



ANNUAL REPORT

2014-15







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BOARD OF DIRECTORS AND SENIOR MANAGEMENT



Shri K. K. Sharma
Chairman



Shri Tej Veer Singh
Director



Shri Y. K. Degan
Director



Shri M. K. Das
Director



Shri R. Bhargava
Director



Shri S. S. Isser
Director



Shri Sudhir Arya
Director



Ms. Arundhati Bhattacharya
Director



Shri Manash Sarkar
CEO



Shri S. V. Shahi
CFO



SENIOR OFFICIALS

CORPORATE CENTRE (CC)

Shri Manash Sarkar
Chief Executive Officer

Shri S. V. Shahi
Chief Finance Officer

Shri Bhaskar Bhattacharya
GM (Engg.)

Shri G. K. Moorthy
GM (CP)

Shri S. K. Sharma
GM (OS&Comml.)

Shri U. Lal
GM (HR)

Shri V. K. Dassani
AGM (C&M)

Ms. Umang Vats
Company Secretary

PROJECTS

Bhilai

Shri P. K. Upadhyaya
Business Unit Head

Rourkela

Shri A. K. Tiwary
Business Unit Head

Durgapur

Shri B. Pujar Ramesh
Business Unit Head

Regd. Office

NTPC-SAIL Power Company
Private Limited
4th Floor , NBCC Tower,
15 Bhikaiji Cama Place
New Delhi-110066
Tel: 26717379 to 26717382
CIN: U74899DL1999PTC098274

Statutory Auditors

Rajendra K. Goel & Co.
Chartered Accountants
J-288, Ground Floor, Saket,
New Delhi-110017

Site Address

- 1) CPP-II, Rourkela steel Plant,
Rourkela-769011(Odisha)
- 2) CPP-II Durgapur-Steel Plant,
Durgapur-713205(West Bangal)
- 3) NSPCL-Bhilai Unit, Near
PurenaVillage,Bhilai(East), Distt-
Durg, Chattisgarh-490021

Bankers/ Financial Institutions

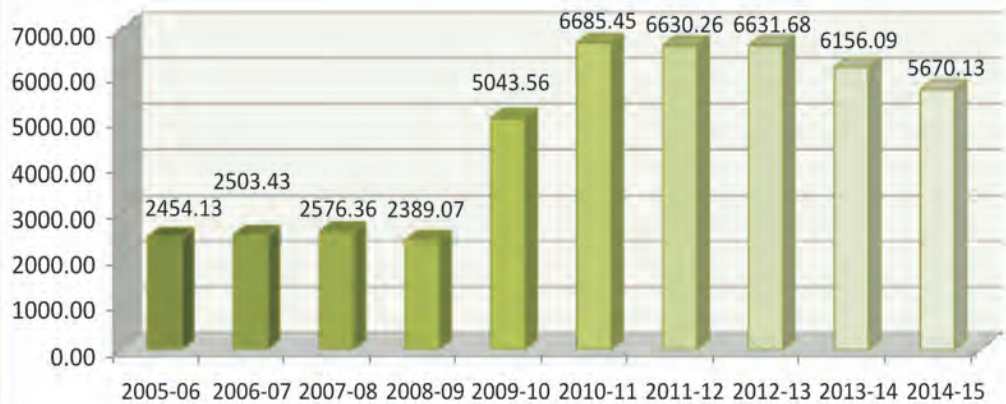
1. Axis Bank Limited
2. Central Bank of India
3. ICICI Bank
4. State Bank of India
5. Union Bank of India
6. Bank of India
7. Rural Electrification Corporation Limited
8. State Bank of Mysore



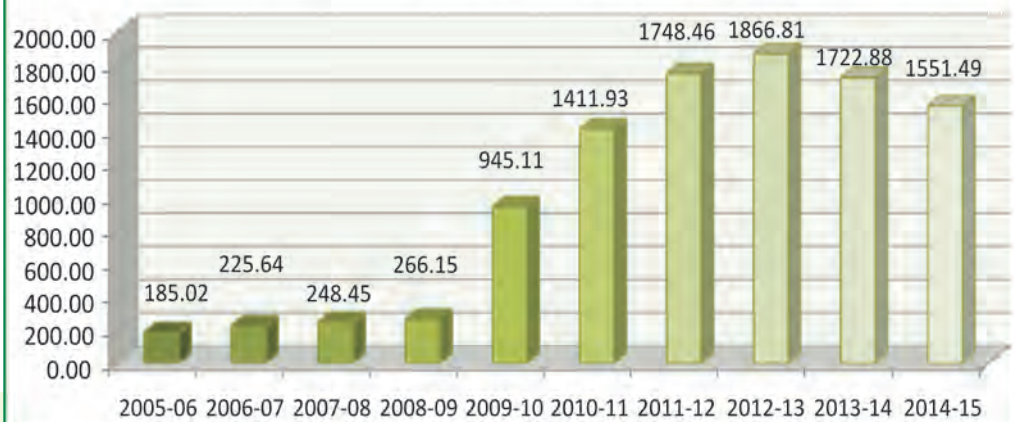
Durgapur CPP-II

Operational Performance - NSPCL

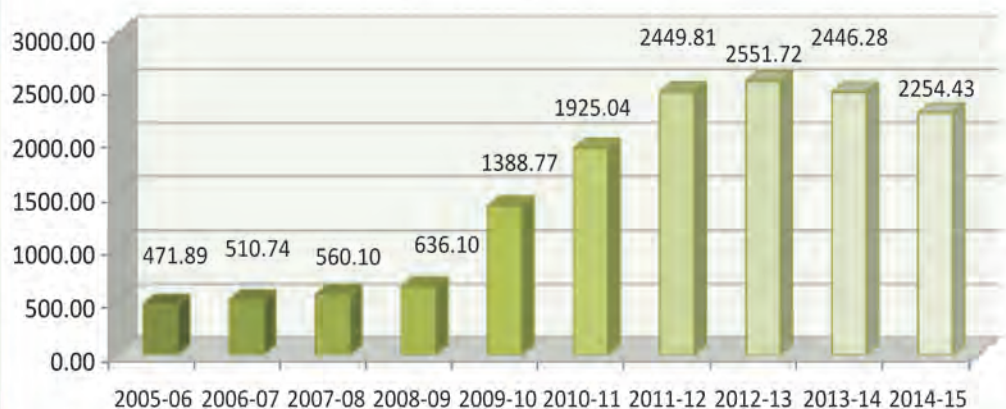
Generation (MU's)



(Sales Excl. Coal) (₹ In Crore)



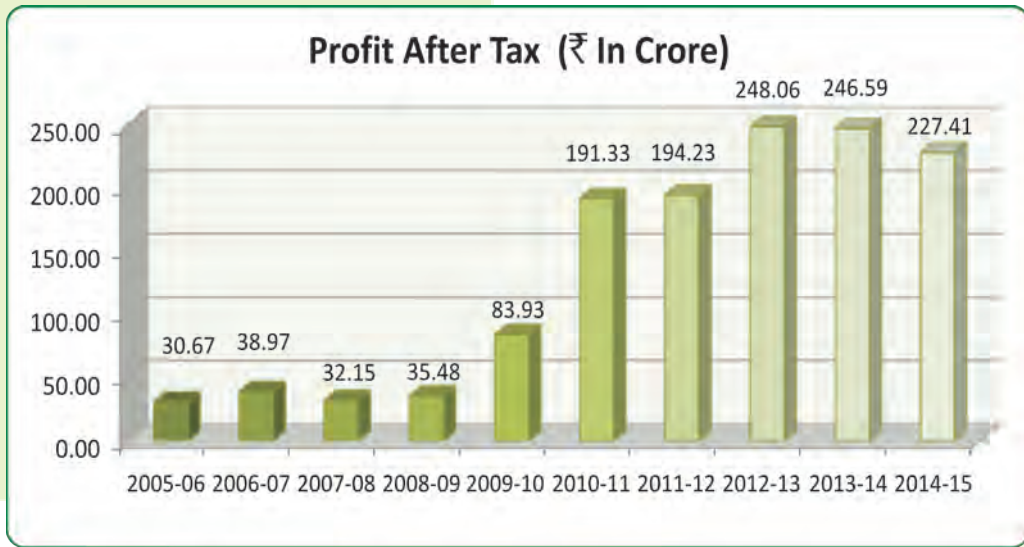
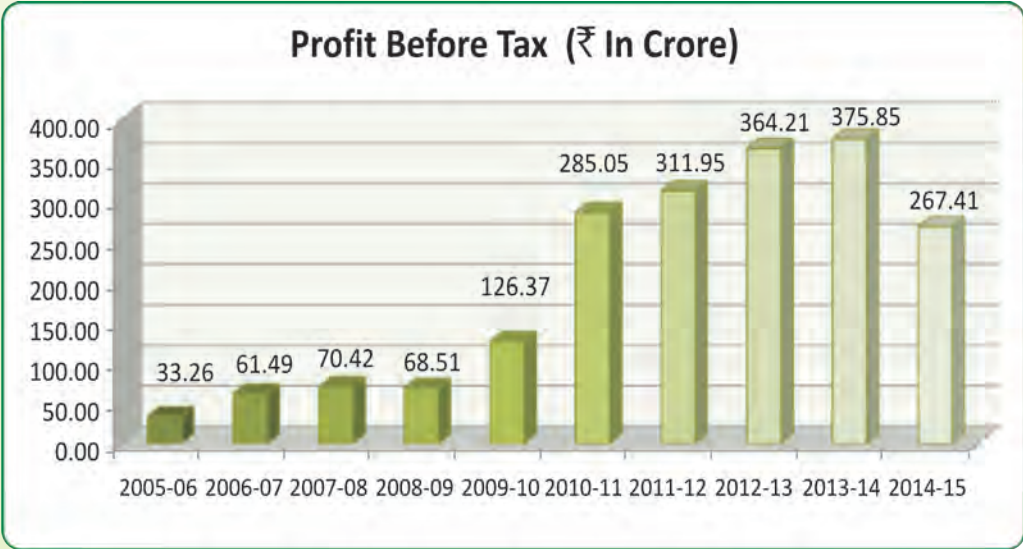
(Sales Incl. Coal) (₹ In Crore)



Financial Performance - NSPCL



Financial Performance - NSPCL



Radial Stacker Reclaimer at PP-III Bhilai

Selected Financial Information

₹ in Lakhs

	2014-15 [^]	2013-14 #	2012-13 #	2011-12 #	2010-11
A. Total Revenue					
Earned from					
Sale of Energy incl. cost of Coal of PP-II	225,443.23	244,628.38	255,172.55	244,981.17	192,504.92
Sale of Energy excl. cost coal of PP-II (A)	155,149.23	172,288.38	186,680.55	174,846.17	141,193.92
Other Income (B)	7,150.38	4,411.80	3,119.00	3,160.09	2,906.64
Total (A + B)	162,299.61	176,699.18	189,799.55	178,006.26	144,099.56
B. Paid & Provided for					
Fuel	66,188.81	72,633.14	89,573.18	84,385.78	56,232.74
Employees Remuneration & Benefits	13,484.07	14,066.63	12,122.05	11,382.23	9,767.11
Generation, Administration & Other Expenses	25,356.15	23,590.13	21,713.93	21,205.08	17,593.58
Provision (Net)	-	-	-	-	-
Prior Period/Extra Ordinary Items	408.61	170.10	19.21	(424.43)	171.39
Total	105,437.64	110,460.00	123,428.37	116,548.66	83,764.82
Profit before depreciation, Interest & finance charges and Tax (PBDIT)	56,861.97	66,239.18	66,371.18	61,457.60	60,334.74
Depreciation	17,763.59	16,870.25	16,706.06	16,130.50	16,344.27
Profit before Interest & finance charges and Tax (PBIT)	39,098.38	49,368.93	49,665.12	45,327.10	43,990.47
Interest & Finance Cost	12,356.87	11,783.53	13,244.11	14,132.57	15,485.75
Profit Before Tax (PBT)	26,741.51	37,585.40	36,421.01	31,194.53	28,504.72
Tax (Net)	4,000.41	12,926.14	11,614.81	11,771.59	9,371.37
Profit After tax (PAT)	22,741.10	24,659.26	24,806.20	19,422.94	19,133.35
Dividend	10,000.00	8,628.40	13,236.75	11,406.00	10,456.00
Dividend Tax	2,006.64	1,466.40	2,249.59	1,850.34	1,696.00
Retained Profit	10,734.46	14,564.46	9,319.86	6,166.60	6,981.35
C. What is Owned					
Gross Fixed Assets	354,877.83	345,306.85	339,888.03	329,609.53	309,866.00
Less: Depreciation	137,355.34	119,142.36	101,523.45	84,234.01	67,783.00
Net Block	217,522.49	226,164.49	238,364.58	245,375.52	242,083.00
Capital Work-in- Progress & Intangible assets under development	3,546.68	5,679.32	5,801.49	6,103.71	11,029.54
Other Assets, Loans & Advances	113,130.16	109,733.10	107,977.52	94,536.74	84,303.58
Total Net Assets	334,199.33	341,576.91	352,143.59	346,015.97	337,416.12
D. What is Owed					
Long Term Loans	93,174.42	108,890.19	128,318.49	144,972.44	156,472.00
Other Liabilities & Provisions	38,815.62	41,107.98	47,862.84	48,890.85	46,732.14
Total Liabilities	131,990.04	149,998.17	176,181.33	193,863.29	203,204.14
E. Others					
Deferred Tax Liabilities (Net)	37,969.92	38,079.88	37,027.85	25,538.14	13,764.00



	2014-15 [^]	2013-14 #	2012-13 #	2011-12 #	2010-11
F. Net Worth					
Share Capital	98,050.01	98,050.01	98,050.01	95,050.01	95,050.00
Reserves & Surplus	66,189.36	55,448.85	40,884.40	31,564.54	25,398.00
Net Worth	164,239.37	153,498.86	138,934.41	126,614.55	120,448.00
G. Capital Employed	257,413.79	262,389.05	267,252.90	271,586.99	276,920.00
H. No. of Shares	980500100	980500100	980500100	950500100	950500100
I. No. of Employees	798	818	782	779	786
J. Ratios					
Return on Capital Employed (%)	10.39	14.32	13.63	11.49	10.29
Return on Net Worth (%)	13.85	16.06	17.85	15.34	15.89
EPS (₹)	2.32	2.51	2.56	2.04	2.01
Current Ratio	2.91	2.67	2.26	1.93	1.80
Dividend payout including Tax on PAT (%)	52.80	40.94	62.43	68.25	63.51
Dividend payout including Tax on Equity (%)	12.25	10.30	15.79	13.95	12.78
Debt to Equity	0.57	0.71	0.92	1.14	1.30

[^] Financial Statement prepared based on Schedule III instructions of Companies Act, 2013.

Financial Statement prepared based on Revised Schedule VI formats; comparable data based on old schedule VI formats.



Bhilai-PP III (2x250 MW)



CHAIRMAN'S STATEMENT

Good Morning, Ladies and Gentlemen,

It is my privilege to welcome you all to the 16th Annual General Meeting of your Company.

The Board of this Company has been chaired by remarkable leaders, who have over the years, set very high benchmarks. I take this opportunity to salute my predecessors and pledge to uphold the high standards set by them.

Fiscal 2015 was a challenging year for your company particularly because of the generator failure at Bhilai PP-II TG 3 and LP turbine blade failure at Bhilai PP-III Unit-1. Bhilai PP-II TG 3 Unit was brought back within 22 days with intense coordination with BHEL. Bhilai PP-III Unit 1 was brought back within 96 days with all-out efforts and top level coordination with BHEL on a day to day basis and your company has successfully brought back machine in to operation & controlled the impact of machine outage.

Operational highlights

With a capacity of 314 MW, CPP-Is at Bhilai, Durgapur and Rourkela have operated at an availability factor of 93.16% and generated 2429.06 MU in 2014-15. Bhilai PP-III had generated 3241.07 MU, with a DC of 80.01%, in spite of the 96 day loss in generation in U#1 due to LP turbine blade failure and about 227 MU loss due to low schedule from grid. NSPCL's total Generation in 2014-15 was 5670.13 MU in 2014-15.

During the year SECL had supplied 1.734 MMT coal to Bhilai PP-III in line with FSA signed in September 2013 for Annual Contracted Quantity of 2.408 MMTPA. Further, 0.674 MMT coal was arranged by your company through other sources i.e. its contract with MMTC, e-auction route and coal procurement from SCCL/ ECL through MOU route. Thus FSA coal supply in 2014-15 constituted to about 72% of the total coal supply quantity and the balance 28% is from other mentioned sources.

Financial Performance

Your company recorded a total income (including cost of PP-II coal) of ₹ 2325.93 Crs. during 2014-15 against ₹ 2490.39 Crs. in the previous year with a marginal decrease of 6.60%. Your company recorded Net Profit of ₹ 227.41 cr. during the year as compared to ₹ 246.59 cr. in the previous year, registering a marginal decrease of 7.78%. While the marginal decrease in total income was due to lower fixed charges earned in PP-III due to forced outage of Unit 1, grossing up of ROE with MAT rate (against full rate of tax in previous year) and no incentive earned during the year, the marginal decrease in Net Profit was due to the lower fixed charges earned in PP-III and no incentive. You may appreciate that this is a laudable performance keeping in mind the loss of generation of PP-III Unit 1 for 96 days.

An interim dividend of ₹ 80 Crs. has already been paid. Final dividend of ₹ 20Crs. is proposed to be paid after approval in AGM. Total cash out flow on account of dividend and tax amounts to ₹120.07 Crs. (52.8% of Net profit).

During the year, energy bills of ₹1282 Crore was raised against power supply from Bhilai PP-III (2X250 MW) and the same as well as PP-II bills were fully realised from the Beneficiaries.

Thrust areas

Thrust areas of your company have been capacity optimization, reduction in O&M cost and increase in overall efficiency. In order



to achieve these, best practices in all facets of management have been adopted for implementation. Third O&M conference was organised on 14th March 2015 which provided a valuable platform for knowledge sharing and innovative practices in NSPCL stations. All the R&M Packages pending for award have been awarded and are under execution except two schemes which are under review at present. Your Company's Board is putting focussed attention in the area of cost reduction.

Corporate Plan 2015-2025

As an agile business entity, your Company had taken steps to update the Corporate Plan 2010-2022 to 2015-2025 in line with the changing sectorial scenario and macroeconomic environment. Consultancy work for Corporate Plan 2015-25 had already been awarded to M/s PWC India and the Plan shall be in place in the current year.

Growth Plans

It is a matter of satisfaction to state that substantial progress has taken place with respect to Rourkela Power Plant II Expansion (1x250 MW) and Durgapur Power Plant III (2x20 MW). Environment Clearance for Rourkela Expansion has been accorded in May '15 and the Price Bid for EPC Package has already been opened. In principle equity confirmation for the project has been obtained earlier. Now with signing of Loan agreements with State Bank of Mysore (₹ 250 Crs.), Dena Bank (₹ 200 Crs.) and REC (₹1000 Crs.) the financial closure for the project has been completed. In case of Durgapur Expansion, Environment Clearance has been recommended by Thermal EAC in July' 15 and Techno-commercial bids for EPC Package are planned to be opened shortly. Durgapur Expansion is proposed to be funded through internal accruals and promoter's confirmation has been obtained in this regard. Loan for the project tied-up with HDFC Bank (₹125 Crs.) and Kotak Mahindra Bank (₹150 Crs.). Both the Projects are targeted for award in 2015-16.

In addition, NSPCL is preparing the detailed Feasibility Report for Salem Power Project (2x60 MW). Tie-up of inputs and clearances for Salem Project and Bhilai Expansion (2x250 MW or 1x250 MW) are being pursued.

Further in line with country's focus in green power segment, your



Company is contemplating capacity addition in Solar PV segment to augment its existing solar capacity of 232KWp added on a pilot scale. Your Company is closely pursuing with SAIL to allow NSPCL to establish their RPO requirement of solar power.

Environment

Your Company has been taking various pro-active measures for improvement in the areas of Environmental Management. Major revamp in the ESP at Rourkela has been completed while scheme for up gradation of ESP at Durgapur is under implementation. Dry ash collection systems at Bhilai, Rourkela & Durgapur are under operation. Commissioning of Continuous Emission Monitoring System (CEMS) and Effluent Quality Monitoring System (EQMS) in NSPCL plants are under progress. Around 50,000 trees have been planted by your company in 2014-15.

Rourkela CPP-II bagged the Greentech Environment Award in Platinum category in thermal power plant for the year 2014 in recognition of its excellent work done in Environment management. Rourkela CPP-II also bagged the prestigious NSCI "Prashansa Patra" for safety for the year 2014 for its commitment towards safety.

SAP implementation

It gives me sense of pride in stating that your Company has done a commendable work by rolling out implementation of ERP/SAP in a record time of 9.5 months in this year and the same has now been stabilised. Your company has received Special Recognition at 4th SAP Public Services ACE Awards 2014 for timely implementation of comprehensive SAP solution.

Employee Development

Your company has put a lot of thrust on employee development through training, Competency mapping & Individual Development Plans and succession planning. The company has successfully done recruitment of various category of non-executives as a part of our cadre built up and replacement of retired manpower.

As a result of the above other proactive measures, NSPCL cadre strength has increased to 72.5% in 2014-15 i.e. an increase of almost 2% compared to previous year. NSPCL cadre strength is 75.1% as on 01.09.15.

It is a matter of pride that your company has been conferred with the prestigious Global HR Excellence Awards for Best Corporate Social Responsibility Practices, Leading HR Practices in Quality Work-Life and Best Talent Management Award at the World HRD Congress 2015.

Touching lives through CSR

NSPCL has a well-defined CSR policy and implementation is overseen by CSR subcommittee of NSPCL Board. CSR activities include education to under privileged children, women empowerment, skill development, Health & Family Welfare,

Infrastructural facilities, promotion of Sports & Games etc. Your company achieved 100% utilisation of CSR budget of ₹ 4.60 Crs. in 2014-15.

Your company has been associated with Swachh Bharat Abhiyan of Gol by facilitating construction of 722 toilets around Rourkela and Durgapur areas on behalf of NTPC.

Corporate Governance

In your Company, there are Established systems & Practices for overall management control & governance. Your Company believes in maintaining high standards of transparency and has adopted prescribed Corporate Governance practices. During the last one year, various Policies like Ash Utilisation, Enterprise Risk Management, Banning of Business Dealings, e-Waste management, handling & disposal have been approved in NSPCL. Further in line with CVC guidelines, NSPCL has appointed one Independent External Monitor to oversee the high value contracts.

Acknowledgements

Ladies and Gentlemen, before I conclude, on behalf of the Board of Directors, I would like to express my gratitude to our promoters (NTPC Ltd. and SAIL), Ministry of Power, Ministry of Coal, Ministry of Steel and other stakeholders for their unstinted support. We are indebted to Ministry of Environment and Forests, the State Governments, Central Pollution Control Board, State Pollution Control Boards, Factory and Boiler Directorates, local state administration, Police Department and other agencies for their help to the Company. We are thankful to the Central Electricity Regulatory Commission, Central Electricity Authority and State Electricity Regulatory Commission for their guidance to the sector. We also thank and appreciate Statutory Auditors of the Company and Comptroller and Auditor General for their observations and suggestions.

I take this opportunity to express my deep gratitude to the Financial Institutions, Banks and other lenders and Investors for their trust and continued support. I wish to thank our esteemed customers, valued vendors and associates who are fully associated with our progress. On this occasion, I would like to thank my colleagues on the Board for their unconditional cooperation and support.

On your behalf, I would like to acknowledge the tremendous efforts of our employees, who are our valuable asset. I am confident that their dedication, hard work, intellect and the values shall drive the Company forward.

Thank you,

(Kaushal Kishore Sharma)
Chairman

Place: New Delhi
Date: September 23, 2015

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 16th Annual Report on the performance of your company during the financial year ended March 31, 2015 along with audited Financial Statements, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended March 31, 2015.

1. Change in Nature of Business

There has been no change in the nature of Business of the Company.

