**27**	-
Deferred tax		**2,296**	(4,520)
Less: Deferred tax recoverable		**-**	(4,521)
Current/Fringe Benefit Tax transferred to expenditure during construction/Development of coal mines		**(1)**	15
		22,114	12,148
Profit after tax		**88,377**	80,925
Balance brought forward		**(773)**	859
Write back from Bond Redemption Reserve		**2,000**	1,250
Balance available for appropriation		**89,604**	83,034
Appropriations			
Transfer to Bonds Redemption Reserve		**4,978**	4,537
Transfer to Capital Reserve		**50**	86
Transfer to General Reserve		**47,727**	44,400
Dividend			
Interim		**24,736**	23,087
Final-Proposed		**6,755**	6,650
Tax on Dividend			
Interim		**4,204**	3,917
Final-Proposed		**1,120**	1,130
Balance carried to Balance Sheet		**34**	(773)
Expenditure during construction (net)	25		
Earning Per Share (Equity shares, face value Rs.10/- each) - Basic and Diluted - (Rs.)		**10.72**	9.81
Notes on Accounts	26		

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

Total Income includes **Rs.18,369 Million** (Previous year Rs.6,395 Million) share of jointly controlled entities

Total Expenditure includes **Rs.17,238 Million** (Previous year Rs.7,864 Million) share of jointly controlled entities

For and on behalf of the Board of Directors

(A.K.RASTOGI)	**(A.K.SINGHAL)**	**(R.S. SHARMA)**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates	**For S.K. Mittal & Co.**	**For Varma & Varma**
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 000112N	Firm Reg. No.001135N	Firm Reg. No. 004532S
(Naresh Kumar)	**(S.K. Mittal)**	**(Cherian K. Baby)**
Partner	Partner	Partner
M No.082069	M No.008506	M No.016043
For Parakh & Co.	**For B.C. Jain & Co.**	**For S.K. Mehta & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 001475C	Firm Reg. No.001099C	Firm Reg. No. 000478N
(V.D. Mantri)	**(Ranjeet Singh)**	**(Rohit Mehta)**
Partner	Partner	Partner
M No.074678	M No.073488	M.No.091382

Place : New Delhi
Dated : 17th May 2010

NTPC Limited Consolidated Financial Statements

CASH FLOW STATEMENT

Rs. Million

For the year ended March 31,		2010	2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and Prior Period Adjustments		**109895**	94168
Adjustment for:			
Depreciation	**28944**		24949
Provisions	**123**		299
Deferred revenue on account of Advance Against Depreciation	**(3252)**		5626
Deferred Foreign Currency Fluctuation Assets/Liability	**6148**		(11743)
Deferred Income from foreign currency fluctuation	**(6400)**		6470
Interest charges	**29779**		27292
Guarantee Fee & other Finance charges	**639**		360
Interest/Income on Bonds/Investment	**(10080)**		(11330)
Prior Period Adjustments (Net)	**596**		(1095)
Dividend Income	**(68)**		(60)
Provisions Written Back	**(128)**		(171)
Others (Bonds issue and Servicing Expenses)	**26**		64
		46327	40661
Operating Profit before Working Capital Changes		**156222**	134829
Adjustment for:			
Trade and Other Receivables	**(32632)**		(6473)
Inventories	**(424)**		(5298)
Trade Payables and Other Liabilities	**1735**		22031
Loans and Advances	**21778**		(15634)
Other Current Assets	**542**		(1375)
		(9001)	(6749)
Cash generated from operations		**147221**	128080
Direct Taxes Paid		**(27986)**	(25663)
Net Cash from Operating Activities - A		**119235**	102417
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	**(140093)**		(113444)
Purchase of Investments	**(105208)**		0
Sale of Investment	**104396**		17500
Interest/Income on Bonds/Investment Received	**10792**		12053
Income Tax on Interest/Income on Bonds/Investment	**(26)**		(59)
Dividend Received	**68**		60
Net cash used in Investing Activities - B		**(130071)**	(83890)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings		**91757**	85185
Repayment of Long Term Borrowings		**(27514)**	(22944)
Securities Premium on issue of Share Capital		**-**	(614)
Grant Received/Ash utilisation reserve etc.		**1765**	420
Interest Paid		**(29769)**	(26451)
Guarantee Fee & other Finance charges Paid		**(632)**	(358)
Dividend Paid		**(31386)**	(29743)
Tax on Dividend		**(5334)**	(5058)
Others (Equity /Bonds issue& Servicing Expenses)		**(26)**	(64)
Net Cash flow from Financing Activities - C		**(1139)**	373
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)		**(11975)**	18900
Cash and cash equivalents(Opening balance) *		**172505**	153605
Cash and cash equivalents(Closing balance) *		**160530**	172505

Notes :

1. Cash and Cash Equivalents consists of Cash in Hand and balance with Banks.
2. Previous year's figures have been regrouped/rearranged wherever necessary.

* Includes **Rs 116 million** (previous Year Rs.103 million) deposited as security with Government Authorities as per court orders.

* Includes **Rs.226 million** (previous Year Rs.58 million) lying in designated bank accounts towards unclaimed Dividend.

For and on behalf of the Board of Directors

(A.K.RASTOGI) Company Secretary	**(A.K.SINGHAL)** Director (Finance)	**(R.S. SHARMA)** Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates Chartered Accountants Firm Reg. No. 000112N	**For S.K. Mittal & Co.** Chartered Accountants Firm Reg. No.001135N	**For Varma & Varma** Chartered Accountants Firm Reg. No. 004532S
(Naresh Kumar) Partner M No.082069	**(S.K. Mittal)** Partner M No.008506	**(Cherian K. Baby)** Partner M No.016043
For Parakh & Co. Chartered Accountants Firm Reg. No. 001475C	**For B.C. Jain & Co.** Chartered Accountants Firm Reg. No.001099C	**For S.K. Mehta & Co.** Chartered Accountants Firm Reg. No. 000478N
(V.D. Mantri) Partner M No.074678	**(Ranjeet Singh)** Partner M No.073488	**(Rohit Mehta)** Partner M.No.091382

Place : New Delhi
Dated : 17th May 2010

Schedules forming part of Consolidated Balance Sheet Rs. Million

As at March 31,	2010	2009
Schedule 1		
SHARE CAPITAL		
AUTHORISED		
10,000,000,000 equity shares of Rs.10/- each (Previous year 10,000,000,000 equity shares of Rs.10/- each)	**100,000**	100,000
ISSUED, SUBSCRIBED AND PAID-UP		
8,245,464,400 equity shares of Rs.10/- each fully paid-up (Previous year 8,245,464,400 equity shares of Rs.10/- each fully paid-up)	**82,455**	82,455

Schedule 2

RESERVES AND SURPLUS

	2010	2009
Capital Reserve		
As per last Balance Sheet	**1,981**	1,885
Add : Additions during the year	**800**	86
Adjustments during the year	**43**	10
	2,824	1,981
Security Premium Account	**22,281**	22,281
Bonds Redemption Reserve		
As per last Balance Sheet	**16,889**	13,602
Add : Transfer from Profit & Loss Account	**4,978**	4,537
Less : Write back during the year	**2,000**	1,250
	19,867	16,889
Ash Utilisation Reserve		
As per last Balance Sheet	**-**	-
Add : Addition during the year	**106**	-
	106	-
General Reserve		
As per last Balance Sheet	**451,243**	406,933
Add : Transfer from Profit & Loss Account	**47,727**	44,400
Less : Adjustments during the year	**258**	90
	498,712	451,243
Surplus in Profit & Loss Account	**34**	(773)
Total	**543,824**	491,621

Includes **Rs.(-) 579 Million** (previous year (-) Rs.1,101 Million) share of jointly controlled entities

Schedule 3

DEFERRED REVENUE - ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION

	2010	2009
As per last Balance Sheet	**19,360**	13,734
Add : Revenue deferred during the year	**244**	5,626
Less : Reversed during the year	**328**	-
Less : Revenue recognised during the year	**3,168**	-
Total	**16,108**	19,360

Schedules forming part of Consolidated Balance Sheet — Rs. Million

As at March 31,	2010	2009
Schedule 4		
SECURED LOANS		
Bonds		
10.00% Secured Non-Convertible Taxable Bonds of Rs. 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6th year and in annual instalments thereafter upto the end of 10th year respectively from 5th September 2001 (Twelfth Issue - Private Placement) [1]	**2,000**	3,000
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of Rs. 10,00,000/- each redeemable at par in ten equal annual instalments commencing from the end of 6th year and upto the end of 15th year respectively from 18th April 2002 (Thirteenth Issue -Part A - Private Placement) [2]	**6,000**	6,750
9.55% Secured Non-Cumulative Non-Convertible Taxable Redeemable Bonds of Rs. 10,00,000/- each with ten equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of the 6th year and in annual instalments thereafter upto the end of 15th year respectively from 30th April 2002 (Thirteenth Issue - Part B - Private Placement) [2]	**6,000**	6,750
8.00% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 10th April 2018 (Sixteenth Issue -Private Placement) [3]	**1,000**	1,000
8.48% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 1st May 2023 (Seventeenth Issue - Private Placement) [3]	**500**	500
5.95% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each with five equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par at the end of 6th year and in annual instalments thereafter, upto the end of 10th year respectively from 15th September 2003 (Eighteenth Issue - Private Placement) [4]	**4,000**	5,000
7.50% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 12th January 2019 (Nineteenth Issue - Private Placement) [5]	**500**	500
7.552% Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 23rd September 2009 and ending on 23rd March 2019 (Twentieth Issue - Private Placement) [6]	**4,500**	5,000
7.7125% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 2nd August 2010 and ending on 2nd February 2020 (Twenty first issue - Private Placement) [7]	**10,000**	10,000
8.1771% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 2nd July 2011 and ending on 2nd January 2021 (Twenty second issue - Private Placement) [8]	**5,000**	5,000
8.3796% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 5th August 2011 and ending on 5th February 2021 (Twenty third issue - Private Placement) [8]	**5,000**	5,000
8.6077% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 20,00,000/- each with twenty equal Separately Transferable Redeemable Principal Parts (STRPP) redeemable at par semi-annually commencing from 9th September 2011 and ending on 9th March 2021 (Twenty fourth issue - Private Placement) [8]	**5,000**	5,000
9.37% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.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) [9]	**5,000**	5,000

Schedules forming part of Consolidated Balance Sheet — Rs. Million

As at March 31,	2010	2009
Schedule 4		
SECURED LOANS		
9.06% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.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) [9]	5,000	5,000
11.25% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par in five equal annual instalments commencing from 6th Nov 2019 and ending on 6th Nov 2023 (Twenty seventh issue - Private Placement) [9]	3,500	3,500
11% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par on 21st November 2018 (Twenty Eighth issue - Private Placement) [9]	10,000	10,000
8.65% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par on 4th February 2019 (Twenty ninth issue - Private Placement) [9]	5,500	5,500
7.89% Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of Rs.10,00,000/- each redeemable at par on 5th May 2019 (Thirtieth issue - Private Placement) [9]	7,000	-
Loans and Advances from Banks		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year **Rs.1,375 Million,** previous year Rs.1,398 Million) [10]	5,286	7,180
Rupee Term Loans (Due for repayment within one year **Rs.872 Million,** previous year Rs.969 Million) [11]	21,172	14,859
Cash credit (Secured against inventory and Trade Debtors of Kanti Bijlee Utpadan Nigam Ltd.)	121	15
Other Loans and Advances		
Rupee Term Loans (Due for repayment within one year **Rs.2,921 Million,** previous year Rs.194 Million) [12]	41,671	27,547
Obligations under finance lease (Due for repayment within one year **Rs.6 Million,** previous year Rs.4 Million) [13]	14	16
TOTAL	**153,764**	132,117

Includes **Rs.62,844 Million** (previous year Rs. 42,406 Million) share of jointly controlled entities

Note:

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

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

3 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to National Capital Power Station.

