



# 17<sup>th</sup> Annual Report 2015-2016



NTPC-SAIL Power Company Private Limited







## Contents

Board of Directors	2
Selected Financial Information	6
Chairman's Statement	8
Directors' Report	10
CSR & Sustainable Development	17
Management Discussion and Analysis	20
Financial Statements	47
Independent Auditors' Report	79
Comments of Comptroller and Auditor General of India	86



## Board of Directors and Senior Management



**Shri Kaushal Kishore Sharma**



**Shri Tej Veer Singh**



**Shri S.S.Isser**



**Ms. Arundhati Bhattacharya**



**Shri Sudhir Arya**



**Shri S.K.Mishra**



**Shri M.C.Jain**



**Shri B.P. Verma**



**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 Executive

**Shri Bhaskar Bhattacharya**  
GM(Engg.)

**Shri G.K.Moorthy**  
GM(CA & IT)

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

**Shri U.Lal**  
GM(HR)

**Shri V.K.Dassani**  
GM(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  
4<sup>th</sup> Floor, NBCC Tower,  
15 Bhikaiji Cama Place  
New Delhi-110066  
Tel: 26717379 to 26717382  
CIN: U74899DL1999PTC098274

#### Statutory Auditors

M/s Amit Ray & Co.  
Chartered Accountants  
709-710, Ansal Chamber-II  
6, Bhikaiji Cama Place  
New Delhi-110066

#### 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 Purena Village,  
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



Bhilai Expansion (2x250 MW)

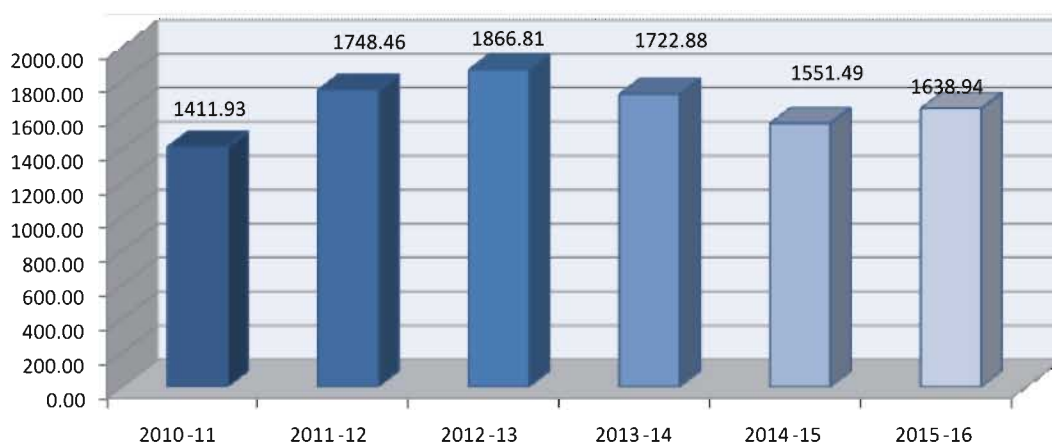


## Operational Performance - NSPCL

Generation ( MU's )



(Sales Excl. Coal) (₹ In Crore )



(Sales Incl. Coal) (₹ In Crore )

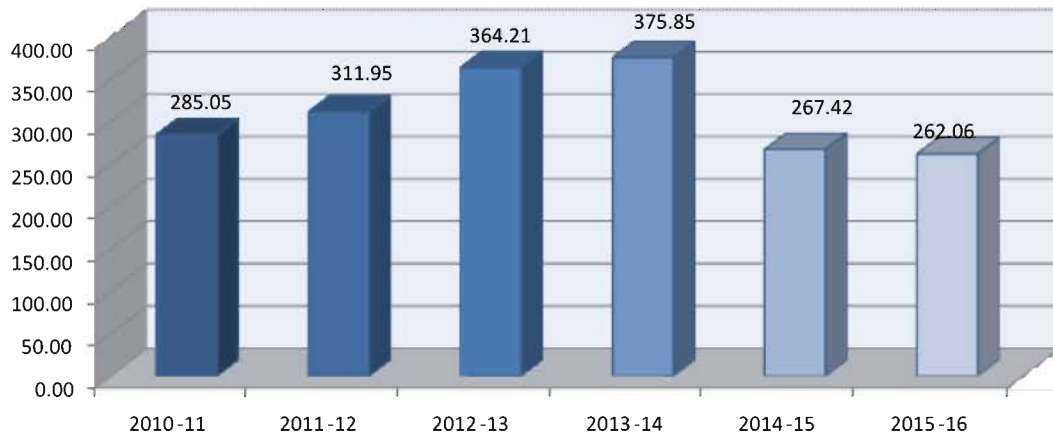






## Financial Performance - NSPCL

**Profit Before Tax (₹ In Crore )**



**Profit After Tax (₹ In Crore )**



TG Hall, Rourkela



## Selected Financial Information

₹ in Lakhs

	2015-16#	2014-15#	2013-14#	2012-13#	2011-12#	2010-11	2009-10*
<b>A. Total Revenue</b>							
Earned from							
<b>Sale of Energy incl. cost of Coal of PP-II</b>	<b>229926.97</b>	<b>225443.23</b>	<b>244628.38</b>	<b>255171.55</b>	<b>244981.17</b>	<b>192503.92</b>	<b>138877.00</b>
Sale of Energy excl. cost coal of PP-II (A)	163893.97	155149.23	172288.38	186680.55	174846.17	141192.92	94511.00
Other Income (B)	7686.51	7150.38	4410.80	3119.00	3160.09	2906.64	1198.00
<b>Total (A+B)</b>	<b>171580.48</b>	<b>162299.61</b>	<b>176699.18</b>	<b>189799.55</b>	<b>178006.26</b>	<b>144099.56</b>	<b>95709.00</b>
<b>B. Paid &amp; Provided for</b>							
Fuel	69630.46	66188.81	72633.14	89573.18	84385.78	56232.74	35537.00
Employees Remuneration & Benefits	14536.83	13484.07	14066.63	12122.05	11382.23	9767.11	9500.00
Generation, Administration & Other Expenses	32690.43	25356.15	23590.13	21713.93	21205.08	17593.58	10918.00
Provision (Net)	0.00	0.00	0.00	0.00	0.00	0.00	7.00
Prior Period/Extra Ordinary Items	11.28	408.61	170.10	19.21	-424.43	171.39	5.00
<b>Total</b>	<b>116869.00</b>	<b>105437.64</b>	<b>110460.00</b>	<b>123428.37</b>	<b>116548.66</b>	<b>83764.82</b>	<b>55967.00</b>
<b>Profit before depreciation, Interest &amp; finance charges and Tax (PBDIT)</b>	<b>54711.48</b>	<b>56861.97</b>	<b>66239.18</b>	<b>66371.18</b>	<b>61457.60</b>	<b>60334.74</b>	<b>39742.00</b>
Depreciation	18199.51	17763.59	16870.25	16706.06	16130.50	16344.27	13350.00
<b>Profit before Interest &amp; finance charges and Tax (PBIT)</b>	<b>36511.97</b>	<b>39098.38</b>	<b>49368.93</b>	<b>49665.12</b>	<b>45327.10</b>	<b>43990.47</b>	<b>26392.00</b>
Interest & Finance Cost	10306.09	12356.87	11783.53	13244.11	14132.57	15485.75	13755.00
<b>Profit Before Tax (PBT)</b>	<b>26205.88</b>	<b>26741.51</b>	<b>37585.40</b>	<b>36421.01</b>	<b>31194.53</b>	<b>28504.72</b>	<b>12637.00</b>
Tax (Net)	1521.83	4000.41	12926.14	11614.81	11771.59	9371.37	4244.00
<b>Profit After tax (PAT)</b>	<b>24684.05</b>	<b>22741.10</b>	<b>24659.26</b>	<b>24806.20</b>	<b>19422.94</b>	<b>19133.35</b>	<b>8393.00</b>
Dividend	12000.00	10000.00	8628.40	13236.75	11406.00	10456.00	2900.00
Dividend Tax	2442.92	2006.64	1466.40	2249.59	1850.34	1696.00	493.00
<b>Retained Profit</b>	<b>10241.13</b>	<b>10734.46</b>	<b>14564.46</b>	<b>9319.86</b>	<b>6166.60</b>	<b>6981.35</b>	<b>5000.00</b>
<b>C. What is Owned</b>							
Gross Fixed Assets	360946.55	354877.83	345306.85	339888.03	329609.53	309866.00	297259.00
Less: Depreciation	156002.56	137355.34	119142.36	101523.45	84234.01	67783.00	50727.00
<b>Net Block</b>	<b>204943.99</b>	<b>217522.49</b>	<b>226164.49</b>	<b>238364.58</b>	<b>245375.52</b>	<b>242083.00</b>	<b>246532.00</b>
Capital Work-in- Progress & Intangible assets under development	8761.31	3546.68	5679.32	5801.49	6103.71	11029.54	12087.00
Other Assets, Loans & Advances	98322.82	113130.16	109733.10	107977.52	94536.74	84303.58	81998.00
<b>Total Net Assets</b>	<b>312028.12</b>	<b>334199.33</b>	<b>341576.91</b>	<b>352143.59</b>	<b>346015.97</b>	<b>337416.12</b>	<b>340617.00</b>
<b>D. What is Owed</b>							
Long Term Loans	75124.15	93174.42	108890.19	128318.49	144972.44	156472.00	174561.00
Other Liabilities & Provisions	25972.24	38815.62	41107.98	47862.84	48890.85	46732.14	48184.00
<b>Total Liabilities</b>	<b>101096.39</b>	<b>131990.04</b>	<b>149998.17</b>	<b>176181.33</b>	<b>193863.29</b>	<b>203204.14</b>	<b>222745.00</b>
<b>E. Others</b>							
Deferred Tax Liabilities (Net)	36457.28	37969.92	38079.88	37027.85	25538.14	13764.00	4417.00
<b>F. Net Worth</b>							
Share Capital	98050.01	98050.01	98050.01	98050.01	95050.01	95050.00	95050.00
Reserves & Surplus	76424.44	66189.36	55448.85	40884.40	31564.54	25398.00	18405.00
<b>Net Worth</b>	<b>174474.45</b>	<b>164239.37</b>	<b>153498.86</b>	<b>138934.41</b>	<b>126614.55</b>	<b>120448.00</b>	<b>113455.00</b>





	2015-16#	2014-15#	2013-14#	2012-13#	2011-12#	2010-11	2009-10*
G. Capital Employed	249598.60	257413.79	262389.05	267252.90	271586.99	276920.00	288016.00
H. No.of Shares	980500100	980500100	980500100	980500100	950500100	950500100	950500100
I. No.of Employees	781	798	818	782	779	786	805
J. Ratios *							
Return on Capital Employed (%)	10.50	10.39	14.32	13.63	11.49	10.29	4.39
Return on Net Worth (%)	14.15	13.85	16.06	17.85	15.34	15.89	7.40
EPS (Rs )	2.52	2.32	2.51	2.56	2.04	2.01	0.88
Current Ratio	3.79	2.91	2.67	2.26	1.93	1.80	1.70
Dividend payout including Tax on PAT (%)	58.51	52.80	40.94	62.43	68.25	63.51	40.43
Dividend payout including Tax on Equity (%)	14.73	12.25	10.30	15.79	13.95	12.78	3.57
Debt to Equity	0.43	0.57	0.71	0.92	1.14	1.30	1.54

# Comparative data based on old Sch-VI formats. Financial Statements Prepared based on Revised Sch VI formats

\* "Ratios for the F.Y. 2009-10 are based on Equity Capital of PP-II (₹ 15050.01 Lakhs ) only, since PP-III commissioned in the F.Y.2009-10."



TG Hall, Durgapur

## CHAIRMAN'S STATEMENT



### Ladies and Gentlemen,

It is my privilege to welcome you all to the 17<sup>th</sup> Annual General Meeting of your Company.

FY 2015-16 and 2016-17 had been a remarkable year for NSPCL as its second phase of growth trajectory had begun. During the Financial Year 2015-16, Rourkela PP-II Expansion Project (1x250 MW) had been accorded investment approval and EPC Package award was placed on BHEL in May '16. Further, during the year, NSPCL had started working with SAIL to develop 200 MW Solar capacity at its various locations. The Salem Solar Power Project (50 MWp) is under advance stage of Investment Approval/Award. Development activities for Durgapur PP-III (40 MW) are also under progress. The requisite Environment Clearance for the Project had already been obtained.

Fiscal 2016 was also a challenging year for your Company because of Bhilai PP-III Unit Generator earth fault in March, 2016 impacting generation. SAIL was provided 118.5 MW Power from U#2 as special arrangement with other beneficiaries.

### Operational highlights

CPP-II's at Bhilai, Durgapur and Rourkela with a combined capacity of 314 MW, have operated at an availability factor of 93.48% and generated 2359.40 MU in 2015-16. Bhilai PP-III (2x250 MW) had generated 3549.64 MU, with a DC of 95.17%, in spite of about 514 MU loss due to low schedule from grid and 160 MU loss due to Generator earth fault failure in U#1. NSPCL's total Generation was 5909.04MU in 2015-16 compared to 5670.13 MU in 2014-15.