2. Financial Results

(₹ Crore)

	2014-15	2013-14
Total Income*	2325.93	2490.39
Operating Expenditure* (Incl. Prior Period)	1757.32	1828.00
Finance Cost	123.56	117.84
Depreciation & Amortization Expenses	177.64	168.70
Profit before tax	267.41	375.85
Provision for Current Tax	41.10	118.74
Profit after Current Tax	226.31	257.11
Provision for Deferred Tax	(1.10)	10.52
Profit After Tax	227.41	246.59

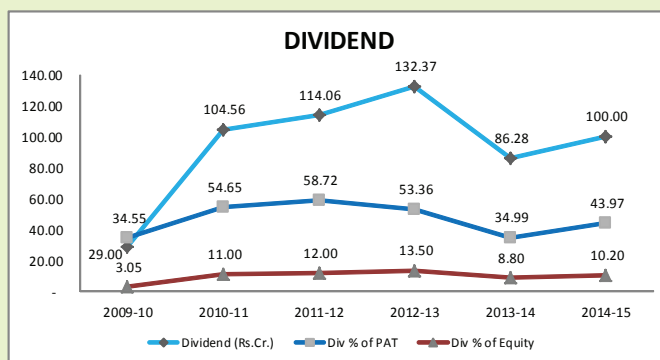
*Including cost of coal (Current Yr. ₹ 702.94 crore & Previous Yr. ₹ 723.40 crore) which is a free supply and therefore, does not form part of the sales turnover and operating expenditure in case of Captive Power Plants-II as reflected in Financial Statements.

Your company recorded a total income of ₹ 2325.93 crore during 2014-15 as against ₹2490.39 crore in the previous year. The decrease in the total income of ₹164.46 crore was mainly on account of decrease in recovery of Annual Fixed charges (AFC) owing to lower availability due to forced outage of unit-I of Bhilai PP-III. Also during the year return on equity (ROE) was grossed up by MAT rate against full rate of tax in previous year. In case of PP-III during the year, incentive on fixed charges was Nil, since plant load factor (PLF) was less than 85%, as per CERC norms (2014-19), decrease was also due to reduction in coal rate of PP-III unit. In case of PP-II decrease was due to reduction in ROE & Incentive because of grossing up of ROE & Incentive with MAT rate. The decrease in operating expenditure of ₹70.68 crore was mainly on account of decrease in coal (as fuel) cost, due to decrease in coal price mainly on account of FSA signed with Coal India Limited with effect from last week of September' 13 for PP-III and lower PLF due to forced outage in PP-III. Due to the signing of the FSA there was substantial reduction of rates for quantum of coal procured from SECL during full year of FY 14-15 against part of the year of PY 13-14. ECR per unit during the year was ₹2.14 (against ₹2.18 per unit of previous year).

Profit after Tax (PAT) in this year was lower by ₹19.18 crore over the previous year. The decrease in profit during the year ending 31st March 2015 can be attributed to lower fixed charges earned in PP-III due to forced outage of unit-1 of Bhilai PP-III, grossing up of ROE with MAT rate and Nil incentive earned during the year.

3. Dividend

Your Directors have recommended a dividend of ₹100.00 crore for the year which is 10.20% of equity share capital. However, the total cash out flow on account of Dividend & tax thereon amounts to ₹120.07 crore and the dividend payout including Tax accounts for 52.80% of Profit After Tax. Your Directors believe that growth of the company through capacity addition would lead to increase in shareholders' value.



Interim dividend cheque being presented to CMD, NTPC



Interim dividend cheque being presented to Chairman, SAIL

4. Transfer to Reserves

As per section 123 of Companies Act, 2013; a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company. However, transfer of profits to reserves on declaration of dividend



is no longer compulsory. Hence, the company has not transferred any amount to general reserve in FY 14-15.

5. Operational Performance

During the financial year 2014-15, your Company's CPP II's (314 MW) generated 2429.061 MU at 88.31% Plant Load Factor (PLF) on Availability Factor (AVF) of 93.16%. Durgapur CPP-II (120 MW) recorded 941.530 MU at 89.57% PLF on AVF of 93.59%. Rourkela CPP-II (120MW) generated 961.275 MU at 91.45% PLF on AVF of 92.30%. Bhilai CPP-II recorded a generation of 526.256 MU at 81.18% PLF on AVF of 93.87% during the same period.

Bhilai PP-III (2x250MW) generated 3241.070 MU at a PLF of 74.00% and Availability Factor of 83.57% with a DC of 80.01%.

Annual overhauling of the captive units at Durgapur, Rourkela (including U2 capital overhauling) & Bhilai was carried out. Overhauling was also carried out at Bhilai 2x 250 MW (including capital overhaul in U#1). Six years rolling plan for overhaul of units has been drawn along with Residual Life Assessment studies of the ageing units. Phase-I of R & M has already been completed to maintain improved performance level. ESP R&M works and replacement of EHTC have been carried out at Rourkela. Further R&M plans are in various stages of award/ execution. In addition, Bhilai CPP-II also supplied 5.69 lakh tons of saturated steam at 8 ata and 6.58 lakh tons of saturated steam at 18 ata to Bhilai Steel Plant. Efficiency monitoring is being carried out before and after overhauls at the stations. Technical & special Electrical Audits have also been conducted and various corrective actions are being implemented as per recommendations. For sustained performance and continuous improvement the company has taken well planned measures in various areas of operation and adoption of best O&M practices.

To share the learnings & proven O&M practices across company's stations, the 3rd O&M meet was organized on 14th March, 2015.

6. New Capacity Addition

To meet enhanced power requirement of SAIL due to augmentation of their own production capacity, your company has undertaken various projects for implementation as detailed hereunder:

6.1 Rourkela PP-II Expansion (1x250 MW)

Bid Price for EPC package has been opened and award is going to be placed soon. Environmental clearance has already been obtained. Coal for the project will be sourced from SAIL's captive mine at Ramnagore, West Bengal and SAIL's reserve allocation available from MCL, Odisha. Water allocation is already in place from WRD, Odisha and CWC Delhi. PPA will be signed shortly with RSP, SAIL. In-principle approval has also been obtained from both the promoters for equity participation. Railway siding DPR is also in the process of approval by the concerned zonal railway, namely South Eastern Railway. Various enabling works have also commenced at site.

6.2 Durgapur PP-III (2x20 MW)

Durgapur PP-III is being set up to cater to the critical load of Durgapur Steel Plant. At present 2x20 MW capacity plant is being set up with a provision of adding one more unit of 20 MW in future. NIT for EPC package of the project has been issued and LOA is expected to be placed by end of 2015. Water for this project will be drawn from existing water allocation of SAIL, Durgapur and coal will be supplied by SAIL's captive mine at Ramangore, West Bengal. Entire power generated from this plant will be supplied

to Durgapur Steel plant on Captive basis on a model similar to the existing PP-II's and will cater to their critical loads. Equity in –principle for the Project is proposed to be met from NSPCL's internal resources and confirmation from the promoters for the same has already been obtained. Environmental clearance is expected soon. Other statutory clearances are already in place and enabling works are afloat.

6.3 Salem Power Project (2x40 MW)

A new project of 2x40 MW capacity has been planned to be set up at Salem within Salem Steel Plant, Tamil Nadu. FR is under preparation. Land is available within the steel plant boundary. Due to non-availability of adequate quantity of water, the project is being planned with Air Cooled Condensers. Boiler for these units will be based on fluidised bed technology and will fire lignite as fuel. Neyveli Lignite Corporation (NLC) has committed supply of lignite for the project. Power produced from this plant will be supplied to Salem Steel Plant and SAIL's VISIP plant. Excess power will be sold to prospective consumers. Actions have already been initiated for carrying out site specific studies like EIA, GTI, Toposurvey, Railway siding FR etc.

6.4 Other Projects

In addition to above, NSPCL is pursuing other projects including 1 x 250 MW expansion project at Bhilai where land for the project except Ash dyke land is available and allotment of Ash dyke land is being pursued with SAIL. Water for this project is to be drawn from existing allocation of Bhilai PP-III and ash water recirculation of Bhilai PP-II. Coal linkage for the project has also been applied to Ministry of Coal.

7. R&M and Capital Scheme

For the three PP-II's many R&M and capital schemes are going on. At Rourkela, while ESP R&M has already been successfully commissioned, work of DCS and RAPH replacement packages are going on. Dry ash extraction system has been commissioned at both Rourkela & Durgapur PP-II thereby facilitating dry disposal of fly ash for downstream industries. Turbine governing system at Durgapur has been taken up recently, while that of Rourkela has been commissioned. ESP upgradation work at Durgapur is in progress.

8. Environmental Projects

The company is committed to maintain safe environmental condition in the plants as per statutory requirements. Recently CPCB has issued guidelines for setting up Continuous Emission Monitoring System (CEMS) and Effluent Quality Monitoring System (EQMS) to monitor additional parameters. While CEMS is in advance stage of commissioning, efforts are being made to commission EQMS shortly. These are being done over and above the standard measures that we take like ESP, ETP, STP etc.

9. Commercial Performance

Your company has realised 100% payment of current bills raised for sale of power during the payment cycle for the sixth consecutive year. During FY 2014-15, energy billing of ₹1282 Crore has been done for supply of power from Bhilai Expansion Power Plant (2x250 MW) to its various beneficiaries and ₹363 Crore for supply of power from CPP-IIs (314 MW) at Durgapur, Rourkela and Bhilai.



Bhilai Expansion Power Plant (2x250 MW) is an interstate power plant and tariff of this plant is approved by CERC as per Tariff Regulation, 2009.

Subsequent to commercial operation of the units at Bhilai, billing and realisation of dues for power supply from Bhilai Expansion Power Plant (2 x 250 MW) has been continuing. All the beneficiaries viz. Bhilai Steel Plant/SAIL, Chhattisgarh State Power Distribution Company Limited (CSPDCL), UT of Daman and Diu and DNH Power Distribution Corporation Limited (erstwhile UT of Dadra and Nagar Haveli) are maintaining letter of credits (LCs) as per requirement of PPA signed with them. Power from Bhilai Expansion Power Plant (2x250 MW) is also supplied to other units of SAIL namely Durgapur Steel Plant (DSP), Rourkela Steel Plant (RSP) and Visvesvaraya Iron and Steel Plant (VISL).

While 100% realization of the energy bills has been achieved for the bills raised for energy supplied during 2014-15, ₹ 8.90 crore has been withheld by Dadra and Nagar Haveli Power Distribution Company Limited (DNHPDCL). Though, CERC has pronounced order in favour of NSPCL for release of ₹ 8.90 Cr. withheld by DNHPDCL, DNHPDCL has appealed against CERC order to Appellate Tribunal of Electricity (ATE)

10. Customer Relationship

Customer Relationship Management (CRM) initiative has been taken by your Company which is helping in significant improvement in cash flow situation. Regular structured interaction with the customers is in place for constant feedback and improvement. Your company has also organised a Customer Meet during the year for better interfacing with the Customers.

11. Fuel Supply for Bhilai Plant (2x250mw)

Your company signed a Long Term Coal Supply Agreement for 2.048 MMTPA with South Eastern Coalfields Limited (SECL) in 2013-14 for part of its coal requirement. To meet the balance coal quantity, your company had a contract with MMTC for supply of 0.9MMT of imported coal and 0.455 MMT imported coal was received in 2014-15. The e-auction route and coal procurement from coal companies/CIL subsidiaries there MoUs was also resorted to, from which 0.038 MMT and 0.181 MMT were procured respectively during 2014-15. An MoU of 0.5 MMT has been signed with ECL in addition to the MoU with SCCL and both the MoU's were valid till 31.03.2015. Fresh MoU's with both the coal companies were signed for FY 2015-16. For CPP-II's at Durgapur, Rourkela and Bhilai, SAIL has been supplying coal after procurement from mines.

12. Tariff Regulations

Tariff petition before Central electricity Regulatory Commission (CERC) have been filed for Bhilai PP-III (2X250MW) for determination of tariff for the period from 01.04.2014 to 31.03.2019. The company has also filed final true-up petition for the above station for the period from 01.04.2009 to 31.03.2014 and final order will be issued after completion of hearings.

13. Judgments

In case of Petition for non-payment of UI Charges by CSLDC/ CSPTCL filed with CERC on 13.03.2012, CERC issued Order on 01.10.2014 directing CSPDCL to adjust the SLDC operating charges and Registration Charges against the UI charges payable while settling the UI accounts with the petitioner.

In case of Petition filed by DNHPDCL for adjudication of disputes

arising out of Power Purchase Agreement (Supplemental) dated 18.12.2012 entered into between NSPCL and DNHPDCL, vide Order dated 03.02.2014, CERC dismissed the Petition filed by DNHPDCL and directed to DNHPDCL that NSPCL is entitled to claim the capacity charge for the capacity declared and made available at the bus bar to NSPCL.

14. Environment Management and Safety

Your company has been taking various pro-active measures for improvement in the areas of Environmental Management. Environmental conditions at the plants have improved substantially. Necessary corrective actions are being taken at the time of overhauling of the units to keep the emission levels within permissible limits 4 Nos & 3 Nos Ambient Air Quality Monitoring Stations (AAQMS) along with meteorological data monitor have been commissioned at Bhilai PP-III & CPP-II Rourkela. Actions have been initiated for installation of Continuous Emission Monitoring System (CEMS) and Effluent Quality Monitoring System (EQMS) in all the plants of your company and the activities related to their procurement are going ahead in full swing. CPP-II Rourkela bagged the Greentech Environment Award in Platinum category in thermal power plant for the year 2014 in recognition of its excellent work done in environment management. Rourkela CPP-II also bagged the prestigious NSCI "Prasansha Patra" for safety for 2013 & 2014 for its commitment towards safety. These prestigious Awards/ Prasansha Patra's are presented every year to companies demonstrating the highest level of commitment to Environmental Management and Safety. Your company spent approx. ₹ 23.2 crore for various environment related activities.

Your company is fully committed to ensure and provide safe and healthy work environment to comply with applicable regulations and statutory requirements and it has already formulated and approved safety policy for implementation. Regular plant inspections are being carried out to identify unsafe conditions and practices, if any, and corrective measures taken, wherever necessary. Your Company has also taken measures to continuously improve the systems and procedures, provides training and arranges awareness programme for all concerned. Safety Awareness Programmes are also held periodically.

14.1 Ash Utilization

During the year, over 6.5 lakh tons of ash has been utilized for various productive purposes. Major utilization was in the areas of Ash Dyke raising, land development, cement manufacturing etc. Dry ash evacuation system has been commissioned at CPP-II, Durgapur for improvement of the environment in the plant area and optimize ash utilization.

Plant	Utilization (%)
Durgapur (2 X 60 MW)	30.00
Rourkela (2 X 60 MW)	8.84
Bhilai PP2 (2 X 30MW) + (1 X 14 MW)	1.21
Bhilai PP3 (2 X 250 MW)	56.39
NSPCL (814 MW)	34.86

Your company has finalised a comprehensive Ash Utilisation Policy to further streamline the process of Ash Utilisation.

14.2 Tree Plantation

Your Company has planted more than 49700 trees during the year (the cumulative number is 2.99 lakh trees) around its projects as a



measure to take massive afforestation, which is protecting ecology and environment.

15. Corporate Plan

NSPCL Corporate Plan 2010-22 along with vision and mission was approved by your Board in March 2012. In view of the changing economic scenario, it has been decided to update the present Corporate Plan. Accordingly, consultancy work for preparation of NSPCL Corporate Plan 2015-25 has been awarded to M/S Pricewater house Coopers, India and is targeted to be completed in 2015.

16. Right to Information

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

During 2014-15, all the applications received under the RTI Act, were replied within the time frame under the provisions of RTI Act, 2005.

17. Human Resource Management

The HR philosophy of your Company has always been to adopt "People First" approach for achieving sustainable growth and meeting stakeholders' expectations. People processes and practices, therefore, comprise the core of HR policy aligned with the business policy. Your company has been consistently working on the four HR building blocks viz. Competency Building, Commitment Building, Culture Building and System Building.

17.1 Company Cadre Building

Your company has been focusing on building its own competent cadre by undertaking multilevel recruitment in Executive as well as Non-Executive categories across various disciplines. During 2014-15 a massive exercise for recruitment in Non-Executive cadre has been undertaken which will further strengthen the NSPCL cadre. Total strength of the company was 798 as on 31.03.2015 out of which 579 employees are its own cadre which constitutes 72.56% of the total workforce and 219 employees are on secondment from NTPC.

Non-Executive Trainees and Executives recruited in 2014-15 have joined in 2015-16 as a result of which the total manpower has risen to 853 as on 20.08.2015, out of which 640 employees are its own cadre which constitutes 75.02% of the total workforce.

17.2 Employee Welfare

NSPCL believes in building familial relations with its employees and hence a lot of stress is given on enhancing Employee engagement. Inter Unit Cultural Meet, Inter-Unit Sports Meet, are carried out annually to ensure participation and to inculcate camaraderie among employees of all Units. During FY 2014-15, Inter Unit Cultural Meet was held at Rourkela wherein Employees and their family members from all three Units participated and Inter-Unit Sports Meet was held at Durgapur and the sports events organised were Volley Ball, Badminton, Chess and Table Tennis. Employees celebrate all the events, achievements, festivals etc. together. There are clubs at all the stations of NSPCL. Through

these clubs various welfare programmes are conducted. No stone is left unturned in ensuring optimal employee engagement. NSPCL is proud of its systems for providing a good quality of work-life for its employees through various cultural, recreational and health rejuvenating programmes organized round the year. In addition to providing beautiful and safe work places, NSPCL encourages a culture of mutual respect and trust amongst peers, superiors and subordinates. Numerous welfare and recreation facilities are provided at the townships to enhance quality of life & well being of employees and their families.

17.3 Training & Development

Your company has always strived to be a learning organization, and believes in the power of knowledge and considers training expenditure as an investment for increasing the productivity of the Employees. Training programmes are designed for the Employees on the basis of training needs analysis and competency gaps. With a view to build upon leadership pipeline of NSPCL, Competency mapping exercise of 72 executives at the level of E6-E7 was conducted and IDP (Individual Development Plan) was developed. Based on these IDPs, trainings were organised to maximise the gains to the Executives as well as the organization. In order to achieve average training man-days of six, your company not only organizes in-house training programmes but also sends employees for External & Foreign Training programmes. Training & development of all the Employees is ensured and during the FY 2014-15, 6.8 average training mandays was achieved.

17.4 Employee Relations

Regular interactions/communication meetings were held between the Management and employee groups and the meetings of all Bi-partite fora were held during the year. During the FY 2014-15, number of Union/Association Meeting (at Corporate Centre and Stations) held was 27 and number of Communication/Employee Interaction Meetings (Open forum by BUH) held was 9. Free flow of ideas on relevant topics is ensured during such interactions, suggestions are invited and thereon policies are formulated by mutual participation thus ensuring ownership. Because of this ownership, implementation of new policies and procedures becomes easy. Partners in progress programme is one such initiative that is held annually for ensuring open communication and generating conducive relations between the Management and the Unions and thus generating a win-win feeling for both.

18. CSR and Sustainable Development

A detailed report is placed at Annexure- I

19. Vigilance

Your Company ensures transparency, objectivity and quality of decision making in its operations and to monitor the same, the Company has a Vigilance Department reporting to the Chief Vigilance Officer, NTPC.

19.1 Implementation Of Various Policies and Circulars

Fraud Prevention Policy and Whistle Blower Policy have been implemented in the Company to build and strengthen a culture of transparency. A uniform policy for banning of business dealings with the contractors/ vendors has been formulated and implemented.



20. Particulars of Employees

As per provisions of section 197 (12) of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every company is required to include a statement in the Board's Report giving details of remuneration received by the employee who was in receipt of remuneration of ₹ 60 lac or more, if employed throughout the year and details of remuneration received by the employee who was in receipt of remuneration of ₹ 5 lac or more, if employed for part of the year.

There are no employees in this category.

21. Loans & Investments

Your Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

22. Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future:

Status of pending court cases/ arbitration cases as on 31.03.2015 are annexed to the Statutory Auditors' Report on the Financial Statements for the FY 2014-15.

23. Particulars of Contracts or Arrangements with Related Parties

As per clause-9 of the Accounting Standard 18 "Related Party Disclosures" issued by ICAI, the related party transaction disclosure is not required.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

24. Deposits

The Company has not accepted any deposits during the year.

25. Subsidiaries, Joint Ventures or Associate Companies

The Company has no subsidiary or joint venture.

26. Sexual Harassment of Women at Workplace

Under the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" an Internal Complaints Committee has been set up at CC and all Units for investigating complaints related to Sexual Harassment of women at workplace. No complaints have been received during the last Financial Year.

27. Company wide ERP System

Company wide ERP based on SAP was rolled out on 15.07.2014 and is under operation. The roll out was achieved simultaneously at CC, Bhilai, Rourkela and Durgapur within 9.5 months from the kickoff date. The implementation was done through System Integrator M/s Accenture. NSPCL got special recognition for a comprehensive timely implementation of SAP solution at the 4th Public Services ACE Award held on 13.08.2014 at New Delhi. The

system stabilization was achieved with effect from 30.04.2015. The system is under maintenance support from M/s Accenture for a period of 2 years from the date of achieving system stabilization. Change Management System (CHARM) of the SAP Solution Manager stack is being implemented for managing the change requests of the system.

The system installation is on NSPCL hardware (Procured from OEM M/s HP) installed at hired out Data Centre (DC) facility from BSNL at Faridabad. A Disaster Recovery Centre (DRC) is established with own hardware at hired out facility from BSNL at Ahmedabad. Data Synchronisation between DC & DRC was achieved before system roll out on 15.07.2014. One DR drill was conducted in December 2014.

28. IT and Communication

During the year, Company email under the domain nspcl.co.in was implemented with in-house efforts and email ids provided to all NSPCL employees.

The MPLS bandwidth of MPLS connectivity at sites was increased from 2 Mbps to 4 Mbps to take care of the additional traffic due to implementation of ERP. The bandwidth at DC & DRC was also increased from the initial 8 Mbps to 20 Mbps to take care of the actual traffic requirements of Data Replication. NSPCL internet web site and corporate intranet were renovated.

29. Change in the Board of Directors and KMP's

NTPC through their letter dated November 1, 2014 has Nominated Shri Kaushal Kishore Sharma, D(O), NTPC as Director and Chairman of NSPCL in place of Shri N.N. Misra. Further, NTPC through its letter dated July 8, 2014 had withdrawn the nomination of Shri Manash Sarkar and Shri S.S. Isser was appointed as Director in his place through NTPC's letter dated October 20, 2014.

The Board placed on record its deep appreciation for the contribution made by Shri N.N. Misra and Shri Manash Sarkar during their tenures.

30. Meetings of the Board of Directors and its Sub Committees and Attendance of Directors

Detailed information has been provided in the Corporate Governance Report placed at Annexure IV.

31. Performance Evaluation of the Directors and the Board

As required under the Companies Act, 2013, evaluation of performance of directors including that of the Independent Directors/ Board/ Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors.

As per the Articles of Association of NSPCL, all the Directors are nominated by NTPC and SAIL. The Directors nominated by NTPC and SAIL are being evaluated under a well laid down procedure.

32. Management Discussion and Analysis

A report on Management Discussion and Analysis is placed at Annexure-II.

33. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo.

Your Company has been adopting modern technology to conserve energy both in the field of operation as well as in office.



Information in accordance with the provisions of Section 134 (3) of the Companies Act, 2013 read with Companies (accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure - III to this Report.

34. Corporate Governance Report

A report on corporate governance is placed at Annexure - IV.

35. Development and Implementation of A Risk Management Policy

Your Company had formed an Enterprise Risk Management Committee comprising CEO, all HOD's and BUH's during the Financial Year. The committee was formed with a view to review the risk management activities including risk register, root cause of risks and the controls to mitigate them.

An Enterprise Risk Management Committee, comprising 4 Directors of the Board, CEO, CFO and HOD (CA/CP) as its members, was formed in April 2015.

36. Statutory Auditors

The Statutory Auditors of your company are appointed by the Comptroller & Auditor General of India. M/s Rajendra K. Goel & Co., Chartered Accountants were appointed as the statutory auditors for the financial year 2014-15.

37. Cost Auditors

As prescribed under the Companies (Cost records and audit) Rules, 2014, the Cost Accounting records are being maintained by all stations of the Company. The particulars of Cost Auditors as required under Section 148 (3) of the Companies Act, 2013 under sub section 2 are given below:

The firm of Cost Accountants, M/s. S. C. Mohanty & Associates., has been appointed as Cost Auditors for the financial year 2014-15 for all the stations including the Corporate Office. The due date of filling of the Cost Audit Reports for the financial year ended 31st March 2015 is September 30th, 2015 and the same shall be filed within the prescribed time period.

38. 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 2014-2015 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

39. Adequacy of Internal Financial Controls with Reference to the Financial Statements

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

40. Extract of the Annual Return in form MGT-9

Pursuant to section 92 (3) of the Companies Act, 2013 and Rule

12 (1) of the Companies (Management and Administration) Rules, 2014 Extract of Annual Return of the Company is annexed herewith as Annexure - V to this Report.