Schedules forming part of Consolidated Balance Sheet

Schedule 4

SECURED LOANS

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

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

6 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage, by way of first charge, by deposit of title deeds of the immovable properties pertaining to Ramagundam Super Thermal Power Station.

7 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai, (II) Hypothecation of all the present and future movable assets (excluding receivables) of Barh Super Thermal Power Project as first charge, ranking pari passu with charge already created in favour of Trustee for other Series of Bonds and (III) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Ramagundam Super Thermal Power Station by extension of charge already created.

8 Secured by (I) English mortgage,on first pari-passu charge basis, of the office premises of the Company at Mumbai and (II)Equitable mortgage, by way of first charge, by deposit of the title deeds of the immovable properties pertaining to Sipat Super Thermal Power Project.

9 Secured by (I) English mortgage, on first pari passu charge basis, of the office premises of the Company at Mumbai and (II) Equitable mortgage of the immovable properties, on first pari-passu charge basis, pertaining to Sipat Super Thermal Power Project by extention of charge already created.

10 Secured by English mortgage/hypothecation of all the present and future fixed and movable assets of Rihand Super Thermal Power Station as first charge, ranking pari-passu with charge already created, subject to however, Company's Banker's first charge on certain movable assets hyphothecated to them for working capital requirement.

11 Secured by all moveable & immoveable, present and future assets belonging to Joint Venture entity at Vallur.

Secured by equitable mortagage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Bhilai Expansion Project (CPP - III) belonging to Joint Venture entity.

Secured by equitable mortagage/hypothecation of all the present and future Fixed Assets and Moveable Assets of CPP-II at Rourkela, Durgapur and Bhilai belonging to Joint Venture entity.

Secured by first charge by way of hypothecation in favour of PFC Ltd. of all moveable assets of Indira Gandhi Super Thermal Power Project (3 X 500 MW) Coal Based Thermal Power Project at Jhajjar Distt. in state of Haryana belonging to Joint Venture entity, comprising its movable plant and machinery, machinery spares, tools and accessories, furniture fixture, vehicles and all other movable assets, present and future, including intangible assets, goodwill, uncalled capital receivable of the project except for specified receivables on which first charges would be of working capital lenders present and future.

Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Power Plant and associated LNG facilities at village Anjanwel Guhagar, Distt. Ratnagiri belonging to Joint Venture entity subject to the first charge of Government of India to the extent of Rs.13000 Million.

12 Secured by equitable mortgage/hypothecation of all the present and future Fixed Assets and Moveable Assets of Power Plant and associated LNG facilities at village Anjanwel Guhagar, Distt. Ratnagiri belonging to Joint Venture entity subject to the charge of Government of India to the extent of Rs.13000 Million.

13 Secured against fixed assets obtained under finance lease.

Note:

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

Schedules forming part of Consolidated Balance Sheet

As at March 31,	2010	2009
		Rs.Million
Schedule 5		
UNSECURED LOANS		
Fixed Deposits	**134**	14
(Due for repayment within one year **Rs.6 Million**, previous year Rs.7 Million)		
Bonds		
8.78 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 9th March 2020 (Thirty first issue- Private Placement)*	**5,000**	-
8.8493% Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 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)*	**1,050**	-
8.73 % Secured Non Cumulative Non-Convertible Redeemable Taxable Bonds of Rs. 10,00,000/- each redeemable at par on 31st March 2020 (Thirty third issue- Private Placement)*	**1,950**	-
Foreign Currency Bonds / Notes		
5.50 % Eurobonds due for repayment on 10th March 2011 (due for repayment with in one year **Rs.9,134 million**, previous year Nil)	**9,134**	10,310
5.875 % Fixed Rate Notes due for repayment on 2nd March 2016	**13,701**	15,465
Loans and Advances		
From Banks and Financial Institutions		
Foreign Currency Term Loans (Guaranteed by Government of India) (Due for repayment within one year **Rs.610 Million**, previous year Rs.498 Million)	**26,383**	28,842
Other Foreign Currency Term Loans (Due for repayment within one year **Rs. 5,884 Million**, previous year Rs.2,296 Million)	**49,034**	49,439
Rupee Term Loans (Due for repayment within one year **Rs.17,962 Million**, Previous year Rs.19,301 Million)	**181,335**	152,038
From Others		
Loans from Government of India (Due for repayment within one year **nil**, previous year Rs.1 Million)	**-**	1
TOTAL	**287,721**	256,109

* To be secured by registered and/or equitable mortgage on immoveable properties
Includes **Rs.550 Million** (previous year Rs.127 Million) share of jointly controlled entities

Schedules forming part of Consolidated Balance Sheet

Schedule 6

FIXED ASSETS

Rs. Million

	Gross Block				Depreciation				Net Block	
	As at 01.04.2009	Additions	Deductions/ Adjustments	**As at 31.03.2010**	Upto 31.03.2009	For the year	Deductions/ Adjustments	**Upto 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
TANGIBLE ASSETS										
Land :										
(including development)										
Freehold	19,658	2,862	(55)	**22,575**	-	-	-	**-**	**22,575**	19,658
Leasehold	5,340	164	86	**5,418**	596	82	6	**672**	**4,746**	4,744
Roads, bridges, culverts & helipads	4,284	179	(148)	**4,611**	879	79	(12)	**970**	**3,641**	3,405
Building :										
Freehold										
Main plant	25,513	3,563	309	**28,767**	10,411	760	18	**11,153**	**17,614**	15,102
Others	19,386	1,027	(447)	**20,860**	5,394	516	(8)	**5,918**	**14,942**	13,992
Leasehold	498	-	(2)	**500**	172	17	-	**189**	**311**	326
Temporary erection	264	66	(5)	**335**	263	62	(5)	**330**	**5**	1
Water Supply, drainage & sewerage system	5,846	157	(14)	**6,017**	2,296	303	-	**2,599**	**3,418**	3,550
MGR track and signalling system	8,659	552	(40)	**9,251**	5,239	272	(2)	**5,513**	**3,738**	3,420
Railway Siding	2,901	1	2	**2,900**	1,053	140	-	**1,193**	**1,707**	1,848
Earth Dam Reservoir	1,757	41	-	**1,798**	558	84	-	**642**	**1,156**	1,199
Plant and machinery	539,061	55,810	(449)	**595,320**	262,048	27,004	716	**288,336**	**306,984**	277,013
Furniture, fixtures & other office equipment	4,212	482	10	**4,684**	2,626	197	34	**2,789**	**1,895**	1,586
EDP, WP machines and SATCOM equipment	3,032	448	33	**3,447**	2,076	283	51	**2,308**	**1,139**	956
Vehicles including speedboats	95	11	7	**99**	70	4	6	**68**	**31**	25
Construction equipment	1,211	203	79	**1,335**	756	80	91	**745**	**590**	455
Electrical Installations	2,266	522	(184)	**2,972**	1,219	105	(8)	**1,332**	**1,640**	1,047
Communication Equipments	792	52	7	**837**	395	29	14	**410**	**427**	397
Hospital Equipments	232	17	1	**248**	144	9	3	**150**	**98**	88
Laboratory and workshop equipments	162	91	(1)	**254**	104	6	-	**110**	**144**	58
Leased assets - Vehicles	20	4	-	**24**	5	6	-	**11**	**13**	15
Capital expenditure on assets not owned by the Company	1,399	554	(6)	**1,959**	1,037	96	(1)	**1,134**	**825**	362
Assets of Government	28	-	-	**28**	-	-	-	**-**	**28**	28
Less:Grants from Government	28	-	-	**28**	-	-	-	**-**	**28**	28
Assets held for disposal valued at net book value or net realisable value whichever is less	21	-	(6)	**27**	-	-	-	**-**	**27**	21
INTANGIBLE ASSETS										
Right of Use - Land	13	63	6	**70**	-	3	-	**3**	**67**	13
- Others	-	85	-	**85**	-	1	-	**1**	**84**	-
Software	788	50	(37)	**875**	414	235	(1)	**650**	**225**	374
Total	**647,410**	**67,004**	**(854)**	**715,268**	**297,755**	**30,373**	**902**	**327,226**	**388,042**	349,655
Previous year	556,472	78,011	(12,927)	647,410	274,868	26,585	3,698	297,755	349,655	281,604

Net Fixed Assets include **Rs.38,447 Million** (previous year Rs.19,891 Million) share of jointly controlled entities

Schedules forming part of Consolidated Balance Sheet

Schedule 7

CAPITAL WORK-IN-PROGRESS

Rs. Million

	As at 01.04.2009	Additions	Deductions & Adjustments	Capitalised	**As at 31.03.2010**
Development of land	3,451	795	305	31	**3,910**
Roads, bridges, culverts & helipads	646	299	165	182	**598**
Piling and foundation	9,106	2,765	3,187	-	**8,684**
Buildings :					
Main plant	12,056	8,557	(2,742)	3,563	**19,792**
Others	2,806	2,238	107	1,009	**3,928**
Temporary erection	44	53	26	54	**17**
Water supply, drainage and sewerage system	452	187	(13)	155	**497**
Hydraulic works, Barrages, Dams, Tunnels, and Power Channel	18,931	5,922	1,639	-	**23,214**
MGR track and signalling system	2,968	1,038	27	552	**3,427**
Railway siding	642	768	13	-	**1,397**
Earth dam reservoir	890	315	(288)	41	**1,452**
Plant and machinery	184,246	108,172	1,081	55,791	**235,546**
Furniture, fixtures and other office equipment	68	147	9	149	**57**
EDP/WP Machines & SATCOM equipment	32	109	13	118	**10**
Construction Equipments	-	43	2	41	**-**
Electrical installations	714	447	228	436	**497**
Communication equipment	22	42	16	28	**20**
Laboratory and workshop equipment	13	21	(14)	46	**2**
Intangible assets - software	1	14	2	8	**5**
Capital expenditure on assets not owned by the company	789	1,640	41	554	**1,834**
Exploratory Wells-in-Progress	32	45	-	-	**77**
Development of Coal Mines	967	401	(1)	-	**1,369**
	238,876	134,018	3,803	62,758	**306,333**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	1,627	888	146	-	**2,369**
Difference in exchange on foreign currency loans	2,064	(10,984)	(6,457)	-	**(2,463)**
Expenditure towards diversion of forest land	1,757	3	(2)	-	**1,762**
Pre-commisioning expenses (net)	81	127	835	-	**(627)**
Expenditure during construction	3,390	23,344*	(160)	-	**26,894**
Less: Allocated to related works	-	21,565	-	-	**21,565**
	247,795	125,831	(1,835)	62,758	**312,703**
Less: Provision for unserviceable works	148	-	4	-	**144**
Total	**247,647**	**125,831**	**(1,839)**	**62,758**	**312,559**
Previous Year	206,991	132,636	19,164	72,816	247,647