In line with FSA signed in September, 2013, SECL had supplied about 1.98 MMT coal to Bhilai PP-III in 2015-16 and about 0.38 MMT was arranged by your Company through other sources. FSA coal supply in 2015-16 had shown a marked improvement and it was about 84% of overall supply against about 72% in 2014-15. The improved domestic coal supply facilitated considerable reduction of imported coal procurement in 2015-16 by 87% from previous year i.e from 4,83,148 Tons in 2014-15 to 62,412 Tons in 2015-16 thereby saving in foreign exchange equivalent to ₹ 263.76 Crs.

Further your Company's focus on cost reduction had led to achievements of best ever operational parameters in 2015-16. Durgapur and Bhilai PP-III stations have recorded lowest ever specific oil consumption in the year. Further, Rourkela and Bhilai PP-II stations have achieved lowest ever DM water consumption in 2015-16. Bhilai PP-III also achieved lowest ever annual APC of 8.00%. The Company had taken series of proactive measures for efficiency improvement and sustainable & reliable operation of machinery. It is a matter of satisfaction that there was no boiler tube leakage in PP-III in the entire year which is a reflection of sound maintenance practices adopted by your Company.

### Financial Performance

Your Company recorded a total income (incl. cost of PP-II coal) of ₹ 2376.13 Crs during 2015-16 against ₹ 2325.93 Crs. in 2014-15, with an increase of 2.16%. Net Profit achieved by your Company in 2015-16 was ₹ 246.84 Crs. which was 8.54% more than ₹ 227.41 Cr. achieved in 2014-15. This had become possible due to excellent operational performance by PP-II's and stable performance by Bhilai PP-III.

An interim dividend of ₹ 100 Crs. had already been paid. Final dividend of ₹ 20 Crs. is proposed for approval in AGM. Total cash out flow on account of dividend and tax amounts to ₹ 144.43 Crs. (58.51% of Net profit).

Realisation was 100% in 2015-16 with full collection of energy bills of ₹ 1394.27 Crore from various beneficiaries of Bhilai PP-III (2x250 MW) along with PP-II bills which were also fully realised from SAIL. I am happy to inform you that CERC had passed an order on 29.12.2015 truing up tariff for the period from 21.10.2009 to 31.03.2014 for Bhilai PP-III.

### Corporate Plan 2015-2025

Anticipating fast changing sectorial scenario and macroeconomic environment, your Company had awarded Consultancy work for preparation of Corporate Plan 2015-25 to M/s PWC India. Draft Plan is under finalisation and the same is targeted to be completed in the current year.

### Growth Momentum

As stated earlier, EPC Package for Rourkela Power Plant II Expansion (1x250 MW) was awarded to M/S BHEL on 11.05.2016 after Investment Approval. Detailed Engineering is in progress and the Commercial Operation Date (COD) of the Unit is targeted in Dec'2018. Further as stated earlier, Salem Solar Power Project (50 MWp) is under advance stage of Investment Approval/Award and development activities for Durgapur PP-III (40 MW) are also under progress.

In line with the thrust being put on Renewables by the entire Nation, your Company is diversifying into Solar Power sector. As informed already, your Company is working with SAIL to develop 200 MW solar power capacity at its various locations by 2019. Salem Solar Power Project (50MW) is being taken up in the first phase and is under advance stage of Investment Approval/Award. Further, action is





under various stages for preparation of Feasibility Reports for other sites.

### Environment Management

Environment management is a high priority area for sustainable development and recognizing the importance, your Company has taken numerous pro-active measures for improvement in this area. Continuous Emission Monitoring System (CEMS) and Effluent Quality Monitoring System (EQMS) in all NSPCL plants have been commissioned in 2015-16. Dry ash collection systems at Bhilai, Rourkela & Durgapur are under operation. Major up-gradation of ESP at Durgapur is under implementation. More than 54,000 trees have been planted by your Company in 2015-16 and more than 3,36,000 trees have been planted by your Company till 31.03.16. With special thrust on Ash Utilisation, NSPCL's ash utilisation had remarkably improved from 34.86% in 2014-15 to 80.8% in 2015-16.

### Employee Development

With special focus on employee development, your Company had put a lot of thrust on training, competency mapping & individual development plans and succession planning. NSPCL had achieved 6.2 training man-days per employee in 2015-16. The Company had successfully recruited 78 personnel in various disciplines e.g. Engineering, Finance, Chemistry etc in 2015-16 as a part of NSPCL cadre building up and replacement of retired manpower. During 2015-16, NSPCL cadre strength had increased by 3.33% to about 76%. As on 01.09.16, NSPCL cadre strength is 77.1%.

### Corporate Social Responsibility – Touching Lives

NSPCL has a well-defined CSR policy and for ensuring that the benefit reaches to targeted segment of the society, CSR implementation is overseen by CSR subcommittee of NSPCL Board. Your Company achieved CSR expenditure of ₹ 4.83 Crs in 2015-16 which resulted in more than 100% budget utilisation. This reflects Company's proactive approach to contribute to the society as the amount was spent in various areas namely Women Empowerment, Education to Underprivileged Children, Vocational Skill Development, Preventive health care, Rural Sports Promotion etc. Your Company is also proud contributor to Swachh Bharat – Swachh Vidyalaya Abhiyaan of Govt. of India by coordinating construction of 722 toilets around Rourkela and Durgapur areas on behalf of NTPC.

### Corporate Governance

Your Company believes in maintaining high standards of transparency and had adopted prescribed Corporate Governance practices. Various new policies namely "NSPCL Safety Policy", "NSPCL Ash Utilisation Policy" and "NSPCL Environment Policy" have been approved and are under implementation in addition to existing Policies like Enterprise Risk Management, Banning of Business Dealings, e-Waste management, handling & disposal etc. In line with CVC guideline, high value contracts are monitored by Independent External Monitor in your Company.

### A Model Case for Academic Deliberations

It is a matter of great pride that the success of your Company had been captured as a Case Study named "Business Transformation through Joint Venture: The Case of NTPC-SAIL Power Company Private Limited (NSPCL)" by IIM, Indore and PMI, NTPC for academic

discussion in the Institutes.

### Awards and Accolades

Your Company's achievements in different areas have brought many awards and accolades in 2015-16. In April'16, the Company received prestigious Scope Excellence Awards of Gold Trophy and Commendation certificate in Institutional category III (other profit making PSEs) for year 2011-12 and 2013-14 respectively. Rourkela had received the prestigious "Prashansa Patra" from National Safety Council of India (NSCI) under the Manufacturing Sector Award of Ministry of Labour and Employment, GOI for 2015. Bhilai PP-III had secured 2<sup>nd</sup> rank in prestigious Energy Efficiency Awards given by Chhattisgarh Renewable Energy Development Agency in less than 1000 MW category. NSPCL was also conferred the Award for Diversity and Human Resources under 24<sup>th</sup> Global HR Excellence Awards at World HRD Congress 2016. All three stations viz. Rourkela, Durgapur and Bhilai PP-III have received Greentech Safety Gold Awards in Thermal Power sector category for 2015.

### Acknowledgements

Ladies and Gentlemen, before I conclude, on behalf of the Board of Directors, I would like to express my sincere gratitude to our promoters (NTPC Ltd. and SAIL), Ministry of Power, Ministry of Coal, Ministry of Steel, Ministry of Environment and Forests and other stakeholders for their immense support. We are indebted to the Central Pollution Control Board, State Governments, State Pollution Control Boards, Factory and Boiler Directorates, Local State Administration, Police Department and other agencies for their continuous support to the Company. We are also thankful to the Central Electricity Regulatory Commission, Central Electricity Authority, Western Region Power Committee, Western Region Load Dispatch Centre and Eastern Region Power Committee for their valuable role. We also thank and appreciate Comptroller and Auditor General and Statutory Auditors of the Company for their observations and suggestions.

Financial Institutions, Banks and other lenders and Investors are our valuable stakeholders and I express my sincere gratitude for their trust and continued support. I wish to thank our esteemed customers, valued vendors and associates who are part of our progress. I take this opportunity to thank my colleagues on the Board for their unconditional cooperation and support.

On your behalf, I would like to acknowledge the dedicated efforts of our employees, our prized asset. I also thank employee's representatives, media and public at large around our establishments for their support. The growth phase has tremendous challenges. I am confident that our employees will rise to the occasion with full zeal, dedication and hard work and your Company shall overcome the challenges and reach new heights in near future.

Thank you,

Sd/-  
(Kaushal Kishore Sharma)  
Chairman  
DIN: 03014947

Date: September 19, 2016  
Place: New Delhi

## DIRECTORS REPORT

**Dear Members,**

Your Directors have great pleasure in presenting the 17<sup>th</sup> Annual Report on the performance of your Company during the Financial Year ended March 31, 2016 along with audited Financial Statements, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended March 31, 2016.

### 1. Change in Nature of Business

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

### 2. Financial Results

(₹ Crore)

	2015-16	2014-15
Total Income *	2376.13	2325.93
Operating Expenditure * (Incl. Prior Period)	1829.01	1757.32
Finance Cost	103.06	123.56
Depreciation & Amortization Expenses	182.00	177.64
Profit before tax	262.06	267.41
Provision for Current Tax	30.35	41.10
Profit after Current Tax	231.71	226.31
Provision for Deferred Tax	(15.13)	(1.10)
Profit After Tax	246.84	227.41

\*Including cost of coal (Current Yr. ₹ 660.33 crore & Previous Yr. ₹ 702.94 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.

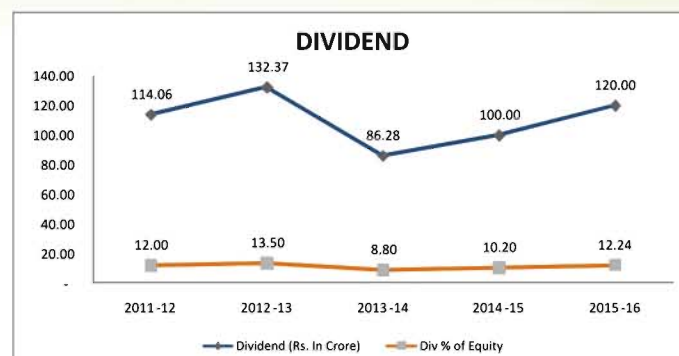
Your Company recorded a total income of ₹ 2376.13 crore during 2015-16 as against ₹ 2325.93 crore in the previous year. The increase in the total income was ₹ 50.20 crore. In case of PP-III, the increase was mainly on account of increased recovery of AFC, increase in ESO and higher recovery under DSM in the current year. In case of PP-II increase was due to increase in ROE & Incentive, mainly on account of capitalization of assets. The increase in operating expenditure of ₹ 71.69 crore was mainly on account of increase in coal (as fuel) cost, due to increase in coal used in PP-III owing to increased generation in the current period. ECR per unit during the year was ₹ 2.15 (against ₹ 2.14 per unit of previous year).

Profit after Tax (PAT) in this year was higher by ₹ 19.43 crore over the previous year. The increase in profit during the year ended 31<sup>st</sup> March 2016 can be attributed to increased recovery of AFC, increase in ESO, higher recovery under DSM in the current year in PP-III and deferred tax provision written back.

### 3. Dividend

Your Directors have recommended a dividend of ₹ 120.00 crore for the year which is 12.24 % of equity share capital. However, the total cash out flow on account of Dividend & tax thereon amounts to ₹ 144.43 crore and the dividend payout including Tax amounts

to 58.51% 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 Chairman, SAIL



Interim dividend cheque being presented to CMD, NTPC

### 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 15-16.

### 5. Operational Performance

During the financial year 2015-16, your Company's CPP-II units





(314MW) generated 2359.403 MU at a Plant Load Factor (PLF) of 85.54% with Availability Factor (AVF) 93.48%. The station-wise performance was (1) Durgapur CPP-II (120MW) recorded 968.931 MU with a PLF of 91.92 % and AVF of 93.77%, (2) Rourkela CPP-II (120MW) generated 1012.64MU with a PLF of 96.07% and AVF of 93.22% and (3) Bhilai CPP-II (134 MW) generations was at 377.832 MU with a PLF of 58.13% and AVF of 93.42%. Bhilai PP-III (2x250MW) generated 3549.64 MU on a PLF of 80.82% with AVF 91.85% and a declared capacity (DC) of 95.17%.

Annual overhauling of the captive units at Durgapur (Capital overhaul of Unit 1), Rourkela and Bhilai (Capital overhaul of TG2) was carried out. Overhauling was also carried out at Bhilai 2x250MW (including capital overhaul of Unit 2). Rolling plan of overhauling of units has been drawn up. Residual life assessment study of ageing units is being taken up to maintain improved performance level including structural assessment of buildings and structures. ESP R&M work is under implementation in Durgapur. Further, R&M plans are in various stages of implementation. In addition, Bhilai CPP-II also supplied 5.62 lakh tons of saturated steam at 8 ata and 7.15 lakh tons of saturated steam at 18 ata to Bhilai steel plant. Total Steam export to BSP of 12.77 lakh tons this year has been the highest ever so far. Efficiency studies are taken up in units before and after overhauls. Technical audits have been conducted and various corrective actions are being implemented as per recommendations. Best practices in Operation and Maintenance are adopted for sustained performance and continuous improvement of the Company.