41. Directors Responsibility Statement

In accordance with the provisions of 134 (5) of the Companies Act, 2013, your Directors hereby confirm:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

42. Acknowledgement

Your Directors, acknowledge with a deep sense of appreciation the co-operation extended by NTPC, SAIL and their employees. The Directors are thankful to the Ministry of Steel and Ministry of Power for valued co-operation, support and guidance provided to the Company from time to time. Your Board also acknowledges the co-operation received from the Comptroller & Auditor General of India, the Statutory Auditors and the Bankers of the Company.

The Board wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

The Directors look forward to a bright future for the Company with confidence.

For and on behalf of Board of Directors

(Kaushal Kishore Sharma)

Chairman

Date: August 24, 2015

Place: New Delhi

Annual Report on Corporate Social Responsibility Activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken

All the CSR and sustainability programmes under taken by the company are carried out in accordance with the well-defined Company's CSR policy, new Company's Act' 2013 and guidelines issued by Govt. of India from time to time.

Focus areas of NSPCL CSR and Sustainability are women empowerment, education to underprivileged children, health, infrastructure development and activities contributing towards Environment Sustainability.

Preference for CSR and sustainability activities is given to local areas (within the district) around Company's operation, ensuring that majority CSR funds are spent for activities in local areas.

2. The composition of the CSR Committee.

The Board Level Corporate Social Responsibility Committee comprising 6 Directors recommends to the Board for approval, the amount of expenditure to be incurred on the activities and monitors from time-to-time the policy of Corporate Social Responsibility and sustainability approved by the Board.

S. No.	Name of CSR Committee Members
1	Shri Y.K. Degan
2	Shri Tej Veer Singh
3	Shri D. Basu
4	Shri Ajit Kumar
5	Shri M. K. Das
6	Shri S.S. Isser

3. Financial Details

Particulars	₹ crore
Average net profit of the company for the last three financial years	229.63
Prescribed CSR Expenditure (2% of the average net profits)	4.60
Details of CSR Expenditure during the Financial Year	
Total amount to be spent for the financial year	4.62
Amount unspent	(0.02)*

*excess amount was spent





4. Manner in which the amount was spent during the financial year is as under:

S. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs – specify the state/ UT where the project/ program was undertaken	Projects or programs - specify the district where projects or programme was undertaken	Amount outlay (budget) project or programs wise (Rs. in Lacs)	Amount spent on the projects or programs sub heads (1) Direct expenditure on projects or programs (2) Overheads (Rs. in Lacs)	Mode of Amount spent : Direct or through implementing agency
I	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and safe drinking water	Health & Family Welfare	Chhattisgarh,	Durg	8	8	Direct Expenditure
			Odisha,	Sundergarh	15.7	15.7	
			West Bengal,	Durgapur Bengal)	11	11	
			Delhi	Kalkaji & Azadpur	0.7	0.87	
II	Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Education	Chhattisgarh,	Durg	27.75	29.94	Direct Expenditure
			Odisha,	Sundergarh	24.3	24.3	
			West Bengal,	Durgapur Bengal)	9	9	
			Delhi	Kalkaji & Azadpur	15.2	15.2	
III	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Women Empowerment	Chhattisgarh,	Durg	4.5	4.5	Direct Expenditure
			Odisha,	Sundergarh	2	2	
			West Bengal,	Durgapur Bengal)	2	2	
			Delhi	Kalkaji & Azadpur	4.5	4.5	
IV	Training to promote rural sports, nationally recognized sports, Paralympics sports & Olympic sports	Sports & Games	Chhattisgarh,	Durg	1	1	Direct Expenditure
			Odisha,	Sundergarh	3	3	
			West Bengal,	Durgapur Bengal)	-	-	
			Delhi	Kalkaji & Azadpur	-	-	
V	Rural development projects	Infrastructural Development Chhattisgarh,	Chhattisgarh,	Durg	79.09	79.09	Direct Expenditure
			Odisha,	Sundergarh	18	18	
			West Bengal,	Durgapur Bengal)	19	19	
			Delhi	Kalkaji & Azadpur	1.6	1.6	
VI	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro- forestry, conservation of natural resources and maintaining quality of soil, air and water	Sustainable Development (Plantation)	Chhattisgarh,	Durg	129.66	129.66	Direct Expenditure
			Odisha,	Sundergarh	47	47	
			West Bengal,	Durgapur Bengal)	37	37	
			Delhi	Kalkaji & Azadpur	-	-	
Total					460.00	462.19	

5. During the F.Y. 2014 -15, your Company achieved the target of 100% budget utilization of CSR i.e. utilizing the entire budget of CSR of Rs. 4.60 Crore. The actual expenditure incurred on CSR activities was Rs. 4.62 crore.

6. This is to state that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of your company.

For and on behalf of Board of Directors

(Kaushal Kishore Sharma)
Chairman

Date: August 24, 2015
Place: New Delhi

Awards

1. NSPCL has been conferred with prestigious Global HR Excellence Awards for Best Corporate Social Responsibility Practices, Leading HR Practices in Quality Work-Life and Best Talent Management Award at the World HRD Congress. The Awards were received by Ms. Premlata, AGM (HR), NSPCL-CC at a function held at Mumbai.
2. NSPCL got Special Recognition for a comprehensive and timely implementation of SAP Solution at the 4th Public Services ACE Awards held on 13th August 14 at JW Marriott Hotel New Delhi. NSPCL implemented SAP ERP as part of the project Srijan covering its 4 locations. The project went live within 9.5 months from the kick off date without any hitch.
3. NSPCL-Rourkela has won the prestigious "Prashansa Patra" for Safety Category under the Manufacturing Sector Awards from NSCI (National Safety Council of India) for the Year - 2014. The award was presented to Sh. Braja Bihari Tripathy, GM & Business Unit Head and his team by Hon'ble Minister of State (Independent Charge), Labour and Employment, Govt. of India, Shri Bandaru Dattatreya in a function organized at SCOPE, New Delhi on 12.03.2015.
4. NSPCL Rourkela was conferred the prestigious Greentech Award 2014 (Platinum) in the Environment Category in Thermal Power Sector. The Certificate of Award and Trophy were received by Sh. B. B Tripathy ,GM & BUH, NSPCL Rourkela in a function on 29th January 2015 in Kolkata.
5. NSPCL, Rourkela has won the prestigious "National Safety Council of India" Safety Awards 2013 for implementing effective management system & Procedures and achieving good performance in Operation, Safety and Health for the assessment period of three years 2010-12. The award by received by Shri B. B. Tripathi , BUH- NSPCL Rourkela from Shri Narendra Singh Tomar, Hon'ble Union Minister, Mines, Steel and Labour & Employment, Government of India.
6. The Quality Circle teams of NSPCL, Rourkela have been consistently performing well at the International and National levels. The QC Sambhavana bagged Par Excellence award, and QC teams, Jyoti & Prerna bagged the excellence award National Convention of Quality Circle was organised by QCFI at Pimpri Chinchwara Engineering College, Pune from 19- 22 Dec, 2014.
7. All three NSPCL CPP-IIs i.e Rourkela CPP-II, Durgapur CPP-II and Bhilai PP-II have received "Gold Awards" of Greentech Foundation for the year 2014 for outstanding achievement in the field of Safety management. The awards were presented at an award function held on 25.07.2015 at Goa.
8. Bhilai PP-III had received second Prize in Energy Efficiency Awards 2015 under category of less than 1000 MW Power Plants awarded by Chattisgarh State Renewable Energy Development agency on 9th August 2015.





Annexure - II Management Discussion and Analysis

Business Scenario

Industry

An Overview

Indian economy is one of the fastest growing economies in the world. To sustain the high growth rate of the country, commensurate growth in Power industry is imperative as there exists a strong correlation between electricity consumption and GDP growth rate. Addition of new capacities is being pursued vigorously. During the FY 2014-15, capacity addition of 22666 MW against target of 17830 MW was achieved. However poor financial health of Discoms leading to difficulties in power take-off, has been putting stress on this industry.

Major challenges associated with the power industry are:

- ♦ Financial health of Distribution entities
- ♦ Securing land for new capacity addition.
- ♦ Decreasing domestic coal production commensurate with demand
- ♦ Environment and Forest clearances

Government is taking definitive steps to face the above challenges in order to speed up the Power industry growth.

All India Electricity Generation (incl. import from Bhutan) during FY 2014-15 is 1048.40 BU with a growth rate of 8.4 % over same period last year.

Demand and Supply position:

The last three year demand and supply position of power in the country is indicated below:

Year	Reqmt. (MU)	Availability (MU)	Deficit (%)
2012-13	9,98,114	9,11,209	8.7
2013-14	10,02,257	9,59,829	4.2
2014-15	10,68,923	10,30,785	3.6

Source: CEA

Power Supply deficit in percentage terms has been reduced to more than 14% from the previous year.

The Peak Shortage of 4.7% was experienced in FY 2014-15 as peak met was 1,41,160 MW against peak demand of 1,48,166 MW.

Captive Sector

Captive generation was given special treatment in The Electricity Act, 2003 to boost up this segment. As per The Act 2003, "Captive generating plant" - is a Power plant set up by any person to generate electricity for his own use and includes a Power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative or association. The provisions of the Act allow that surplus power upto maximum of 49% of the capacity of the captive power plant can be sold to bulk purchaser keeping minimum of 51% of capacity for own consumption on annualized basis. Captive capacity as on 31.3.2015 is 40.726 GW (increased from 17.145 GW at the end of 9th plan)

Potential for Growth

To sustain high GDP growth of the country, industry sectors like Steel, Aluminum, Cement etc. have to grow in tandem. For industries like aluminum, iron & steel etc., electricity is one of the critical input cost component which is approximately 30-35 % of production cost. Reliability of power supply with comparative cost of production may give a competitive advantage to this industries as the power requirement in these industries is high. Moreover there exists a problem of availability of land for new power capacity addition in utility domain. To meet the growing requirement of power, captive generation can also play a role, since Electricity Act 2003 has liberalized the captive generation to the extent of 49% of annualized generation can be supplied to the grid. Hence potential for growth of captive power segment is substantial. (1), (2), (3) and (4) Source: CEA

Opportunities for NSPCL

The following major areas of opportunity present significant potential for the company's growth .

New Projects for Capacity Addition

NSPCL has already envisaged new Capacity addition in its existing Corporate Plan. Expansion projects of NSPCL at Rourkela (1x250 MW) and at Durgapur (2x20 MW) are under advanced stages of awarding. NITs for EPC packages for both the expansion projects have been issued. Expansion possibility at Salem (2 x 40 MW) is also being explored. Process have initiated for taking up initial studies for Salem project. Further NSPCL is also contemplating on other projects including Bhilai Expansion (1x250 MW) and Solar based capacity.

Risks and Concerns

Fuel Risks

Broadly, at country level, the fuel risk exists considering addition of around 1.5 Lakh MW during next 10 years of which over 66% would be thermal. However in case of NSPCL, as per the present arrangement with SAIL, coal is supplied by SAIL plants to CPP IIs and hence risk of fuel supply for generation from CPP-IIs is mitigated.

For Plants other than PP-IIs, suitable measures e.g. long term fuel supply agreement with coal supplier like SECL at regulated price, short term coal supply through MOU route, e-auction mode of sourcing coal and import of coal are taken to mitigate fuel risks. For new projects of Rourkela, Durgapur Expansions, coal shall be supplied by SAIL mitigating the fuel risk. For lignite based Salem expansion project, lignite linkage is available thereby mitigating the fuel risk.

Risk of Returns/Realizations

For supply of power from NSPCL's PP-II plants (314 MW), SAIL is the only customer on CPP mode. In this case energy billing is done as per the present PPAs with SAIL based on fixed return on equity at 15.5.% on pretax basis along with incentive of 2% on pretax basis on equity per annum. Energy bills are realized from SAIL promptly. Further SAIL being a promoter as well as consumer, risk of return in future period is mitigated.

For Bhilai PP-III (2x250 MW), after meeting the power requirement of SAIL, the balance power is supplied to UT Daman & Diu, UT Dadra & Nagar Haveli and State of Chhattisgarh. All the beneficiaries have signed long term Power Purchase Agreement



(PPA) with NSPCL which include appropriate security mechanism e.g LC (letter of credit). As per the PPA the applicable tariff would be determined by CERC. The energy billing is done as per the tariff order of the CERC dated 29.7.2010 for the period 22.04.09 to 31.03.2014 including the period beyond that, till fresh tariff order from the Commission as per new CERC Tariff Regulation 2014-19 is issued. NSPCL has filed fresh tariff petition to CERC for 2014-19. Hence adequate protection is taken to reduce the realization risk for the running stations. Monthly energy billing to the beneficiaries commenced from COD of Unit – I i.e. 22.04.09 on the basis of Tariff determined by CERC. The current bill realization from the beneficiaries is 100% in FY 2014-15. For future new projects under capacity addition in 1st phase i.e. Rourkela Expansion (1x250 MW), Durgapur Expansion (2x20 MW) and Salem Expansion (2x40MW) power supply has been tied up and PPAs shall be signed before investment approval.

Competition

Predominantly NSPCL is a power generating company of captive in nature with present generation capacity of 814 MW and is moving towards further capacity addition within next few years. There are very few such companies in India managing similar business on independent basis and with such high capacity. Both the promoter companies of NSPCL i.e. NTPC and SAIL are Maharatna PSUs and are well established in their respective market. Given the expertise in this particular area, NSPCL has opportunities in future to be a dominant player in running and managing captive power plants and setting up similar projects. With the above positioning in its market segment, NSPCL is properly placed for facing competition.

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 which is being further reviewed to align it with changing business environment and speedier decision making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal & special audit are conducted by experienced firms of Chartered Accountants in close co-ordination with the company's own internal audit personnel. Besides, the company has a sub-committee of the board viz. Audit Committee to keep a close watch on compliance with internal controls systems.

To ensure regulatory and statutory compliance as well to provide highest level of Corporate Governance, your company has robust internal control 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. Regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants in Internal Audit department. The Audit Committee keeps a close watch on compliance with Internal Control Systems.

Financial Performance

Overview

The Company has prepared the financial statements in accordance with generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the

Companies Act, 2013. The Accounts of the Company for the year ended 31st March 2015 have been audited by the Statutory Auditors and Comptroller & Auditor General of India (CAG). The accounting policies adopted by the Company and the estimates and judgments relating to the financial statements have been made on prudent basis and in accordance with the applicable Accounting Standards.

The Company has been operating plants at Durgapur (2X60 MW), Rourkela (2X60 MW) and Bhilai (2X30+1X14 MW), hereinafter referred to as 'PP-II's' since inception. The Company has added 2X250 MW capacity in Bhilai in the year 2009-10, hereinafter referred to as 'PP-III' or 'Bhilai Project'.

Financial Discussion and Analysis

A. Operational Results

1. Operational parameters

The operational performance of Company is tabulated below:

Particulars	Year ended 31 st March	
	2015	2014
Generation (MU)		
PP-II	2429.06	2528.84
PP-III	3241.07	3627.25
Total	5670.13	6156.09
Energy sent out (MU)		
PP-II	2141.39	2233.31
PP-III	2962.32	3318.28
Total	5103.71	5551.59
PLF (%)		
PP-II	88.31%	91.94%
PP-III	74.00%	82.81%
Total	79.52%	86.33%
Addl saturated steam supply (lakh ton) from Bhilai unit		
- 18 ata	6.58	6.42
- 8 ata	5.69	5.96

The decrease in generation of the Company during the year was mainly on account of high forced outage of unit-1 due to LPT-1 failure, grid backing down and coal shortage at Bhilai PP-III.

2. Revenue from Operations

Tariffs for computation of Sale of Energy

In case of PP-II's, as per the PPA entered with SAIL, billing is done on a cost plus basis except for Cash Credit interest wherein interest on normative working capital (fixed on the basis of previous year audited accounts) is billed at Cash Credit Rate applicable to SAIL. Return on Equity (ROE) and incentive is billed at 15.5% & 2% respectively on pretax basis which is grossed up at the Income Tax rate applicable to NSPCL.

In case of PP-III, the charges of electricity are based on Tariff rates determined by Central Electricity Regulatory Commission (CERC). The Tariff rates consist of capacity charges for recovery of the



annual fixed cost based on plant availability, energy charges for recovery of fuel cost and unscheduled interchange charge for the deviation in generation w.r.t. schedule, payable (or receivable) at rates linked to frequency prescribed in regulation to bring grid discipline. The capacity charges given by CERC includes Return on equity on pre-tax basis at a base rate of 15.5%, to be grossed up by the applicable tax rate as applicable for the respective year on prescribed 70:30 debt to equity ratio.

The total Income of the company (net of electricity duty & parallel operation charges for PP-III) for the year 2014-15 stood at ₹ 1622.99 crore (previous year ₹ 1766.99 crore). Income on an overall basis have decreased over the previous year, by ₹144.00 crore mainly on account of decrease in recovery of Annual Fixed charges (AFC) owing to lower availability due to forced outage of unit-1 of PP-III. Also during the year return on equity (ROE) was grossed up by MAT rate against full rate of tax in previous year. In case of PP-III during the year incentive on fixed charges was Nil, since plant load factor (PLF) is less than 85%, no incentive received as per new CERC norms, decrease is also due to reduction in coal billing rate of PP-III unit. In case of PP-II decrease is due to reduction in ROE because of grossing up of ROE with MAT rate.

Break up of Revenue from Operation is as under:

Particulars	Year ended 31 st March	
	2015	2014
PP-II	362.70	354.82
PP-III	1188.79	1368.06
Total	1551.49	1722.88

PP-IIs

In case of PP-IIs, the entire sales is made to SAIL (being 100% captive power plants) and coal is supplied free of cost by SAIL. Sales including coal cost during 2014-15 stood at ₹ 1065.64 crore (Previous year was ₹ 1078.22 crore) for PP-IIs.

PP-III

In case of PP-III, sales has decreased to ₹ 1188.79 crore from ₹ 1368.06 crore in previous year. Sales has decreased by ₹ 179.27 crore over previous year mainly on account of decrease in energy charges due to decrease in coal cost and lower recovery of fixed cost owing to lower availability due to forced outage of unit-1. Also during the year return on equity (ROE) was grossed up by MAT rate against full rate of tax in previous year and during the year incentive on fixed charges was Nil, since PLF is less than 85%.

3. Other income

Other income stood at ₹ 71.50 crore for the year 2014-15 (previous year ₹ 44.11 crore). The increase of other income in the current year over the previous year is mainly on account of receipt of interest from Income Tax authorities against the amount deposited against their demand for Assessment Year 2004-05 and Assessment Year 2005-06 amounting ₹ 22.53 crore along with increase in interest income on deposits.

4. Expenditure

The total expenditure for the year ended 31st March 2015 and 31st March 2014 are follows:

₹ crore

Particulars	Year ended 31 st March			
	2015			2014
	PP-III	PP-II	Total	Total
Fuel	651.15	10.74	661.89	726.33
Employee benefits expense	32.01	102.83	134.84	140.67
Finance Cost	93.32	30.24	123.56	117.84
Depreciation & amortization expenses	129.38	48.26	177.64	168.70
Generation, administration & other expenses	125.23	128.33	253.56	235.90
Prior period items (net)	(0.59)	4.68	4.09	1.70
Total	1030.50	325.08	1355.58	1391.14

4.1 Fuel costs

PP-IIs

Fuel costs in case of PP IIs comprise of cost of furnace oil, LDO and HSD. In PP-IIs, coal, the primary fuel and CO gas is supplied free of cost by SAIL for the purpose of Power Generation.

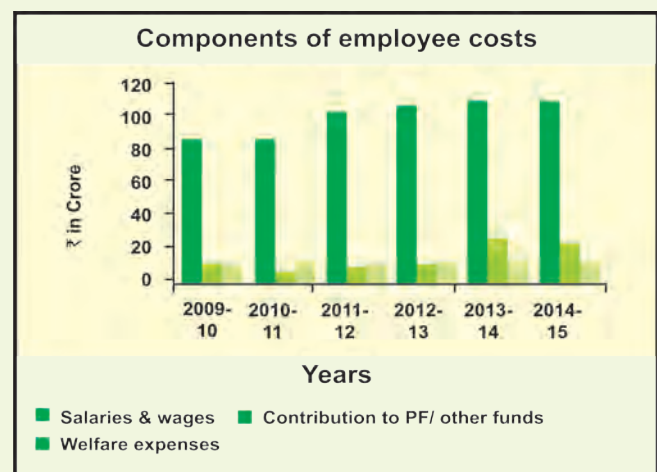
PP-III

In case of PP-III, coal linkage is available with NSPCL. Fuel cost have decreased to ₹ 651.15 crore as against previous year figures of ₹ 714.38 core mainly on account of decrease in coal price on account of CPSE status given by Coal India Limited for allotment of coal with effect from last week of September'13 and lower PLF due to forced outage of unit-1.

4.2 Employee benefits expenses

Employee costs have decreased from ₹ 140.67 crore in 2013-14 to ₹ 134.84 crore in 2014-15, mainly due to the fact that in previous year there was higher contribution in pension fund (over liability balance). In current year, there was higher allocation of salaries and wages in fuel cost of PP-III due to rationalization of manpower in CHP and allocation made to Rourkela expansion from salaries and wages and booked to expenditure during construction (EDC).

The Company had 798 employees (including executive and non-executive manpower) as on 31st March 2015 as compared to 818 employees at the end of previous year.





4.3 Finance Cost

PP-IIs

Interest cost for PP-IIs for the financial year 2014-15 stands increased from ₹ 6.51 crore to ₹ 30.24 crore against previous year, due to interest amount ₹ 22.53 crore payable to SAIL against interest income from Income tax authorities.

PP-III

In case of PP-III, the interest expenses pertains to Project specific loans of ₹ 93.32 crore as against ₹ 111.33 crore in the previous year. The decrease of finance cost is mainly on account of loan repayments.

4.4 Depreciation and Amortization Expenses

PP-IIs

Depreciation in respect of PP-II increased to ₹ 48.26 crore (previous year ₹ 37.74 crore) mainly due to change in useful life of assets as specified in schedule II of Companies Act, 2013 and additional depreciation on account of capital addition made during the year.

PP-III

In case of PP- III, depreciation on the fixed assets capitalized is charged on straight line method following the rate and methodology notified by CERC Regulation. There is a marginal decrease in depreciation by ₹ 1.58 crore due to allocation of higher depreciation to fuel cost.

4.5 Generation administration & other expenses

Generation administration and other expenses comprise of various expenses including water charges, repairs and maintenance, tender expenses on account of R&M, security expenses, training & recruitment, travelling expenses etc.

In case of PP-II, generation, administration & other expenses decreased by ₹ 4.91 crore mainly on account of decrease in water charges for Rourkela unit on account of installation of DAETP, decrease in repair and maintenance cost of plant & machinery of Durgapur unit as incurred in the previous year, the plant was under capital overhauling partially offset by increase in insurance expense due to inclusion of Machinery Break Down (MBD) cover for all plant and equipment in current year.

In case of PP-III, the generation, administration & other expenses for the year 2014-15 have increased over the previous year by ₹ 22.57 crore mainly due to increase in water charges, repair and maintenance cost of plant and machinery, insurance expense due to inclusion of Machinery Break Down (MBD) cover for all plant and equipment in current year, security expense on account of regular increments of CISF personnel and increase in DA, CSR expenditure to comply with the requirements of new Companies Act, 2013 partially offset by lesser rebate to customer due to lower turnover.

4.6 Prior period items (Net)

Prior period expenditure mainly pertains to depreciation charged for certain assets related to previous years and marginally offset by other recoveries relating to previous years.

5. Provision for Tax

The company provides for current tax computed in accordance with provisions of Income Tax Act, 1961 and Deferred Tax computed in accordance with the provisions of Accounting Standard (AS-22).

As per CERC regulations, 2014, w.e.f. 1st April 2014, income tax is recoverable on following basis from beneficiaries i.e. in case of

generating company paying Minimum Alternative Tax (MAT), the return on equity (ROE) is to be grossed up considering MAT rate including surcharge & cess; however, in case of applicability of normal tax rate, the base rate of equity shall be grossed up with effective tax rate of respective financial years.

Provision for Current Tax

From the financial year 2014-15, the Company has started availing deduction under section 80IA of the Income Tax Act for PP-III unit commissioned at Bhilai in 2009-10. Because of which entire profit of PP-III become deductible from Tax, resulting taxable profit of company become less than book profit; as a result of which company paid tax at MAT rate u/s 115JB of Income Tax Act, 1961. However, as per provision of Income Tax Act, the difference between MAT & Normal tax is available as MAT credit because of which company recognized MAT credit during the year.

During current financial year, the company has made provision for income tax at MAT rate of 20.96% amounting to ₹ 56.30 crore as against provision at normal tax rate made in corresponding previous financial year. Income Tax provision as per Normal Tax rates comes to ₹ 41.34 crore. Difference between MAT tax & normal tax of ₹ 14.96 crore is available as MAT credit and can be carried forward for ten years to be set off against Normal tax.