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

Include **Rs. 41,994 million** (Previous year Rs.33,297 million) share of jointly controlled entities

Schedules forming part of Consolidated Balance Sheet		Rs. Million
As at March 31,	**2010**	2009
Schedule 8		
CONSTRUCTION STORES AND ADVANCES		
CONSTRUCTION STORES *		
(At cost)		
Steel	**10,765**	12,133
Cement	**253**	177
Others	**10,918**	7,391
	21,936	19,701
Less: Provision for shortage	**13**	11
	21,923	19,690
ADVANCES FOR CAPITAL EXPENDITURE		
Secured	**16**	1,274
Un secured, considered good		
Covered by bank guarantees	**31,769**	34,852
Others	**10,553**	5,830
Considered doubtful	**22**	67
	42,360	42,023
Less:Provision for bad & doubtful advances	**22**	67
	42,338	41,956
Total	**64,261**	61,646
* Include material in transit, under inspection and with contractors	**12,753**	10,517

Includes **Rs.6,288 Million** (previous year Rs.6,016 Million) share of jointly controlled entities

Schedules forming part of Consolidated Balance Sheet — Rs. Million

As at March 31,	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (Rs.)	2010	2009
Schedule 9				
INVESTMENTS				
(Valuation as per Accounting Policy No. 10)				
I. LONG TERM (Trade - unless otherwise specified)				
A) Quoted				
a) Government of India Dated Securities (Non-Trade)	- (19139000)	- (100)	**-**	1,875
Less: Amortisation of Premium			**-**	10
			-	1,865
b) Equity Shares (fully paid-up)				
PTC India Ltd.	12000000 (12000000)	10 (10)	**120**	120
Sub Total (A)			**120**	1,985
B) Unquoted (fully paid-up)				
Bonds				
i) 8.50 % Tax-Free State Government Special Bonds of the Government of (#)				
Andhra Pradesh	7563900 (8824550)	1000 (1000)	**7,564**	8,824
Assam	308784 (360248)	1000 (1000)	**309**	360
Bihar	11366400 (13260800)	1000 (1000)	**11,366**	13,261
Chattisgarh	2899320 (3382540)	1000 (1000)	**2,899**	3,382
Gujarat	5023440 (5860680)	1000 (1000)	**5,024**	5,861
Haryana	6450000 (7525000)	1000 (1000)	**6,450**	7,525
Himachal Pradesh	200328 (233716)	1000 (1000)	**200**	234
Jammu and Kashmir	2204160 (2571520)	1000 (1000)	**2,204**	2,571
Jharkhand	5760736 (6720856)	1000 (1000)	**5,761**	6,721
Kerala	6014400 (7016800)	1000 (1000)	**6,014**	7,017
Madhya Pradesh	4985040 (5815880)	1000 (1000)	**4,985**	5,816
Maharashtra	2288400 (2669800)	1000 (1000)	**2,289**	2,670
Orissa	6617244 (7720118)	1000 (1000)	**6,617**	7,720
Punjab	2077380 (2423610)	1000 (1000)	**2,077**	2,424

Schedules forming part of Consolidated Balance Sheet Rs. Million

As at March 31,	Number of shares/bonds/ securities Current year/ (previous year)	Face value per share/bond/ security Current year/ (previous year) (Rs.)	2010	2009
Schedule 9				
INVESTMENTS				
(Valuation as per Accounting Policy No. 10)				
Rajasthan	870000 (1160000)	1000 (1000)	**870**	1,160
Sikkim	205176 (239372)	1000 (1000)	**205**	239
Uttar Pradesh	23939400 (27929300)	1000 (1000)	**23,939**	27,929
Uttaranchal	2397900 (2797550)	1000 (1000)	**2,398**	2,798
West Bengal	7045488 (8219736)	1000 (1000)	**7,046**	8,220
ii) Other Bonds				
10.00 % Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003 , 06/2002, 06/2009	- (3744)	- (12500)	**-**	47
10.00 % Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003, 09/2002, 09/2009	- (3780)	- (12500)	**-**	47
10.00 % Secured Non-Cumulative Non-Convertible Redeemable Grid Corporation of Orissa (GRIDCO) Power Bonds, Series-1/2003 - 10/2002, 10/2009	- (5970)	12500 (25000)	**-**	149
Sub Total (B)			**98,217**	114,975
(iii) Equity shares in Pipavav Power Development Company Ltd.*			**4**	
Sub Total (I)			**98,341**	116,960
II. CURRENT (Non - Trade - Unquoted)				
SBI - SHF Ultra Short Term Fund-Institutional Plan (IP)- Daily Dividend Reinvestment (DDR)	424791050 (-)	10 (-)	**4,250**	-
UTI Treasury Advantage Fund-IP-DDR	7681994 (-)	1000 (-)	**7,684**	-
Canara Robeco Treasury Advantage Super-IP- DDR	604553577 (-)	10 (-)	**7,501**	-
Sub Total (II)			**19,435**	-
Total (I + II)			**117,776**	116,960
Quoted Investments				
Book Value			**120**	1,985
Market Value			**1,336**	2,755
Unquoted Investments				
Book Value			**117,656**	114,975

\# Includes Bonds of **Rs.65,333 Million** (previous year Rs.65,623 Million) permitted for transfer/trading by Reserve Bank of India. Balance can be transferred/traded subject to prior approval of Reserve Bank of India

* A wholly owned subsidiary of the Company under winding up

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

Schedules forming part of Consolidated Balance Sheet Rs. Million

As at March 31,	2010	2009
Schedule 10		
INVENTORIES		
(Valuation as per Accounting Policy No. 11)		
Components and spares	**17,590**	18,090
Loose tools	**52**	46
Coal	**11,203**	11,163
Fuel Oil	**1,807**	1,905
Naphtha	**1,374**	1,220
Chemicals & consumables	**324**	299
Steel Scrap	**123**	116
Others	**3,362**	1,269
	35,835	34,108
Less: Provision for shortage	**30**	51
Provision for obsolete/ unserviceable items / dimunition in value of surplus inventory	**475**	441
Total	**35,330**	33,616
Inventories include material in transit, under inspection and with contractors	**1,592**	1,663

Includes **Rs.1,843 Million** (previous year Rs.1,015 Million) share of jointly controlled entities

Schedule 11		
SUNDRY DEBTORS		
(Considered good, unless otherwise stated)		
Debts outstanding over six months		
Unsecured	**1,787**	1,155
Considered doubtful	**8,392**	8,373
	10,179	9,528
Other debts		
Unsecured	**69,021**	37,034
	79,200	46,562
Less: Provision for bad & doubtful debts	**8,392**	8,373
Total	**70,808**	38,189

Includes **Rs.3,026 Million** (previous year Rs.1,633 Million) share of jointly controlled entities

Schedule 12		
CASH & BANK BALANCES		
Cash on hand (includes cheques, drafts and stamps on hand **Rs.25 Million** (previous year Rs.15 Million)	**127**	16
Remittances in transit	**1**	7
Balance with Reserve Bank of India earmarked for fixed deposits from public	**308**	308
Balances with scheduled banks		
Current Account (a)	**6,588**	2,894
Term Deposit Account (b)	**153,506**	169,280
Total	**160,530**	172,505

Includes **Rs.3,438 Million** (previous year Rs.2,273 Million) share of jointly controlled entities

(a) Includes **Rs.226 Million** of Unclaimed Dividend (previous year Rs.58 Million)

(b) **Rs.116 Million** (previous year Rs.103 Million) deposited as security with Government authorities/others as per court orders.

Schedules forming part of Consolidated Balance Sheet — Rs. Million

As at March 31,		2010	2009
Schedule 13			
OTHER CURRENT ASSETS			
Interest accrued :			
Bonds		**4,525**	5,237
Government of India Dated Securities		**-**	47
Term Deposits		**3,770**	4,323
Others		**143**	143
Other Recoverables		**165**	130
Others		**77**	54
Total		**8,680**	9,934

Includes **Rs. 100 Million** (previous year Rs.64 Million) shares of jointly controlled entities

Schedule 14

LOANS AND ADVANCES

(Considered good, unless otherwise stated)

		2010	2009
LOANS			
Employees (including accrued interest)			
Secured		**4,017**	3,980
Unsecured		**1,176**	1,054
Considered doubtful		**2**	2
Loan to State Government in settlement of dues from customers			
Unsecured		**6,222**	7,179
Others			
Secured		**1,917**	2,200
Unsecured		**7**	8
ADVANCES			
(Recoverable in cash or in kind or for value to be received)			
Contractors & suppliers, including material issued on loan			
Secured		**24**	37
Unsecured		**12,738**	10,505
Considered doubtful		**3**	1
Employees (including imprest)			
Unsecured		**1,554**	3,373
Considered doubtful		**1**	1
Advance tax deposit & tax deducted at source	**93,613**		71,611
Less: Provision for taxation	**72,012**		35,947
		21,601	35,664
Others			
Unsecured		**1,065**	1,616
Considered doubtful		**151**	152
Claims recoverable			
Unsecured		**4,831**	3,327
Considered doubtful		**30**	34
Less: Provision for bad and doubtful loans, advances and claims		**187**	190
		55,152	68,943
DEPOSITS			
Deposits with customs, port trust and others		**1,655**	1,446
Total		**56,807**	70,389

Includes **Rs.1,913 Million** (previous year Rs.1,523 Million) share of jointly controlled entities

Schedules forming part of Consolidated Balance Sheet Rs. Million

As at March 31,	2010	2009
Schedule 15		
CURRENT LIABILITIES		
Sundry Creditors		
For capital expenditure		
Micro & Small Enterprise (*Rs. 2,03,017/-)	**99**	*
Others	**32,524**	25,525
For goods and services		
Micro & Small Enterprise	**7**	11
Others	**28,255**	29,744
Book overdraft	**281**	967
Deposits, retention money from contractors and others	**16,140**	14,003
Less: Bank deposits/Investments held as security	**122**	135
	77,184	70,115
Advances from customers and others	**14,451**	4,908
Other liabilities	**1,950**	8,352
Unclaimed dividend (#)	**226**	58
Interest accrued but not due :		
Loans from Government of India (*Rs.60,080/-)	**-**	*
Foreign currency loans/bonds	**322**	443
Term loans in Indian currency	**1,364**	1,286
Bonds	**1,991**	2,025
Fixed deposits from public	**10**	4
Others	**81**	-
Total	**97,579**	87,191