The 4<sup>th</sup> O&M meet of your Company was organized on March 14, 2016 which provided a platform for sharing learning and discussion for O&M engineers across the Company.

## 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)

Investment approval for the project has been accorded & award for EPC package has been placed on M/s BHEL on May 11, 2016. 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 has been signed with RSP, SAIL. Financial closure for the Project has been achieved.

### 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. 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 Ramnagore, West Bengal. Entire power generated from this Plant will be supplied to Durgapur Steel Plant on Captive basis. The equity requirement for the project is proposed to be met from your Company's internal resources. Environmental

clearance has been obtained. Other statutory clearances are already in place and enabling works are afloat. This Unit will also be equipped with DeSox & DeNox inline with new environmental norms. Moreover, air cooled condenser will be used to reduce water requirement. PPA for the project with SAIL is under finalization. EPC Package is likely to be awarded shortly.

### 6.3 Salem Solar PV Project (50 MWp)

Based on SAIL's request for setting up 200 MWp Solar PV Projects to meet their Renewable Power Obligation, 50 MWp capacity plant at Salem Steel Plant has been planned as the first project. FR was prepared in house and a consultancy work has been awarded on NTPC for preparation of NIT documents and necessary technical support upto commissioning. After opening of price bids and completion of reverse auction process, EPS Package is under advanced stage of award.

### 6.4 Durgapur Solar PV Project (10 MWp) and Bokaro Solar PV Project (20MWp)

FR for these two projects is under preparation.

### 6.5 Other Projects

In addition to the above, your Company is pursuing other projects including 1x250 MW expansion project at Bhilai where land for the project except Ash dyke land is available. 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.

In addition to this potential assessment studies have been carried out for Solar PV project Rourkela (40 MWp) and Bhilai (10 MWp). These will be taken up in the next phase after obtaining input clearance from SAIL.

## 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 replacement 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. Both these systems have been commissioned and on-line data transmission to CPCB/SPCB is in place.

## 9. Commercial Performance

Your Company has realised 100% payment of current bills raised for sale of power during the payment cycle for the seventh



consecutive year. During FY 2015-16, energy billing of ₹ 1394 Crore has been done for supply of power from Bhilai Expansion Power Plant (2x250 MW) to its various beneficiaries and ₹ 352 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 the extant Tariff Regulation.

Subsequent to commercial operation of the Units at Bhilai, billing and realisation of dues for power supply from Bhilai Expansion Power Plant (2x250 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), Salem Steel Plant (SSP) and Chandrapur Ferro-Alloy Plant (CFP).

100% realization of the energy bills has been achieved for the bills raised for energy supplied during 2015-16. However, during 2013-14, DNHPDCL had disputed Bills amounting to ₹ 8.90 Crore for the supplies under another PPA namely Tenth Supplementary PPA dated December 18, 2012 entered into between your Company and DNHPDCL for 25 MW capacity wherein it was agreed that availing MTOA shall be the responsibility of DNHPDCL. CERC vide Order dated February 3, 2014 dismissed the Petition filed by DNHPDCL. Subsequently, DNHPDCL appealed against CERC order and the matter is now under adjudication of the 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 2.408 MMTPA with South Eastern Coalfields Limited (SECL) in 2013-14 for part of its coal requirement. To meet the balance coal quantity, an MOU for 1.0 MMT has been signed with SCCL and for 0.5MMT with ECL and both MOUs were valid till 31/03/2016. During the year, FSA coal realization from SECL was more than 92%. Fresh MOU has been signed for FY 2016-17 with SCCL for 1.0MMT. Procurement of imported coal has been reduced considerably to 62412 tons in 2015-16 from 483148 Tons in the 2014-15 resulting in saving of foreign exchange to the tune of ₹ 263.76 Crore. No fresh order was placed for imported coal during the Financial Year 2015-16 and beyond. For CPP-II Units at Durgapur, Rourkela and Bhilai, SAIL has been supplying coal after procurement from mines.

#### 12. Tariff Regulations

Petition for determination of tariff has been filed with Central Electricity Regulatory Commission (CERC) for Bhilai Expansion Power Plant (2x250 MW) for the period from April 1, 2014 to March 31, 2019 as per 2014-19 Regulations. CERC has determined tariff for the above period vide their order dated August 2, 2016.

#### 13. Judgments/Orders

Final Order for True-up Petition for determination of tariff for Bhilai Expansion Power Plant (2x250 MW) for the period from October 21, 2009 to March 31, 2014 has been issued by the Hon'ble Commission vide Order dated December 29, 2015.

In case of Petition for non-payment of UI Charges by CSLDC/CSPTCL filed with CERC on March 13, 2012, CERC issued Order on October 1, 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. Subsequently, your Company had filed a clarification petition on November 21, 2014 regard the above CERC Order. CERC vide order dated February 2, 2016 upheld the prayer of the Petitioner and directed CSLDC/CSPTCL to revise UI accounting for the period April 22, 2009 to July 31, 2011.

In case of Petition filed by DNHPDCL for adjudication of disputes arising out of Power Purchase Agreement (Supplemental) dated December 18, 2012 entered into between your Company and DNHPDCL, CERC vide Order dated February 3, 2014, dismissed the Petition filed by DNHPDCL. Subsequently, DNHPDCL appealed against CERC Order and the matter is now under adjudication of the Appellate Tribunal of Electricity (ATE).

#### 14. Environment Management and Safety

Your Company has been taking various proactive measures for improvement in the areas of Environment Management. your company Environment policy is in place. Environmental impact mitigation at the Plants has improved substantially. Necessary corrective actions are being taken at the time of overhauling of the Units to keep the emission levels within permissible limits. Ambient air quality monitoring stations (AAQMS) along with meteorological data monitor have been commissioned in Bhilai PP III and Rourkela. The system is under installation and commissioning at Durgapur. Continuous Emission Monitoring Systems (CEMS) and Effluent Quality Monitoring System (EQMS) have been commissioned in all the Plants of your Company in this year. Your Company spent approximately ₹ 35.10 Crore on environment related activities. In order to comply with new environmental norms, ESP up-gradation works of both the units of Durgapur CPP-II has been awarded in 2015-16.

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 program for all concerned. Safety awareness programs are also held periodically.





#### 14.1 Risk Management and Insurance

Your Company's Stations are adequately insured under wider Mega Risk Package Insurance Policy covering all risks fire insurance including Storm, Tempest, Flood, Inundation (STFI), Riot, Strike, Malicious and Terrorist Damages (RSMTD) and Earthquake. All major equipments like SG, TG, Generators etc. are duly covered under Machinery Breakdown Policy (MBD) along with host of Extensions and add-on covers.

#### 14.2 Ash Utilization

During the year, over 16.2 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, brick manufacturing, highway embankment etc. Dry ash evacuation systems are in operation in units to optimize ash utilization. Plant wise ash utilization figures are as follows:

Plant	Utilization %
Durgapur (2 x 60 MW)	45.1
Rourkela (2 x 60 MW)	98.5
Bhilai PP2 (2 x 30 MW) + (1 x 14 MW)	39.5
Bhilai PP3 (2 x 250 MW)	88.9
NSPCL (814 MW)	80.81

Your Company has in place a comprehensive Ash Utilization Policy to further streamline the process of ash utilization.

#### 14.3 Tree Plantation

Your Company has planted more than 54,600 trees during the year (the cumulative number is 3.53 lakh trees) around its projects as a measure to take massive afforestation, which is protecting ecology and environment.

### 15. Corporate Plan

Corporate Plan 2010-22 of your Company along with vision and mission statement 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 Corporate Plan upto 2025 has been awarded to M/S Price water house Coopers, India. Draft Plan has been prepared and finalization of the Plan is targeted in 2016.

#### 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 2015-16, all the applications received under the RTI Act, were replied within the time frame under the provisions of RTI Act, 2005.

#### 17. 15 Years Celebration

Your Company completed 15 years of its formation on March 7, 2016. The year 2015-16 was celebrated as the 15<sup>th</sup> year of your

Company in a befitting manner. A logo was especially designed and used in all communications and all occasions & activities conducted during the year. Many programmes were conducted to fuel the zeal of continuous learning and enhance interaction among employees of all Units and CC and to enhance the interaction with stakeholders and associates. NSPCL Geet was released during the year.

Your Company took out a Company Information Booklet highlighting the achievements of 15 years. Success story of your organization has been taken up in the form of a case study that has been jointly prepared by IIM, Indore, and PMI, NOIDA. The case study focusses on Cultural amalgamation of two Companies viz. NTPC and SAIL working in diverse sectors and how beautifully your Company has emerged despite the different cultures. CSR brochure has been released to showcase the activities undertaken by your Company for the betterment of society and capacity building of the underprivileged sections of the society. A documentary on 15 years' journey of your Company was also released during the Raising day celebration.



On the occasion of NSPCL Raising Day

### 18. 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.

Your Company believes in investing in human resources for achievement of organizational goals. Foreign Training Policy has also been introduced in your Company with an objective to facilitate learning from the Global experts. Yours is a learning organization, wherein Intranet is extensively used as a platform for knowledge sharing and information dissemination. In order to develop a culture of learning & continuous development, initiatives like Professional Circles, Quality Circles, Suggestion Schemes, Business Quizzes etc. are encouraged.

Planned interventions for employees at all levels has been introduced in the year 2015-16. Competency Mapping of E4-E5 level executives and reassessment of competencies of E6-E7 level

executives has been done. Adventures in attitude programme for non-executives has been conducted by all Units. Your Company is focussing on continuous development of employees.

Several activities have been introduced for professional upgradation of Employees and to increase the interaction among employees of all Units and CC. Events like Inter-Unit Quality circle meet, Professional Circle Meet, Business Quiz competition, Technical Seminar has been introduced under the 15 years celebration and successfully accomplished during 2015-16.

#### **19.1 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 2015-16, a massive exercise for recruitment of Executives in Finance and as Engineering Executive Trainee in Mechanical, Electrical and Control & Instrumentation disciplines has been undertaken which will further strengthen your Company's cadre. Total strength of the Company was 842 as on March 31, 2016, out of which 642 employees are its own cadre which constitutes 76.25% of the total workforce and 200 employees are on secondment from NTPC

#### **19.2 Employee Welfare**

Your Company 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.

Several welfare activities have been undertaken by Units under 15 years celebration like talent hunt for children and ladies.

During FY 2015-16, Inter Unit Cultural Meet was held at Bhilai wherein Employees and their family members from all three Units participated and Inter-Unit Sports Meet was held at Rourkela and the sports events organized were Volley Ball, Badminton, Chess and Table Tennis. Employees celebrated all the events, achievements, festivals etc. together. There are clubs at all the stations of your Company. Through these clubs various welfare programmes are conducted. No stone is left unturned in ensuring optimal employee engagement. Your Company 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, your Company 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.

#### **19.3 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 develop the middle level

managers to hold key positions in the future, Competency Mapping of E4-E5 level executives was carried out and a total of 48 executives were covered. IDP (Individual Development Plan) has been developed to prepare them for the future. 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. During the FY 2015-16, ten Executives were nominated for Foreign Training. The total budget for foreign training during 2015-16 was ₹ 33. 62 lakh of which ₹ 29.25 Lakh was utilized. Training & development of all the employees is ensured and during the FY 2015-16, 6.26 average training mandays was achieved. Your Company also sponsored two Executives for pursuing PGDM (E), 2015-16 from NSB, Noida, thus supporting the objective of continuous learning and development.

#### **19.4 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 2015-16, number of Union / Association Meeting (at Corporate Centre and Stations) held were 22 and number of Communication / Employee Interaction Meetings (Open forum by BUH) held were 12. 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.

#### **20. CSR and Sustainable Development**

A detailed report is placed at Annexure- I

#### **21. 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.

##### **21.1 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.

#### **22. Loans and 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.

#### **23. 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 31.03.2016 is placed at Annexure-VI.





#### 24. Particulars of Contracts or Arrangements with Related Parties

During the period under review, the Company had not entered into any contract or arrangement with related parties.

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

#### 25. Deposits

The Company has not accepted any deposits during the year.

#### 26. Subsidiaries, Joint Ventures or Associate Companies

The Company has no subsidiary or joint venture.

#### 27. 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.

#### 28. Company Wide ERP System

Companywide ERP based on SAP was rolled out on July 15, 2014 and is under operation. The system stabilization was achieved w.e.f. April 30, 2015. The implementation was done through System Integrator M/s Accenture. The system is under maintenance support from M/s Accenture for a period 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 has achieved 100% availability since roll out.

The System installation is on your Company's 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 Synchronization between DC & DRC was achieved before system roll out on July 15, 2014.

#### 29. IT and Communication

During the year, Company email under the domain your company.co.in was implemented with in-house efforts and email ids provided to all the employees. The nspcl.co.in mail is in operation from February 2015.

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. The band width of MPLS link between NTPC and 4 locations of your Company has been enhanced from 512 Kbps to 2 Mbps.

Your Company's internet web site and corporate internet were renovated.