Provision for Deferred Tax

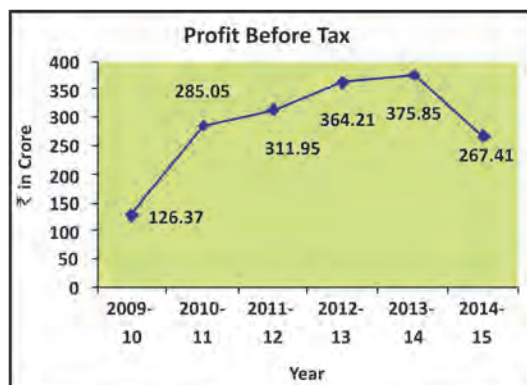
During the Financial year 2014-15, the Company has reversed provision for Deferred Tax Liabilities of ₹ 1.10 crore mainly due to increase in disallowances u/s 43 (B).

6. Profit Before Tax

The Profit before Tax for the financial year 2014-15 stood at ₹ 267.41 crore (previous year ₹ 375.85 crore)

In case of PP-II, the profit before tax for the year ended 31st March 2015 stood at ₹ 70.56 crore (previous year ₹ 78.80 crore) which includes ROE and incentive (grossed up with MAT tax rate) of ₹ 55.51 crore, interest on normative working capital of ₹ 8.35 crore and other income including interest on fixed deposits etc. of ₹ 8.27 crore offset with unbilled CSR etc. amounting ₹ 1.57 crore.

In case of PP-III, profit before tax for the year ended 31st March 2015 stood at ₹ 196.85 crore (previous year ₹ 297.05 crore). The decrease of profit before tax of ₹ 100.20 crore mainly on account of decrease in recovery of Annual Fixed charges (AFC) mainly on account of grossing up of return on equity (ROE) by MAT rate against full rate of tax in previous year and reduction in DC from 96.07% to 80.01%. During the year, since plant load factor (PLF) is less than 85%, no incentive received as per new CERC norms. Decrease is also attributed by lower contribution from coal and lesser recovery of UI in current year partially offset by increase in other income of ₹ 11.43 crore.

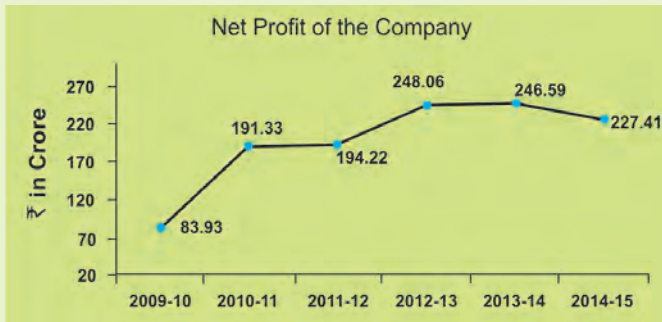




7. Net Profit after Tax

Net profit after current and deferred tax for the Company on consolidated basis for the financial year ending 31st March 2015 stood at ₹ 227.41 crore as against previous year amount of ₹ 246.59 crore. The deferred tax liability (Net) is reduced in the current year over the previous year mainly on account of increase in disallowances u/s 43 (B) resulting creation of Deferred Tax Assets.

A year-wise profitability graph is shown below:



In the year 2009-10, the profit has risen significantly on account of part year PP-III operations and from the financial year 2010-11, the profit has increased due to full year operation of plant. The profit has decreased to ₹ 227.41 crore in current year 2014-15 as against of ₹ 246.59 crore of previous year 2013-14.

8. Dividend

The Company has given an interim dividend of ₹ 80.00 crore and deposited dividend tax of ₹ 16.00 crore. The Company has also made a provision of final dividend for ₹ 20.00 crore for the year financial year 2014-15 equivalent to 10.20% of equity (including interim and final dividend) (previous year ₹ 86.28 crore at 8.80% of equity). Correspondingly, dividend distribution tax at applicable rate has been provided on final dividend amounting ₹ 4.07 crore. The total cash outflow on account of Dividend and Dividend Tax would amount to ₹ 120.07 crore almost 52.80% of PAT.

9. Segment-wise performance:

To comply with Accounting Standard - 17 on 'Segment Reporting' and for the purpose of compiling segment-wise results, the company has identified two business segments based on risk and reward and regulating authority associated with the sale of power. Sale from PP-III is regulated by CERC Guidelines where as sale from other power plant i.e. PP-II is based on Power Purchase Agreement with SAIL.

As per AS-17, in case of PP-III i.e. CERC based segment, the profit before tax, other income, interest expenses, and extra ordinary/prior period items for the period ending 31st March 2015 stood at ₹ 250.77 crore as against ₹ 380.64 crore in the previous year. The decrease of ₹ 129.87 crore is mainly due to decrease in recovery of Annual Fixed charges (AFC) mainly on account of grossing up of return on equity (ROE) by MAT rate against full rate of tax in previous year and reduction in DC from 96.07% to 80.01%. During the year, since plant load factor (PLF) is less than 85%, no incentive received as per new CERC norms along with lower contribution from coal and lesser recovery of UI in current year.

In case of PP-II, the other segment, the profit before tax, other

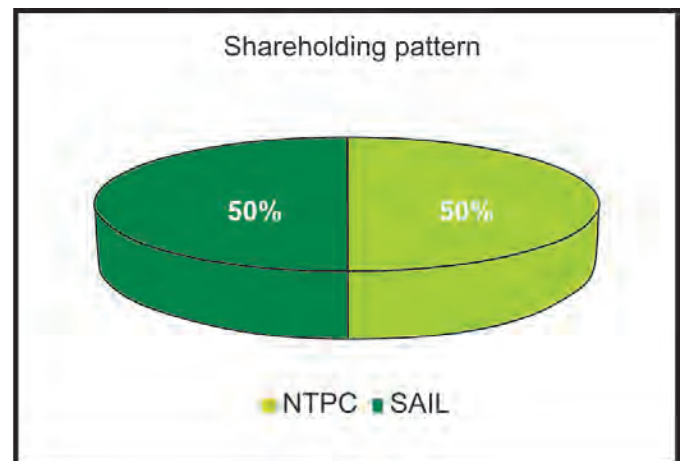
income, interest expenses, and extra ordinary/prior period items for the period ending 31st March 2015 stood at ₹ 72.80 crore as against ₹ 70.64 crore in the previous year and the increase of ₹ 2.16 crore is mainly due to increase in ROE on account of capital addition made during the year and increase in interest on normative working capital.

B. Financial Position

1. Share Capital

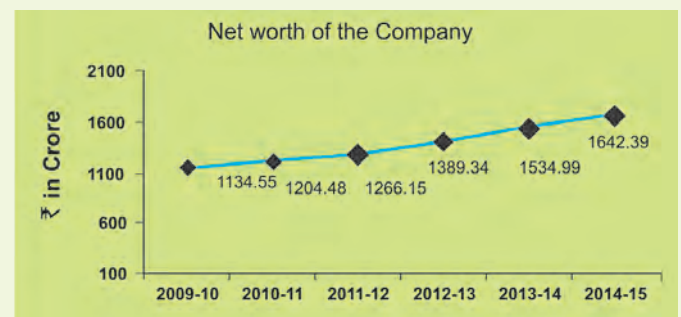
As at 31st March 2015, the authorized capital of the Company stood at ₹ 5000 crore (previous year: ₹ 5000 crore). Issued, subscribed and paid up capital of the Company as at 31st March 2015 was ₹ 980.50 crore - ₹ 150.50 crore of equity being towards PP-IIs at Durgapur, Rourkela & Bhilai and the balance ₹ 830 crore of equity towards Bhilai PP- III unit.

The shareholding pattern of the Company is given below:



2. Reserves & Surplus

As at 31st March 2015, reserves and surplus stood at ₹ 661.89 crore as against ₹ 554.49 crore in the previous year. The increase in reserves & surplus is on account of addition of net profit for the year 2014-15 (net of proposed dividend and tax thereon). Correspondingly, the net worth of the Company has also increased over the past 5 years as shown below:



3. Long Term Borrowing

Long Term Borrowings as at 31st March 2015 pertain to existing operations (PP-IIs) as well as Bhilai Expansion Power Project (PP-III) which is due for repayment after one year from the Balance Sheet date. The breakup of the long term borrowings is as under:



₹ crore

Bank	As at 31 st March	
	2015	2014
For existing Plant (PP-II)		
Term loan :-		
United Bank of India	-	35.30
Bank of India	62.07	
Sub-total	62.07	35.30
For Bhilai Project (PP-III)		
Term Loan:-		
Union Bank of India	161.17	201.65
Central Bank of India	50.03	59.12
Rural Electrification Corporation Limited	398.36	531.14
Union Bank Of India (Un-secured)	46.50	57.51
Sub-Total	656.06	849.42
Total	718.13	884.72

For the fixed assets pertaining to PP-IIs, loans have been taken from Bank of India considering a debt-equity ratio of 70:30 for the fixed asset additions.

The loans are being duly repaid on due dates as per contractual terms and are secured against first charge on the fixed assets for the existing operations of PP-II.

For Bhilai PP-III power project, secured loan to the extent of ₹ 1,830 crore has been tied up from Banks/ FIs secured against fixed assets of the project. The Loan amount is fully drawn. Further, an unsecured loan of ₹ 110 crore has also been drawn from Union Bank of India against the deposit paid of the same amount to Water Resources Department, Government of Chhattisgarh as advance against supply of industrial water taken for building of water reservoir. All debt-obligations are being met on time.

Working capital facility has been tied up with State Bank of India (SBI) for PP-IIs (presently the fund based limit is ₹ 15 crore and non-fund based ₹ 40 crore) against stocks and debtors of the PP-IIs.

Working capital facility for Bhilai Project (PP-III) has also been tied up for ₹ 225 crore (fund based ₹ 150 crore & non-fund based ₹ 75 crore) with SBI and ₹ 100 crore (including ₹60 crore fund based) with Union Bank of India.

While the working capital facility has been tied up with banks as mentioned above, however, the internal resources of the Company are being deployed to the maximum extent towards working capital requirement of the Company in order to save on interest costs.

4. Deferred Tax Liabilities

Deferred Tax Liabilities (net) have decreased from ₹ 380.80 crore as at 31st March 2014 to ₹ 379.70 crore as at 31st March 2015 mainly due to increase in Deferred Tax Assets consequent to increase in expenses disallowed u/s 43 (B).

5. Other Long Term Liabilities

Other Long Term Liabilities as at 31st March 2015 stood at ₹ 60.06 crore against previous year of ₹ 127.57 crore which includes the liabilities which will be paid after one year from the reporting date

i.e. 31st March 2015, grouped as non-current category. The liabilities mainly comprise of Income Tax demand recovered from SAIL for on-going assessments with various authorities, the corresponding amount is appearing in long term loans and advance as a part of advance tax deposited, trade payable, retention money, deposits from contractors & suppliers for capital work and other work, which is non-current in nature. The decrease in liabilities is mainly on account of Income Tax refund of earlier assessment years for which order is received and is payable to SAIL grouped under other current liabilities.

6. Long Term Provisions

Long Term Provisions includes the employee related provisions which have been considered in the books of account in accordance with the AS-15 as per the actuarial valuation & shall be settled beyond a period of 12 months from the Balance Sheet date.

The Long Term Provisions for the year ending 31st March 2015 stood at ₹ 7.31 crore as against ₹ 6.24 crore in previous year. The marginal increase of ₹ 1.07 crore due to increase on account of provision for employee benefit as per Accounting Standard-15 which are likely to be paid after twelve months.

7. Trade Payables

The Trade Payable mainly comprises of amount payable towards supply of goods & services such as payable on account of coal including imported coal in the normal course of business. The Trade Payable for the year ending 31st March 2015 stood at ₹ 96.48 crore as against ₹ 46.92 crore in the previous year.

8. Other Current Liabilities

The Other Current Liabilities mainly comprise of current maturity of long term borrowings (the balance amount is shown as Long Term Borrowings), payable towards employee payments and other statutory liabilities. The other current liabilities for the year ended 31st March 2015 stood at ₹ 353.21 crore as against ₹ 280.04 crore in previous year.

The breakup of the portion of long term borrowing which is due for repayment within one year of reporting date i.e. 31st March 2015 of ₹ 213.61 crore is as under:

₹ crore

Bank	As at 31 st March	
	2015	2014
For existing Plant (PP-II)		
Term Loan:-		
United Bank of India	-	10.87
Bank of India	20.29	-
Sub-total	20.29	10.87
For Bhilai Project (PP-III)		
Term Loan:-		
Union Bank of India	40.45	40.45
Central Bank of India	9.08	9.08
Rural Electrification Corporation Limited	132.79	132.79
Union Bank Of India (Un-secured)	11.00	11.00
Sub-Total	193.32	193.32
Total	213.61	204.19



9. Short Term Provisions

Short Term Provisions mainly consist of employee related provisions which have been considered in the books of account in accordance with the AS-15 as per the actuarial valuation & shall be settled within one year of the balance sheet date and also include provisions for dividend & dividend tax & provision for tariff adjustments.

The short term provisions for the year ending 31st March 2015 stood at ₹ 84.71 crore as against ₹ 154.49 crore in previous year are summarized hereunder:

₹ crore

Particulars	As at 31 st March	
	2015	2014
Employee benefits (incl. provisions relating to AS 15 Revised)	20.42	17.57
Dividend and tax thereon	24.07	100.94
Provisions for tariff adjustment	40.22	35.98
Total	84.71	154.49

10. Capital Employed

Considering the Reserve & Surplus and Borrowings (including repayment during one year shown as Other Current Liabilities) as at 31st March 2015, Capital Employed for the Company stood at ₹ 2574.14 crore as against ₹ 2623.90 crore as at 31st March 2014. The reduction is mainly on account of loan repayments partially offset by the increase in reserves & surplus.

11. Fixed Assets

Fixed assets of the company grouped under non-current assets include Tangible assets, Intangible assets & Capital work in progress including Intangible assets under development. The break-up of the fixed assets is as under:-

₹ crore

Particulars	As at 31 st March	
	2015	2014
Tangible Assets		
Gross Block	3537.14	3451.63
Less: Accumulated Depreciation	1370.60	1190.16
Net Block	2166.54	2261.47
Intangible Assets		
Gross Block	11.64	1.44
Less: Accumulated Depreciation	2.95	1.26
Net Block	8.69	0.18
Capital Work in Progress and In-tangible assets under development	35.47	56.79
Total	2210.70	2318.44

During the year 2014-15, gross block has increased by ₹ 95.71 crore out of which ₹ 93.77 crore pertain to fixed asset additions in PP-Is & Corporate and balance amount of ₹ 1.94 crore in Bhilai PP-III.

Capital work in progress (CWIP) including construction stores as at 31st March 2015 stood at ₹ 35.47 crore. Out of this, an amount of ₹ 31.17 crore pertains to PP-Is and balance of ₹ 4.30 crore in respect of Bhilai PP-III. Further, In-tangible assets under development as at 31st March 2015 stood at ₹ Nil (previous year ₹ 5.10 crore), was incurred for development of SAP-ERP which is capitalized during the year.

12. Long Term Loans and Advances

Long Term Loans and Advances include capital advances, securities deposits, employee advances, other loans and advances to & contractors / suppliers and MAT credit entitlements, Advance Tax & TDS deposited net of provision for Income Tax which are expected to be realized after a period of 12 months from the Balance Sheet date. The long terms loans and advances for the year ended 31st March 2015 stood at ₹ 292.35 crore as against ₹ 368.07 crore as at 31st March 2014. The broad breakup of long term loans and advances is as under:

₹ crore

Particulars	As at 31 st March	
	2015	2014
Capital Advances	-	2.52
Security Deposits	0.32	2.44
Employees Loans	18.20	15.31
MAT credit entitlement	187.59	172.39
Advance Tax (net of provisions)	69.94	142.71
Other Advances	16.30	32.70
Total	292.35	368.07

The decrease in long term loans & advances over the previous year is primarily on account of decrease in adjustable advances against deposits for consumption of water & employee loans & advances and Income Tax refund order received for earlier assessment years grouped with short term loans & advances partially offset by increase in MAT credit entitlement.

13. Inventories

Inventories mainly comprise of component & spares, Coal and others stores which are maintained for operating plants. As at 31st March 2015, the inventories stood at ₹ 216.85 crore as against the previous year level of ₹ 150.88 crore. The break up is as follows:

₹ crore

Particulars	As at 31 st March	
	2015	2014
Coal	122.03	61.39
Fuel Oil	7.00	5.85
Sub-total fuel (A)	129.03	67.24
Stores and Spares	75.01	75.80
Chemicals and consumables	1.35	6.69
Loose Tools	0.31	0.24
Sub-total Stores (B)	76.67	82.73
Others	11.59	1.59
Less: Provision for shortages /obsolete/ unserviceable items	0.44	0.68
Sub-total Others (C)	11.15	0.91
Total (A + B + C)	216.85	150.88



Out of the total inventory, ₹ 173.51 crore pertains to PP-III which includes coal inventory of ₹ 122.03 crore, fuel oil of ₹ 4.28 crore, stores and spares ₹ 40.19 crore. The inventory balance for PP-IIs stood at ₹ 43.34 crore as at 31st March 2015.

14. Trade Receivable

Trade receivable balance as at 31st March 2015 stood at ₹ 34.67 crore, pertains to energy bill raised and remained outstanding till 31st March 2015 as against ₹ 49.82 crore as at 31st March 2014.

Keeping in view the requirements of Schedule III to the Companies Act, 2013 balance trade receivable, (the billing of which was raised after balance sheet date i.e. 31st March 2015) are shown under "Other Current Assets" as unbilled revenues (C.Y. ₹ 178.03 crore, P. Y. ₹ 171.61 crore). The amount of trade receivable considering the unbilled revenues is of ₹ 212.70 crore as at 31.03.2015 as against ₹ 221.43 crore as at 31.03.2014.

Debtors' turnover period (trade receivables and unbilled revenue) as at 31st March 2015 was about 1.65 months (previous year 1.53 months).

15. Cash and Bank Balances

The cash and bank balance as at 31st March 2015 stood at ₹ 272.73 crore as against previous year level of ₹ 312.92 crore. This includes PP-II's and PP-III fund, as detailed below:

₹ crore

Particulars	As at 31 st Mar 15		As at 31 Mar 14	
	PP-IIs	PP-III	PP-IIs	PP-III
Current A/c & Cash Credit A/c	17.84	7.48	1.15	1.61
Deposits with Banks	33.51	213.90	60.16	250.00
Sub Total	51.35	221.38	61.31	251.61
Total	272.73		312.92	

16. Short Term Loans and Advances

Short Term Loans and Advances include employees loans and advances, advance to contractor/suppliers & MAT credit entitlements etc. which are expected to be realized within 12 months from the Balance Sheet date. The short terms loans and advances as at 31st March 2015 stood at ₹ 127.01 crore as against ₹ 38.42 crore as at 31st March 2014. The broad break up of short terms loans and advances is as follows:

₹ crore

Particulars	As at 31 st March	
	2015	2014
Employees Loans and advances	3.56	3.01
MAT credit Entitlement Advance Tax	-	-
Security Deposits	69.80	-
Other Advances	0.16	0.87
	53.49	34.54
Total	127.01	38.42

The increase in short term loans & advances over the previous year is mainly on account of refund order received from Income Tax authority for earlier assessment years including ₹ 22.53 crore as interest for the amount deposited against their demand for Assessment year 2004-05 and 2005-06.

17. Other Current Assets

Other Current Assets mainly comprise of interest accrued on matured fixed / flexi deposits, claims recoverable, security deposits (current nature) and unbilled revenue, the billing of which raised after balance sheet date.

The breakup of other current assets is as under:-

₹ crore

Particulars	As at 31 st March	
	2015	2014
Interest Accrued	8.73	5.55
Claims Recoverable	0.93	0.04
Unbilled revenues	178.03	171.61
Others	-	0.01
Total	187.69	177.21

C. Contingent Liabilities

As at 31st March 2015, contingent liability has been considered at ₹ 83.24 crore (Previous Year ₹ 59.92 Crore) in the accounts. This mainly includes:

- ₹ 29.94 crore in respect of service tax demand raised by the Authorities on Rourkela and Durgapur units on the plea of rendering business auxiliary service to respective steel plants. While the case was decided in favour of NSPCL at CESTAT Kolkata, the Service taxes Authorities have preferred an appeal in the respective High Courts. The matter is pending in the High Court(s); and
- an amount of ₹ 32.65 crore pertain to dispute on capacity charges with Dadra and Nagar Haveli Power Distribution Company Limited who has appealed against the CERC order to Appellate Tribunal of Electricity (ATE).
- an amount of ₹16.28 crore pertain to Income Tax dispute with various Authorities.
- an amount of ₹1.72 crore for Entry Tax is pending with Sales Tax Tribunal.

D. Cash Flow

Cash flows in various activities for the year ending 31.03.2015 & 31.03.2014 are tabulated below:

₹ crore

Particulars	As at 31 st March	
	2015	2014
Cash and cash equivalent (opening balance)	312.92	282.82
Net cash from operating activities	479.53	519.72
Net cash used in investing activities	(41.58)	(22.16)
Net cash from financing activities	(478.14)	(467.46)
Cash and cash equivalents (closing balance)	272.73	312.92

The decrease in cash in flows from operating activities in the current year (as against the previous year) is mainly on account of decrease in movement in working capital which is partially offset by increase in interest income.



Net cash outflow in investing activities have increased as against the previous year on account of higher cash outflows on fixed asset for PP-II projects as compared to previous year.

Net Cash outflow from financing activities in the year 2014-15 has been increased mainly on account of higher loan repayments, higher dividend including tax paid during the year partially offset by higher proceeds from borrowings.

Cautionary Statement

Statements in the Management Discussions 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', 'plan', 'estimate', 'objective', 'contemplate', 'project' and similar expressions or variation of

such expressions that 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 the 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

Date: August 24, 2015
Place: New Delhi

(Kaushal Kishore Sharma)
Chairman



O&M Meet held on March 15, 2015

Annexure - III

Particulars Required Under the Companies (Disclosure of Particulars in the Report of the board of Directors), Rules, 1988

(A) Conservation of Energy

- (i) Various Energy Conservation measures are being adopted/ implemented in these plants as well, which are in line with the measures being taken by NTPC in their various projects.

Energy Audit

Cooling Tower performance audit & APC audit was carried out at Bhilai PP-II & PP-III.

Improvement derived in APC (%) is given below:

Name of Station	2014-15	2013-14	% improvement
Rourkela (2x60 MW)	10.94	11.21	2.41

Heat Energy

To improve/sustain the Heat Rate, various operational parameters such as Condenser vacuum, Boiler excess air, Mill fineness etc. are being closely monitored and suitable measures are being taken to improve these parameters.

D.M. Water

Attending to Steam / D.M. Water and other water leakage, on line leak sealing etc. have been ensured and this has resulted in best ever DM make up consumption at Rourkela CPP-II & Bhilai PP-II.

Lubricants

Plugging leakages, optimising lubricant oil consumption in turbines & other equipment have been looked into.

Lighting

Energy efficient LED lamps have been installed in the control rooms at Durgapur & Rourkela and are in pipe line for Bhilai PP-II & PP-III.

- (ii) NSPCL has ventured into alternate source of Energy for power generation. Solar PV panels of 130 KW is operational at Bhilai township and during the FY 2014-15 100 KW solar PV system was commissioned at Durgapur CPP-II.

(iii) Energy Audit Instruments

Thermovision camera & power analyser have been procured at Bhilai PP-II.

Dirty pitot instrument has been procured at Rourkela CPP-II.

Durgapur is also in the process of procuring thermovision camera.

Impact of the measures taken

Impact on the measures taken has started showing improvements.

(B) Technology Absorption

- (i) Efforts are being made for absorption of latest technology in the areas of control system of the plant through R&M. DDCMIS at CPP-II Rourkela has been awarded.

- (ii) The benefits of these systems will be measurable once the systems planned at various locations are commissioned.

(iii) Foreign Exchange Earnings and outgo

Foreign Exchange outgo

(i) Value of imports:

Spare parts, components and others ₹ 194.56 Lakh

Expenditure:

Professional and Consultancy fee Nil
Others ₹ 11.78 Lakh

- (iv) NSPCL is exploring the possibility and feasibility of R&D for our captive stations, but these efforts are still in a nascent stage.