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

Includes **Rs.8,362 Million** (previous year Rs.5,652 Million) shares of jointly controlled entities

Schedules forming part of Consolidated Balance Sheet — Rs. Million

As at March 31,	2010	2009
Schedule 16		
PROVISIONS		
Income/Fringe Benefit Tax		
As per last balance sheet	**-**	9
Additions during the year	**19,817**	12,023
Amount adjusted during the year	**(52,195)**	(23,698)
Less:Set off against taxes paid	**72,012**	35,730
	-	-
Proposed dividend		
As per last balance sheet	**6,650**	6,656
Additions during the year	**6,755**	6,650
Amounts paid during the year	**6,650**	6,656
	6,755	6,650
Tax on proposed dividend		
As per last balance sheet	**1,130**	1,141
Additions during the year	**1,120**	1,130
Amounts paid during the year	**1,130**	1,141
	1,120	1,130
Employee benefits		
As per last balance sheet	**22,140**	15,444
Additions during the year	**7,333**	8,627
Amounts paid during the year	**8,687**	1,931
Amount reversed during the year	**221**	-
	20,565	22,140
Obligation Incidental to Land Acquisition		
As per last balance sheet	**3,196**	-
Additions during the year	**222**	3197
Amounts paid during the year	**361**	1
Amount reversd during the year	**58**	-
	2,999	3196
Others		
As per last balance sheet	**27**	820
Additions during the year	**42**	10
Amounts adjusted during the year	**-**	801
Amounts reversed during the year	**5**	2
	64	27
Total	**31,503**	33,143

Includes **Rs.741 Million** (Previous year Rs.589 Million) share of jointly controlled entities

Schedules forming part of Consolidated Profit & Loss Account — Rs. Million

For the year ended March 31,	2010	2009
Schedule 17		
SALES		
Energy Sales (including Electricity Duty) *	**476,671**	429,204
Less : Advance against Depreciation deferred (net)	**(84)**	5,626
Add: Revenue recognised out of advance against depreciation	**3,168**	-
Exchange fluctuation receivable from customer	**319**	1,894
	480,242	425,472
Consultancy, project management and supervision fees (including turnkey construction projects)	**5,065**	3,502
Total	**485,307**	428,974

* Includes (-) **Rs.7,199 Millio**n (Previous year Rs.7,583 Million) on account of income tax recoverable from beneficiaries as per CERC Regulations and **Rs.2,485 million** (Previous year Nil) on account of deferred tax recoverable from customers as per CERC Regulations 2009.

Includes **Rs.18,464 Million** (Previous year Rs.6,429 Million) share of jointly controlled entities

Schedule 18

PROVISIONS WRITTEN BACK

	2010	2009
Doubtful debts	**1**	1
Doubtful loans, advances and claims	**4**	145
Doubtful Constrction advances	**45**	-
Shortage in construction stores	**7**	4
Shortage in stores	**20**	11
Obsolescence/dimunition in value of surplus stores	**41**	8
Unserviceable Capital work-in-Progress	**5**	-
Others	**5**	2
	128	171

Includes **Rs.Nil** (Previous year Rs.Nil) share of jointly controlled entities

Schedules forming part of Consolidated Profit & Loss Account			Rs. Million
For the year ended March 31,		**2010**	2009
Schedule 19			
OTHER INCOME			
Income from Long Term Investments			
Trade			
Dividend from Joint Ventures		**68**	60
Interest from			
Government Securities (8.5% tax free bonds issued by the State Governments)		**9,401**	10,805
Other Bonds (Gross) (Tax deducted at source **Rs.4 Million**, Previous year Rs.12 Million)		**7**	43
Non -Trade			
Interest from Government of India Securities (Gross)	**18**		131
Less: Amortisation of premium	**-**		10
		18	121
Profit on redemption of investments		**50**	-
Income from Current Investments (Non-Trade)			
Dividend from Mutual Fund Investments		**604**	361
Income from Others			
Interest (Gross) (Tax deducted at source **Rs.2032 Million**, Previous year Rs.3,812 Million)			
Loan to State Government in settlement of dues from customers		**590**	671
Indian banks		**13,682**	16,158
Foreign banks		**-**	(15)
Employees' loans		**166**	177
Customers		**600**	967
Others		**707**	606
Interest on Income Tax refunds	**4,526**		3,306
Less: Refundable to customers	**4,526**		1,107
		-	2,199
Surcharge received from customers		**625**	69
Hire charges for equipment		**28**	13
Profit on disposal of fixed assets		**70**	127
Exchange differences		**302**	23
Miscellaneous income		**2,382**	1,498
		29,300	33,883
Less: Transferred to Expenditure during construction period (net) - Schedule 25		**440**	548
Transferred to Deferred Foreign Currency Fluctuation Assets/Liability		**68**	268
Transferred to development of coal mines		**-**	1
Total		**28,792**	33,066

Includes **Rs.190 million** (Previous year Rs.109 Million) share of jointly controlled entities

Schedule 20		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, bonus, allowances & benefits	**24,772**	19,958
Contribution to provident and other funds	**3,489**	6,847
Welfare expenses	**2,932**	3,285
	31,193	30,090
Less: Allocated to fuel cost	**1,541**	1,229
Transferred to development of coal mines	**219**	158
Transferred to Expenditure during construction period (net) - Schedule 25	**4,202**	3,378
Total	**25,231**	25,325

Includes **Rs.777 Million** (Previous year Rs.402 Million) share of jointly controlled entities

Schedules forming part of Consolidated Profit & Loss Account Rs. Million

For the year ended March 31,		2010	2009
Schedule 21			
GENERATION, ADMINISTRATION & OTHER EXPENSES			
Power charges	1,172		1,052
Less: Recovered from contractors & employees	145		128
		1,027	924
Water charges		1,379	997
Stores consumed		326	327
Rent	289		201
Less:Recoveries	62		56
		227	145
Repairs & Maintenance			
Buildings		1,079	971
Plant & Machinery			
Power stations	12,777		10,236
Construction equipment	6		10
		12,783	10,246
Others		981	836
Insurance		842	605
Rates and taxes		249	221
Water cess & environment protection cess		263	255
Training & recruitment expenses	739		431
Less: Fees for training and application	41		36
		698	395
Communication expenses		357	293
Travelling expenses		1,452	1,358
Tender expenses	257		249
Less: Receipt from sale of tenders	20		25
		237	224
Payment to auditors		26	26
Advertisement and publicity		160	111
Security expenses		2,353	1,724
Entertainment expenses		121	144
Expenses for guest house	122		104
Less:Recoveries	13		12
		109	92
Education expenses		216	184
Brokerage & commission		25	15
Donations		5	1
Community development and welfare expenses	212		145
Less:-Grants-in-aid	1		9
		211	136
Ash utilisation & marketing expenses	39		47
Less: Sale of ash products (*Rs.2,51,280/-)	9		*
		30	47
Books and periodicals		20	18
Professional charges and consultancy fees	467		526
Less: Grants-in-aid	16		-
		451	526
Legal Expenses		114	69
EDP hire and other charges		169	128
Printing and stationery		118	108
Oil & gas exploration expenses		34	87
Miscellaneous expenses		1,080	1,468
Stores written off		3	8
Claims/Advances written off		-	2
Survey &Investigation expenses written off		43	41
Loss on disposal/write-off of fixed assets		294	424
		27,482	23,156
Less: Allocated to fuel cost		1,846	1,450
Transferred to development of coal mines		174	85
Transferred to Expenditure during construction period (net) - Schedule 25		2,114	1,872
Total		23,348	19,749
Stores consumption included in repairs and maintenance		6,628	6,014

Includes **Rs.2,231 Million** (Previous year Rs. 1,262 Million) share of jointly controlled entities

Schedules forming part of Consolidated Profit & Loss Account Rs. Million

For the year ended March 31,	2010	2009
Schedule 22		
PROVISIONS		
Doubtful debts	**14**	12
Doubtful advances and claims	**1**	4
Doubtful advances for construction	**-**	-
Shortage in stores	**18**	53
Obsolete/Dimunition in the value of surplus stores	**76**	178
Shortage in construction stores	**9**	8
Unserviceable capital work-in-progress	**3**	16
Others	**2**	28
Total	**123**	299
Includes **Rs.14 Million** (Previous year Rs. 53 Million) share of jointly controlled entities		
Schedule 23		
INTEREST AND FINANCE CHARGES		
Interest on :		
Bonds	**7,664**	6,052
Loans from Government of India	**-**	5
Foreign Currency Term Loans	**1,883**	2,301
Rupee Term loans	**18,073**	13,729
Public deposits	**11**	3
Foreign currency Bonds/Notes	**1,704**	1,738
Amounts payable to customers	**14**	72
Others	**429**	704
Exchange differences regarded as adjustment to interest costs	**1**	2,688
	29,779	27,292
Finance Charges :		
Bonds servicing & public deposit expenses	**19**	18
Guarantee Fee	**397**	340
Management Fee	**3**	11
Commitment charges/Exposure premium	**27**	9
Rebate to customers	**7,076**	6,748
Reimbursement of L.C.charges on Sales Realisation	**72**	133
Bank Charges	**46**	30
Bond Issue Expenses	**5**	45
Legal expenses on foreign currency loans	**1**	-
Foreign currency Bonds/Notes expenses	**1**	1
Upfront fee	**206**	-
Others	**15**	29
	7,868	7,364
Sub-Total	**37,647**	34,656
Less: Transferred to Expenditure during construction period (net) - Schedule 25	**16,865**	13,489
Total	**20,782**	21,167

Includes **Rs.2,690 Million** (Previous year Rs.1,247 Million) share of jointly controlled entities

Schedules forming part of Consolidated Profit & Loss Account — Rs. Million

For the year ended March 31,	2010	2009
Schedule 24		
PRIOR PERIOD INCOME/EXPENDITURE (NET)		
INCOME		
Sales	**(325)**	4,647
Others	**25**	(14)
	(300)	4,633
EXPENDITURE		
Salary, wages, bonus, allowances & benefits	**(980)**	(3)
Repairs and maintenance	**(3)**	4
Depreciation	**254**	(2,376)
Interest including exchange differences regarded as adjustment to interest costs	**213**	7,539
Insurance	**-**	(1)
Advertisement and publicity	**3**	1
Professional consultancy charges	**-**	20
Rates & Taxes	**5**	(14)
Rent	**3**	1
Depreciation adjsutment out of Deferred expenses/income from foreign currency fluctuation	**-**	736
Exchange differences	**36**	(469)
Others	**(54)**	15
	(523)	5,453
Net Expenditure/Income)	**(223)**	820
Less: Transferred to Expenditure during construction period (net) -Schedule 25	**378**	(24)
Transferred to Deferred Foreign Currency Fluctuation Assets/Liability	**-**	(251)
Transferred to development of coal mines	**(5)**	-
Total	**(596)**	1,095