#### 30. Change in the Board of Directors and KMP's

Shri Sudhir Arya, ED(Fin), NTPC was appointed as Part Time Director with effect from April 1, 2015 through NTPC's letter dated

March 26, 2015. Further, NTPC through their letter dated April 6, 2015 has nominated Ms. Arundhati Bhattacharya, GM(PE-C&I) as Part Time director in place of Shri Ajit Kumar.

Further, SAIL through its letter dated January 21, 2016 has withdrawn the nomination of Shri Y.K. Degan and Shri R. Bhargava and appointed Shri S.K. Mishra, ED (Works) DSP and Shri M.C. Jain, GM & Company Secretary SAIL as nominee Directors.

Shri M.K. Das, Director, nominated by SAIL ceased to be a director with effect from March 30, 2016 and Shri B.P. Verma, ED (works), RSP was appointed as director on June 9, 2016.

The Board places on record its deep appreciation for the contribution made by Shri M.K. Das, Shri Ajit Kumar, Shri R. Bhargava and Shri Y.K. Degan during their tenures.

Shri Manash Sarkar, CEO, Shri S.V. Shahi, CFO, Ms. Umang Vats, Company Secretary have been appointed as KMP with effect from August 24, 2015. There has been no change in the KMP's since.

#### 31. 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.

#### 32. 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.

Further, all the Directors are nominated by NTPC and SAIL. The Directors nominated by NTPC and SAIL are being evaluated under well laid down procedure for evaluation by the promoters.

#### 33. Management Discussion and Analysis

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

#### 34. 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 Annexure- III to this Report.

#### 35. Corporate Governance Report

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

#### 36. Development and Implementation of a Risk Management Policy

Risk Management Policy of Your Company was approved in 133<sup>rd</sup> Board Meeting held on April 27, 2015.

#### 37. Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s Amit Ray & Co., Chartered Accountants were appointed as the statutory auditors for the financial year 2015-16.

### 38. 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 2015-16 for all the stations including the Corporate Office. The filing of the Cost Audit Reports for the financial year ended 31<sup>st</sup> March 2016 is under process and the same shall be filed within the prescribed time period.

### 39. 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 2015-16 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

### 40. 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.

### 41. 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 placed at Annexure- V to this Report.

### 42. Particulars of Employees

In terms of provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

The details of the top ten employees of the Company in terms of remuneration drawn are placed at Annexure VII to this Report. Further, no employees were covered under the limits of remuneration specified in the said rules.

### 43. 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 44. 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.

Your Directors thankfully acknowledge the cooperation received from the State Governments as well as the Pollution Control Boards of West Bengal, Odisha and Chhattisgarh respectively and the Central Pollution Control Board and their various officials

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**

Sd/-  
(Kaushal Kishore Sharma)  
Chairman  
DIN : 03014947

**Date: August 31, 2016**  
**Place: New Delhi**





Annexure-I  
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 activities and sustainability programmes are undertaken by the Company are carried out in accordance with the well-defined CSR Policy, Companies Act, 2013 and Guidelines issued by Govt. of India from time to time.

Focus areas of CSR and Sustainability are women empowerment, education to underprivileged children, preventive health care, family welfare, sanitation, promotion of art and culture and social infrastructure projects contributing to holistic development of stake-holders.

Under Swachh Bharat Abhiyan, your Company contributed by constructing 722 number of toilets in numerous remote location schools in vicinity of Rourkela and Durgapur Units. These toilets were constructed on behalf of NTPC Limited.

Mass tree plantation and environmental conservation activities are also undertaken for environment sustainability.

Preference for CSR and sustainability activities is given to local areas (with in the district) around the Company's operation, ensuring majority of CSR funds are spent for activities in local areas. A CSR efficacy survey is undertaken by a cross functional team, to assess the impact evaluation of the various CSR activities undertaken by the company at various sites.

2. The Composition of the CSR Committee.

The Board level Corporate Social Responsibility Committee comprising of 6 Directors recommends to Board for approval, the budget for expenditure to be incurred on CSR activities and monitors from time to time the policy of Corporate Social Responsibility and Sustainability approved by the Board.

Sl No	Name of CSR Committee member as on August 31, 2016
1	Shri S.K. Mishra
2	Shri Tej Veer Singh
3	Shri S.S. Isser
4	Ms Arundhati Bhattacharya
5	Shri Sudhir Arya
6	Shri B.P. Verma

3. Financial Details:

Particulars	2015-16 (in lakhs)	2014-15 (in lakhs)
Amount required to be spent during	671.65	701.34
Amount Spent on CSR	483.33	462.19
Shortfall amount appropriated to CSR Reserve	188.32	239.15

**Note:** CSR Budget was kept on net profit of past three years. However subsequently a clarification received from MOCA vide circular no 01/2016 dated January 12, 2016 as per which Net Profit means Profit Before Tax. Accordingly the Company revised the budget to ₹ 701.34 lakh for FY 2014-15 and ₹ 671.65 lakh for FY 2015-16 and created reserve of ₹ 239.15 lakh for FY 2014-15 and ₹188.32 lakh for FY 2015-16. The amount will be spent in FY 2016-17.





**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 of programs- specify the district where projects or programme was undertaken	Amount outlay (budget) project or program wise (₹ In Lacs)	Amount spent on the projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads (₹ 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	Chattisgarh,	Durg	20.00	15.42	Direct Expenditure
			Odisha,	Sundergarh	17.40	17.88	
			West Bengal,	Durgapur Bengal	15.00	15.00	
			Delhi	Kalkaji & Azadpur, Gokulpuri	1.20	1.438	
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	Chattisgarh,	Durg	13.00	8.49	Direct Expenditure
			Odisha,	Sundergarh	61.35	59.05	
			West Bengal,	Durgapur Bengal	11.00	10.89	
			Delhi	Kalkaji & Azadpur, Gokulpuri	4.10	4.070	
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	Chattisgarh,	Durg	6.00	8.55	Direct Expenditure
			Odisha,	Sundergarh	2.50	1.93	
			West Bengal,	Durgapur Bengal	3.00	3.00	
			Delhi	Kalkaji & Azadpur, Gokulpuri	7.30	7.40	
IV	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports	Sports & Games	Chattisgarh,	Durg	2.00	1.55	Direct Expenditure
			Odisha,	Sundergarh	5.75	6.26	
			West Bengal,	Durgapur Bengal	4.00	4.00	
			Delhi	Kalkaji & Azadpur, Gokulpuri			
V	Rural Development Projects	Infrastructural Development	Chattisgarh,	Durg	26.00	26.95	Direct Expenditure
			Odisha,	Sundergarh			
			West Bengal,	Durgapur Bengal	42.40	43.83	
			Delhi	Kalkaji & Azadpur, Gokulpuri			
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)	Chattisgarh,	Durg	163.00	169.56	Direct Expenditure
			Odisha,	Sundergarh	45.40	47.28	
			West Bengal,	Durgapur Bengal	31.60	30.79	
			Delhi	Kalkaji & Azadpur, Gokulpuri			
Total					482.00	483.33	

5. During the FY 2015-16 your Company achieved the initial target of CSR Budget of ₹ 482 lakhs and actual expenditure was ₹ 483.33 lakhs. However on subsequent clarification received from Ministry of Corporate Affairs on 12.01.2016, a CSR reserve of ₹ 427.47 lacs has been created and the same shall be spent in FY 2016-17.

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**

**Date: August 31, 2016**

**Sd/-**  
**(S.K.Mishra)**  
**Chairman**  
**DIN: 07424681**





## Awards

- NSPCL received the following prestigious Scope Excellence Awards from Hon'ble President of India on April 11, 2016:
  - Institutional Category III (Other Profit Making PSEs) for the year 2011-12 - Gold Trophy & a Citation.
  - Institutional Category III (Other Profit Making PSEs) for the year 2013-14 - Commendation Certificate.
- NSPCL has been conferred with prestigious Global HR Excellence Awards for Diversity & Human Resources at the World HRD Congress 2016 held at Mumbai on 15.02.2016.
- NSPCL- Bhilai, has won "HR Greentech Award-2015" in "Employee Retention Strategy Category" during 5<sup>th</sup> Greentech Award Ceremony. NSPCL-Bhilai has institutionalized many new and innovative practices in recent times providing a plethora of opportunities for employee development, welfare, socialization and engagement and has ensured that training, growth and development requirement of employees are taken care of for their constant grooming.
- NSPCL, Rourkela has been adjudged winner of the coveted Kalinga Safety Award – 2014 in "Silver Category" in the Power sector. The Safety Award was presented during the 6<sup>th</sup> "Odisha State Safety Conclave 2015" held on 29<sup>th</sup> September, 2015 at Bhubaneswar. The award was presented by Hon. Chief Secretary Govt. of Odisha, Shri. Gokul Chandra Pati in presence of dignitaries and Senior Officials from Ministry of Labour & ESI, DG Mines Safety and Directorate of Factories & Boilers.
- Rourkela, Durgapur and Bhilai (PP-II) Units of NSPCL were conferred the prestigious Greentech Safety Gold Award in Thermal Power Sector category for the year 2015. The Certificate of Award and Trophies were presented "GOLD award" during the 14<sup>th</sup> Annual Greentech Occupational Health, Safety & Fire Conference held on 24-25<sup>th</sup> July, 2015 in Goa.
- NSPCL Rourkela was conferred the prestigious State Safety Award for the performance year 2011 & 12 for Longest Accident Free period and Lowest Frequency rate of Accidents. The Award is instituted jointly by the Dept. Of Labour & ESI, Govt. of Odisha and the Directorate of Factories & Boilers, Odisha. The Certificate of Award and Trophy was presented during the State Safety Award function held on 11<sup>th</sup> June, 2015 in Bhubaneswar.

For and on behalf of Board of Directors

Sd/-

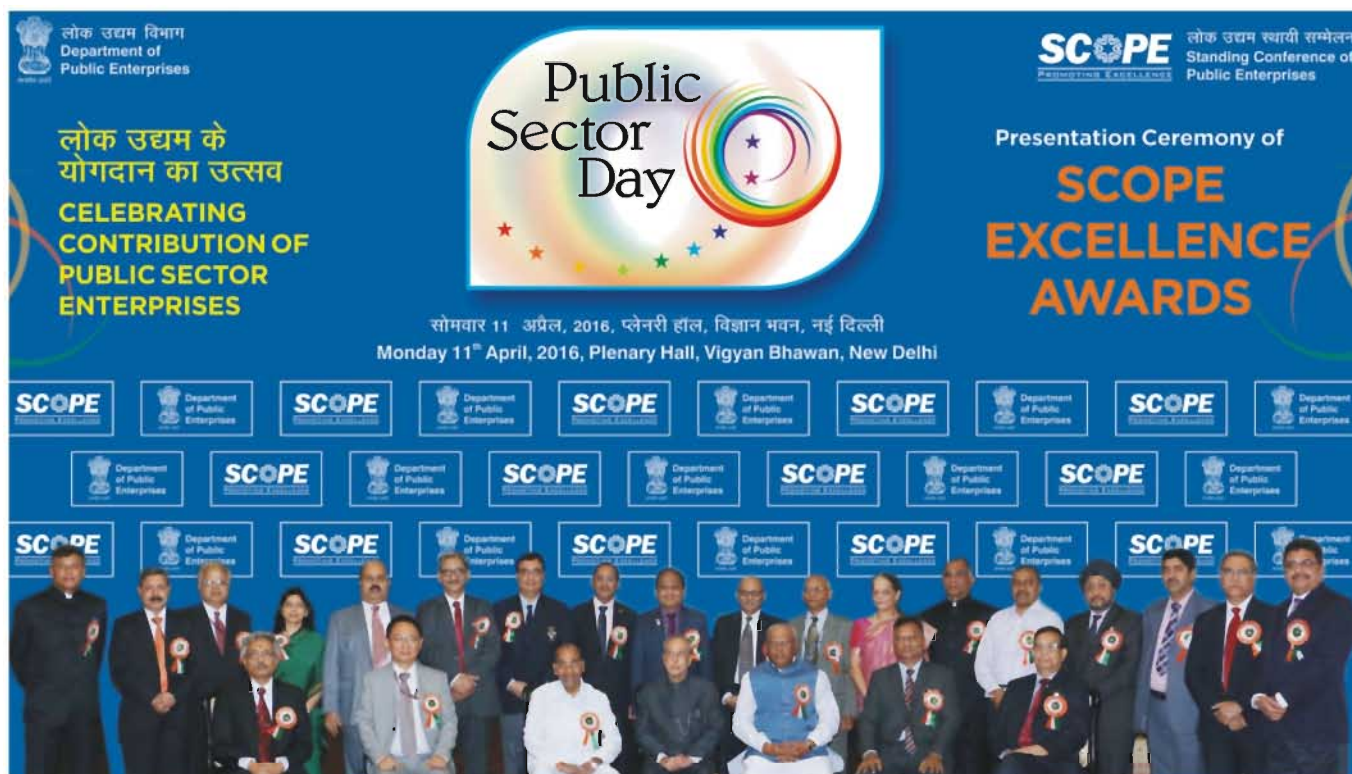
(Kaushal Kishore Sharma)

Chairman

DIN: 03014947

Date: August 31, 2016

Place : New Delhi



Scope Excellence Awards awardees with the Hon'ble President of India

## Annexure-II

# Management Discussion and Analysis

## BUSINESS SCENARIO

### Industry

#### An Overview of Industry developments

Financial Year 2015-16 is a phenomenal year for Indian power industry due to various policy initiatives taken by Government across the value chain of the industry in last few years. The achievements, developments, issues in different segments including captive segment of the Industry have been discussed in the following paras.