For and on behalf of Board of Directors



Date: August 24, 2015

(Kaushal Kishore Sharma)

Place: New Delhi

Chairman



Control Room, Durgapur CPP-II



Annexure - IV

Corporate Governance Report

Corporate Governance is a system encompassing the entire mechanics of the functioning of a company and is about doing the right things, at the right time, in the right manner. Corporate Governance envisages a simplified and transparent corporate structure driven by business needs and hence is a journey and not a destination. Corporate Governance stems from the culture and mindset of the management and is therefore beyond the realm of law. It leads to improved employee morale and higher productivity, thereby providing a competitive advantage in the global marketplace.

The fundamental objective of Corporate Governance policies is to promote corporate fairness, transparency, accountability and responsiveness. NSPCL is committed to maintaining the highest standards of corporate governance. We are making continuous efforts to adopt the best practices in corporate governance and we believe that the practices we are putting into place for the company shall go beyond adherence to regulatory framework. The Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to NSPCL.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its stakeholders.

1. Board of Directors

The role of the Board is to determine the Company's strategy and provide appropriate leadership. It oversees management's implementation of the strategy and acts as a sounding board for senior executives. It also provides a critical overview of strategic risks and monitors the adequacy of the Company's control environment.

1.1 Size of the Board

Our Company is a Joint Venture of NTPC Ltd. and Steel Authority of India Limited (SAIL). The promoters hold 50% of the total paid-up share capital each. As per the Articles of Association, the power to appoint Directors rests with NTPC and SAIL.

In terms of the Articles of Association of the Company the strength of our Board shall not be less than eight Directors or more than twelve Directors.

1.2 Composition of the Board

As per the Articles of Association of the Company, the Board comprises eight directors out of which four directors are nominated by NTPC and four by SAIL. The Directors on Board of NSPCL as on March 31, 2015 were Shri K. K. Sharma, Chairman, Shri Tej Veer Singh, Shri S. S. Isser, Shri Ajit Kumar, Shri R. Bhargava, Shri Y. K. Degan, Shri M.K. Das and Shri D. Basu, Directors.

The directors bring to the Board wide range of experience and skills.

1.3 Responsibilities

The primary role of the Board is that of trusteeship to protect and enhance Shareholders value. As trustee, the Board ensured that the Company has clear goals and policies for achieving these goals. The Board oversees the Companies strategic direction, reviews corporate performance, authorizes and monitors strategic

decision, ensures regulatory compliance and safeguard interest of Shareholders. The Board ensures the Company is managed in a manner that fulfills stakeholders' aspirations and social expectations.

Board member also ensures that their other responsibilities do not impinge on their responsibilities as a Director of the Company

1.4 Board/Committee Meetings and procedure

a). Institutionalized decision making process:

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion/decisions by the Board, the Company has defined procedure for meetings of the Board of Directors and committees thereof in an informed and efficient manner.

b). Scheduling and selection of Agenda items for the Board/Committee Meetings:

- i) The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board/Committee. Detailed Agenda notes, management reports and other explanatory statements are circulated in advance among the members for facilitating meaningful, informed and focused decisions at the meetings. To address specific urgent need, meetings at times are also being called at shorter notice. The Board also passes Resolution by Circulation but only for such matters which are of utmost urgency.
- ii) The Agenda papers are prepared by the concerned officials and submitted to the Chief Executive Officer for obtaining approval of the Chairman. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary.
- iii) Where it is not practicable to attach any document or the agenda is of sensitive nature, the same is placed on the table at the meeting with the approval of the Chairman. In special and exceptional circumstances, additional and supplemental item (s) on the agenda are taken up for discussion with the permission of the chair and after a consensus is formed. Sensitive subject matters are discussed at the meeting even without written material being circulated.
- iv) The meetings are usually held at the Company's Registered Office at New Delhi.
- v) The members of the Board have complete access to all information of the Company.

c). Recording of minutes of proceeding at the Board Meeting.

The minutes of each Board meeting are submitted for confirmation at its next meeting after these are signed by the Chairman.

d). Compliance

Every officer while preparing agenda notes ensures adherence to all the applicable provisions of the law, rules, guidelines etc. The Company Secretary ensures compliance of all applicable provisions of the Companies Act, 2013.

Eleven Board Meetings were held during the financial year 2014-15 on April 24, 2014, May 9, 2014, May 28, 2014, June 30, 2014, August 1, 2014, September 12, 2014, October 21, 2014, November 7, 2014, December 18, 2014, February 16, 2015 and March 16, 2015.

Details of number of Board meetings attended by Directors, attendance at last AGM, held by the company during the year 2014-15 are tabulated below:



S I . No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM
1.	Shri N. N. Misra	7	7	Yes
2.	Shri Manash Sarkar	4	4	Yes
3.	Shri Ajit Kumar	11	8	Yes
4.	Shri D. Basu	11	10	Yes
5.	Shri Tej Veer Singh	11	11	Yes
6.	Shri R. Bhargava	11	6	Yes
7.	Shri Y.K Degan	11	4	No
8.	Shri M.K.Das	11	3	Yes
9.	Shri K.K. Sharma	4	4	*NA
10.	Shri S.S. Isser	3	3	*NA

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

1.5 Information placed before the Board of Directors, *inter alia*, includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights.
- Major investments
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources/Industrial Relations front like signing of wage agreement etc.
- Short term investment of surplus funds.
- Other materially important information.

1.6 Remuneration of Directors

The Articles of Association of the company has authorized the Board of Directors of the Company to determine the sitting fee payable to Directors who are not in active employment of either of the promoters within the ceiling prescribed under the Companies Act, 2013. Accordingly, the Board decides the sitting fee payable to the Directors who are not in whole time employment with either of the promoters. Presently, sitting fee of ₹10,000/- for each meeting of the Board/Committees of the Board constituted by the Board from time to time, is being paid to such Directors.

2. Sub-Committees of the Board of Directors

The Board has established the following Committees:-

- i) Investment / Loan Sub- Committee.
- ii) Audit Committee
- iii) Contracts Sub-Committee
- iv) HR/Remuneration Sub-committee
- v) Corporate Social Responsibility Committee
- vi) Business Plan Committee

vii) DOP Committee

viii) Project Sub-committee

2.1 Investment/ Loan Sub-committee

The terms of reference of Investment Committee of the Board mainly include consideration and approval of proposals for deployment of surplus funds of the company with scheduled banks from time-to-time. The limit set for this committee is ₹350 crores.

The terms of reference of the Loan Sub-committee of the Board mainly include review of the existing sanctioned loans, scrutinizing any changes in the terms and conditions of the existing loans and approving the quantum of drawal of funds. The committee shall tie-up loans for any future requirement of funds and finalizing terms and conditions for the same.

As on March 31, 2015, this committee comprised the following members:

- Shri K.K Sharma - Chairman
- Shri Tej Veer Singh - Director
- Shri D. Basu - Director
- Shri Y.K. Degan - Director

The quorum for this meeting is 2 members with one representative of each promoter.

Meetings and Attendance

Four meetings of the Investment/Loan Sub-committee were held during the financial year 2014-15 on May 28, 2014, August 6, 2014, October 20, 2014 and February 16, 2015.

The details of meeting of Investment/ Loan Sub-committee attended by the members are as under:-

Members of Investment/ Loan Sub-committee	Meetings held during his tenure	Meetings attended
Shri N. N. Misra	3	3
Shri Tej Veer Singh	4	4
Shri D. Basu	4	4
Shri Y.K.Degan	4	1
Shri K.K.Sharma	1	1

2.2 Audit Committee

The Audit Committee was constituted on March 17, 2007. The purpose of the Audit Committee is to review the status of all Audits and perform the following functions:

- a). Review the reports of Comptroller & Auditor General (CAG) on Government Audit, statutory auditors and internal auditors and response thereto;
- b). Review the adequacy of overall internal control systems and suggest improvements in the same;
- c). Review compliance with various Statutes and assist in forming better corporate practices;
- d). Review of quarterly, half-yearly and annual financial statements;
- e). Review and determine the scope of work of internal auditors;
- f). Noting appointment and removal of external auditors. Recommending the fixation of audit fee for external auditors and also approval for payment for any other services; and



- g). Investigate into any matter in relation to the items specified above or referred to it by the Board.

As on March 31, 2015, this committee comprised the following members:

- Shri Tej Veer Singh - Chairman
- Shri D. Basu - Director
- Shri Ajit Kumar - Director
- Shri M. K. Das - Director

The quorum for this meeting is 2 members comprising one member each from both the promoters

Meetings and Attendance

Seven meetings of the Audit Committee were held during the financial year 2014-15 on May 9, 2014, June 30, 2014, July 30, 2014, August 6, 2014, October 20, 2014, January 28, 2015 and February 10, 2015.

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

Members of Audit Committee	Meetings held during his tenure	Meetings attended
Shri Tej Veer Singh	7	7
Shri D. Basu	7	7
Shri Manash Sarkar	2	2
Shri M.K. Das	7	1
Shri Ajit Kumar	2	1

2.3 Contracts Sub-committee

The Contracts Sub-committee was formed on March 17, 2007. Its scope includes Technical and Administrative approval of cost estimates, Calling of tenders, approval of Award of contracts upto contract value of ₹25 crore each and for Consultancy assignments upto contract value of ₹2 crore each and approval of Tender committee for proposal requiring Board approval.

As on March 31, 2015 this committee comprises the following members:

- Shri K. K. Sharma - Chairman
- Shri S. S. Isser - Director
- Shri Tej Veer Singh - Director
- Shri D. Basu - Director
- Shri Y. K Degan - Director
- Shri R. Bhargava - Director

The quorum for this meeting is 3 members with at least one representative of each promoter.

Meetings and Attendance

Eight meetings of the Contract Sub-Committee were held during the financial year 2014-15 on April 24, 2014, June 30, 2014, October 21, 2014, November 7, 2014, January 5, 2015, February 16, 2015 March 16, 2015 and March 23, 2015 .

The details of meeting of Contract Sub-committee attended by the members are as follows:-

Members of Contract Sub-committee	Meetings held during his tenure	Meetings attended
Shri N. N. Misra	3	3
Shri Tej Veer Singh	8	8
Shri Ajit Kumar	4	3
Shri Y. K. Degan	8	2
Shri R. Bhargava	8	3
Shri D. Basu	8	7
Shri K. K. Sharma	5	5
Shri S. S. Isser	4	4

2.4 HR/Remuneration Sub-committee

Major scope of work of the HR/Remuneration Sub-Committee:

- a) To take decision with respect to promotion, acceptance of resignation, termination of service in accordance with the terms of appointment, review of terms of appointment, approval for weightage for service in respect of Executives at E7 and E7A level.
- b) Settlement of grievance at stage III level in respect of all Executive.
- c) Constitution of Selection Board for recruitment, approval of list of candidates to be called for interview, Selection of Panel and approval of appointment in respect of Executives at E5 and above as per sanctioned posts.
- d) Formulation of performance related pay (PRP) / annual incentive scheme for employees on the rolls of the Company and recommend payment there under.
- e) To appoint/ extend the tenure of consultants within the sanctioned manpower budget.

As on March 31, 2015 this committee comprises the following members:

- Shri K.K.Sharma - Chairman
- Shri Tej Veer Singh - Member
- Shri Ajit Kumar - Member
- Shri Y.K. Degan - Member

The quorum for this meeting is 2 members comprising one member each from both the promoters.

Meetings and Attendance

Six meetings of the HR/ Remuneration Sub-committee were held during the financial year 2014-15 on April 24, 2014, July 14, 2014, September 12, 2014, October 21, 2014, January 5, 2015 and February 16, 2015.

The details of meeting of HR/Remuneration Sub-committee attended by the members are as under:-

Members of HR/ Remuneration Sub-committee	Meetings held during his tenure	Meetings attended
Shri N.N.Misra	4	4
Shri Tej Veer Singh	6	6
Shri Manash Sarkar	1	1
Shri Y.K.Degan	6	2
Shri K.K.Sharma	2	2
Shri Ajit Kumar	2	1



2.5 Corporate Social Responsibility (CSR) Committee

The CSR committee was formed on November 26, 2013.

The Scope of work of the CSR committee is as follows:

- ♦ Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the Act
- ♦ Recommend the amount of expenditure to be incurred on the activities referred to in the Act and
- ♦ Monitor the Corporate Social Responsibility Policy and compliance of various activities of the Company from time-to-time
- ♦ Approve the detailed CSR schemes for various projects.

As on March 31, 2015 this committee comprises the following members:

- Shri Y. K. Degan - Chairman
- Shri Tej Veer Singh - Member
- Shri D. Basu - Member
- Shri Ajit Kumar - Member
- Shri M. K. Das - Member
- Shri S. S. Isser - Member

Meetings and Attendance

Three meetings of the Corporate Social Responsibility (CSR) Committee were held during the financial year 2014-15 on June 10, 2014, January 12, 2015 and March 13, 2015.

The details of meeting of Corporate Social Responsibility (CSR) Committee attended by the members are as under:

Members of Corporate Social Responsibility (CSR) Committee	Meetings held during his tenure	Meetings attended
Shri Y. K. Degan	3	3
Shri Tej Veer Singh	3	1
Shri Ajit Kumar	3	1
Shri Manash sarkar	1	1
Shri D. Basu	2	2
Shri M. K. Das	2	0
Shri S. S. Isser	2	1

2.6 Business Plan Committee

The Business Plan committee was formed on October 8, 2009 for finalization and evaluation of the Business Plan for the Company.

As on March 31, 2015 this committee comprises the following members:

- Shri Ajit Kumar - Chairman
- Shri Tej Veer Singh - Member
- Shri M.K. Das - Member
- Shri D. Basu - Member

Meetings and Attendance

Three meetings of the Business Plan Committee were held during the financial year 2014-15 on May 9, 2014, June 24, 2014 and December 11, 2014.

The details of meeting of Business Plan Committee attended by the members are as under:-

Members of Business Plan Committee	Meetings held during his tenure	Meetings attended
Shri Ajit Kumar	3	3
Shri Tej Veer Singh	3	3
Shri D. Basu	3	2
Shri M. K. Das	3	0

2.7 DOP Committee

The DOP committee was formed on March 17, 2007.

The Scope of work of the DOP committee is to finalize the draft DOP for approval of the Board.

As on March 31, 2015 this committee comprises the following members:

- Shri Tej Veer Singh - Chairman
- Shri S.S. Isser - Member
- Shri M.K. Das - Member
- Shri D. Basu - Member

Meetings and Attendance

Two meetings of the DOP Committee were held during the financial year 2014-15 on January 28, 2015 and February 10, 2015.

The details of meeting of DOP Committee attended by the members are as under:

Members of DOP Committee	Meetings held during his tenure	Meetings attended
Shri Tej Veer Singh	2	2
Shri D. Basu	2	2
Shri S. S. Isser	2	2
Shri M. K. Das	2	0

2.8 Project Sub-committee

The Project sub-committee was formed on November 7, 2014.

The Scope of work of the Project sub-committee is as follow:

The Scope of work of the Project sub-committee is to approve FR/ DPRs, expenditure for new projects (up to ₹ 25 crore), advance approval for new projects (up to ₹ 50 crore), RCE approvals (up to 10% of original cost) and to review ongoing projects/ new projects/ R&M schemes/capital expenditure.

As on March 31, 2015 this committee comprises the following members:

- Shri K.K Sharma - Chairman
- Shri Tej Veer Singh - Member
- Shri M.K.Das - Member
- Shri Ajit Kumar - Member
- Shri R. Bhargava - Member
- Shri D. Basu - Member

The quorum shall be 2 members comprising of at least one member each from both the promoters.

Meetings and Attendance

Two meetings of the Project sub-committee were held during the financial year 2014-15 on November 27, 2014 and December 4, 2014.



The details of meeting of Project sub-committee attended by the members are as under:-

Members of Project sub-committee	Meetings held during his tenure	Meetings attended
Shri K. K. Sharma	2	2
Shri Tej Veer Singh	2	2
Shri M. K. Das	2	0
Shri Ajit Kumar	2	2
Shri R. Bhargava	2	0
Shri D. Basu	2	2

3. Means of Communication

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

4. Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

Date	June 28, 2012	June 27, 2013	June 30, 2014
Time	1400 hrs	1200 hrs	1300 hrs
Venue	4th Floor, NBCC Towers, 15, Bhikaiji Cama Place, New Delhi -110 066		
Special Resolution passed	NIL	NIL	<ol style="list-style-type: none"> Amendment to Articles of Association (Clause 15J) increasing the value of Capital investment by the company from ₹ 10 crore to ₹ 50 crore To Authorize the Board of Directors to borrow money for the purposes of the business of the company (Capacity addition program) exceeding the paid-up capital and its free reserves of the company, subject to a maximum ceiling of ₹ 5000 crore under section 180(1) (c) of the Companies Act, 2013. To authorize the Board of Directors, under section 180(1) (a) of the Companies Act, 2013, to create charges, mortgages and hypothecations in addition to existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, for securing the borrowings availed/ to be availed by the Company.

5. Dividend

Details of amount of dividend given by the Company for the last four years are as under:

Year	Paid-up Capital	Total Dividend	Date of AGM
2010-11	₹ 950.5 Crore	₹ 104.56 crore	September 26, 2011
2011-12	₹ 950.5 Crore	₹ 114.06 crore	June 28, 2012
2012-13	₹ 980.5 Crore	₹ 132.37 crore	June 27, 2013
2013-14	₹ 980.5 Crore	₹ 86.28 crore	June 30, 2014

6. Audit Qualification:

It is the Company's endeavour, always to present unqualified financial statements and the same has been achieved during this year too.

7. Code of Conduct for Board members and Senior Management personnel

The company has in place Code of Conduct for Board members and Senior Management personnel in alignment with the Company's vision and values to achieve the mission and objectives and aiming at enhancing ethical and transparent process in managing the affairs of the company. A copy of the Code of Conduct is available on the website of the Company.

8. Whistle Blower Policy

The Company has in place a "Whistle Blower" policy. The same was adopted by the Board in its 121st Meeting held on March 24, 2014.

For and on behalf of Board of Directors

Date: August 24, 2015

Place: New Delhi

(Kaushal Kishore Sharma)

Chairman



Durgapur CPP-II

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	U74899DL1999PTC098274
ii)	Registration Date	08/02/1999
iii)	Name of the Company	NTPC-SAIL Power Company Private Limited
iv)	Category / Sub-Category of the Company	Indian Non-Government Company
v)	Address of the Registered office and contact details	4 th Floor, NBCC Tower, 15, Bhikaiji Cama Place, New Delhi - 110066
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N. A.

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S I. No	Name and Description of	NIC Code of the	% to total turnover of the company
1	Generation and transmission of electricity: coal based thermal power plants	40102	100%

III. Particulars of Holding, Subsidiary and Associate Companies

There is no Holding, Subsidiary and Associate Company.

S I. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
	Not Applicable				

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	980500100	0	980500100	100	980500100	0	980500100	100	0
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A) (1) + (A)(2)	980500100	0	980500100	100	980500100	0	980500100	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B) = (B) (1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A + B + C)	980500100	0	980500100	100	980500100	0	980500100	100	0



(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	NTPC Limited	490250050	50	0	490250050	50	0	0
2.	Steel Authority of India Ltd	490250050	50	0	490250050	50	0	0
	Total	980500100	100	0	980500100	100	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

There is no change

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	At the beginning of the year	980500100	100	980500100	100
3.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	-	No Change	-
4.	At the End of the year	980500100	100	980500100	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	At the beginning of the year				
3.	Date wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
4.	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel : Nil

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				



V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Figures in ₹)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10203950696	685066772	-	10889017468
ii) Interest due but not paid				0
iii) Interest accrued but not due		25417935		25417935
Total (i + ii + iii)	10203950696	710484707	-	10914435403
Change in Indebtedness during the financial year				
Addition	905279726	1235686539	-	2140966265
Reduction	-2366798158	-1350432945		-3717231103
Net Change	-1461518432	-114746406	-	-1576264838
Indebtedness at the end of the financial year				
i) Principal Amount	8742432264	575008918	-	9317441182
ii) Interest due but not paid				0
iii) Interest accrued but not due		20729383		20729383
Total (i + ii + iii)	8742432264	595738301	-	9338170565

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: There is no Managing Director, Whole-time Directors and/or Manager in the Company.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
6.	Total (A)					
7.	Ceiling as per the Act					

B. Remuneration to other directors: There are no sitting fees paid to Non-Executive Directors during FY 14-15.

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors Fee for attending board / committee meetings Commission Others, please specify					
	Total (1)	NA	NA	NA	NA	NA
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify					
	Total (2)					
	Total (B) = (1 + 2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					



C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2863696	1640487	3206096	7710279
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	204743	44131	127878	376752
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	3068439	1684618	3333974	8087031

VII. Penalties / Punishment/ Compounding of Offences

Nil. There are no such instances.

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty					
Punishment					
Compounding					

BY ORDER OF THE BOARD
For NTPC- SAIL Power Company Private Limited

Chairman : Kaushal Kishore Sharma
 DIN : 03014947
 Address : B-703, Saket Dham, E-10, Sector-61, Noida, UP.
 Place : New Delhi
 Dated : August 24, 2015



Balance Sheet As At

₹ In Lakhs

Particulars	Note	31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	98050.01	98050.01
Reserves and surplus	3	66189.36	55448.85
		164239.37	153498.86
Non-current liabilities			
Long-term borrowings	4	71812.99	88471.66
Deferred tax liabilities (Net)	5	37969.92	38079.88
Other Long term liabilities	6	6005.72	12756.75
Long-term provisions	7	730.62	623.71
		116519.25	139932.00
Current liabilities			
Trade payables	8	9648.37	4692.33
Other current liabilities	9	35320.88	28004.49
Short-term provisions	10	8471.46	15449.23
		53440.71	48146.05
TOTAL		334199.33	341576.91
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	216653.93	226146.37
Intangible assets	11	868.56	18.12
Capital work-in-progress	12	3546.68	5169.37
Intangible assets under development	12	-	509.95
Long-term loans and advances	13	29234.60	36807.06
		250303.77	268650.87
Current assets			
Inventories	14	21684.67	15088.32
Trade receivables	15	3467.05	4982.46
Cash and Bank Balances	16	27272.92	31292.43
Short-term loans and advances	17	12701.06	3842.07
Other current assets	18	18769.86	17720.76
		83895.56	72926.04
TOTAL		334199.33	341576.91
Contingent Liabilities	19	8323.71	5991.74
Significant accounting policies	1		
Other Notes to Financial Statements	28-47		

Sd/-
(Umang Vats)
Company Secretary

Sd/-
(S.V. Shahi)
Chief Finance Officer

Sd/-
(Manash Sarkar)
Chief Executive Officer

Sd/-
(Tej Veer Singh)
Director

Sd/-
(K. K. Sharma)
Chairman

As per our report of even date
For **Rajendra K. Goel & Co.**
Chartered Accountants FRN No.001457N

Sd/-
(R. K. Goel)
Membership No. 006154

Place : New Delhi
Date : 12th May 2015

Statement of Profit and Loss for the Year Ended

₹ In Lakhs

Particulars	Note	31.03.2015	31.03.2014
REVENUE			
Revenue from operations (Gross)	20	169302.97	185437.50
Less: Electricity Duty/Parallel Operation Charges		14153.74	13149.12
Revenue from operations (Net)		155149.23	172288.38
Other Income	21	7150.38	4410.80
TOTAL REVENUE¹		162299.61	176699.18
EXPENSES			
Fuel	22	66188.81	72633.14
Employee benefits expense	23	13484.07	14066.63
Finance costs	24	12356.87	11783.53
Depreciation and amortization expense		17763.59	16870.75
Generation, administration & other expenses	25	25356.15	23590.13
Prior period items (Net)	26	408.61	170.10
TOTAL EXPENSES		135558.10	139113.78
Profit before tax		26741.51	37585.40
Tax expenses:			
Current tax			
Current Year		5629.69	11997.39
Earlier Years		-	2.41
Deferred tax		(109.96)	1052.01
Less: Provision for MAT Credit Entitlement		1519.32	125.67
Total tax Expenses		4000.41	12926.14
Profit for the year		22741.10	24659.26
Significant accounting policies	1		
Expenditure during construction period (net)	27	115.39	-
Earnings per equity share (par value ₹10/- each) Basic & Diluted (₹)		2.32	2.51
Other Notes to Financial Statements	28-47		
The accompanying notes from an integral part of these financial statements.			
There is no extraordinary & exceptional items in the above periods.			