Includes **Rs.190 Million** (Previous year Rs.9 Million) share of jointly controlled entities

Schedules forming part of Consolidated Profit & Loss Account — Rs. Million

For the year ended March 31,		2010	2009
Schedule 25			
EXPENDITURE DURING CONSTRUCTION PERIOD (NET)			
A. Employees remuneration and other benefits			
Salaries, wages, allowances and benefits		3,634	2,291
Contribution to provident and other funds		382	711
Welfare expenses		186	376
Total (A)		4,202	3,378
B. Other Expenses			
Power charges	608		525
Less: Recovered from contractors & employees	9		9
		599	516
Water charges		88	3
Rent		41	36
Repairs & maintenance			
Buildings	47		52
Construction equipment	2		59
Others	163		107
		212	218
Insurance		7	11
Rates and taxes		6	25
Communication expenses		50	42
Travelling expenses		283	272
Tender expenses	81		81
Less: Income from sale of tenders	1		-
		80	81
Payment to auditors		1	-
Advertisement and publicity		8	14
Security expenses		284	206
Entertainment expenses		21	24
Guest house expenses		29	14
Education expenses		1	1
Books and periodicals		7	6
Community development expenses		15	14
Professional charges and consultancy fee		86	63
Legal expenses		6	25
EDP Hire and other charges		10	8
Printing and stationery		14	11
Miscellaneous expenses		266	282
Total (B)		2,114	1,872
Depreciation (C)		226	197
Total (A+B+C)		6,542	5,447

Schedules forming part of Consolidated Profit & Loss Account — Rs. Million

For the year ended March 31,	2010	2009
Schedule 25		
EXPENDITURE DURING CONSTRUCTION PERIOD (NET)		
D. Interest and Finance Charges		
Interest on		
Bonds	**4,748**	3,225
Foreign Currency Term Loans	**882**	1,179
Rupee Term loans	**10,385**	7,484
Foreign currency Bonds/Notes	**473**	651
Others	**42**	2
Exchange differences regarded as adjustment to interest costs	**-**	811
Finance Charges		
Commitment charges/Exposure premium	**2**	6
Foreign currency Bonds/Notes expenses	**-**	2
Upfront fee	**206**	-
Others	**127**	129
Total (D)	**16,865**	13,489
E. Less Other Income		
Interest from		
Indian Banks	**20**	84
Employees	**-**	-
Others	**312**	301
Hire Charges	**19**	12
Sale of scrap	**1**	4
Miscellaneous income	**88**	147
TOTAL (E)	**440**	548
F. Prior Period Adjustments	**378**	**(24)**
G. Income/Fringe Benefit Tax	**(1)**	14
GRAND TOTAL (A+B+C+D-E+F+G)	**23,344***	18,378

* **Balance carried to Capital Work-in-progress - (Schedule 7)**

Includes **Rs.2,447 Million** (Previous year Rs.1,555 Million) share of jointly controlled entities

SCHEDULE-26

NOTES ON ACCOUNTS

1. **BASIS OF CONSOLIDATION**

1.1 The consolidated financial statements relate to NTPC Ltd. (the Company), its Subsidiaries and interest in Joint Venture Companies.

a) **Basis of Accounting:**

i) The financial statements of the subsidiary companies and Joint Venture Companies in the consolidation are drawn up to the same reporting date as of the Company.

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

b) **Principles of consolidation:**

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

i) The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

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.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to the accounts.

(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.

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

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2010	31.03.2009
Subsidiary Companies:		
1. NTPC Electric Supply Company Ltd.(including its 50% interest in KINESCO Power & Utilities Private Ltd.* a joint venture with KINFRA, a statutory body of Government of Kerala)	**100**	100
2. NTPC Hydro Ltd.	**100**	100
3. NTPC Vidyut Vyapar Nigam Ltd.	**100**	100
4. Kanti Bijlee Utpadan Nigam Ltd. (Formerly known as Vaishali Power Generation Company Ltd.)	**64.57**	51
5. Bharatiya Rail Bijlee Company Ltd.	**74**	74
Joint Venture Companies:		
1. Utility Powertech Ltd.	**50**	50

NTPC Limited Consolidated Financial Statements

Name of the Company	Proportion (%) of Shareholding as on	
Joint Venture Companies:		
2. NTPC - Alstom Power Services Private Ltd.	**50**	50
3. NTPC-SAIL Power Company Private Ltd.	**50**	50
4. NTPC-Tamilnadu Energy Company Ltd.	**50**	50
5. Ratanagiri Gas & Power Private Limited *	**29.65**	28.33
6. Aravali Power Company Private Ltd.	**50**	50
7. NTPC-SCCL Global Ventures Private Ltd.	**50**	50
8. Meja Urja Nigam Private Ltd.	**50**	50
9. NTPC - BHEL Power Projects Private Ltd.	**50**	50
10. BF - NTPC Energy Systems Ltd.	**49**	49
11. Nabinagar Power Generating Company Private Ltd.	**50**	50
12. National Power Exchange Ltd.*	**16.67**	16.67
13. International Coal Ventures Private. Ltd.*	**14.28**	-
14. National High Power Test Laboratory Private Ltd.	**25**	-
15. Transformers & Electrical Kerala Ltd.*	**44.60**	-
16. Energy Efficiency Services Limited *	**25.00**	-

** The financials statements are un-audited.*

All the above Companies are incorporated in India.

1.3 International Coal Ventures Private Ltd. was incorporated on 20th May, 2009, in which share to be held by the Company, Steel Authority of India Ltd., Coal India Ltd.,Rashtriya Ispat Nigam Ltd. and NMDC Ltd. in the ratio of 1:2:2:1:1 as per the joint venture agreement.

1.4 National High Power Test Laboratory Private Ltd. was incorporated on 22nd May 2009 in which 25% shares are held by the Company and balance shares held by NHPC Ltd., Damodar Valley Corporation Ltd. and Power Grid Corporation of India Ltd. equally.

1.5 The Company has acquired 44.6% shares in Transformers & Electrical Kerala Ltd. (TELK) on 19th June 2009. Capital reserve amounting to Rs.94 million arising on consolidation represent portion of the Company's share of interest in the net asset of TELK over the cost of investment which has been calculated based on the un-audited financial statements of TELK as at 31st March 2009 and updated taking in to account the amount of proportionate profit till the date of investment based on the un-audited financial statements of TELK for the year ended 31st March 2010.

1.6 Energy Efficiency Services Limited was incorporated on 10th December 2009 in which 25% shares are held by the Company and the balance shares are held by Power Finance Corporation Ltd., Power Grid Corporation of India Ltd. and Rural Electrification Corporation Ltd. equally.

1.7 The Company has made further investment of Rs.571 million during the year in a subsidiary company, Kanti Bijlee Utpadan Nigam Ltd.(KBUNL) As a result, the holding of parent Company increased to 64.57% from 51%. The amount of goodwill worked out on further issue of equity is insignificant, hence not considered.

1.8 Ministry of Power (MOP), Government of India (GOI) through its Presidential Directive No. 5/5/2004-TH-II dated 15th April 2010 conveyed the approval of GOI to permit NTPC for winding up of Pipavav Power Development Company Ltd. (PPDCL), a wholly owned subsidiary of the Company, by striking off the name under Section 560 of the Companies Act, 1956. Accordingly, necessary application/declarations have been filed with the Registrar of Companies (ROC) for striking off the name PPDCL from the Register of Companies maintained by the ROC.

An amount of **Rs. 4 million** (Previous year Rs.4 million) invested in PPDCL is carried as investment in Schedule- 9 –'Investments' against which an amount of **Rs. 4 million** is received and included in other liabilities under 'Current Liabilities' (Schedule-15). As PPDCL is under winding up, the same has not been consolidated in these statements.

1.9 **Joint Venture Operations:** The Company along-with M/s Geopetrol International Inc., M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. (the consortium) is carrying out exploration for oil and gas block (Block AA-ONN-2003/2) allotted in the State of Arunachal Pradesh for which a Production Sharing Contract (PSC) was entered into with Government of India. M/s Geopetrol International Inc. with 30% participating interest (PI) is the Operator of the Block. M/s Canoro Resources Ltd. and M/s Brownstone Ventures Inc. with 15% share each and the Company with 40% PI are the other joint venture partners.

During the year, unforeseen difficulties were encountered in the drilling plinth preparation at the first location where the operations were taken up. The operator has proposed to withdraw from the PSC and served a notice of resignation. The Company is in search of suitable partner(s) for reconstitution of the consortium and for operation of the block to restart the drilling activities. The Company has taken up the matter with Directorate General of Hydrocarbons for suitable time extension on account of delays in grant of statutory clearances for completion of minimum work programme (MWP) and also on account of force majeure conditions.

Based on the un-audited statement of the accounts forwarded by the Operator, the Company's share of PI in respect of assets and liabilities as at 31st March 2010 and expenditure for the year ended on that date has been accounted for as under:

Rs. million

Item	**2009-10 (Un-audited)**	2008-09 (Audited)
Expenses	**32**	87
Fixed Assets including Capital work-in-progress	**80**	35
Other Assets	**69**	54
Current Liabilities	**18**	3
Contingent liability	**465**	-

The Company's share of the balance MWP committed under the PSC for the block is **Rs.606 million** (Previous year Rs.612 million).

1.10 In case of joint venture Company (Ratanagiri Gas & Power Private Ltd), where our holding is 29.65 %:

Due to increase in the capital cost, financial restructuring has been agreed to by the lenders and stake-holders under the aegis of the Government of India in March 2009. As a result of restructuring, interest rate has been reduced from 1st April 2009 and unpaid interest has been converted into loan and there exists a difference of Rs.1,320 million between the calculation of the Company and that of lenders. Further, the said Company is claiming that rate of interest as per restructuring is to be charged lower than that communicated by the lenders. Discussions with the lenders are under way to resolve the issues involved.