#### Major highlights in 2015-16

- All India Electricity Generation of about 1108 BU with a growth rate of 5.64% over last year
- Overall power deficit reduced to 2.1% from 3.6% last year and Peak shortage reduced to 3.2% from 4.7% last year
- Generation capacity addition during the year is about 23977 MW(excluding renewable energy)
- Installed capacity crossed 3 lakh MW as on 31<sup>st</sup> March'2016.
- Inter-regional transmission capacity has more than doubled in last four years from 27750 MW as at the end of XI plan to 58050 MW as on 31.03.2016.
- Coal production by Coal India increased by 8.5% to 536 million ton
- 3019 MW solar power capacity added exceeding the target by 116% and 3300 MW wind power capacity added exceeding the target by 38%
- Decline in coal import (15%YOY) for power generation resulted in savings and subsequent impact in reduction of power cost
- Tariff policy has been amended by focusing on 4E's i.e. electricity for all, efficiency to ensure affordable tariff, environment for sustainable future and ease of doing business
- Focus on state specific plans for attaining affordable '24x7 power for all' by 2019
- Formulation of policy for priority sector wise allocation of coal linkage and transparent auction of 31 coal blocks.
- UDAY scheme launched in 15-16 has been a success as 13 states joined in debt restructuring programme for mitigating solvency risk and revival of Discoms. UDAY bonds of over 1 lakh Crore have been issued.

#### Installed capacity

- Installed capacity crossed 3 lakh MW and as on 31<sup>st</sup> March' 2016 the total installed capacity was 302087.84 MW (including renewable):

Sector	Total Capacity(MW)	% share
State	101790.18	34.00
Central	76296.75	25.00
Private	124000.91	41.00
<b>Total</b>	<b>302087.84</b>	<b>100.00</b>

(Sources for above data: MOC, MOP, CEA, NTPC)

#### Generation and Capacity Utilization (PLF)

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

Sector wise Generation and PLF (Thermal) (%)

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

The overall decline in PLF was mainly on account of backing down/ shut down of units due to low schedule from beneficiary states

(Source: Central Electricity Authority).

#### Demand and Supply position

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

Year	Reqmt. (MU)	Availability (MU)	Deficit (%)
<b>2013-14</b>	10,02,257	9,59,829	4.2
<b>2014-15</b>	10,68,923	10,30,785	3.6
<b>2015-16</b>	11,14,408	10,90,851	2.1

Source: CEA

Power Supply deficit in percentage terms has been reduced to more than 41% from the previous year.

The Peak Shortage of 3.2% was experienced in FY 2015-16 (4.7% in 2014-15) as peak met was 1,48,463 MW against peak demand of 1,53,366 MW<sup>(1)</sup>.

(1) Source: CEA

#### Challenge ahead

Inspite of the above success, various challenges in the sector remain such as the Country's low per capita consumption (1075 kwh) which is 36% of the world average (3026 kwh), reduction in demand due to weak financial position of Discom and attaining affordable '24x7' power for all by 2019. Government's target to increase renewable energy capacity to 175 GW by 2022 from app. 43 GW at present is also a big challenge for renewable sector.

#### Captive Sector

Captive generation was given special treatment in The Electricity Act, 2003 and in Electricity Rule 2005 it was further defined and clarified as an aid to boost the power availability at grid. 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. This provides an excellent opportunity for meeting peak power shortage provided some issues of the segment (open access, parallel operation charge, cross subsidy surcharge etc.) are addressed. Coal availability in





this segment has improvement potential after Govt. has allowed auction of coal linkage for non-regulated sector through competitive bidding. Broadly captive capacity is about 20% of grid capacity which has an enormous tapping potential.

#### Potential for Growth

For infrastructural industry sectors like Steel, Cement, Aluminum, electricity is one of the critical input cost component (approximately 30–35% of production cost) besides reliability for continuous availability of power is a requirement. So reliable power supply with competitive cost of production in the form of captive power provides an advantage to these industries as the power requirement in these industries is high. Captive generation can also play a key role to mitigate the power shortage as well as to meet the demand growth. Hence potential for growth of captive power segment is substantial.

#### Opportunities for NSPCL

Major areas of opportunity which present significant potential for the Company's growth are as under:

##### Capacity Addition

##### a) Conventional Energy

##### Rourkela PP-II Expansion (1x250MW):

EPC package for Rourkela PP-II Expansion (1x250 MW) has already been awarded to M/s BHEL with commissioning schedule in 3<sup>rd</sup> Quarter of 2018-19 and the work for the project is in full swing.

##### Durgapur PP III (2x20 MW):

EPC for Durgapur PP-III (2x20 MW) is in advanced stage after receipt of price bids and completion of reverse auction process.

##### Other Projects:

NSPCL is also contemplating on other projects including Bhilai Expansion (1x250 MW/2x250 MW).

##### b) Renewable Energy

Various policy initiatives have been unveiled by Govt. for development of renewable sector. A target of 175 GW renewable capacity by 2022 has been set, out of which solar energy capacity of 100 GW is targeted.

##### Mandate from SAIL for development of 200 MWp Solar capacity

Considering the huge opportunities in solar energy, NSPCL is diversifying its energy portfolio to Solar Power area. It has already got mandate from SAIL for installation of 200 MWp Solar PV capacity which shall also cater to their RPO requirement. Salem Solar Power Project (50 MWp) has been taken as first project and FR has already been approved. After opening of price bids and completion of reverse auction process, EPC Package is under advanced stage of award. Investment approval and EPC package award are targeted in FY 16-17 and commissioning is targeted in FY 17-18. NSPCL has also got go-ahead from SAIL for installation of Solar PV plants at Durgapur (10MW), Bhilai (10MW), Bokaro (20MW) and the same for Rourkela (40MW) is expected shortly. Balance capacities are under examination for Potential Capacity assessment.

#### RISKS AND CONCERNS

NSPCL has an elaborate Enterprise Risk Management frame work. Enterprise Risk Management Committee (ERMC) is already in place. The ERMC is responsible to identify & review the risks and to formulate action plans and strategies for mitigation of risks both on short and long term basis.

The ERMC has identified 20 risks out of which the following have been classified as the top risks for the Company:

- Risk of not getting schedule
- Delay in Execution of Projects
- Hindrances in acquisition of Land
- Sustaining efficient Plan Operations
- Reduced generation capacity of ageing Plants
- Non-compliance with environmental, pollution and other related regulatory norms incl. Ash utilization.

All the identified risks are being regularly monitored through reporting of key performance indicators. ERMC meetings are taking place on quarterly basis and exceptions with respect to risk assessment criteria are reported regularly to the Board of Directors.

Further, the details of mitigation of other two important risks namely Fuel Risk and Realization Risk are given below:

##### Mitigation of Fuel Risks

With concerted efforts of Government and Coal India, position of domestic coal availability has improved and as such the fuel supply risk is slowly mitigating. 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 low. Meetings are regularly held with CCSO, CIL for improvement in quantities/qualities of fuel supplied.

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 are taken to mitigate fuel risks. For new projects of Rourkela and Durgapur Expansion, coal shall be supplied by SAIL mitigating the fuel risk.

##### Mitigation of Risk of Realization

SAIL is the sole customer for NSPCL's PP-II Plants (314 MW) in CPP mode. Energy billing is done as per the present PPAs with SAIL based on fixed return on equity. Realization of these Energy bills from SAIL is prompt. Further, SAIL being a Promoter, risk of return in future period is also low.

In case of Bhilai PP-III (2x250 MW), power is supplied to UT Daman & Diu, UT Dadra & Nagar Haveli and State of Chhattisgarh apart from SAIL. All the beneficiaries have signed long term Power Purchase Agreement (PPA) with NSPCL which include appropriate security mechanism e.g LC (letter of credit). Applicable tariff is being determined by CERC in line with PPAs. NSPCL has already filed tariff petition to CERC for period 2014-19 and final tariff order for the same period is awaited. Pending CERC tariff order for 2014-19, presently energy billing is done based on CERC order dtd. 29.12.2015 for 2009-14 trued up petition for fixed charge



recovery and in line with 2009-14 model for variable charge recovery. As such adequate protection is taken to reduce the realization risk for the running stations. The current bill realization from the beneficiaries is 100% in FY 2015-16. For new project under construction i.e. Rourkela PP-II Expansion (1x250 MW), PPA with SAIL has already been signed for 100% off-take. For Durgapur PP-III (2x20 MW) and Salem Solar Power Project (50 MWp) full power supply has been tied up with SAIL and PPAs are under finalization.

### Competition

NSPCL is mainly a power generating Company with present generation capacity of 814 MW and doing its business in captive space. It aims to double its capacity within next few years predominantly in the same space. Both the promoter companies of NSPCL i.e. NTPC and SAIL are Maharatna PSUs and are well established in their respective markets. Over a period of time, NSPCL established itself as a leader in Captive Power industry as a 'Niche' player in power sector. Considering the expertise in this particular area, NSPCL has opportunities in future to be a major player in managing captive power plants and setting up similar projects. As such NSPCL is in a formidable position to face the challenges of competition.

### Internal Control

Company has SAP-ERP system to process and maintain its data in such a way that each transaction of the Company passes through various authorized executives to comply with checks and balances during its process and payments.

Third party SAP Audit has also been conducted to ensure proper checks and control in the system.

To ensure regulatory and statutory compliance, 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.

### 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 31<sup>st</sup> March 2016 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.

### Financial Discussion and Analysis

#### A. Operational Results

##### 1. Operational parameters

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'.

The operational performance of Company is tabulated below:

Particulars	Year ended 31 <sup>st</sup> March 2016	March 2015
Generation (MU)		
PP-II	2359.40	2429.06
PP-III	3549.64	3241.07
<b>Total</b>	<b>5909.04</b>	<b>5670.13</b>
Energy sent out (MU)		
PP-II	2074.85	2141.39
PP-III	3263.46	2962.32
<b>Total</b>	<b>5338.31</b>	<b>5103.71</b>
PLF (%)		
PP-II	85.54%	88.31%
PP-III	80.82%	74.00%
<b>Total</b>	<b>82.64%</b>	<b>79.52%</b>
Addl saturated steam supply (lakh ton) from BHL unit		
- 18 ata	7.15	6.58
- 8 ata	5.62	5.69

The increase in generation of the Company during the year was mainly on account of lesser outages 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 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 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 revenue from operations of the Company (net of electricity





duty & parallel operation charges for PP-III) for the year 2015-16 stood at ₹ 1638.94 crore (previous year ₹ 1551.49 crore). Revenue from operations on an overall basis have increased over the previous year, by ₹ 87.45 crore mainly due to increase in revenue in PP-III plant on account of increase in recovery of Annual Fixed charges (AFC) owing to higher availability, increase in ESO, higher recovery under DSM in current year and increase in revenue in PP-II plants on account of increase in ROE & Incentive is mainly on account of high capitalization of assets, increase in interest on Working Capital.

Break up of Revenue from Operation is as follows:-

Particulars	Year ended 31 <sup>st</sup> March	
	2016	2015
PP-II	372.39	362.70
PP-III	1266.55	1188.79
<b>Total</b>	<b>1638.94</b>	<b>1551.49</b>

#### 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 2015-16 stood at ₹ 1032.72 crore (Previous year was ₹ 1065.64 crore) for PP-IIs. Though revenue excluding free supply of coal increased due to increase in ROE & incentive to higher capitalization of assets but revenue including coal has decreased due to lower coal consumption due to lower PLF.

#### PP-III

In case of PP-III, sales has increased to ₹ 1266.55 crore from ₹ 1188.79 crore in previous year. Sales has increased by ₹ 77.76 crore over previous year mainly on account of increase in recovery of Annual Fixed charges (AFC) owing to higher availability, increased recovery of energy change due to increase in ESO, higher recovery under DSM.

### 3. Other Income

Other income stood at ₹ 76.86 crore for the year 2015-16 (previous year ₹ 71.50 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 2003-04 amounting ₹ 13.90 crore. Current year's income includes amount of ₹ 16.05 crore received from New India Assurance Company Limited against the claim for PP-3 breakdown in the year 2014-15. During the year Interest income/short term capital gain has decreased to ₹ 40.08 crore against ₹ 44.28 crore of previous year due to lesser yield on Investment.