Sd/-
(Umang Vats)
Company Secretary

Sd/-
(S.V. Shahi)
Chief Finance Officer

Sd/-
(Manash Sarkar)
Chief Executive Officer

Sd/-
(Tej Veer Singh)
Director

Sd/-
(K. K. Sharma)
Chairman

As per our report of even date
For **Rajendra K. Goel & Co.**
CHARTERED ACCOUNTANTS
FRN No.001457N

Sd/-
(R. K. Goel)
Membership No. 006154

Place : New Delhi
Date : 12th May 2015



Cash Flow Statement

₹ In Lakhs

For the year ended	31.03.2015		31.03.2014
A CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax, prior period items and extraordinary items	27,150.11		37,755.54
Adjustment for:			
Depreciation. & Amortisation	18,468.10	17,529.83	
Provision Written Back	(27.76)	(24.68)	
Loss on Disposal of Fixed Assets	105.16	303.80	
Provision for Tariff Adjustment	424.29	327.86	
Provision for Doubtful Debts	140.35	-	
Provision for Shortage & Obsolescence in stores	4.47	4.07	
Fly Ash Utilisation Fund (Net)	6.05	-	
Profit on Sale of Fixed Assets	(0.02)	-	
Prior Period Income	61.05	(170.10)	
Interest Income	(4,299.42)	(3,379.76)	
Interest and finance charges	12,356.87	11,783.52	
Income on Sale of Investment	(129.03)	(161.96)	
	27,110.11		26,212.58
	54,260.22		63,968.12
Operating profit before working capital changes			
Adjustment for:			
Trade and other receivables	1,375.07	1,197.97	
Inventories	(6,573.05)	(3,981.96)	
Trade payable/ other liabilities & Provisions	5,017.91	(1,643.08)	
Loans and Advances	(64.39)	3,209.94	
Other current assets	(730.57)	(2,392.10)	
	(975.03)		(3,609.23)
Cash generated from operations	53,285.19		60,358.89
Direct Taxes Refund (Paid) ((Net))	(5,332.52)		(8,386.67)
Net cash from operating activities· A	47,952.67		51,972.22
B. CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	3,980.89	3,133.71	
Profit on Sales of Fixed Assets	0.02	-	
Income on Sale of Investment	129.03	161.96	
Purchase of assets/addition to CWIP/ construction stores & advances	(8,268.27)	(5,511.38)	(2,215.71)
Net cash used in Investing activities· B	(4,158.33)		(2,215.71)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from issue of Equity capital	-	-	
Proceeds from borrowings	9,052.80	3,169.00	
Repayment of borrowings	(24,768.59)	(22,597.33)	

For the year ended		31.03.2015		31.03.2014
Interest paid	(12,403.75)		(11,831.62)	
Dividend paid	(16,628.40)		(13,236.75)	
Tax on dividend paid	(3,065.91)	(47,813.85)	(2,249.59)	(46,746.29)
Net cash used financing activities - C		(47,813.85)		(46,746.29)
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(4,019.51)		3,010.22
Cash and cash equivalents - opening balance		31,292.43		28,282.21
Cash and cash equivalents - closing balance		27,272.92		31,292.43
Net cash increase / (decrease)		(4,019.51)		3,010.22
Note:				
i) Cash and cash equivalents consist of balance with banks and fixed deposits				
ii) Previous Year's figures have been regrouped/ rearranged wherever necessary.				

Sd/-
(Umang Vats)
Company Secretary

Sd/-
(S.V. Shahi)
Chief Finance Officer

Sd/-
(Manash Sarkar)
Chief Executive Officer

Sd/-
(Tej Veer Singh)
Director

Sd/-
(K. K. Sharma)
Chairman

As per our report of even date
For **Rajendra K. Goel & Co.**
CHARTERED ACCOUNTANTS
FRN No.001457N

Sd/-
(R. K. Goel)
Membership No. 006154



Durgapur CPP-II



NOTE NO. 1

Significant Accounting Policies

1.0 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, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of the Companies Act, 1956, other provisions of the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

2.0 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.

3.0 Fly Ash Utilization Reserve

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

4.0 Fixed Assets

- 4.1 Tangible assets are carried at historical cost less accumulated depreciation/amortization.
- 4.2 Expenditure on renovation and modernization of tangible 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 amortization.
- 4.4 Capital expenditure on assets not owned by the company relating to generation of electricity business is reflected as a distinct item in Capital Work-in-Progress till the period of completion and thereafter in the tangible assets. However, similar expenditure for Community Development is charged off to revenue.
- 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, 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.

5.0 Capital Work-in Progress

- 5.1 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.
- 5.2 Deposit works/ cost plus contracts are accounted for on the basis of statements of account received from the contractors/ engineering estimates.
- 5.3 Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

6.0 Foreign Currency Transactions

- 6.1 Foreign currency transactions are initially recorded at the rates of exchange ruling 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 arising from settlement/translation of foreign currency loans, deposits/liabilities relating to fixed assets /capital work-in-progress in respect of transactions entered prior to 01.04.2004, are adjusted in the carrying cost of related assets. Such exchange differences arising from settlement/translation of long term foreign currency monetary items in respect of transactions entered on or after 01.04.2004 are adjusted in the carrying cost of related assets.
- 6.4 Other exchange differences are recognized as income or expense in the period in which they arise.

7.0 Borrowing Costs

- 7.1 Borrowing costs attributable to the qualifying 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.
- 7.2 Other borrowing costs are recognized as an expense in the period in which they are incurred.

8.0 Investments

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

9.0 Inventories

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

10.0 Income Recognition

10.1 Sale of Energy is accounted for :-

- (i) Based on Power Purchase Agreement with SAIL, in case of supply by Captive Power Plants (CPP-II).
- (ii) Based on tariff rates prescribed by the Central Electricity Regulatory Commission (CERC), in case of Bhilai Expansion Power Project (PP-III).

- 10.2 The Surcharge on late payment/overdue Sundry Debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.
- 10.3 Interest/ surcharge recoverable on advances to suppliers and contractors as well as Warranty claims/liquidated damages wherever there is uncertainty of realization/acceptance from suppliers and contractors are not treated as accrued and are therefore accounted for on receipt/ acceptance.
- 10.4 Scrap other than steel scrap is accounted for as and when sold.
- 10.5 Insurance claims are accounted for based on certainty of realization.

10.1.0 Expenditure

- 10.1.1 Depreciation on the assets of the generation of electricity business in respect of CERC Regulated plants is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013. The PP-III plant located at Bhilai is the only CERC Regulated plant.
- 10.1.2 Depreciation on other assets is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013.
- 10.1.3 Depreciation on the following assets is provided based on their estimated useful life:



a) Kutcha Roads	2 Years
b) Enabling works	
• residential buildings	15 Years
• Internal electrification of residential buildings.	10 Years
• non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 Years
c) Personal Computers & Laptops including peripherals	3 Years
d) Photocopiers, fax Machines, water coolers and refrigerators	5 Years
e) Temporary erections including wooden structures	1 Year

10.1.4 In case of the CPP-II assets whose residual life has been determined on the basis of technical assessment, the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets.

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

10.1.6 Assets costing up to ₹ 5000/- are fully depreciated in the year of acquisition.

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

10.1.8 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 off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

10.1.9 Where the life and/ or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

10.1.10 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 capitalized and fully depreciate over the residual useful life of the related plant and machinery.

10.1.11 Capital expenditure on assets not owned by the Company referred in policy no. 4.4 is amortized over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use.

10.1.12 Amortization of lease hold lands and buildings:-

a) In case of CPP-II plants, leasehold lands other than acquired on perpetual lease are amortized over the lease period. Leasehold buildings are amortized over the lease period or 30 years, whichever is lower. Leasehold land and buildings, whose lease period is yet to be finalized, are amortized over a period of 30 years.

b) In case of Bhilai Expansion Power Project (PP-III), leasehold land and buildings relating to generation of electricity Business are fully amortized over lease period or life of the related plant lease period whichever is lower following the rates and methodology notified by CERC Tariff Regulations.

c) Leasehold land acquired on perpetual lease is not amortized.

10.1.13 Expenses on training and recruitment are charged to revenue in the year of incurrence.

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

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



10.1.16 Prepaid expenses and prior period expenses/income of items up to ₹1,00,000/- each, are charged to natural heads of accounts.

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

11.0 Employee Benefits

11.1 Defined contribution plan

Company's contribution paid /payable during the year to provident fund and pension fund is recognized in the statement of profit and loss. The same is paid to a fund administered through separate trusts.

11.2 Defined benefit plan

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

11.3 Short term employee benefits

These are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

11.4 Employee benefits consist of provident fund, pension, gratuity, post- retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme & other terminal benefits. In terms of arrangements with NTPC, the company is to make a fixed percentage contribution of aggregate of basic pay and dearness allowance for the period of service rendered in the company w.r.t. the NTPC employees posted on secondment from NTPC to NSPCL. Accordingly, these employee benefits are treated as defined contribution schemes.

12.0 Leases

12.1 Finance Lease

12.1.1 Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is less.

12.1.2 Depreciation on the assets taken on finance lease is charged at the rate applicable to similar type of fixed assets as per accounting policy no. 10.1.1 or 10.1.2. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged over its useful life or lease period, whichever is less.

12.1.3 Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

12.2 Operating Lease

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

13.0 Impairment

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

14.0 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 estimates.

15.0 Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.

16.0 Cash Flow Statement

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

17.0 Taxes on Income

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

Note No. 2 to the Financial Statements SHARE CAPITAL

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Equity Share Capital		
AUTHORISED		
5,00,00,00,000 shares of par value ₹ 10/- each (P.Y. 5,00,00,00,000 shares of par value ₹ 10 /- each)	500000.00	500000.00
	500000.00	500000.00
ISSUED, SUBSCRIBED AND PAID-UP		
98,05,00,100 shares of par value of ₹ 10/- each (P.Y. 98,05,00,100 shares ₹ 10/- each)	98050.01	98050.01
TOTAL	98050.01	98050.01

- The company has only one class of equity shares having a par value ₹ 10/- each. The holders of the Equity Shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of share holders.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in the proportion to the number of equity shares held by the share holders.
- NTPC Ltd. & SAIL holds 49,02,50,050 (Previous year 49,02,50,050) number of equity shares (50 %) each.

Note No. 3 to the Financial Statements RESERVES AND SURPLUS

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
General Reserve		
As per last financial statements	2630.98	2630.98
Closing Balance	2630.98	2630.98
Surplus		
As per last financial statements	52817.87	38253.41
Add : Profit for the year as per Statement of Profit and Loss	22741.10	24659.26
Less: Interim Dividend paid	8000.00	-
Tax on Interim Dividend paid	1599.51	-
Proposed Dividend	2000.00	8628.40
Tax on Proposed Dividend	407.13	1466.40
Net Surplus	63552.33	52817.87
Fly Ash Utilization Fund		
As per last financial statements	-	-
Add: Transfer from revenue from operations (Note 20)	6.54	-
Less: Utilization during the year (Note25)	0.49	-
Closing Balance	6.05	-
Grand Total	66189.36	55448.85

During the year, the company has paid interim dividend of ₹ 0.816 (rounded off) (previous year ₹ NIL) per equity share of par value ₹ 10/- each for the year 2014-15 (calculated based on payment of ₹ 80 crore paid to promoters i.e. NTPC Ltd. & SAIL against issued, subscribed and fully paid-up equity shares of 98.05 crore). Further, the company has proposed final dividend of ₹ 0.204 (rounded off) (previous year ₹ 0.880) per equity share of par value ₹ 10/- each for the year 2014-15 (calculated based on payment of ₹ 20 crore payable to promoters i.e. NTPC Ltd. & SAIL against issued, subscribed and fully paid-up equity shares of 98.05 crore). Thus, the total dividend (including Interim dividend) for the financial year 2014-15 ₹ 1.020 (rounded off) (previous year ₹ 0.880) per equity share of par value ₹ 10/- each.

Note No. 4 to the Financial Statements LONG-TERM BORROWINGS

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Term Loans		
Secured		
From Banks	27327.18	29606.70
From Financial Institution	39835.72	53114.29
	67162.90	82720.99
Un-Secured		
From Bank	4650.09	5750.67
	4650.09	5750.67
TOTAL	71812.99	88471.66

- There has been no default in repayment of any loan or interest thereon as at the end of the year.
- The rupee term loan carries interest rate in the range of 8% to 11.25%. These are repayable in instalments as per the terms of respective agreements generally over a period of 5 to 15 years from initial disbursement after a moratorium period as envisaged in respective loan agreements.



- c) Secured loan from banks and financial institution are secured by equitable mortgage of present and future immovable property & hypothecation of movable fixed assets as follows:
- Power plant II assets of Rourkela, Durgapur and Bhilai are mortgaged / hypothecated to Bank of India.
 - Power plant III assets of Bhilai are mortgaged / hypothecated to Rural Electrification Corporation, Central Bank of India and Union Bank of India.

Note No. 5 to the Financial Statements DEFERRED TAX LIABILITIES (NET)

₹ in Lakhs

PARTICULARS	AS AT 01.04.2014	Additions (Adjustments) During the year	AS AT 31.03.2015
Deferred Tax Liabilities			
Difference in book depreciation and tax depreciation	39143.84	212.69	39356.53
Less: Deferred Tax Assets			
Provisions & other disallowances for tax purposes including disallowances u/s 43B of the Income Tax Act, 1961	1063.96	322.65	1386.61
Deferred Tax Liabilities (Net)	38079.88	(109.96)	37969.92

- a) The net increase/(decrease) during the year in the deferred tax liability amounting to ₹ (109.96) lakh (previous year ₹ 1052.01 lakhs) has been debited/credited to the Statement of Profit & Loss respectively.
- b) Deferred tax assets and Deferred tax liabilities have been offset as they relate to the same governing laws.

Note No. 6 to the Financial Statements OTHER LONG TERM LIABILITIES

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Trade Payables	50.90	-
Other liabilities		
Payable for Capital expenditure	23.40	270.26
Others	5931.42	12486.49
Total	6005.72	12756.75

- a) Other liabilities- 'Others' include deposits received from contractors, customers and others.
- b) Disclosure w.r.t. Micro, Small and Medium Enterprises as required by MSMED Act, 2006 is made in Note 38.

Note No. 7 to the Financial Statements LONG-TERM PROVISIONS

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Provision for employee benefits		
As per last financial statements	623.71	500.94
Addition/ (Adjustments) during the year	106.91	122.77
Total	730.62	623.71

Disclosure required by AS 15 on 'Employees Benefits' has been made in Note 37.

Note No. 8 to the Financial Statements TRADE PAYABLES

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
For Goods and Services	9648.37	4692.33
Total	9648.37	4692.33

Disclosure w.r.t. Micro, Small and Medium Enterprises as required by MSMED Act, 2006 is made in Note 38.

Note No. 9 to the Financial Statements OTHER CURRENT LIABILITIES

AS AT	31.03.2015	31.03.2014
Current maturities of long term borrowings		
Term loans from banks & financial institution		
Secured*	20261.43	19318.53
Un-secured	1100.00	1100.00
Interest accrued but not due on borrowings	207.29	254.18
Payable for Capital Expenditure	1936.48	3027.91
Other Payables		
TDS & other statutory dues	1634.84	1576.03
Others	10180.84	2727.84
	35320.88	28004.49

Other payables - 'Others' includes:

- Deposits received from contractors, customers and others.
- Gratuity for an amount of ₹ 62.89 lakhs (previous year ₹ 125.27 lakhs) payable to NSPCL Gratuity Trust.

* Refer Note 4 for details of security.



Raw Water Pump House at Rourkela



Note No. 10 to the Financial Statements SHORT-TERM PROVISIONS

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Provision for Employee benefits		
As per last financial statements	1756.60	1486.44
Additions/(Adjustments) during the year	285.60	270.16
	2042.20	1756.60
Provision for proposed dividend		
As per last financial statements	8628.40	13236.75
Additions during the year	2000.00	8628.40
Amount paid during the year	8628.40	13236.75
	2000.00	8628.40
Provision for tax on proposed dividend		
As per last financial statements	1466.40	2249.59
Additions during the year	407.14	1466.40
Amount paid during the year	1466.40	2249.59
	407.14	1466.40
Provision for Tariff Adjustment		
As per last financial statements	3597.47	3269.61
Additions during the year	424.29	327.86
	4021.76	3597.47
Others		
As per last financial statements	0.36	0.36
Additions during the year	-	-
	0.36	0.36
Total	8471.46	15449.23

- a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note 37.
b) Refer Note 25 for provision for tariff adjustment.



Bhilai PP-III (2x250MW)

Note No. 11 to the Financial Statements FIXED ASSETS

₹ in Lakhs

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2014	Additions	Deductions/ Adjustments	AS AT 31.03.2015	UP TO 01.04.2014	Addition	Deductions/ Adjustments	UP TO 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
Land - Leasehold	11,524.24	-	-	11,524.24	2,383.20	298.96	-	2,682.16	8,842.08	9,141.04
Roads, Bridges & Culverts	2,316.58	104.00	1.07	2,419.51	327.87	192.68	-	520.55	1,898.96	1,988.71
Buildings - Main Plant	28,954.12	-	20,396.82	8,557.30	8,052.83	247.79	5,362.88	2,937.74	5,619.56	20,901.29
Buildings - Other	8,646.05	186.45	(20,391.52)	29,224.02	692.88	868.10	(5,360.27)	6,921.25	22,302.77	7,953.17
Buildings - Temporary Structures	50.82	0.48	3.69	47.61	49.48	1.82	3.69	47.61	-	1.34
Water Supply, Drainage & Sewerage System	2,355.84	-	3.87	2,351.97	292.35	101.20	-	393.55	1,958.42	2,063.49
Mgr Track And Signaling System	5,569.92	20.60	25.67	5,564.85	1,414.43	293.57	-	1,708.00	3,856.85	4,155.49
Railway Siding	181.16	277.68	(0.01)	458.85	99.61	19.15	-	118.76	340.09	81.55
Plant & Machinery	276,890.12	5,874.49	419.80	282,344.81	101,827.84	15,122.77	397.81	116,552.80	165,792.01	175,062.28
Furniture & Fixtures	2,989.78	40.56	419.53	2,610.81	1,048.57	218.95	166.37	1,101.15	1,509.66	1,941.21
Vehicles	29.34	-	0.01	29.33	17.23	2.67	-	19.90	9.43	12.11
Office Equipments	-	42.91	(411.79)	454.70	-	107.25	(164.33)	271.58	183.12	-
EDP, WP Machines & Satcom Equipments	623.34	1,143.50	17.44	1,749.40	424.66	239.69	12.47	651.88	1,097.52	198.68
Construction Equipments	1,368.70	423.70	-	1,792.40	911.32	150.25	0.03	1,061.54	730.86	457.38
Electrical Installations	1,194.34	362.03	(0.02)	1,556.39	287.66	103.85	-	391.51	1,164.88	906.68
Communication Equipments	383.69	1.29	(0.01)	384.99	90.35	25.42	-	115.77	269.22	293.34
Hospital Equipments	-	-	(6.40)	6.40	-	0.25	(0.98)	1.23	5.17	-
Laboratory & Workshop Equipments	958.55	28.36	(523.58)	1,510.49	254.99	70.30	(162.81)	488.10	1,022.39	703.56
Capital Expenditure on Assets not Owned by the Company	1,125.77	-	-	1,125.77	840.88	234.11	-	1,074.99	50.78	284.89
Retired Assets/ Unservicable Assets	0.21	-	-	0.21	0.05	-	-	0.05	0.16	0.16
TOTAL	345,162.57	8,506.05	(45.43)	353,714.05	119,016.20	18,298.78	254.86	137,060.12	216,653.93	226,146.37
Previous Year	339,749.99	5,589.38	176.80	345,162.57	101,410.70	17,516.42	(89.08)	119,016.20	226,146.37	238,339.29

INTANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2014	Additions	Deductions/ Adjustments	AS AT 31.03.2015	UP TO 01.04.2014	Addition	Deductions/ Adjustments	UP TO 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
Software	144.28	1,019.50	-	1,163.78	126.16	169.32	0.26	295.22	868.56	18.12
TOTAL	144.28	1,019.50	-	1,163.78	126.16	169.32	0.26	295.22	868.56	18.12
Previous Year	138.04	6.24	-	144.28	112.75	13.41	-	126.16	18.12	25.29

Depreciation/ Amortisation of tangible and intangible assets for the year is allocated as given below:

	Current Year	Previous Year
Charged to statement of Profit & Loss	17,763.59	16,870.25
Allocated to Fuel Cost	704.51	659.58
Total :	18,468.10	17,529.83

a) Leasehold Land includes 1758.09 sqm valuing ₹ 2,189.65 lakhs (Previous year 1758.09 Sqm valuing ₹ 2189.65 lakhs) pertaining to 4th Floor, NBCC Tower, 15 Bhikaji cama place, New Delhi acquired on perpetual lease and no depreciation has been charged thereof.

b) As required by Accounting Standard (AS)28 'Impairment of Assets', the Company believes that there are no impairment indicators.



Note No. 12 to the Financial Statements

CAPITAL WORK IN PROGRESS

₹ in Lakhs

PARTICULARS	As At	Additions	Deductions/ Adjustments	Capitalised	As At
	01.04.2014				31.03.2015
Road, Bridges & Culverts	29.45	74.69	0.14	104.00	-
Building - Main Plant	170.30	56.15	226.45	-	-
Building - Others	13.05	-	(214.09)	186.45	40.69
Building - Temporary Erections	-	1.14	1.14	-	-
Water supply Drainage & Sewerage	231.96	4.47	-	-	236.43
MGR Track & Signalling system	1.71	-	-	-	1.71
Railway Sidings	226.86	310.37	-	277.68	259.55
Plant & Machinery	4,186.47	4,089.66	(51.04)	5,856.11	2,471.06
Furniture & Fixtures	-	30.77	-	30.77	-
Office Equipments	-	24.78	1.61	12.74	10.43
EDP, WP SATCOM Equipment	-	1,143.50	-	1,143.50	-
Construction Equipment	-	180.52	-	180.52	-
Electrical Installation	2.51	263.42	-	251.14	14.79
Lab & Workshop Equipment	0.01	28.23	-	28.24	-
Total :	4,862.32	6,207.70	(35.79)	8,071.15	3,034.66
Survey Soil & Investigation	173.74	2.88	121.40	-	55.22
Incidental Expenditure During Construction (Net)	-	115.39	-	-	115.39
Less Allocated to CWIP	-	-	-	-	-
Total :	5,036.06	6,325.97	85.61	8,071.15	3,205.27
Less: Provision for Unserviceable CWIP	2.44	-	-	-	2.44
Construction stores (net of Provisions)	135.75	343.85	135.75	-	343.85
Total :	5,169.37	6,669.82	221.36	8,071.15	3,546.68
Previous Year	5,801.49	5,349.62	1,854.84	4,126.90	5,169.37
PARTICULARS	As At	Additions	Deductions/ Adjustments	Capitalised	As At
	01.04.2014				31.03.2015
Software	509.95	509.55	-	1,019.50	-
Total :	509.95	509.55	-	1,019.50	-
Previous Year	-	509.95	-	-	509.95

Note No. 13 to the Financial Statements LONG-TERM LOANS AND ADVANCES

(Considered good, unless otherwise stated)

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
CAPITAL ADVANCES		
Secured	-	1.77
Unsecured		
Covered by Bank Guarantee	-	39.61
Others	-	211.08
	-	252.46
SECURITY DEPOSITS (Un-secured)	31.58	243.77
LOANS		
Employees (including accrued interest)		
Secured	1598.80	987.23
Unsecured	221.00	543.31
	1819.80	1530.54
ADVANCES		
Contractors & Suppliers, including materials issued on loan		
Unsecured	1614.65	3252.11
MAT Credit Entitlement	18758.67	17239.35
Advance Tax Deposited & Tax Deducted at Source	48948.46	50595.45
Less: Provision for Current Tax	41954.51	36324.83
Others		
Unsecured	15.95	18.21
	27383.22	34780.29
TOTAL	29234.60	36807.06
Due from Officers of the Company		
Officers	4.26	1.73



Note No. 14 to the Financial Statements INVENTORIES

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Coal	12202.51	6139.44
Fuel oil	699.32	585.13
Stores and spares	7501.64	7579.60
Chemicals & consumables	135.36	669.01
Loose tools	31.20	23.95
Others	1159.04	158.88
	21729.07	15156.01
Less: Provision for shortages in stores	2.85	0.76
Provision for obsolete/ unserviceable items/dimuniton in value of surplus inventory	41.55	66.93
Total	21684.67	15088.32
Inventories include material in transit and under inspection	257.21	890.87

- a) Inventory items have been valued considering the significant accounting policy no.9 disclosed in Note 1 to these financial statements.
- b) Other inventories include items of steel, cement, ash bricks etc.