2. a) The conveyancing of the title to **11,010 acres** of freehold land of value **Rs.6,510 million** (Previous year 11,374 acres of value Rs.5,464 million) and buildings & structures valued at **Rs.1,491 million** (previous year Rs.1,137 million), as also execution of lease agreements for **9,021 acres** of land of value **Rs.2,919 million** (previous year 8,820 acres, value Rs.2,720 million) in favour of the Company are awaiting completion of legal formalities.

b) Leasehold land include **30 acres** valuing **Rs.1 million** (previous year 30 acres valuing Rs.1 million) acquired on perpetual lease and accordingly not amortised.

c) Land does not include cost of **1,181 acres** (previous year 1,181 acres) of land in possession of the Company. This will be accounted for on settlement of the price thereof by the State Government Authorities.

d) Land includes **1,247 acres** of value **Rs.151 million** (previous year 1,223 acres of value Rs.110 million) not in possession of the Company. The Company is taking appropriate steps for repossession of the same.

e) Land includes an amount of **Rs.1,153 million** (previous year Rs.1,243 million) deposited with various authorities in respect of land in possession which is subject to adjustment on final determination of price.

f) Possession of land measuring **98 acres** (previous year 98 acres) consisting of **79 acres** of free-hold land (previous year 79 acres) and **19 acres** of lease hold land (previous year 19 acres) of value **Rs. 2 million** (previous year Rs.2 million) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (erstwhile UPSEB) for a consideration of **Rs.2 million**. 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 'Other Liabilities' in Schedule-15-'Current Liabilities'.

g) During the year, freehold land measuring **36 acres** was handed over by the Government of Uttar Pradesh to Company in exchange of freehold land measuring **35 acres** without any financial consideration.

h) The cost of right of use of land for laying pipelines amounting to **Rs.58 million** (previous year Rs.13 million) is included under intangible assets. The right of use, other than perpetual in nature, are amortised over the legal right to use.

i) Cost of acquisition of the right for drawl of water amounting to **Rs.84 million** (previous year nil) is included under intangible assets - Right of Use - Others. The right of drawl of water is for thirty years and cost is accordingly amortized.

3. a) The Central Electricity Regulatory Commission (CERC) notified the Tariff Regulations, 2009 in January 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from 1st April 2009. Pending determination of station-wise tariff by the CERC, sales have been provisionally recognized at **Rs.444,739 million** during the year ended 31st March 2010 on the basis of principles enunciated in the said Regulations on the capital cost considering the orders of Appellate Tribunal for Electricity (ATE) for the tariff period 2004-2009 including as referred to in para 3 (e).

The Tariff Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff applicable as on 31st March 2009 approved by the CERC. The amount provisionally billed during the year ended 31st March 2010 on this basis is **Rs.437,651 million**.

b) For the units commissioned during the year, pending the determination of tariff by CERC, sales of **Rs.17,354 million** have been provisionally recognised on the basis of principles enunciated in the Tariff Regulations, 2009. The amount provisionally billed for such units is Rs.15,365 million.

c) Sales of (-) **Rs.6,006 million** (previous year Rs.10,201 million) pertaining to previous years has been recognized based on the orders issued by the CERC/ATE.

d) In terms of Regulation 39, CERC Tariff Regulations, 2009, notified by the CERC, the Company has determined the amount of the Deferred Tax Liability (net) materialised during the year pertaining to the period upto 31st March 2009 by identifying the major changes in the elements of Deferred Tax Liability/Asset, as recoverable from the beneficiaries and accordingly a sum of **Rs.2,485 million** (net) has been recognised as Sales during the year.

e) In respect of stations/units where the CERC had issued tariff orders applicable from 1st April 2004 to 31st March 2009, the Company aggrieved over many of the issues as considered by the CERC in the tariff orders, filed appeals with the ATE. The ATE disposed off the appeals favourably directing the CERC to revise the tariff orders as per the directions and methodology given. The CERC filed an appeal with the Hon'ble Supreme Court of India on some of the issues decided by the ATE which is pending. The Company has submitted that it would not press for determination of the tariff by the CERC as per ATE orders pending disposal of the appeal by the Hon'ble Supreme Court.

Considering expert legal opinions obtained that, it is reasonable to expect ultimate collection, the sales for the tariff period 2004-2009 amounting to **Rs.10,443 million** were recognised in earlier years based on provisional tariff worked out by the Company as per the methodology and directions as decided by the ATE. Due to further CERC tariff orders received during the year, the provisional sales of **Rs.10,443** million has now been reduced to **Rs.10,256 million.** The sales accounted as above is subject to final outcome of the decision of the Hon'ble Supreme Court of India and consequential effect, if any, will be given in the financial statements upon disposal of the appeal.

4. Sundry debtors – Other Debts, Unsecured (Schedule 11) includes **Rs.10,011 million** (previous year Rs.3,901 million) towards revenue accounted in accordance with the accounting policy no. 12.1 which is yet to be billed.

5. Government of India in January 2006 notified the Tariff Policy under the provisions of the Electricity Act, 2003 which provides that the rates of depreciation notified by the CERC would be applicable for the purpose of tariff as well as accounting. Subsequent to the notification of the Tariff Policy, CERC through Regulations, 2009 notified the rates of depreciation for the purpose of determination of tariff.

   CERC exercising its powers under Section 79 of the Electricity Act, 2003 requested the Ministry of Power to advise the Ministry of Corporate Affairs to notify the rates of depreciation considered by the CERC for tariff determination as depreciation under Section 205 (2) (c) of the Companies Act, 1956. Ministry of Corporate Affairs is yet to notify such rates under Section 205 (2) (c) of the Companies Act, 1956.

   The Company has also obtained legal opinions that the Tariff Policy cannot override the provisions of the Companies Act, 1956 and it is required to follow Schedule XIV of the Companies Act, 1956 in the absence of any specific provision in the Electricity Act, 2003. Hence provisions of Section 616 of the Companies Act, 1956 are also not applicable in this regard. Accordingly, the Company is charging depreciation consistently at the rates specified in Schedule XIV of the Companies Act, 1956 with effect from the financial year 2004-05 except as stated in accounting policy no.12.2.1.

6. Due to uncertainty of realisation in the absence of sanction by the Government of India (GOI), the Company's share of net annual profits of one of the stations taken over by the Company in June 2006 for the period from 1st April 1986 to 31st May 2006 amounting to **Rs.1,155 million** (previous year Rs.1,155 million) being balance receivable in terms of the management contract with the GOI has not been recognised.

7. The pay revision of the employees of the Company was due w.e.f. 1st January 2007.

   Based on the guidelines issued by Department of Public Enterprises (DPE), Government of India (GOI), the pay revision of the executive category of employees has been approved during the year. Pending finalisation of pay revision in respect of employees in the non-executive category, provision of **Rs. 3,168 million** and **Rs.6,626 million** (previous years Rs.1,780 million and Rs.3,455 million) has been made for the year and upto year respectively on an estimated basis having regard to the guidelines issued by DPE. A sum of **Rs.1,387 million** (previous year Rs.748 million) paid as adhoc advance towards pay revision to the employees in the non-executive category is included in 'Loans and Advances' (Schedule 14).

8. The amount reimbursable to GOI in terms of Public Notice No.38 dated 5th November, 1999 and Public Notice No.42 dated 10th October, 2002 towards cash equivalent of the relevant deemed export benefits paid by GOI to the contractors for one of the stations amounted to **Rs. 2,768 million** (previous year Rs.2,768 million) out of which **Rs.2,696 million** (previous year Rs.2,696 million) has been deposited with the GOI and liability for the balance amount of **Rs.72 million** (previous year Rs.72 million) has been provided for. No interest has been provided on the reimbursable amounts as there is no stipulation for payment of interest in the public notices cited above.

9. As a result of issuance of the New Coal Distribution Policy (NCDP) by Ministry of Coal in October 2007, the Company and Coal India Ltd (CIL) renegotiated the Model Coal Supply Agreement (CSA) and Model CSA was signed between the Company & CIL on 29th May 2009. Based on the Model CSA, coal supply agreements have been signed with the various subsidiary companies of CIL by all excepting three of the coal based stations of the Company. The CSAs are valid for a period of 20 years with a provision for review after every 5 years.

10. The Company challenged the levy of transit fee/entry tax on supplies of coal to some of its power stations and has paid under protest such transit fee/entry tax to Coal Companies/Sales Tax Authorities. Further, in line with the agreement with GAIL India Ltd., the Company has also paid entry tax and sales tax on transmission charges in respect of supplies made to various stations in the state of Uttar Pradesh. GAIL India Ltd. has paid such taxes to the appropriate authorities under protest and filed a petition before the Hon'ble High Court of Allahabad challenging the applicability of relevant Act. In case the Company gets refund from Coal Companies/Sales Tax Authorities/GAIL India Ltd. on settlement of these cases, the same will be passed on to respective beneficiaries.

11. Fixed assets, capital work-in-progress and construction stores and advances include **Rs.6,765 million** in respect of one of the hydro power project, the construction of which has been suspended temporarily from 18th May 2009 on the advice of the Ministry of Power, GOI. Presently, the issue regarding resumption of the project in under consideration with the GOI. Pending decision, borrowing costs of **Rs.237 million** have not been capitalised from the date of suspension.

12. Progress of work under the contract for steam generator and auxiliaries package at one of the projects has been affected due to certain disputes with the contractor. While the contractual and other related issues are under deliberation, the contract continues to be in force and supplies of equipment/structural items have been made by the contractor during the year. Construction of other systems for the project is also in progress. Since activities that are necessary to prepare the asset for its intended use are in progress, borrowing costs continue to be capitalised.

13. Issues related to the evaluation of performance and guarantee test results of steam/turbine generators at some of the stations are under discussion with the equipment supplier. Pending settlement, liquidated damages for shortfall in performance of these equipments have not been recognised.

14. The Company is executing a thermal power project in respect of which possession certificates for 1,489 acres of land has been handed over to the Company and all statutory and environment clearances for the project have been received. Subsequently, a high power committee has been constituted as per the directions of GOI to explore alternate location of the project since present location is stated to be a coal bearing area. Aggregate cost incurred up to 31st March 2010 **Rs. 1,831 million** is included in Fixed Assets (Schedules 6,7 and 8). Management is confident of recovery of cost incurred, hence no provision is considered necessary.

15. a) Certain loans & advances and creditors in so far as these have since not been realised/discharged or adjusted are subject to confirmation/reconciliation and consequential adjustment, if any.

    b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

16. Effect of changes in Accounting Policies:

    a) Tariff Regulations, 2009 issued by the CERC provides that the balance depreciable value of the each of the existing stations as on 1st April, 2009 shall be worked out by deducting the cumulative depreciation including the Advance Against Depreciation (AAD) as admitted by the CERC up to 31st March 2009 from the gross depreciable value of the assets thereby merging AAD with depreciation for tariff recovery. Under the said Tariff Regulations, the CERC also has notified the revised rates of depreciation and removed the provision for AAD.

       In view of the change in CERC Tariff Regulations, 2009, the Company revised its accounting policy no. 12.1.2 and the amount of AAD required to meet the shortfall in the component of depreciation in revenue over the depreciation to be charged off in future years has been assessed station-wise and wherever an excess has been determined as on 1st April 2009, the same amounting to **Rs.3,115 million** has been recognised as sales during the year. In addition, **Rs.53 million** has been recognised as sales during the year out of AAD consequent to this change.

    b) Claims on the Company for price variation which were hitherto accounted for on acceptance. During the year, unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts. Consequently, profit for the year is lower by **Rs.20 million**, fixed assets are higher by **Rs.3,344 million** and current liabilities are higher by **Rs.3,364 million.**

17. Revenue grants recognised during the year is **Rs.17 million** (previous year Rs.9 million).

18. **Disclosure as per Accounting Standard (AS) 15:**

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

    A. Provident Fund

    Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of **Rs. 1,597 million** (Previous year Rs.985 million) to the funds for the year is recognised as expense and is charged to the Profit & Loss Account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence no further provision is considered necessary.