### 4. Expenditure

The total expenditure for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2015 are given below:

₹ crore

Particulars	Year ended 31 <sup>st</sup> March			
	2016			2015
	PP-III	PP-II	Total	Total
Fuel	691.86	4.44	696.30	661.89
Employee benefits expense	38.61	106.76	145.37	134.84
Finance Cost	78.22	24.84	103.06	123.56
Depreciation & amortization expenses	127.77	54.23	182.00	177.64
Generation, administration & other expenses	192.53	134.37	326.90	253.56
Prior period items (net)	Nil	0.11	0.11	4.09
<b>Total</b>	<b>1128.99</b>	<b>324.75</b>	<b>1453.74</b>	<b>1355.58</b>

#### 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.

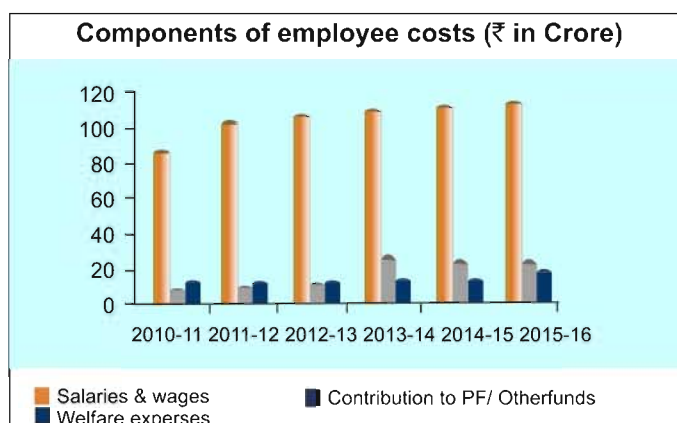
##### PP-III

In case of PP-III, coal linkage is available with NSPCL. Fuel cost have increased to ₹ 691.86 crore as against previous year figures of ₹ 651.15 crore mainly on account of higher coal consumption due to higher PLF. However, weighted average coal cost booked as consumption as per AS-2, has been reduced to ₹ 2827.95 per MT during the current period against ₹ 2851.11 per MT of corresponding previous period.

#### 4.2 Employee benefits expenses

Employee costs have increased from ₹ 134.84 crore in 2014-15 to ₹ 145.37 crore in 2015-16, mainly due to normal increments, increase in DA and fresh hiring during the year. However, during the year staff welfare expenditures have been increased due to increase in liveries and uniform expenditures by ₹ 2.26 crore. During the year an allocation is made for Rourkela & Durgapur expansion to the tune of ₹ 1.49 crore from salaries and wages and booked to incidental expenditure during construction (IEDC).

The Company had 781 regular employees (excluding 61 numbers of trainees) as on 31<sup>st</sup> March 2016 as compared to 798 employees at the end of previous year.



### 4.3 Finance Cost

#### PP-II's

During the financial year 2015-16, Interest and Finance costs of PP-II's of ₹ 24.84 crore includes ₹ 13.90 crore as interest from Income tax authority payable to SAIL.

#### PP-III

In case of PP-III, the interest expenses pertains to Project specific loans of ₹ 78.22 crore as against ₹ 93.32 crore in the previous year. The decrease of finance cost is mainly on account of loan repayments.

### 4.4 Depreciation and Amortization Expenses

#### PP-II's

Depreciation in respect of PP-II increased to ₹ 54.23 crore (previous year ₹ 48.26 crore) mainly due to capital addition made during the year and previous 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 ₹ 1.61 crore to ₹ 127.77 crore in the current year.

### 4.5 Generation, Administration & Other Expenses

Generation, Administration and Other Expenses comprise of various expenses including water charges, repairs and maintenance, security expenses, training & recruitment, travelling expenses etc.

In case of PP-II's, Generation, Administration & Other Expenses increased by ₹ 6.04 crore mainly on account of increase in water charges in Durgapur & Rourkela units due to increase in water rates by DSP & RSP due to increase in water charges by DVC & Odisha Irrigation Department respectively, Increase in security expense due to provision of increase in CISF salary due to recommendation of 7<sup>th</sup> pay commission, increase in communication expenses.

In case of PP-III, the Generation, Administration & Other Expenses for the year 2015-16 have increased over the previous year by ₹ 67.30 crore mainly due to provisioning of un-utilized MAT, provisioning of doubtful debt, increase of customer rebate, increase in security expense due to provision of increase in CISF salary due recommendation of 7<sup>th</sup> pay commission etc.

### 4.6 Prior period items (Net)

Prior period expenditure mainly pertains to depreciation charged for certain assets related to previous years.

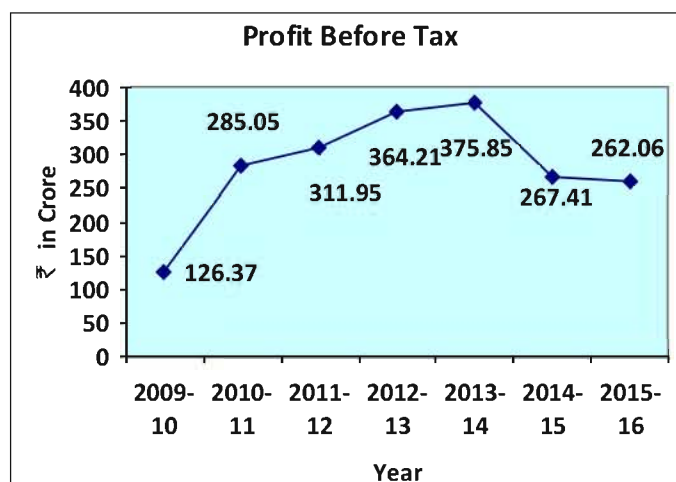
### 5. Profit Before Tax

The Profit before Tax for the financial year 2015-16 stood at ₹ 262.06 crore (previous year ₹ 267.41 crore)

In case of PP-II, the profit before tax for the year ended 31<sup>st</sup> March 2016 stood at ₹ 78.41 crore (previous year ₹ 70.56 crore) which includes ROE and incentive (grossed up with MAT tax rate) of ₹ 60.03 crore, interest on normative working capital of ₹ 8.67 crore and other income including interest on fixed deposits etc. of

₹ 12.96 crore. However, CSR expenditure of ₹ 3.23 crore has been adjusted while arriving at profit before tax.

In case of PP-III, profit before tax for the year ended 31<sup>st</sup> March 2016 stood at ₹ 183.65 crore (previous year ₹ 196.85 crore). The decrease in profit before tax of ₹ 13.20 crore was mainly on account of MAT provision & provision of doubtful debt totaling ₹ 56.04 crore.



### 6. 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).

From the financial year 2015-16, the Company has availed deduction under section 80IA of the Income Tax Act for PP-3 unit commissioned at Bhilai in 2009-10. Because of which entire profit of PP-III become deductible from Tax, resulting in taxable profit of Company becomes less than book profit; as a result of which the 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 the Company recognized MAT credit during the year.

During current financial year, the Company has made provision for income tax at MAT rate of 21.34% amounting to ₹ 70.55 crore. Income Tax provision as per Normal Tax rates comes to ₹ 30.35 crore. Difference between MAT tax & normal tax of ₹ 40.20 crore is available as MAT credit and can be carried forward for ten years to be set off against Normal tax.

During the Financial year 2015-16, the Company has reversed provision for Deferred Tax amount of ₹ 15.13 crore mainly due to higher depreciation under Companies Act as compared with depreciation under Income Tax Act.

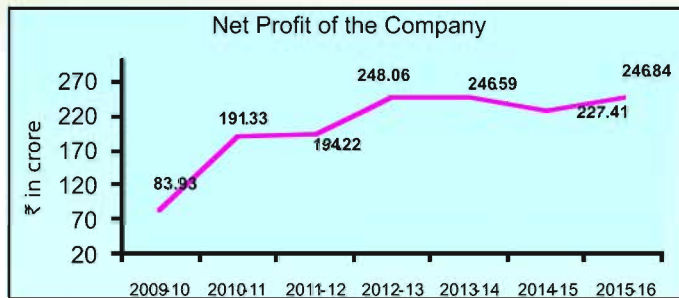
### 7. Net Profit after Tax

Net profit after current and deferred tax for the Company on consolidated basis for the financial year ending 31<sup>st</sup> March 2016 stood at ₹ 246.84 crore as against previous year amount of ₹ 227.41 crore..





A year-wise profitability graph is shown below:



The profit has increased to ₹ 246.84 crore in current year 2015-16 as against ₹ 227.41 crore of previous year 2014-15. Lower tax provision in the current year has offset to a certain extent the decrease in Gross Margin.

## 8. Dividend

The Company has given an interim dividend of ₹ 100.00 crore and deposited dividend tax of ₹ 20.36 crore. The Company has also made a provision of final dividend for ₹ 20.00 crore for the year Financial Year 2015-16 equivalent to 12.24% of equity (including interim and final dividend) (previous year ₹ 100.00 crore at 10.20% of equity). Correspondingly, dividend distribution tax at applicable rate has been provided on final dividend amounting to ₹ 4.07 crore. The total cash outflow on account of Dividend and Dividend Tax would amount to ₹ 144.43 crore almost 58.51% 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 result without other income, interest expenses, and extra ordinary/ prior period items for the period ending 31<sup>st</sup> March 2016 stood at ₹ 263.10 crore as against ₹ 250.77 crore in the previous year

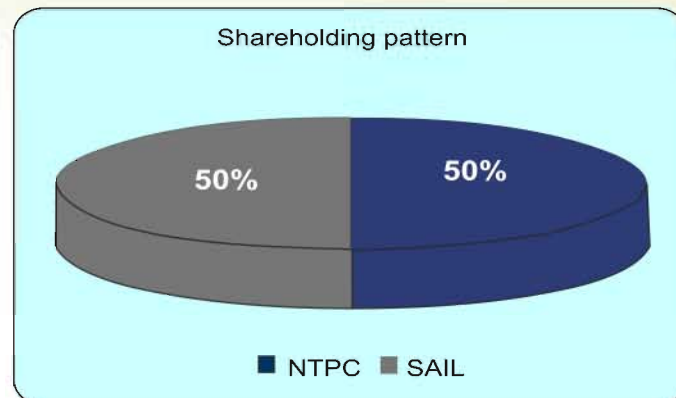
In case of PP-II, the other segment result without other income, interest expenses, and extra ordinary/ prior period items for the period ending 31<sup>st</sup> March 2016 stood at ₹ 25.26 crore as against ₹ 72.80 crore in the previous year.

## B. Financial Position

### 1. Share Capital

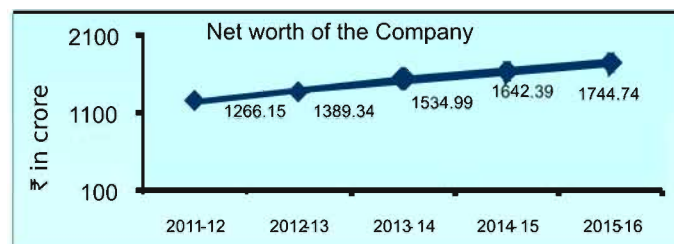
As at 31<sup>st</sup> March 2016, the authorized capital of the Company stood at ₹ 5000 crore (previous year: ₹ 5000 crore). Issued, subscribed and paid up capital of the Company as at 31<sup>st</sup> March 2016 was ₹ 980.50 crore - ₹ 150.50 crore of equity being towards PP-IIs at Durgapur, Rourkela & 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 31<sup>st</sup> March 2016, reserves and surplus stood at ₹ 764.24 crore as against ₹ 661.83 crore in the previous year. The increase in reserves & surplus is on account of addition of net profit for the year 2015-16 (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 31<sup>st</sup> March 2016 pertain to PP-II operations 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	Borrowing as on 31.03.16	To be paid within one Year	Long Term Loan As at 31 <sup>st</sup> March	
			2016	2015
<b>For PP-II Plants</b>				
Term loan :-				
Bank of India	95.20	28.58	66.62	62.07
<b>Sub-total</b>	<b>95.20</b>	<b>28.58</b>	<b>66.62</b>	<b>62.07</b>
<b>For Bhilai Project (PP-III)</b>				
Term Loan:-				
Union Bank of India	161.16	40.45	120.71	161.17
Central Bank of India	50.02	9.08	40.94	50.03
Rural Electrification Corporation Limited	398.36	132.79	265.57	398.36
Union Bank Of India (Un-secured)	46.50	11.00	35.50	46.50
<b>Sub-Total</b>	<b>656.04</b>	<b>193.32</b>	<b>462.72</b>	<b>656.06</b>
<b>Total</b>	<b>751.24</b>	<b>221.90</b>	<b>529.34</b>	<b>718.13</b>

For PP-IIIs, 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 loans to the extent of ₹ 1,830 crore have been drawn from Banks/ FIs secured against fixed assets of the project. 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-IIIs (presently the fund based limit is ₹ 15 crore and non-fund based ₹ 40 crore) against stocks and debtors of the PP-IIIs.

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 ₹ 379.70 crore as at 31<sup>st</sup> March 2015 to ₹ 364.57 crore as at 31<sup>st</sup> March 2016 on account of reduction in the difference of net assets value as per books & net assets value as per income tax.

#### 5. Other Long Term Liabilities

Other Long Term Liabilities as at 31<sup>st</sup> March 2016 stood at ₹ 37.41 crore against previous year of ₹ 60.06 crore which includes the liabilities which will be paid after one year from the reporting date i.e. 31<sup>st</sup> March 2016. The liabilities mainly comprise of Income Tax demand recovered from SAIL, security deposit from contractors for O&M works, EMD & retention money from contractors for capital works.