Note No. 15 to the Financial Statements TRADE RECEIVABLES

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Outstanding for a period exceeding six months from the due date of payment		
Unsecured, considered good	890.18	140.35
Unsecured, considered doubtful	140.35	-
Less: provision for doubtful receivable	140.35	-
	890.18	140.35
Others		
Unsecured, considered good	2576.87	4842.11
	2576.87	4842.11
Total	3467.05	4982.46

Note No. 16 to the Financial Statements CASH AND BANK BALANCES

₹ in Lakhs

AS AT	31.03.2015	31.03.2014
Cash & Cash Equivalents		
Current Accounts	1181.25	265.86
Cash Credit Account	1351.06	10.06
Deposits with original maturity upto three months	12950.00	1016.00
Others (Stamps in hand)	0.10	-
Other bank balances		
Deposits with original maturity of more than three months*	11790.51	30000.51
	27272.92	31292.43

* Includes bank deposits with more than twelve months maturity amounting to ₹ NIL (previous year ₹ NIL)

Note No. 17 to the Financial Statements SHORT-TERM LOANS AND ADVANCES (Considered good, unless otherwise stated)

AS AT	31.03.2015	31.03.2014
LOANS		
Employees (including accrued interest)		
Secured	194.88	131.36
Unsecured	161.62	169.79
	356.50	301.15
ADVANCES		
Employees		
Unsecured	8.88	13.09
Contractors & Suppliers, including materials issued on loan		
Unsecured, considered good	4873.25	2869.11
Unsecured, considered doubtful	4.29	4.29
Less: Provision for doubtful advances	4.29	4.29
Others		
Unsecured	466.71	572.08
Advance tax deposited	6979.51	-
	12328.35	3454.28
Security Deposits (Unsecured)	16.21	86.64
Total	12701.06	3842.07
Due from Officers of the company		
Officers	0.54	0.29



Note No. 18 to the Financial Statements OTHER CURRENT ASSETS

AS AT	31.03.2015	31.03.2014
₹ in Lakhs		
Interest Accrued on:		
Term deposits	873.37	554.83
Claims Recoverable		
Un-Secured, Considered good	93.45	3.61
Un-Secured, considered Doubtful	0.06	0.06
Less: Provision for doubtful claims	0.06	0.06
Unbilled Revenues	17803.04	17161.31
Others	-	1.01
Total	18769.86	17720.76

- a) Others include amount recoverable from contractors and others towards hire charges, rent/electricity etc.
- b) Unbilled revenues is net of credits to be passed to beneficiaries at the time of billing. It includes ₹ 12340.03 lakhs (Previous year ₹ 12081.89 lakhs) in case of PP - III and ₹ 5463.01 lakhs (Previous year ₹ 5079.42 lakhs) in case of PP - II. Further, from the above ₹ 13914.96 lakhs (previous year ₹ 11824.35 lakhs) in case of PP-III and ₹ 5463.01 lakhs (Previous year ₹ 5079.42 lakhs) in case of PP - II billed to the beneficiaries after 31st March for energy sales.

Note No. 19 to the Financial Statements CONTINGENT LIABILITIES

AS AT	31.03.2015	31.03.2014
₹ in Lakhs		
Claims against the company not acknowledged as debt in respect of		
Capital Works	104.85	104.85
Disputed Income Tax	1627.81	2864.53
Disputed Service Tax demand	2994.36	2837.82
Others *	3596.69	184.54
Total	8323.71	5991.74

Possible reimbursement ₹ 3959.69 lakhs (Previous year ₹ 3034.54 lakhs)

* Includes an amount of ₹ 172.20 lakhs as on 31.03.2015 (previous year ₹ 160.54 lakhs) on account of entry tax demand received from Sales Tax department, Rourkela, for which the case is pending with Sales Tax Tribunal.

Note No. 20 to the Financial Statements REVENUE FROM OPERATIONS (GROSS)

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
Sales		
Energy sales (including Electricity Duty/ Parallel Operation Charges)	169232.29	185379.77
Energy internally consumed	42.92	33.05
	169275.21	185412.82
Provisions Written back		
Obsolescence in stores	27.76	24.68
	27.76	24.68
Other operating revenue		
Sale of Fly Ash	6.54	-
Less: Transferred to fly ash utilisation fund (Note 3)	6.54	-
	-	-
	169302.97	185437.50

Energy sales is exclusive of electricity duty directly paid by SAIL in respect of DSP-CPP-II ₹1655.78 Lakhs (Previous year ₹ 1669.91 Lakhs).

Note No. 21 to the Financial Statements OTHER INCOME

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
Interest from		
Loan to Employees	123.53	99.88
Indian Banks	4299.42	3379.76
Income tax refunds	2360.64	40.15
Others	0.71	0.99
Income from Current Investments- Non-trade		
Net Gain on sales of Mutual funds	129.03	161.96
Other non-operating income		
Miscellaneous Income	237.04	728.06
Profit on disposal of fixed assets	0.01	-
TOTAL	7150.38	4410.80



Note No. 22 to the Financial Statements FUEL

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
Coal	64636.64	70959.63
Furnace oil	630.32	583.60
LDO & HSD	921.85	1089.91
TOTAL	66188.81	72633.14

Note No. 23 to the Financial Statements EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
Salaries and Wages	10840.72	10753.14
Contribution to provident & other funds	2203.80	2514.50
Staff welfare expenses	1119.02	1182.53
	14163.54	14450.17
Less: Allocated to Fuel cost	616.74	383.54
Transferred to expenditure during construction period (net)- Note-2	62.73	-
TOTAL	13484.07	14066.63

Disclosures required by AS-15 in respect of provision made towards various employee benefits is made in Note 37.

Note No. 24 to the Financial Statements FINANCE COSTS

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
Interest on		
Rupee Term Loans		
From banks	4212.03	4724.80
From Financial Institution	5816.41	6986.77
Rupee Working Capital Loan		
From bank	1.09	11.36
Others	2284.76	-
Other Borrowing costs		
Guarantee fee	4.81	25.08
Other finance Charges	37.78	35.52
	12356.88	11783.53
Less: Transferred to expenditure during construction period - (Note 27)	0.01	-
	12356.87	11783.53

Note No. 25 to the Financial Statements GENERATION, ADMINISTRATION & OTHER EXPENSES

₹ in Lakhs

FOR THE YEAR ENDED		31.03.2015	31.03.2014
Power charges	118.83		
Less: Recovered from contractors and employees	7.72		
		111.11	140.28
Water charges		3504.24	3224.55
Stores consumed		463.48	382.57
Rent	289.81		
Less: Recoveries	-		
		289.81	323.35
Repairs & maintenance			
Buildings		300.48	531.17
Power stations		11105.66	10673.85
Construction equipments		3.07	-
Others		1297.88	804.49
Insurance		534.45	289.72
Rates & taxes		230.39	205.81
Water Cess & environment protection cess		33.08	26.93
Training & Recruitment expenses	117.76		
Less: Fees for application & training	30.28		
		87.48	129.60
Communication expenses		124.66	143.92
Travelling expenses		768.68	798.35
Tender expenses	121.53		
Less: Receipt from sale of tenders	8.42		
		113.11	121.63
Payment to auditors		14.06	13.69
Advertisement and publicity		25.54	26.95
Security expenses		1960.99	1789.15
Entertainment expenses		83.45	61.01
Expenses for guest house	68.06		
Less: Recoveries	2.79		
		65.27	67.02
Brokerage & commission		4.44	15.82
Community development and welfare expenses (CSR)		462.19	169.55



FOR THE YEAR ENDED		31.03.2015	31.03.2014
Ash utilisation & marketing expenses	13.89		
Less: Transferred to fly ash utilisation fund (Note 3)	0.49		
		13.40	21.45
Directors sitting fees		-	2.47
Books and periodicals		4.58	3.56
Professional charges and consultancy fees		184.84	235.19
Legal expenses		53.21	25.57
EDP hire and other charges		86.63	37.42
Printing & stationary		32.03	44.76
Hiring of vehicles		241.31	227.37
Rebate to customers		2161.81	2285.26
Miscellaneous expenses		191.17	153.08
Survey & Investigation expenses written off		311.03	111.01
Loss on disposal or written off fixed assets		105.16	303.80
		24968.69	23390.35
Less: Allocated to fuel cost		128.99	132.15
Transferred to Expenditure during construction period (net)- Note-27		52.65	-
		24787.05	23258.20
Provisions			
Interest on refund to Customers		424.29	327.86
Doubtful Debts		140.35	-
Shortage in stores		2.09	-
Obsolescence in stores		2.37	4.07
		569.10	331.93
Total		25356.15	23590.13
Details in respect of payment to auditor			
As Auditor			
Audit fee		6.00	5.25
Tax audit fee		1.75	1.50
In other capacity			
Other services (Certification Fees)		0.40	-
Reimbursement of expenses		4.25	5.56
Reimbursement of Service Tax		1.66	1.38
Total		14.06	13.69

Note No. 26 to the Financial Statements PRIOR PERIOD ITEMS (NET)

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
Revenue		
Others	61.05	171.60
	61.05	171.60
Expenditure		
Depreciation and amortisation	469.66	
Others	-	0.18
	469.66	341.70
Net Expenditure/(Revenue)	408.61	170.10

Note No. 27 to the Financial Statements EXPENDITURE DURING CONSTRUCTION PERIOD (NET)

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2015	31.03.2014
A. Employee Benefits Expense		
Salaries and Wages	49.72	-
Contribution to provident and other funds	11.98	-
Staff welfare expenses	1.03	-
Total (A)	62.73	-
B. Finance Costs		
Bank charges	0.01	-
Total (B)	0.01	-
C. Generation, Administration and Other expenses		
Communication expenses	0.42	-
Travelling expenses	8.25	-
Tender expense	20.07	-
Entertainment expenses	0.25	-
Miscellaneous expenses	23.66	-
Total (C)	52.65	-
Total (A + B + C)	115.39	-



OTHER NOTES

28. Previous year figures have been re-grouped/rearranged wherever considered necessary.
29. Amount in the financial statements are presented in ₹ Lakh (upto two decimals) except for earning per share and as other-wise stated.
30. **Capital Commitments:** Estimated amount of contracts remaining to be executed on Capital account and not provided for as on 31.03.2015 is ₹ 22,826.73 Lakh (Previous year ₹ 8205.84 Lakh).
31. Expenditure on account of the shared facilities, services and consumption of stores/spares/consumables etc. with respect to taken over plants of SAIL (CPP-II) have been booked as per the advice of SAIL, in accordance with Shared Services and Support Agreement entered into by the Company with SAIL.
32. As per the Power Purchase Agreement (PPA) w.r.t. taken over plants of SAIL (CPP-II), the cost of coal and gas consumed at the plant is borne by SAIL, therefore, its cost has not been included in fuel cost. During the year, 22.01 Lakh MT (Previous year 22.50 Lakh MT) of coal costing ₹ 66032.96 Lakh (Previous year ₹ 69264.53 Lakh) and gas costing ₹ 4261.57 Lakh (Previous year ₹ 2873.00 Lakh) has been consumed in CPP-II.
33. During the year 2014-15, out of 18.73 Lakh Tons (Previous year 19.27 Lakh Tons) of ash generated, 10.54 Lakh Tons (Previous year 12.46 Lakh Tons) ash has been utilized for various productive purposes which is 56.27% (Previous year 64.66%) of the total ash generated.
34. a) The long-term liabilities, current liabilities, loans and advances, current/non-current assets 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, long term loans and advances and other non-current assets on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
35. Corporate Office expenditure common to CPP-II and Bhilai Expansion Unit (PP-III) are allocated to the respective Units in the proportion of 75:25.
36. During the year, NSPCL received part of its coal requirement from SECL through the existing Coal Supply Agreement (CSA). The balance Coal has been arranged from SCCL & ECL through MOU route, e-auction and importing coal through MMTC.
37. **Disclosure as required by Accounting Standard- 15 on 'Employee Benefits'**

General description of various employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to Provident Fund at pre-determined rate for its own employees and employees on secondment. Contribution to Family Pension Scheme is paid to the appropriate authorities. The amount of Provident Fund contribution in respect of its own employees is paid to a separate trust. The contribution towards Provident Fund of ₹ 713.61 Lakh (previous year ₹ 712.83 Lakh) is recognized as expense out of which ₹ 11.98 Lakh (previous year ₹ Nil) is transferred to EDC account and the remaining amount of ₹ 701.63 Lakh (previous year ₹ 712.83 Lakh) is charged to the statement of Profit & Loss. The obligation of the Company is limited to such fixed contributions. As per terms of the deed of NSPCL Employees Provident Fund Trust, the employer shall make good the deficiency, if any, in the interest rate earned by the Trust vis-a-vis to the statutory rate on year to year basis. The amount remitted to NSPCL EPF Trust, is invested in permitted securities. However, the Trust is required to pay a minimum rate of interest on contributions to the members as specified by GOI. Since overall interest earnings, profit/loss on redemption of securities and cumulative surplus of the trust is more than statutory interest payment requirement, no provision is considered necessary.

B. Gratuity

The Company has a defined benefit gratuity plan. Every employee including non-executives absorbed from SAIL, who have rendered continuous service of five years or more is entitled to get gratuity @ 15 days salary {15/26 x (last drawn Basic salary plus Dearness Allowance)} for each completed year of service subject to a maximum of ₹ 10.00 Lakh on superannuation, resignation, termination, disablement or on death.

The scheme is funded by the Company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

C. Post-Retirement Medical Facility (PRMF)

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

D. Terminal Benefits

Terminal Benefits include baggage allowance for settlement at home town for employees and dependents and farewell gift to the superannuating employees. The liability for the same is recognized on the basis of actuarial valuation.



E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service and on separation upto a maximum of 300 days. Half-pay leave is en-cashable on separation up to the maximum of 300 days (HPL) as per Company's policy. However, total amount of leave, both EL and HPL together, that can be encashed on superannuation shall be restricted to 300 days. For HPL encashment no commutation shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.

F. Defined Contribution Pension Scheme:

A defined contribution pension scheme of the company has been implemented effective from 1st January 2007, for its employees. The scheme is administered through a separate trust in respect of NSPCL employees. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of Basic Pay and dearness allowance less employer's contribution towards provident fund, gratuity, PRMF or any other retirement benefits. The contribution to the trust for the year is recognized as expense and is charged to the statement of profit and loss.

The above mentioned schemes referred to at Sl. No. C, D and E are unfunded and are recognized on the basis of actuarial valuation.

The summarized position of various defined benefits recognized in the statement of Profit and Loss, Balance Sheet is as under: (Figures given in {} represents previous year)

a) Expenses recognized in the Statement of Profit & Loss

₹ in Lakhs

	Gratuity	PRMF	Leave	Terminal Benefits
Current Service Cost	130.05	28.31	186.97	16.03
	{119.13}	{23.52}	{160.91}	{14.45}
Interest cost on benefit obligation	146.88	40.22	148.12	9.73
	{132.35}	{31.78}	{116.16}	{8.53}
Expected return on plan assets	(128.21)	-	-	-
	{(120.16)}	{}	{}	{}
Net actuarial (gain)/loss recognized in the year	(112.16)	69.33	229.99	(9.20)
	{(6.05)}	{69.01}	{344.16}	{(7.85)}
Expenses recognized in the statement of Profit & Loss	36.56	137.86	565.08	16.56
	{125.27}	{124.31}	{621.23}	{15.13}
Actual Return on Plan Assets	151.55	-	-	-
	{148.55}	{}	{}	{}

b) The amount recognized in the Balance Sheet

₹ in Lakhs

	Gratuity	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.3.2015	1862.38	578.70	2013.74	126.61
	{1727.95}	{473.22}	{1733.51}	{114.46}
Fair value of plan assets as at 31.3.2015	1825.84	-	-	-
	{1602.69}	{}	{}	{}
Net assets/ (liability) recognized in the Balance Sheet	(36.54)	(578.70)	(2013.74)	(126.61)
	{(125.26)}	{(473.22)}	{(1733.51)}	{(114.46)}

c) Changes in the present value of the defined benefit obligations

₹ in Lakhs

	Gratuity	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2014	1727.95	473.22	1733.51	114.46
	{1654.31}	{373.89}	{1452.02}	{106.60}
Acquisition Adjustment	26.34	-	26.65	-
	{0.19}	{}	{0.39}	{}
Interest cost	146.88	40.22	148.12	9.73
	{132.35}	{31.78}	{116.16}	{8.53}



	Gratuity	PRMF	Leave	Terminal Benefits
Current Service Cost	130.05	28.31	186.97	16.03
	{119.13}	{23.52}	{160.91}	{14.45}
Benefits paid	(80.00)	(32.39)	(311.50)	(4.42)
	{(200.38)}	{(24.99)}	{(340.13)}	{(7.26)}
Net actuarial (gain)/ loss on obligation	(88.83)	69.33	229.99	(9.20)
	{22.35}	{69.01}	{344.16}	{(7.85)}
Present value of the defined benefit obligation as at 31.03.2015	1862.38	578.70	2013.74	126.61
	{1727.95}	{473.22}	{1733.51}	{114.46}

d) Changes in the fair value of plan assets

₹ in Lakhs

	Gratuity	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2014	1602.69	-	-	-
	{1501.95}	{}	{}	{}
Acquisition Adjustment	26.34	-	-	-
	{0.19}	{}	{}	{}
Expected return on plan assets	128.21	-	-	-
	{120.16}	{}	{}	{}
Contributions by employer	125.27	-	-	-
	{152.37}	{}	{}	{}
Benefit paid	(80.00)	-	-	-
	{(200.38)}	{}	{}	{}
Net Actuarial gain/(loss)	23.33	-	-	-
	{28.40}	{}	{}	{}
Fair value of plan assets as at 31.03.2015	1825.84	-	-	-
	{1602.69}	{}	{}	{}

e) Other disclosures:

₹ in Lakhs

	Year Ended				
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Gratuity					
Present value of obligation at the end of year	1862.38	1727.95	1654.32	1502.49	1292.82
Fair value of plan assets at the end of year	1825.83	1602.68	1501.95	1365.95	1480.59
Surplus/(Deficit)	(36.55)	(125.27)	(152.37)	(136.53)	187.77
Experience adjustment on plan liabilities (loss)/gain	87.33	(20.95)	(38.40)	(77.80)	152.58
Experience adjustment on plan assets (loss)/gain	23.33	28.40	12.86	20.18	131.67

₹ in Lakhs

	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
PRMF					
Present value of obligation as at the end of	578.70	473.22	373.89	322.60	278.36
Experience adjustment on plan liabilities (loss)/gain	(83.16)	(68.77)	(13.17)	(24.57)	(1.17)

₹ in Lakhs

	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Leave					
Present value of obligation as at the end of	2013.74	1733.51	1452.02	1131.78	917.96
Experience adjustment on plan liabilities (loss)/gain	(223.77)	(349.46)	(252.22)	(118.79)	(152.43)



₹ in Lakhs

Terminal Benefits	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as at the end of	126.61	114.46	106.60	95.32	75.11
Experience adjustment on plan liabilities (loss)/gain	9.08	5.16	8.87	(9.00)	9.14

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

	Cost increase by 1%	Cost decrease by 1%
i) Service and interest cost ₹	14.17 Lakh	(13.32) Lakh
ii) Present value of obligation (PBO) ₹	122.55 Lakh	(72.49) Lakh

G. Other Employee Benefits

Provisions for Long Service Award and Economic Rehabilitation Scheme amounting to ₹ 1.51 Lakh (previous year ₹ 4.53 Lakh) for the year have been made on the basis of actuarial valuation at the year-end and charged to the statement of Profit & Loss.

In accordance with significant Accounting Policy No.11.4, an amount of ₹ 883.07 Lakh (previous year ₹ 892.36 Lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 294.13 Lakh (previous year ₹ 285.85 Lakh) towards leave & other benefits, and are paid/payable to the NTPC and included under 'Employee benefits'.

H. Details of the Plan Asset

Major categories of plan assets as percentage of total plan assets as on 31st March are as follows:

	2015	2014
i) Central Government securities	6.92 %	7.89 %
ii) State Government securities	-	-
iii) Corporate Bonds/ debentures	15.54 %	17.71 %
iv. Funds managed by Insurer	75.88 %	74.27 %
v. Bank Balance (for Gratuity)	0.20%	0.13%
vi. Other receivables	1.46%	-
TOTAL	100%	100%

I. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

	2015	2014
i) Method used	Projected Unit Credit Method	
ii) Discount Rate	8.00%	8.50%
iii) Expected rate of return on assets (Gratuity only).	8.00%	8.00%
Annual increase in costs		
Future salary increase	6.00%	6.50%

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.

38. Disclosure of trade payables under current liabilities is based on the information received by the Company from the suppliers regarding their status in response to the process initiated by the Company for identifying their registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Amount due and payable at the year end on account of principal is ₹ 1.39 Lakh (Previous Year ₹ 5.24 Lakh) and on account of Interest is NIL (Previous Year NIL).

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

a) Business Segments:

The Company has identified two business segments based on the risk and reward and regulatory authority associated with the sale of power. Sale from Bhilai Expansion project (PP-III) is regulated by CERC guidelines whereas sale from other power plants is based on the power purchase agreement with SAIL.



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.

₹ in Lakhs

Particulars	CERC		PPA		Unallocated		Total	
	Current Year	Prev. year	Current Year	Prev. year	Current Year	Prev. year	Current Year	Prev. year
Revenue:								
Sale of Energy	118879	136808	36270	35480			155149	172288
Segment result	25077	38064	7280	7064			32357	45128
Other Income	3856	2718	3294	1693			7150	4411
Interest Expenses	9332	11133	3025	651			12357	11784
Extra Ordinary & Prior period Items	(59)	(64)	468	234			409	170
Income Tax					4110	11874	4110	11874
Deferred Tax					(110)	1052	(110)	1052
Profit After Tax							22741	24659
Other Information								
Segment Assets*	252615	263409	48275	45644	577	1014	301467	310067
Segment Liabilities*	14483	9838	10158	17534	14175	13737	38816	41108
Depreciation	12937	13096	4826	3774			17764	16870
Non Cash Expenses Other than Depreciation			105	304			105	304
Capital Expenditure	216	581	7767	4184	(545)	532	7438	5297

*Does not include components related to Income Tax and Deferred Taxes

d) The Company has power stations located within the country and therefore geographical segments are not applicable.

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

As per clause 9 of the Accounting Standard 18 "Related Party Disclosures" issued by ICAI, the related party transaction disclosure is not required.

41. Disclosure as per Accounting Standard - 19 on 'Lease'

Operating Lease:

The Company's leasing arrangements are in respect of operating lease of premises for residential use of employees for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 23 Employee benefits expense includes ₹ 63.96 lakh (previous year ₹ 88.68 lakh) towards lease payments (net of recoveries) in respect of premises for residential use of employees.

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

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

	Current Year	Previous Year
Net profit after tax used as numerator - ₹ in Lakh	22741.10	24659.26
Weighted average number of equity shares used as denominator	980500100	980500100
Earnings per share (Basic and Diluted) - ₹	2.32	2.51
Face value per share - ₹	10	10



43. Other disclosures as per Schedule III of the Companies Act, 2013.

₹ in Lakhs

Particulars	Current Year		Previous Year	
a) Value of imports calculated on CIF basis:				
Capital Goods	951.52		482.38	
Components and Spare Parts	194.56		405.21	
b) Expenditure in foreign currency:				
Professional and consultation fees	-		-	
Interest	-		-	
Other Matters	11.78		19.41	
c) Value of components, stores and spare parts consumed (including fuel)*	Current Year		Previous Year	
	% age	Amount	% age	Amount
Imported	34.99	24613.74	0.23	178.29
Indigenous	65.01	45723.86	99.77	77434.17
Total	100.00	70337.60	100.00	77612.46
d) Earning in foreign Exchange			Current Year	Previous Year
Professional & consultancy fee			-	-
Others			-	-

*Coal cost included in © above is ₹ 64636.63 lakh wrt to PP III, as PP II coal is supplied free of cost by SAIL.

44. The Company has revised the accounting policy of depreciation of certain assets in alignment with Schedule-II to the Companies Act, 2013 which came into force w.e.f 1st April 2014. Consequently, there is an additional impact of depreciation amounting to ₹ 91.17 lakh for the year ending 31st March 2015 for PP-II plants which is profit neutral due to billing to SAIL. The fixed assets as at 31st March 2015 are lower by ₹ 91.17 lakh in the case of PP-II plants.

Further there is no change for the PP-III plants as the same is governed by CERC except for those assets which are regulated under Companies Act, 2013 resulting in decrease in profit due to increase in depreciation of ₹ 19.26 lakh. The net block of fixed assets as at 31st March 2015 is lower by ₹19.26 lakh in the case of PP-III plant.