B. Gratuity & Pension

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of **Rs.1 million** on superannuation, resignation, termination, disablement or on death.

The Company has a scheme of pension at one of the stations in respect of taken over employees from erstwhile State Government Power Utility.

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

C. Post-Retirement Medical Facility (PRMF)

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

D. Terminal Benefits

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

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. The liability for the same is recognised on the basis of actuarial valuation.

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

The summarised position of various defined benefits recognised in the profit and loss account, balance sheet are as under:

(Figures given in { } are for previous year)

i) Expenses recognised in Profit & Loss Account

Rs. million

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Current Service Cost	496 {503}	83 {77}	340 {397}	50 {54}
Past Service Cost	- {4,153}	- {-}	- {-}	- {-}
Interest cost on benefit obligation	786 {379}	160 {124}	488 {363}	94 {71}
Expected return on plan assets	(430) {(375)}	- {-}	- {-}	- {-}
Net actuarial (gain)/ loss recognised in the year	(393) {201}	118 {211}	346 {1,117}	361 {165}
Expenses recognised in the Profit & Loss Account	459 {4,861}	361 {412}	1,174 {1,877}	505 {290}

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

Rs. million

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.03.2010	10,727 {10,474}	2,457 {2,143}	5,889 {6,515}	1,675 {1,255}
Fair value of plan assets as at 31.03.2010	9,925 {5,399}	- {-}	- {-}	- {-}
Net liability recognised in the Balance Sheet	802 {5,075}	2,457 {2,143}	5,889 {6,515}	1,675 {1,255}

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

Rs. million

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Present value of obligation as at 1.04.2009	10,474 {5,404}	2,143 {1,760}	6,515 {5,185}	1,255 {1,017}
Interest cost	786 {379}	160 {124}	488 {363}	94 {71}
Current Service Cost	496 {503}	83 {77}	340 {397}	50 {54}
Past Service Cost	- {4,153}	- {-}	- {-}	- {-}
Benefits paid	(890) {(216)}	(47) {(29)}	(1,800) {(547)}	(85) {(52)}
Net actuarial (gain)/ loss on obligation	(139) {251}	118 {211}	346 {1,117}	361 {165}
Present value of the defined benefit obligation as at 31.03.2010	10,727 {10,474}	2,457 {2,143}	5,889 {6,515}	1,675 {1,255}

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

Rs. million

	Gratuity/ Pension	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 1.4.2009	5,399 {4,659}	- {-}	- {-}	- {-}
Expected return on plan assets	430 {375}	- {-}	- {-}	- {-}
Contributions by employer	4,732 {513}	- {-}	- {-}	- {-}
Benefit paid	(890) {(198)}	- {-}	- {-}	- {-}
Actuarial gain / (loss)	(254) {50}	- {-}	- {-}	- {-}
Fair value of plan assets as at 31.03.2010	9,925 {5,399}	- {-}	- {-}	- {-}

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

Rs. million

Particulars	Increase by	Decrease by
Service and Interest cost	50	39
Present value of obligation	425	338

F. Other Employee Benefits

Provision for Long Service Award and Family Economic Rehabilitation Scheme amounting to **Rs. 34 million (credit)** (previous year debit of Rs.18 million) for the year have been made on the basis of actuarial valuation at the year end and credited to the Profit & Loss Account.

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

i) The amount of exchange differences (net) credited to the Profit & Loss Account is **Rs.189 million** (previous year debit of Rs.244 million).

ii) The amount of exchange differences (net) credited to the carrying amount of fixed assets and Capital work-in-progress is **Rs. 11,836 million** {previous year Rs.11,655 million (debit)}.

20 Borrowing costs capitalised during the year are **Rs.16,849 million** (previous year Rs.13,356 million).

21. Segment information:

a) Business Segment:

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

b) Segment Revenue and Expense

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

c) Segment Assets and Liabilities

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

Rs. million

	Business Segments				Total	
	Generation		Others			
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue :						
Sale of Energy/Consultancy, Project Management and Supervision fees *	**477,499**	422,739	**5,065**	3,874	**482,564**	426,613
Internal consumption of electricity	**551**	514	**-**	-	**551**	514
Total	**478,050**	423,253	**5,065**	3,874	**483,115**	427,127

NTPC Limited Consolidated Financial Statements

	Business Segments				Total	
	Generation		Others			
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Segment Result #	**104,938**	90,232	**1,608**	1,281	**106,546**	91,513
Unallocated Corporate Interest and Other Income	**-**	-	**-**	-	**24,537**	30,736
Unallocated Corporate expenses, interest and finance charges	**-**	-	**-**	-	**20,592**	29,176
Profit before Tax	**-**	-	**-**	-	**110,491**	93,073
Income/Fringe Benefit Taxes (Net)	**-**	-	**-**	-	**22,114**	12,148
Profit after Tax	**-**	-	**-**	-	**88,377**	80,925
Other information						
Segment assets	**518,465**	448,712	**17,375**	10,108	**535,840**	458,820
Unallocated Corporate and other assets	**-**	-	**-**		**682,812**	651,461
Total assets	**518,465**	448,712	**17,375**	10,108	**1,218,652**	1,110,281
Segment liabilities	**81,066**	89,086	**14,012**	8,289	**95,078**	97,375
Unallocated Corporate and other liabilities	**-**	-	**-**	-	**494,505**	437,168
Total liabilities	**81,066**	89,086	**14,012**	8,289	**589,583**	534,543
Depreciation	**28,611**	24,675	**14**	7	**28,625**	24,682
Non-cash expenses other than Depreciation	**109**	246	**14**	51	**123**	297
Capital Expenditure	**131,889**	149,680	**1,355**	391	**133,244**	150,071

* Includes **Rs.(-) 6,006 million** (previous year Rs.10,201 million) for sales related to earlier years

Generation segment result would have been **Rs.110,944 million** (previous year Rs.80,031 million) without including the Sales related to earlier years.

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

22. **Related party disclosures**

a) Related parties:

i) Joint ventures:

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

NTPC Limited Consolidated Financial Statements

ii) Key Management Personnel:

A. NTPC Ltd.:

Shri R.S. Sharma	Chairman and Managing Director
Shri Chandan Roy	Director (Operations)
Shri R.K. Jain[1]	Director (Technical)
Shri A.K. Singhal	Director (Finance)
Shri R.C. Shrivastav	Director (Human Resources)
Shri K.B. Dubey[2]	Director (Projects)
Shri I.J. Kapoor	Director (Commercial)
Shri.B.P.Singh[3]	Director (Projects)

1. Superannuated on 31st December 2009. 2. Superannuated on 31st July 2009. 3.W.e.f. 1st August 2009.

B. NTPC Alstom Power Services Private Ltd.

Shri R.N.Sen	Managing Director
Shri D.K.Sardana	Whole time Director

C. Utility Powertech Ltd.

Shri.I.S.Paraswal	Chief Executive

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

Rs. million

Particulars	**Current Year**	Previous Year
Transactions during the year		
• Contracts for Works/ Services for services received by the Company:		
- Utility Powertech Ltd.	**2,176**	1,853
- NTPC-Alstom Power Services Private Ltd.	**99**	355
• Deputation of Employees:		
- Utility Powertech Ltd.	**17**	13
- NTPC-Alstom Power Services Private Ltd	**45**	23
• Dividend Received:		
- Utility Powertech Ltd.	**3**	12
- NTPC-Alstom Power Services Private Ltd.	**6**	6
• Amount recoverable for contracts for works/services received:		
- Utility Powertech Ltd.	**3**	17
- NTPC-Alstom Power Services Private Ltd	**16**	9
• Amount payable for contracts for works/services received:		
- Utility Powertech Ltd.	**361**	281
- NTPC-Alstom Power Services Private Ltd	**147**	143
• Amount recoverable on account of deputation of employees:		
- Utility Powertech Ltd.	**7**	5
- NTPC-Alstom Power Services Private Ltd	**18**	37

The Company has received bank guarantees from Utility Powertech Ltd. for an amount of **Rs.40 million** (previous year Rs.39 million).

c) Remuneration to key management personnel for the year is **Rs.37 million** (previous year Rs.19 million) and amount of dues outstanding to the Company as on 31st March 2010 are **Rs.1 million** (previous year Rs.4 million).

23. **Disclosure regarding leases**

a) Finance leases

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

Rs.million

		31.3.2010	31.3.2009
a)	Obligations towards minimum lease payments		
	• Not later than one year	**7**	6
	• Later than one year and not later than five years	**9**	14
	• Later than five years	**-**	-
	Total	**16**	20
b)	Present value of (a) above		
	• Not later than one year	**6**	4
	• Later than one year and not later than five years	**8**	12
	• Later than five years	**-**	-
	Total	**14**	16
c)	Finance Charges	**2**	4

b) Operating leases

The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Schedule 20 - Employees' remuneration and benefits include **Rs.743 million** (previous year Rs.330 million) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps are shown as Rent in Schedule 21 – Generation, Administration and Other Expenses.

24. **Earning Per Share**

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

	Current year	Previous year
Net Profit after Tax used as numerator (Rs. million)	**88,377**	80,925
Weighted average number of equity shares used as denominator	**8245,464,400**	8245,464,400
Earning per share (Basic and Diluted)- in Rupees	**10.72**	9.81
Face value per share (Rupees)	**10/-**	10/-

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

(Rs. million)

	31.3.2010	31.03.2009
Deferred tax liability		
i) Difference of book depreciation and tax depreciation	**42,606**	70,222
Less: Deferred tax assets		
i) Provisions & Other disallowances for tax purposes	**9,667**	15,318
ii) Disallowed u/s 43B of the Income Tax Act,1961	**2,074**	3,385
	11,741	18,703
Deferred tax liability (net)	**30,869**	51,519

During the year, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries of the parent as at 31st March 2009 amounting to **Rs. 51,349 million** have been reviewed and restated to **Rs. 24,942 million.**

In terms of Regulation 39, CERC Tariff Regulations, 2009, the Company has determined the amount of the deferred tax liability (net) materialised during the year pertaining to the period up to 31st March 2009 by identifying the major changes in the elements of deferred tax liability/asset, as recoverable from the beneficiaries. Accordingly, deferred tax liability (net) and the deferred tax recoverable from the beneficiaries as at 31st March 2010 works out to **Rs.30,869 million and Rs.28,572 million** respectively.

The net increase during the year in the deferred tax liability is **Rs.2,296 million** (previous year decrease Rs.4,524 million) has been debited to Profit & Loss Account.

26. Research and development expenditure charged to revenue during the year is **Rs.206 million** (previous year Rs.81 million).