#### 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 31<sup>st</sup> March 2016 stood at ₹ 9.28 crore as against ₹ 7.31 crore in previous year. The increase of ₹ 1.97 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 31<sup>st</sup> March 2016 stood at ₹ 89.70 crore as against ₹ 96.48 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 to contractors and other statutory liabilities. The other current liabilities for the year ended 31<sup>st</sup> March 2016 stood at ₹ 289.72 crore as against ₹ 353.21 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. 31<sup>st</sup> March 2016 of ₹ 221.90 crore is as under:

Bank	₹ crore	
	As at 31 <sup>st</sup> 2016	March 2015
<b>For PP-II Plants</b>		
Term Loan:-		
Bank of India	28.58	20.29
<b>Sub-total</b>	<b>28.58</b>	<b>20.29</b>
<b>For Bhilai Project (PP-III)</b>		
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
<b>Sub-Total</b>	<b>193.32</b>	<b>193.32</b>
<b>Total</b>	<b>221.90</b>	<b>213.61</b>

#### 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 31<sup>st</sup> March 2016 stood at ₹ 55.51 crore as against ₹ 84.71 crore in previous year are summarized hereunder:

Particulars	₹ crore	
	As at 31 <sup>st</sup> 2016	March 2015
Employee benefits		
(incl. provisions relating to AS 15 Revised)	22.78	20.42
Dividend and tax thereon	24.07	24.07
Provisions for tariff adjustment	8.54	40.22
others	0.12	-
<b>Total</b>	<b>55.51</b>	<b>84.71</b>





## 10. Capital Employed

Considering the Reserve & Surplus and Borrowings (including repayment during one year shown as Other Current Liabilities) as at 31<sup>st</sup> March 2016, Capital Employed for the Company stood at ₹ 2495.98 crore as against ₹ 2574.14 crore as at 31<sup>st</sup> March 2015. 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:-

Particulars	₹ crore	
	As at 31 <sup>st</sup> 2016	March 2015
<b>Tangible Assets</b>		
Gross Block	3597.04	3537.14
Less: Accumulated Depreciation	1553.54	1370.60
<b>Net Block</b>	<b>2043.50</b>	<b>2166.54</b>
<b>Intangible Assets</b>		
Gross Block	12.43	11.64
Less: Accumulated Depreciation	6.49	2.95
<b>Net Block</b>	<b>5.94</b>	<b>8.69</b>
<b>Capital Work in Progress and In-tangible assets under development</b>	<b>87.61</b>	<b>35.47</b>
<b>Total</b>	<b>2137.05</b>	<b>2210.70</b>

During the year 2015-16, gross block has increased by ₹ 60.69 crore out of which ₹ 54.74 crore pertain to fixed asset additions in PP-II's & Corporate, amount of ₹ 0.15 crore for Durgapur Expansion and balance amount of ₹ 5.80 crore in Bhilai PP-III.

Capital work in progress (CWIP) including construction stores as at 31<sup>st</sup> March 2016 stood at ₹ 87.61 crore. Out of this, an amount of ₹ 70.30 crore pertains to PP-II's, amount of ₹ 14.51 crore pertains to Durgapur & Rourkela expansion and balance of ₹ 2.80 crore in respect of Bhilai PP-III. Further, In-tangible assets under development as at 31<sup>st</sup> March 2016 stood at ₹ 0.82 crore (previous year ₹ Nil), was incurred for development of SAP-ERP.

## 12. Long Term Loans and Advances

Long Term Loans and Advances include Security deposits, Employee advances and other advances. The long terms loans and advances for the year ended 31<sup>st</sup> March 2016 stood at ₹ 247.86 crore as against ₹ 292.35 crore as at 31<sup>st</sup> March 2015. The broad breakup of long term loans and advances is as under:

Particulars	₹ crore	
	As at 31 <sup>st</sup> 2016	March 2015
Security Deposits	0.24	0.32
Employees Loans	22.92	18.20
Other Advances	224.70	273.83
<b>Total</b>	<b>247.86</b>	<b>292.35</b>

The decrease in long term loans & advances over the previous year is primarily on account of decrease of Advance tax net of provision on account of assessment order received for F.Y 2002-03.

## 13. Inventories

Inventories mainly comprise of component & spares, Coal and others stores which are maintained for operating plants. As at 31<sup>st</sup> March 2016, the inventories stood at ₹ 192.53 crore as against the previous year level of ₹ 216.85 crore. The break up is as follows:

Particulars	₹ crore	
	As at 31 <sup>st</sup> 2016	March 2015
Coal	95.38	122.03
Fuel Oil	5.07	7.00
Stores and Spares	79.27	75.01
Chemicals and consumables	1.90	1.35
Loose Tools	0.36	0.31
Others	10.73	11.59
Less: Provision for shortages / obsolete/ unserviceable items	0.18	0.44
<b>Total</b>	<b>192.53</b>	<b>216.85</b>

Out of the total inventory, ₹ 142.78 crore pertains to PP-III which includes coal inventory of ₹ 95.38 crore, fuel oil of ₹ 2.87 crore, stores and spares ₹ 38.69 crore. The inventory balance for PP-II's stood at ₹ 49.75 crore as at 31<sup>st</sup> March 2016.

## 14. Trade Receivable

Trade receivable balance as at 31<sup>st</sup> March 2016 stood at ₹ 18.51 crore, pertains to energy bill raised and remained outstanding till 31<sup>st</sup> March 2016 as against ₹ 34.67 crore as at 31<sup>st</sup> March 2015.

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. 31<sup>st</sup> March 2016) are shown under "Other Current Assets" as unbilled revenues (C.Y. ₹ 69.01 crore, P.Y. ₹ 178.03 crore). The amount of trade receivable considering the unbilled revenues is of ₹ 87.52 crore as at 31.03.2016 as against ₹ 212.70 crore as at 31.03.2015.

Debtors' turnover period (trade receivables and unbilled revenue) as at 31<sup>st</sup> March 2016 was about 0.57 months (previous year 1.65 months).

## 15. Cash and Bank Balances

The cash and bank balance as at 31<sup>st</sup> March 2016 stood at ₹ 397.64 crore as against previous year level of ₹ 272.73 crore. This includes PP-II's and PP-III fund, as detailed below:

Particulars	₹ crore			
	As at 31 <sup>st</sup> Mar 16		As at 31 <sup>st</sup> Mar 15	
	PP-II's	PP-III	PP-II's	PP-III
Current A/c & Cash				
Credit A/c	0.83	10.52	17.84	7.48
Deposits with Banks	12.05	374.24	33.51	213.90
<b>Total</b>	<b>12.88</b>	<b>384.76</b>	<b>51.35</b>	<b>221.38</b>
<b>Total</b>	<b>397.64</b>		<b>272.73</b>	



## 16. Short Term Loans and Advances

Short Term Loans and Advances include employees loans and advances, advance to contractor / suppliers. which are expected to be realized within 12 months from the Balance Sheet date. The short terms loans and advances as at 31<sup>st</sup> March 2016 stood at ₹ 34.19 crore as against ₹ 127.01 crore as at 31<sup>st</sup> March 2015. The broad break up of short terms loans and advances is as follows:

₹ crore

Particulars	As at 31 <sup>st</sup> March	
	2016	2015
Loans	4.65	3.56
Advance & deposits	29.54	123.45
<b>Total</b>	<b>34.19</b>	<b>127.01</b>

The decreased in short term loans & advances over the previous year is mainly on account of decrease of advance to contractors & suppliers.

## 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 <sup>st</sup> Mar 16	As at 31 <sup>st</sup> Mar 15
Interest Accrued	7.06	8.73
Claims Recoverable	16.42	0.93
Unbilled revenues	69.01	178.03
<b>Total</b>	<b>92.49</b>	<b>187.69</b>

## C. Contingent Liabilities

As at 31<sup>st</sup> March 2016, contingent liability has been considered at ₹ 87.56 crore (Previous Year ₹ 83.24 Crore) in the accounts. This mainly includes:

- ₹ 31.90 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 ₹ 31.98 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 ₹ 17.30 crore pertain to Income Tax dispute with various Authorities.
- an amount of ₹ 1.57 crore for Entry Tax is pending with Sales Tax Tribunal.

## D. Cash Flow

Cash flows in various activities for the year ending 31.03.2016 & 31.03.2015 are tabulated below:

₹ crore

Particulars	Year ended 31 <sup>st</sup> March	
	2016	2015
Cash and cash equivalent (opening balance)	272.73	312.92
Net cash from operating activities	630.57	479.53
Net cash used in investing activities	(77.20)	(41.58)
Net cash from financing activities	(428.46)	(478.14)
Cash and cash equivalents (closing balance)	397.64	272.73

The increase in cash inflows from operating activities in the current year (as against the previous year) is mainly on account of increase in non-cash expenditure in the current year.

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

Net Cash outflow from financing activities in the year 2015-16 has been decreased mainly on account of lower loan repayments of borrowing, lower 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 Board of Directors**

**Date: August 31, 2016**  
**Place : New Delhi**

**Sd/-**  
**(Kaushal Kishore Sharma)**  
**Chairman**  
**DIN : 03014947**





### Annexure-III

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

### (A) Conservation of Energy

Various Energy Conservation measures are being adopted /implemented in the plants of the Company.

#### Energy Audit

A comprehensive energy audit of all areas was carried out in Bhilai PP-III through CII as a part of PAT (Perform, Achieve and Trade). In Bhilai PP-II, energy audit of cooling towers was carried out.

In Durgapur, Switchyard energy audit and in Rourkela, Boiler and CHP area energy audit was carried out through NPC during the year.

Improvement derived in APC (%) is given below:

Name of Station	2015-16	2014-15	% improvement over the previous year
Rourkela (2x60 MW)	10.84	10.94	0.91
Bhilai PP-III	8.0	8.54	6.32

#### 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 from time to time 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 RourkelaCPP-II & Bhilai PP2.

#### Lubricants

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

### Lighting

Energy efficient LED lamps have been installed in the control rooms at all the four stations of NSPCL and the same is being implemented in other locations of plant.

- (i) NSPCL has ventured into alternate source of Energy for power generation. Solar PV panels of 130 KW is operational at Bhilai township and 100 KW solar PV system is operational at Durgapur CPP-II plant.

#### Impact of the measures taken

The measures taken by your Company have started showing results and Performance, Achieve and Trade (PAT) - 1 cycle targets have been achieved and earned Energy Saving Certificates (ESCERT) of 29244.

### (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. NSPCL Rourkela is in the process of commissioning of DDCMIS.
- (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 ₹ 327.86 Lakh

##### Expenditure:

Professional and Consultancy fee Nil

Others ₹ 17.77 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**

**Sd/-**

**(Kaushal Kishore Sharma)**

**Chairman**

**DIN : 03014947**

**Date: August 31, 2016**

**Place: New Delhi**



Clarifloculator in Water Treatment Plant, Durgapur



#### Annexure-IV

### Corporate Governance Report

Corporate Governance is a system encompassing the entire mechanism 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). Each of the promoters hold, 50% of the total paid-up share capital. 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

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 date are Shri K.K. Sharma, Chairman, Shri Tej Veer Singh, Shri S.S. Isser, Shri Sudhir Arya, Ms. Arundhati Bhattacharya, Shri S.K. Mishra, Shri M.C. Jain and Shri B.P. Verma.

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 departments 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 2015-16 on April 27, 2015, May 12, 2015, June 26, 2015, July 30, 2015, August 24, 2015, September 23, 2015, October 19, 2015, November 30, 2015, December 29, 2015, February 4, 2016 and March 30, 2016.

Details of number of Board meetings attended by Directors, attendance at last AGM, held by the Company during the year 2015-16 are tabulated below:

Sl. No.	Directors	Meeting during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM
1.	Shri K.K.Sharma	11	11	Yes
2.	Shri Tej Veer Singh	11	11	Yes
3.	Shri Y.K Degan	6	0	No
4.	Shri S.S. Isser	11	11	Yes
5.	Shri M.K.Das	11	6	Yes
6.	Shri R. Bhargava	9	0	No
7.	Shri Sudhir Arya	11	10	Yes
8.	Ms. Arundhati Bhattacharya	11	8	Yes
9.	Shri M.C.Jain	2	2	NA
10.	Shri S.K.Mishra	2	1	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:-

- Investment / Loan Sub- Committee.
- Audit Committee
- Contracts Sub-Committee
- HR/Remuneration Sub-committee
- Corporate Social Responsibility Committee
- Business Plan Committee
- DOP Committee
- Project Sub-committee
- Enterprise Risk Management 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 date, this committee comprised the following members:

- Shri K.K Sharma - Chairman
- Shri Tej Veer Singh - Director
- Shri Sudhir Arya - Director
- Shri M.C. Jain - Director

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

##### Meetings and Attendance

Three meetings of the Investment/ Loan Sub-committee were held during the Financial Year 2015-16 on May 12, 2015, August 13, 2015 and September 23, 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 K.K. Sharma	3	3
Shri Tej Veer Singh	3	3
Shri Y.K. Degan	3	0
Shri Sudhir Arya	3	3
Shri M.C. Jain	0	0

## 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:

- Review the reports of Comptroller & Auditor General (CAG) on Government Audit, statutory auditors and internal auditors and response thereto;
- Review the adequacy of overall internal control systems and suggest improvements in the same;
- Review compliance with various Statutes and assist in forming better corporate practices;
- Review of quarterly, half-yearly and annual financial statements;
- Review and determine the scope of work of internal auditors;
- 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
- Investigate into any matter in relation to the items specified above or referred to it by the Board.