Accordingly, for the Company as a whole, profit for the year ended 31st March 2015 is lower by ₹19.26 lakh and fixed assets as at 31st March 2015 are lower by ₹110.43

45. The company has opted for Section 80IA benefit from financial year 2014-15 to 2023-24 in respect of Bhilai PP-III unit commissioned in financial year 2009-10. As a result of the said benefit, the entire profit generated from PP-III will be exempted from payment of Income Tax and company is liable to compute & pay its taxes under MAT provisions for the financial year 2014-15.

46. In line with the approval of the competent authority and direction received from SAIL, setting up of Jagdishpur power project (2x250 MW) was discontinued on as-is-where-basis. The total cumulative expenditure for the project amounting to ₹ 149.31 lakh (previous year ₹ 118.34 lakh) has been charged to Statement of Profit & Loss.

47. As per Section 135 of the Companies Act, 2013 effective from 1st April 2014, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The amount of two percent of average net profits of previous three years ending 31st march' 2014 comes out to ₹ 460.00 lakh for the year 2014-15. The Company has spent an amount of ₹ 462.19 lakh on CSR during the year which included in Generation, administration & other expenses as detailed below:

₹ in Lakhs

Particulars	Amount
A. Amount required to be spent during 2014-15	460.00
B. Amount spent on CSR	462.19
C. Shortfall amount	NIL

Sd/-
(Umang Vats)
Company Secretary

Sd/-
(S.V. Shahi)
Chief Finance Officer

Sd/-
(Manash Sarkar)
Chief Executive Officer

Sd/-
(Tej Veer Singh)
Director

Sd/-
(K. K. Sharma)
Chairman

As per our report of even date
For **Rajendra K. Goel & Co.**
CHARTERED ACCOUNTANTS
FRN No.001457N

Sd/-
(R. K. Goel)
Membership No. 006154

Place : New Delhi
Date : 12th May 2015



Independent Auditors' Report

To
The Members of NTPC - SAIL Power Company Private Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **NTPC-SAIL Power Company Private Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters, stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

Emphasis of Matters

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

- a) Accounting Policy no. 10.1.11 and Note no 11 "Fixed Assets -Tangible assets", in respect of Capital expenditures on assets not owned by the Company which is being written off in four years by the Company, however as per Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) such expenditure incurred on assets not owned by the Company (enabling assets) should be charged off to revenue in the accounting period of incurrence of such expenditure.

Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the order'), issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we give in the Annexure - 'A' statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.

2. As required by Section 143 (5) of the Act, the Comptroller and Auditor General of India issued directions and sub directions. We give our comments thereon, action taken and impact on the accounts, in the Annexure - 'B'.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 19 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

Sd/-
R. K. Goel
(Partner)

Membership No : 006154

Place : New Delhi
Date : 12th May, 2015



Aerial view of Bhilai - PP-III



Annexure -'A' To Independent Auditors Report

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at regular intervals. No material discrepancies were noticed during such verification;
- ii. (a) The inventories excluding material in transit have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable;
- (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 inventories. The discrepancies noticed on physical verification of Inventories, wherever material, have been properly dealt with in the books of account;
- iii. The Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, the provisions of clause (iii) (a) & (b) of the paragraph 3 & 4 of the order 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 the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;
- v. The Company has not accepted any deposit within the meaning of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore the provisions of clause (v) of the paragraph 3 & 4 of the order are not applicable;
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records with a view to determining whether they are accurate and complete;
- vii. (a) Undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable;
- (b) According to the records of the Company & explanations given to us, there are disputed dues of Income Tax, Service Tax, Entry Tax & Cess aggregating to ₹ 4926.70 Lakhs which have not been deposited. The details of the disputed dues as at 31st March, 2015 are mentioned hereunder:

Name of the Statute	Nature of Dues	Period/Year	Amount (₹ in Lakhs)	Forum Before which dispute is pending
Income Tax Act, 1961	Income Tax	A.Y. 2007-08	522.99*	DCIT
		A.Y. 2007-08	194.98	Hon'ble Supreme Court of India
		A.Y. 2008-09	9.91*	ITAT New Delhi
		A.Y. 2009-10	9.13*	ITAT New Delhi
		A.Y. 2009-10	208.70*	DCIT
		A.Y. 2009-10	663.27*	Hon'ble High Court of Delhi
Finance Act, 1994	Service Tax including Interest and Penalty	10.09.2004 to 28.02.2005 including interest upto March 2015	2994.36	Hon'ble High Courts of Calcutta and Odisha
Odisha Entry Tax Act, 1999	Entry Tax including Interest and Penalty	Oct 2008 to March 2015	172.20	Sales Tax Tribunal, Odisha
Building and other Construction Workers Welfare Cess Act 1996	Labour Welfare Cess	Up to April 2009	100.54	Hon'ble High Court of Chhattisgarh

Name of the Statute	Nature of Dues	Period/Year	Amount (₹ in Lakhs)	Forum Before which dispute is pending
Employees State Insurance Act, 1948	ESI Cases	F.Y. 2011-12	1.36	Labour Court of Durg
Employees State Insurance Act, 1948	ESI Cases	F.Y. 2008-09	19.26	Hon'ble High Courts of Calcutta
Total			4926.70	

* In these cases, the department has unilaterally adjusted the amount of demands from the amounts refundable to the company for some other years.

(c) The Company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

- viii. The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year;
- ix. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a Financial Institution or Banks;
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or Financial Institutions;
- xi. In our opinion, the term loans have been applied for the purpose for which they were obtained;
- xii. Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

Sd/-
R. K. Goel
(Partner)

Membership No : 006154

Place : New Delhi

Date : 12th May, 2015



Coal Handling Plant, Bhilai PP-II (2x30 + 1x14 MW)



Annexure-'B' To Independent Auditors Report

Directions of Comptroller and Auditor General of India Under Section 143 (5) the Companies Act, 2013

S. No.	Directions	Reply
1.	If the Company has been selected for disinvestment, complete status report in terms of valuations of Assets (Including Intangible Assets and Land) and Liabilities (including committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Not applicable
2.	Please report whether there are cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.	No such cases of waiver/write off during the year.
3.	Whether proper records are maintained for Inventories lying with third parties & assets received as gift from Govt. or other Authorities.	Yes, proper records are maintained for Inventories lying with contractors. No gift of assets was received from Government or other authorities.
4.	A report on age wise analysis of Pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on the all legal cases (Foreign and local) may be given.	A report on Pending legal/arbitration cases, as provided, is enclosed as per Annexure-B (i) . Reputed Consultant/ Lawyers are appointed from approved list. Payments/ expenditure are being regularly monitored by senior executives of the Company.

Sub-Direction of Comptroller and Auditor General of India Under Section 143 (5) the Companies Act, 2013

S. No.	Sub-Directions	Reply
1.	Land	
(i)	Examine the title/lease deeds for freehold and leasehold Land and report area of freehold and leasehold Land for which title deeds are not available, in dispute and under encroachment.	We have examined the title/lease deeds for freehold and leasehold Land and there was no area of freehold and leasehold Land for which title deeds are not available or in dispute or under encroachment.
(ii)	State whether the Company has physically surveyed the Land during the year, whether the certificate/report of the survey matches with the area of Land held by the Company and effective steps taken by the Company to remove encroachment?	The Company has not physically surveyed the Land during the year.
2.	Trade and Other Receivables	
(i)	Examine the balances of trade and other receivables and report whether the same were reconciled and unmatched items were adequately explained and adjusted in the accounts. Also report the total amount of unconfirmed balances and those outstanding for more than three years and more than five years.	Trade receivables as on 31.03.2015 have been confirmed and /or reconciled from the subsequent collections from them except the followings : a) Bhilai Plant (PP III) : In case of DNH Power Distribution Company Ltd., debtor balance related to January & February 2014 Billing, ₹ 8.90 Crores is not confirmed and under dispute. As such this has also been shown under contingent liability. b) Bhilai Plant (PP III) : UI charges receivable from Chhattisgarh State Power Transmission Company Limited (CSPTCL) ₹1.40 Crore since 31.07.2011 is not confirmed and under dispute. Provision for the same has been made in the accounts. Bill raised after 31.03.2015 but pertaining to F.Y. 2014-15, which are included in un-billed revenue, have also been realized. There are no unconfirmed balances which are outstanding for more than three years except ₹1.40 Crore receivable from Chhattisgarh State Power Transmission Company Limited (CSPTCL) as referred above and there are no unconfirmed balances which are outstanding for more than five years.

S. No.	Sub-Directions	Reply
(ii)	Where such balances have been confirmed by respective parties whether it varies widely from the amounts reflected under respective heads in the financial statements, and if so, difference to be disclosed.	Balances have either been confirmed and/or realized subsequently.
3.		
(i)	Examine the percentage escalation in salary assumed by the management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the company to the Actuaries for actuarial valuation were correct, complete and valid.	The percentage escalation in salary assumed by the management for computation of actuarial liability against gratuity and other employee benefits seem to reasonable in view of information & explanation provided by the management and valuation report given by the Actuary. In our opinion the source data provided by the company to the actuary for actuarial valuation were correct, complete & valid.
4.	MAT Credit Entitlement	
(i)	Examine MAT Credit entitlements and report whether the same was correctly computed and accounted in the financial statements.	MAT Credit entitlements have been correctly computed and accounted in the financial statements.

Place : New Delhi
Date : 12th May, 2015

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

Sd/-
R. K. Goel
(Partner)
Membership No : 006154





Annexure `B' (i) - Report on pending Legal/Arbitration Cases

S. No.	Pending Since	Authority Where Case is Pending	Amount Involved	Reasons of pendency
1.	2010	Deputy Commissioner of Income Tax (DCIT)	₹ 552.99 Lakhs	Non Credit of TDS, Dividend Distribution Tax & Advance Tax deposited in PAN of Bhilai Electric Supply Company Ltd. (BESCL) now merged with NTPC SAIL Power Company Pvt. Ltd.
2.	2011	Deputy Commissioner of Income Tax (DCIT)	₹ 208.70 Lakhs	Non Credit of TDS correctly reflected in 26AS.
3.	2014	Supreme Court of India	₹ 194.98 Lakhs	Set off of interest income earned against interest paid on borrowing for setting up of a new unit. Department preferred appeal in Supreme Court. High Court Order decided in NSPCL favour.
4.	2014	High Court of India	₹ 663.27 Lakhs	Setoff of interest income earned against interest paid on borrowing for setting up of a new unit. Department preferred appeal in High Court. ITAT decided in NSPCL favour.
5.	2010	High Court of Kolkata	₹ 1498.29 Lakhs	Being aggrieved to the Order of the CESTAT, KOLKATA No. M-82-83/S-119-120/A-224-225/KOL/2009. dt. 07.05.2009 which was in favour of NSPCL, the Commissioner of Central Excise, Customs and Service Tax, Bolpur has filed case before the High Court of Calcutta, the case No. is CEXA No-61 of 2009. Pending Since no paper Book Filed by the Commissioner concerned.
6.	2004	Court of District Judge Burdwan	₹ 4.31 Lakhs	M/s P. Mukherjee & Co., Durgapur was awarded the work of construction of Boundary wall. M/s P. Mukherjee & Co. filed a petition in the court of District Judge Burdwan vide Arbitration Case No. 103/2007 regarding some contractual payments. Consequently, NSPCL filed a counter petition in the Court of District Judge, Burdwan on) 6.04.2009, to set aside the claims of M/s P. Mukherjee & Co (claimant). Since then, the case is pending in the said court.
7.	2013	High Court Kolkata	₹19.26 Lakhs	Initially demand notice of Rs. 1 Crore from ESI was received but on representation by NSPCL the demand was reduced to ₹19.26 Lakhs. The demand further challenged at Hon'ble High Court of Kolkata by NSPCL, Durgapur. The case is pending and ESI authority conducting personal hearing on this issue as per Hon'ble High Court directive.
8.	2006	Industrial Tribunal, Rourkela	Payment of special incentive of ₹ 5,880/- for 11 workmen of Instrumentation Deptt. worked in NSPCL under SAIL-RSP during the period from April, 2001 to Sep, 2002	The representative of Rourkela Mazdoor Sabha contended that the eleven employees while working in the rolls of RSP worked during the financial year 2001-2002 in CPP-II and subsequently redeployed in their parent department in RSP were deprived of the payment of the special incentive of ₹5880/- where as the RSP employees absorbed in NSPCL were paid special incentive amount of ₹ 5880/-
9.	2011	High Court of Orissa	Nil*	Petition for stay operation to the advertisement for recruitment filed by She H. K. Padhi, for the post of Technical Grade IV in NSPCL Rourkela till disposal of the writ petition of Sh. H. K. Padhi.
10.	2012	CGIT - cum - labour Court Bhubaneswar	Nil*	Non-payment of DA and non settlement of other additional benefits for the period from January 99 to 2009 to Contractor workers. Disputes has been referred to CGIT Bhubaneswar for adjudication
11.	2013	Odisha Sales Tax Tribunal, Baniyyakar Bhawan, Cantonment Road, Cuttack	₹ 172.20 Lakhs	2 nd Appeal filed before the Odisha Sales Tax Tribunal against the demand challenging the Assessment Order of Dy. Commissioner of Sales Tax, Circle-I, subsequently confirmed by the Addl. Commissioner of Sales Tax, North Zone, Cuttack Order dated 09.02.2013. The issue involves Demand of Tax, Interest and Penalty of ₹172.20 Lakhs upto 31 st March 2015 under the Odisha Entry Tax Act, 1999.

S. No.	Pending Since	Authority Where Case is Pending	Amount Involved	Reasons of pendency
12.	2009	High Court of Odisha, Cuttack.	₹1496.07 Lakhs	Being aggrieved to the Order of the CESTAT, KOLKATA No.M-82-83/S-119-120/A-224-225/KOL/200. dt.07.05.2009 which was in favour of NSPCL, the Commissioner of Central Excise, Customs and Service Tax, Bhubaneswar-II has filed case before the High Court of Odisha vide OTAPL NO 29 OF 2009 dated 12.10.2009. Since no paper book is filed by commissioner of excise the case is pending for hearing.
13.	2010	SDJM, Panposh, Rourkela	Nil*	The case file by state pollution control board under water (PC&P) due to high TSS level in two water samples in 2009.
14.	2011	Sh. B. B. Tripathy, Arbitrator, NSPCL, Rourkela	Revised Claim by M/s Budhraj Mining & Construction Ltd. ₹ 483.34 lakhs. Counter claim by NSPCL ₹ 134.67 Lakhs	Arbitration started on 03.02.2012 by agency for claim of ₹ 483.34Lakhs. Our counter claim of ₹ 134.67 Lakhs has been lodged on agency through arbitration process.
15.	2011	High Court, Cuttack (Odisha)	Claim by M/s Issar is ₹168.96 Lakhs. Counter claim by NSPCL for risk & cost amounting to ₹156.31 Lakhs	Contract cancelled on 23.08.2008 due to non-performance of contract. Balance work executed at risk and cost of M/s ISAR Engineers Pvt. Ltd. and claimed lodged for ₹168.96 Lakhs on the agency as per contract. Agency has challenged the appointment of arbitrator as GM/BUH in High Court of Odisha and now the case is pending in High Court of Odisha. Arbitration proceeding now kept under abeyance as per directive of High Court, Odisha.
16.	2014	High Court, Odisha	Nil*	Show cause from M/s Vandi Industrial Engineers, as to why the return of EMD to the petitioner and shall not be declared illegal and further to as why NSPCL shall not be directed the award to the work "High Pressure Jet Cleaning of boilers" to the petitioner.
17.	2007	First Class Judicial Magistrate, Labour Court, Durg	Nil*	Fatal accident occurred on 20/07/07. Factory Inspector had filed criminal case citing violation of Sec. 33 (i), Sec. 7 A (2) (c) of Factories Act, 1948.
18.	2008	First Class Judicial Magistrate, Labour Court, Durg	Nil*	Fatal accident occurred on 18/03/08. Factory Inspector has filed a case in Labour Court, Durg citing violation of Sec.7A (1), 7A (2)(b), Sec.29 read with Rule 62, Sec. 7A (2) (3) of Factories Act, 1948.
19.	2007	First Class Judicial Magistrate, Labour Court, Durg	Nil*	Fatal accident occurred on 24/07/07. Factory Inspector has filed a case in Labour Court, Durg, citing violation of Sec.41Rule 73 (i), Sec.41 read with Rule 73 E of Factories Act,1948.
20.	2008	First Class Judicial Magistrate, Labour Court, Durg	Nil*	Fatal Accident Occurred on 09/09/08. Factory Inspector, Durg filed on case in Labour Court, Durg citing violation of Sec.32 (a) 33 (i) and 7A (2) (c) of Factories Act, 1948.
21.	2011	First Class Judicial Magistrate, Labour Court, Durg	₹ 1.36 Lakhs	Notice received from Labour Court, Durg in connection with application filed by a Workman of M/s M. J. Enterprises for compensation against Employment Injury. We have filed our reply and the matter is sub-judice.
22.	2010	High Court Chhattisgarh	₹ 100.54 Lakhs	It is against imposition of Welfare Cess on NSPCL, Bhilai. Case is sub-judice.
23.	2011	High Court Chhattisgarh	Nil*	It is against recovery of damages for alleged non-compliance by contractor.
24.	2010	Distt. Court, Durg	Nil*	Fine imposed on NSPCL by Bhilai Municipal Corporation on account of start of township construction works without obtaining building permission from Nagar Nigam.
25.	2014	Jt. Civil Judge, Sr. Division, Nagpur	Nil*	Smt. Kavita Ashok Uikey has applied for succession certificate for claiming terminal benefits of her deceased son (Devnish Ashok Uikey, 400057). AGM (HR) & DGM (HR) are non applicants in the case.



S. No.	Pending Since	Authority Where Case is Pending	Amount Involved	Reasons of pendency
26.	2013	First Class Judicial Magistrate, Labour Court, Durg	Nil*	Summon received on 28.11.14 from First Class Judicial Magistrate, Labour Court, Durg
27.	2014	CERC, Appellate Tribunal, Delhi	₹ 3265.48 Lakhs	DNH has filed appeal in the Appellate against the order of CERC for the entire capacity charges it paid for period April 2013 to February 2014. Since DNH has filed appeal in the Appellate as a matter of abundant precaution, based on discussion in office of CAG Ranchi, the full amount of ₹ 3265.48 Lakhs (₹890.17 Lakhs + ₹2375.29 Lakhs) has been shown as contingent liability.
28.	2014	CERC, Delhi	₹ 138.40 Lakhs	Chhattisgarh State Power Transmission Company Limited (CSPTCL) vide their letter dated 17 th February 2012 had demanded ₹ 224.81 lakh from NSPCL, Bhilai for Unscheduled Interchange (UI) Charges for the period from April 2009 to July 2011. Subsequently, CSPTCL vide their letter dated 13 November 2014 informed that as per directives of CERC, the re-calculated amount of NSPCL's liability stood as ₹ 81.26 lakh. This Demand was revised by CSPTCL for ₹138.40 lakh vide letter dated 6 th December 2014. NSPCL stated that CSPTCL was misinterpreting the Order of CERC and again filed a Petition No. 462/MP/2014 in CERC for clarification of their Order. CERC heard the Case last on 5 th May, 2015 and order in the case is expected shortly.
29.	2008	ITAT New Delhi	₹ 9.91 Lakhs	Assessing Officer raised a demand in respect of prior period and provision for diminution in value of Stores of ₹ 9.91 Lakhs. The Company has preferred an appeal with ITAT against demands.
30.	2009	ITAT New Delhi	₹ 9.13 Lakhs	Assessing Officer raised a demand of ₹ 9.13 Lakhs in respect of provision for diminution in value of Stores. The Company has preferred an appeal with ITAT against the balance demands.
31.	2013	Sole Arbitrator (Sh. T.K. Chatterjee)	₹ 22.81 Lakhs	Contractors' claims on various counts pertaining to service tax etc.
32.	2014	Sole Arbitrator (Sh. T.K. Chatterjee)	₹ 209.70 Lakhs	Contractors' claims on encashment of Bank Guarantee.

*No financial claims so far on the Company.

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

Place : New Delhi
Date : 12th May, 2015

Sd/-
R. K. Goel
(Partner)
Membership No : 006154



Bhilai PP-III : A Panoramic View



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC-SAIL POWER COMPANY PRIVATE LIMITED FOR THE YEAR ENDED 31st MARCH 2015

The preparation of financial statements of NTPC-SAIL Power Company Private Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide Audit Report dated 12th May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of NTPC-SAIL Power Company Private Limited for the year ended 31st March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

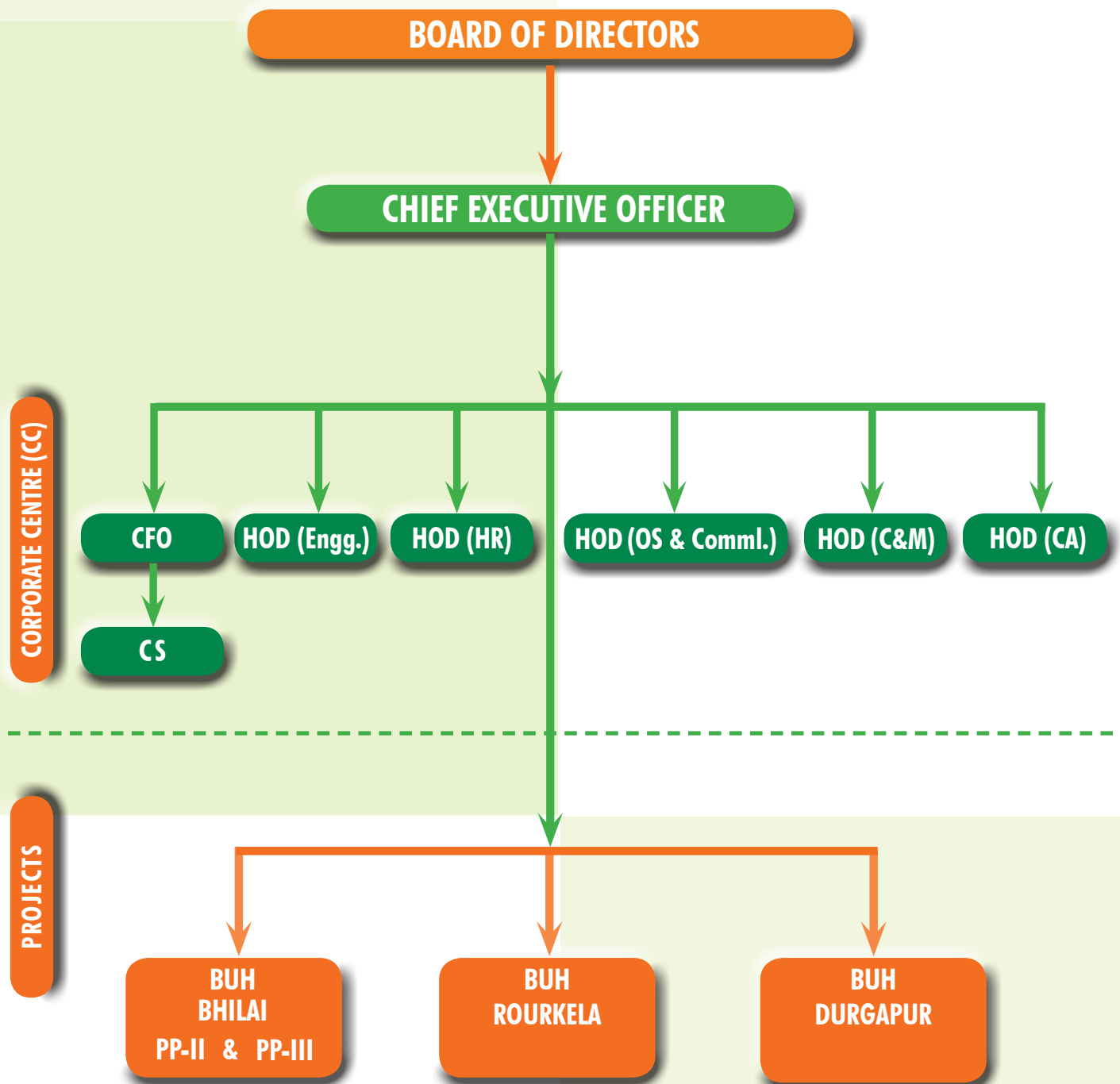
**For and on the behalf of the
Comptroller and Auditor General of India**

**(Sushil Kumar Jaiswal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board, Ranchi.**

**Place : Ranchi
Date : 24 June 2015**



Organization Chart





Various Activities at Plant



NSPCL



NTPC-SAIL Power Company Private Limited
(A Joint Venture of NTPC & SAIL)

4th Floor, NBCC Tower, 15, Bhikaiji Cama Place, New Delhi - 110 066