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

Rs. million

Sl. No	Particulars	Currencies	31.3.2010	31.3.2009
a.	Borrowings, including interest accrued but not due thereon.	USD	**70,522**	74,612
		JPY	**29,113**	32,339
		Others	**4,225**	4,727
b.	Sundry creditors/deposits and retention money	USD	**9,679**	6,904
		EURO	**3,545**	1,237
		Others	**364**	997
c.	Sundry debtor and Bank balances	USD	**397**	119
		EURO	**-**	310
d.	Unexecuted amount of contracts remaining to be executed	USD	**43,120**	43,818
		EURO	**40,309**	40,270
		Others	**894**	587

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

29. The pre-commissioning expenses during the year amounting to **2,533 million** (previous year Rs.1,750 million) have been included in Fixed Assets/Capital work-in-progress after adjustment of pre-commissioning sales of **Rs.2,406 million** (previous year Rs.1,610 million) resulting in a net pre-commissioning expenditure of **Rs. 127 million** (previous year Rs.79 million).

30. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2010 is **Rs. 377,860 million** (previous year Rs.647,315 million) which include an amount of **Rs.39,895 million** (previous year Rs.36,936 million) in respect of jointly controlled entities.

31. **Contingent Liabilities:**

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

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for **Rs.38,798 million** (previous year Rs.46,623 million) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

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

(ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/ courts which are yet to be settled. In such cases, contingent liability of **Rs.17,863 million** (previous year Rs.15,515 million) has been estimated.

(iii) Others

In respect of claims made by various State/Central Government departments/Authorities towards building permission fees, penalty on diversion of agricultural land to non- agricultural use, Nala tax, Water royalty etc. and by others, contingent liability of **Rs.13,062 million** (previous year Rs.12,585 million) has been estimated. This includes amount of **Rs.2,558 million** (previous year Rs.2,558 million) billed by the Coal supplier on account of MPGATSV tax up to 31st July 2007 which is subject matter of dispute before Hon'ble Supreme Court.

In respect of (i) and (ii) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Regulations subject to prudence check by the CERC. In case of (iii), the estimated possible reimbursement is **Rs. 4,289 million** (previous year Rs.2,750 million).

2. Disputed Income Tax/Sales Tax/Excise demands

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to **Rs. 22,999 million** (previous year Rs.682 million) are disputed by the Company and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the Company but are disputed before higher authorities by the concerned departments. In such cases, the company estimated possible reimbursement of **Rs.17,934 million** (previous year Rs.8 million).

3. Others

Other contingent liabilities amount to **Rs. 3,091 million** (previous year Rs.1,842 million).

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 **Rs. 599 million** (Previous year Rs.737 million) share of jointly controlled entities.

32. During the year, 'Further Public Offer' of 412,273,220 equity shares of Rs.10/- each of the Company through an offer for sale by the President of India, acting through the Ministry of Power, GOI was made through the alternate book building process. Consequently, shareholding of the GOI reduced to 84.50% from 89.50%.

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

34. Figures have been rounded off to nearest rupees in millions.

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

For and on behalf of the Board of Directors

(A. K. Rastogi) Company Secretary	(A. K. Singhal) Director (Finance)	(R. S. Sharma) Chairman & Managing Director

As per our report of even date

For Dass Gupta & Associates Chartered Accountants Firm Reg. No.000112N	For S .K. Mittal & Co. Chartered Accountants Firm Reg. No.001135N	For Varma & Varma Chartered Accountants Firm Reg. No.004532S
(Naresh Kumar) Partner M. No. 082069	(S.K. Mittal) Partner M. No. 008506	(Cherian K. Baby) Partner M. No. 016043
For Parakh & Co. Chartered Accountants Firm Reg. No.01475C	For B.C. Jain & Co. Chartered Accountants Firm Reg. No.001099C	For S.K. Mehta & Co. Chartered Accountants Firm Reg. No.000478N
(V.D. Mantri) Partner M. No. 074678	[Ranjeet Singh] Partner M.No. 073488	(Rohit Mehta) Partner M. No. 091382

Place : New Delhi
Dated : 17th May 2010

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors

NTPC Ltd.

1. We have audited the attached Consolidated Balance Sheet of NTPC LIMITED (the Company) and its Subsidiaries and Joint Ventures (collectively referred to as NTPC Group) as at 31st March 2010 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company, whose financial statements reflect total assets of Rs.120,652 million as at 31st March 2010, the total revenue of Rs.19,706 million and net cash flows amounting to Rs.6,577 million for the year ended 31st March 2010. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the Subsidiaries and Joint Ventures, is based solely on the reports of the other auditors. The un-audited financial statements of Joint Venture Companies viz. Ratnagiri Gas and Power Private Ltd., National Power Exchange Ltd., International Coal Ventures Pvt. Ltd., Transformer & Electrical Kerala Ltd. and Energy Efficiency Services Ltd. ,jointly controlled oil and gas block referred to in Note no. 1.9 of Schedule 26 and KINESCO Power & Utilities Pvt. Ltd. (Joint Venture of NTPC Electric Supply Company Ltd., a subsidiary of the Company) have been incorporated in the accounts. The details of the assets, revenues and net cash flows in respect of these Subsidiaries and Joint Ventures to the extent to which they are reflected in the consolidated financial statements are given below:

Rs. Million

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
Subsidiaries:			
NTPC Electric Supply Company Ltd (including its 50% interest in KINESCO Power & Utilities Pvt.Ltd., a joint venture with KINFRA, a statutory body of Government of Kerala)	11583	814	5002
NTPC Hydro Ltd	988	-	(5)
NTPC Vidyut Vyapar Nigam Ltd	2099	538	(94)
Kanti Bijlee Utpadan Nigam Ltd.(formerly known as Vaishali Power Generation Company Ltd.)	3458	-	59
Bhartiya Rail Bijlee Company Ltd	5553	-	(1)

Rs.Million

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
Joint Ventures:			
Utility Power tech Ltd.	642	1314	37
NTPC -Alstom Power Services Pvt Ltd.	386	143	(23)
NTPC-SAIL Power Company Pvt.Ltd	17031	4785	(138)
NTPC-Tamilnadu Energy Company Ltd	15032	-	11
Ratnagiri Gas & Power Pvt. Ltd.	34660	11179	1131
Aravali Power Company Pvt. Ltd.	26194	-	(81)

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
NTPC-SCCL Global Venture Pvt. Ltd.	-	-	-
Meja Urja Nigam Pvt Ltd.	546	-	(13)
NTPC-BHEL Power Project Pvt Ltd	409	19	314
BF-NTPC Energy Systems Ltd.	63	-	41
Nabinagar Power Generating Company Pvt Ltd.	1225	-	226
National Power Exchange Ltd.	7	-	(1)
International Coal Venture Pvt. Ltd.	3	-	22
National High Power Test Laboratory Pvt.Ltd	7	-	7
Transformers and Electrical Kerala Ltd.	699	914	16
Energy Efficiency Services Ltd.	67	-	67
Total	**120,652**	**19,706**	**6,577**

4. We draw attention to Schedule 26, Notes on Accounts:

   i) Note no. 3 (a) and (b) in respect of accounting of sales on provisional basis pending determination of tariff by the Central Electricity Regulatory Commission;

   ii) Note no. 3 (e) in respect of accounting of sales of Rs.10,443 million in earlier years (reduced to Rs.10,256 million in the current year) based on the order of the Appellate Tribunal for Electricity in favour of the Company pending disposal of the appeal before the Hon'ble Supreme Court of India.

5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of Interests in Joint Ventures' of the Companies (Accounting Standards), Rules 2006.

6. Further to our comments in para 3 and 4 above, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the NTPC Group to the extent received as stated above, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India,

   i) in case of Consolidated Balance Sheet, of the state of affairs of the NTPC Group as at 31st March, 2010;

   ii) in case of Consolidated Profit & Loss Account, of the profit for the year ended on that date; and

iii) in case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No.000112N
[Naresh Kumar]
Partner
M. No. 082069

For S. K. Mittal & Co.
Chartered Accountants
Firm Reg. No.001135N
[S. K. Mittal]
Partner
M. No. 008506

For Varma and Varma
Chartered Accountants
Firm Reg. No.004532S
[Cherian K. Baby]
Partner
M. No. 016043

For Parakh & Co.
Chartered Accountants
Firm Reg. No.01475C
[V. D. Mantri]
Partner
M. No. 074678

For B.C. Jain & Co.
Chartered Accountants
Firm Reg. No.001099C
[Ranjeet Singh]
Partner
M. No. 073488

For S. K. Mehta & Co.
Chartered Accountants
Firm Reg. No.000478N
[Rohit Mehta]
Partner
M. No.091382

Place : New Delhi
Dated : 17th May 2010

NTPC Limited

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003

ATTENDANCE SLIP

34th Annual General Meeting to be held on Thursday, September 23, 2010 at 10.30 a.m.

NAME OF THE ATTENDING MEMEBR (IN BLOCK LETTERS)	
*FolioNo.	
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 34th Annual General Meeting of the Company at Air Force Auditorium, Subroto Park, New Delhi – 110 010, on Thursday, September 23, 2010.

Signature of Member/Proxy

*Applicable in case of shares held in Physical Form.

NTPC Limited

Regd. Office : NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003

FORM OF PROXY

DP ID :
Client ID :
No. of Shares

Regd. Folio No.:
(in case of shares held in Physical Form)

I/We ………………………………………………………………………………………….. .of ……………………………………………………………

……………………………… in the District of ………………………………………………………………………….. being a member/ members of

the above named Company, hereby appoint ………………………………… of ………………in the District of …………………………….. or failing

him/her ………………………………………………………………… of ………………………………………………………………………. in the

District of ………………………………………………………….as my/our proxy to vote for me/us on my/our behalf at the 34th Annual General meeting

of the Company to be held on Thursday, September 23, 2010 and at any adjournments thereof.

Signed this……………………………………………day of ………………….. 2010.

Signature

Affix One Rupee Revenue Stamp

This form is to be used in favour of resolution(s) no....................... and against resolution(s) no........................ Unless otherwise instructed, the Proxy will act as he thinks fit.

Notes:

a) The form should be signed across the stamp as per specimen signature registered with the Company.

b) The form should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.

6th Analysts and Investors Meet

CMD and Directors at the Analysts and Investors meet held in Mumbai recently

MORE POWER TO EMPOWER

NTPC elevated to Maharatna status

Our status has changed but our "People First" approach in making NTPC one of the great places to work for in India hasn't. India's largest power company, NTPC has been conferred with the coveted Maharatna status by the Government of India for our outstanding achievements over the years. Ranked as the No. 1 Independent Power Producer in Asia and one of the top 2 in the world as per the prestigious Platt's Top 250 Global Company Rankings, NTPC continues to serve the nation by providing quality power.

एनटीपीसी
NTPC
Transforming *lives*

NTPC Bhawan, SCOPE Complex, 7, Institutional Area,
Lodi Road, New Delhi -110003

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