As on date, this committee comprised the following members:

- Shri Tej Veer Singh - Chairman
- Shri Sudhir Arya - Director
- Shri S.S. Isser - Director
- Shri M.C. Jain - Director

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

### Meetings and Attendance

Six meetings of the Audit Committee were held during the Financial Year 2015-16 on May 11, 2015, July 21, 2015, September 14, 2015, October 19, 2015, January 28, 2016, and March 22, 2016.

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	6	6
Shri Sudhir Arya	6	6
Shri S.S. Isser	6	5
Shri M.K. Das	5	0
Shri M.C. Jain	1	0

## 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 ₹ 50 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 date this committee comprises the following members:

- Shri K.K. Sharma - Chairman
- Shri Tej Veer Singh - Director
- Shri S.S. Isser - Director
- Shri Sudhir Arya - Director
- Shri M.C. Jain - Director
- Shri B.P. Verma - Director

The quorum for this meeting is 2 members with at least one representative of each Promoter.

### Meetings and Attendance

Five meetings of the Contract Sub- Committee were held during the Financial Year 2015-16 on June 8, 2015, June 26, 2015, December 29, 2015, February 4, 2016 and March 30, 2016.

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

Members of Contract Sub-Committee	Meetings held during his tenure	Meetings attended
Shri K.K.Sharma	5	5
Shri Tej Veer Singh	4	4
Shri Sudhir Arya	4	3
Shri S.S. Isser	5	5
Shri Y.K. Degan	2	0
Shri M.K. Das	5	1
Shri M.C. Jain	1	1

## 2.4 HR/Remuneration Sub-committee

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

- 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 level.
- Settlement of grievance at stage III level in respect of all Executive.
- 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.
- 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 date this Committee comprises the following members:

- Shri K.K. Sharma - Chairman
- Shri Tej Veer Singh - Member
- Shri Sudhir Arya - Member
- Shri S.K. Mishra - Member

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

#### Meetings and Attendance

Four meetings of the HR/ Remuneration Sub-committee were held during the Financial Year 2015-16 on April 27, 2015, September 23, 2015, October 19, 2015, and December 29, 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 K.K.Sharma	4	4
Shri Tej Veer Singh	4	4
Shri Sudhir Arya	4	4
Shri Y.K. Degan	2	0
Shri S.K. Mishra	0	0

#### 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 date this Committee comprises the following members:

- Shri S.K. Mishra - Chairman
- Shri Tej Veer Singh - Member
- Shri Sudhir Arya - Member
- Shri S.S. Isser - Member
- Ms. Arundhati Bhattacharya - Member
- Shri B.P. Verma - Member

#### Meetings and Attendance

Five meetings of the Corporate Social Responsibility (CSR) Committee were held during the Financial Year 2015-16 on July 21, 2015, September 18, 2015, November 30, 2015, January 28, 2016 and March 29, 2016.

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	2	2
Shri Tej Veer Singh	4	3
Shri Sudhir Arya	5	5
Shri S.S. Isser	4	3
Ms. Arundhati Bhattacharya	5	5
Shri R.Bhargava	3	0
Shri M.K. Das	1	0
Shri S.K. Mishra	1	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 date this Committee comprises the following members:

- Shri Tej Veer Singh - Chairman
- Shri Sudhir Arya - Member
- Ms. Arundhati Bhattacharya - Member
- Shri M.C. Jain - Member

#### Meetings and Attendance

Two meetings of the Business Plan Committee were held during the Financial Year 2015-16 on June 23, 2015 and December 11, 2015.

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 Tej Veer Singh	2	2
Shri Sudhir Arya	2	2
Ms. Arundhati Bhattacharya	2	2
Shri R.Bhargava	2	0
Shri M.C. Jain	0	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 date this committee comprises the following members:

- Shri Sudhir Arya - Chairman
- Shri S.S. Isser - Member
- Shri M.C.Jain - Member
- Shri B.P.Verma - Member

#### Meetings and Attendance

One meeting of the DOP Committee was held during the Financial Year 2015-16 on May 11, 2015.

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

Members of Project sub-committee	Meetings held during his tenure	Meetings attended
Shri Tej Veer Singh	1	1
Shri S.S. Isser	1	1
Shri Sudhir Arya	1	1
Shri M.K. Das	1	0
Shri R. Bhargava	1	0
Ms.Arundhati Bhattacharya	1	0
Shri M.C.Jain	0	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 date this Committee comprises the following members:

- Shri K.K Sharma - Chairman
- Shri Tej Veer Singh - Member
- Shri Sudhir Arya - Member
- Ms.Arundhati Bhattacharya - Member
- Shri S.K. Mishra - Member
- Shri B.P.Verma - Member

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

#### Meetings and Attendance

Three meetings of the Project sub-committee were held during the Financial Year 2015-16 on June 26, 2015, March 21, 2016 and March 30, 2016.

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	3	3
Shri Tej Veer Singh	3	3
Shri M.K.Das	3	1
Shri Sudhir Arya	3	2
Ms.Arundhati Bhattacharya	3	3
Shri S.K. Mishra	2	1

#### 2.9 Enterprise Risk Management Committee

The Enterprise Risk Management Committee was formed on March 16, 2015.

##### The Scope of work of the Enterprise Risk Management Committee is as follow:

- Review of risk portfolio and risk mitigation plans;
- Finalization of Risk assessment/ classification and risk prioritization of identified risks;
- Monitor and review risk management/mechanism as framed by Board
- Review proposed changes to the e-risk register
- Monitor implementation of risk management plan / mechanism.
- Take-up any other matter as directed by the Board from time to time.

As on date this committee comprises the following members:

- Shri Tej Veer Singh - Chairman
- Ms.Arundhati Bhattacharya - Member
- Shri S.S.Isser - Member
- Shri S.K.Mishra - Member
- Shri Manash Sarkar - Member
- Shri S.V. Shahi - Member
- Shri G.K. Moorthy - 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 ERM Committee were held during the Financial Year 2015-16 on December 11, 2015, and March 22, 2016.

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

Members of ERM Committee	Meetings held during his tenure	Meetings attended
Shri Tej Veer Singh	2	2
Shri Sudhir Arya	2	2
Shri M.K. Das	2	0
Shri S.S Isser	2	2
Shri Manash Sarkar	2	2
Shri S.V. Shahi	2	2
Shri G.K. Moorthy	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 27, 2013	June 30, 2014	September 23, 2015
Time	1200 hrs	1300 hrs	1200 hrs
Venue	4th Floor, NBCC Towers, 15, Bhikaiji Cama Place, New Delhi -110 066		
Special Resolution passed	NIL	1. Amendment to Articles of Association (Clause 15J) increasing the value of Capital investment by the company from ₹ 10 crore to ₹ 50 crore 2. 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. 3. 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	NIL

### 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
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
2014-15	₹ 980.5 Crore	₹ 100.00 Crore	September 23, 2015

### 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 121<sup>st</sup> Meeting held on March 24, 2014.

**For and on behalf of Board of Directors**

Sd/-  
(Kaushal Kishore Sharma)  
Chairman  
DIN : 03014947

Date: August 31, 2016  
Place : New Delhi



Shri A.K. Tiwary, BUH, Rourkela receiving the Award of Excellence (15-16) for best performance in the area of productivity from Sh. K.K. Sharma, Chairman NSPCL



## Annexure-V

### 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	4TH FLOOR, NBCC TOWER, 15, BHIKAJI CAMA PLACE, NEW DELHI - 110066
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS share transfer Agent Limited F-65, Okhla, Industrial Area, Phase I, New Delhi-110028

#### II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	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. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
		NIL			

#### 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	
<b>A. Promoters (1) Indian</b>									
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....									
<b>Sub-total (A) (1):-</b>									





<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)</b>									
<b>(1)+(A)(2)</b>	980500100	0	980500100	100	980500100	0	980500100	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian									
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
<b>c) Others (specify)</b>									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	980500100	0	980500100	100	980500100	0	980500100	100	0

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding 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
	<b>Total</b>	<b>980500100</b>	<b>100</b>	<b>0</b>	<b>980500100</b>	<b>100</b>	<b>0</b>	<b>0</b>

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

SI 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
1.					
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**

SI 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
	For Each of the Top 10 Shareholders				
	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 (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
For Each of the Directors and KMP				
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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8742432264	575008918		9317441182
ii) Interest due but not paid				0
iii) Interest accrued but not due	19466625	1262758		20729383
<b>Total (i+ii+iii)</b>	<b>8761898889</b>	<b>576271676</b>	<b>0</b>	<b>9338170565</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	414160000			414160000
• Reduction	-2113572439	-110301893		-2223874332
<b>Net Change</b>	<b>-1699412439</b>	<b>-110301893</b>		<b>-1809714332</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7047442535	464971945		7512414480
ii) Interest due but not paid				0
iii) Interest accrued but not due	15043915	997838		16041753
<b>Total (i+ii+iii)</b>	<b>7062486450</b>	<b>465969783</b>		<b>7528456233</b>

**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/WT/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 15-16.**

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

**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.	<b>Gross salary</b> (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	3408186 354090 0	1615496 114093 0	3846683 259557 0	8870365 727740 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	0 0	0 0
5.	Others, please specify	0	0	0	0
	<b>Total</b>	<b>3762276</b>	<b>1729589</b>	<b>4106240</b>	<b>9598105</b>

**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					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding					

*For and on behalf of Board of Directors*

Dated: August 31, 2016  
Place: New Delhi

Sd/-  
(Kaushal Kishore Sharma)  
Chairman  
DIN: 03014947





## Annexure-VI

S. No.	Pending Since	Authority where case is pending	Amount involved	Reason for pendency
1.	2010	Deputy Commissioner of Income Tax	₹ 685.71 Lakhs	Non-credit of TDS, advance tax and dividend distribution tax deposited in PAN of Bhilai Electric Supply Company Ltd. for the A.Y. 2007-08 subsequently merged with NTPC SAIL Power Company Pvt. Ltd.
2.	2011	Deputy Commissioner of Income Tax	₹ 107.16 Lakhs	Due to given lesser credit of TDS by the Income Tax Department in comparison to claim by NSPCL for the A.Y. 2009-10.
3.	2014	Supreme Court of INDIA	₹ 208.50 Lakhs	Set off of interest income against interest paid on borrowing for setting up of new unit. Department has filed an appeal in Supreme Court against order of High Court, Delhi which was in favour of NSPCL.
4.	2014	High Court of Delhi	₹ 689.80 Lakhs	Set off of interest income against interest paid on borrowing for setting up of new unit. Department has filed an appeal in Delhi High Court against order of ITAT, Delhi which was in favour of NSPCL.
5.	2014	ITAT, New Delhi	₹ 9.05 Lakhs	Assessing Officer raised a demand for the A.Y. 2008-09 in respect of prior period and provision of for diminution in value of stores. Company has filed an appeal with ITAT against order of CIT (A) which was against NSPCL. The Company provided provision for diminution in value of stores in the accounts of F.Y. 2012-13. The balance amount of ₹ 9.05 Lakhs is in respect of prior period.
6.	2013	ITAT, New Delhi	₹ 18.67 Lakhs	The demand was raised by Assessing Officer for the A.Y. 2010-11 on account of disallowances of Baggage, PRMS and economic rehabilitation provision. An appeal was filed by NSPCL before CIT(A), CIT(A) decided the matter in favour of NSPCL. IT Department has filed an appeal with ITAT against order of CIT (A).
7.	2014	ITAT, New Delhi	₹ 11.51 Lakhs	The demand was raised by Assessing Officer for the A.Y. 2010-11 on account of disallowances of Baggage, PRMS and economic rehabilitation provision. An appeal was filed by NSPCL before CIT(A), CIT(A) decided the matter in favour of NSPCL. IT Department has filed an appeal with ITAT against order of CIT (A).
8.	2010	High Court of Kolkata	₹ 1596.20 Lakhs	Being aggrieved to the order of CESTAT, Kolkata No. M-82-83/S-119-120/A-224-225/KOL/2009 dated 07.05.2009 which was in favour of NSPCL, the Commissioner of Central Excise, Custom and Service Tax, Bolpur has filed an appeal before the High Court of Kolkata, the case no. is CEXA No. 61 of 2009. Since then, the case is pending in the Court.
9.	2013	High Court of Kolkata	₹ 19.26 Lakhs	ESI authorities made a show cause having demand of one crore which was reduced to ₹ 24 lakhs on representation by NSPCL for the period of 2008-09 towards ESI default. Against this order, on filing of writ petition in the High Court, High Court set aside the order instructing ESI authorities for a fresh hearing of the case. ESI authorities again imposed a demand of ₹ 19.26 Lakh which was again challenged through a writ petition in the High Court, Kolkata. The decision is pending.
10.	2016	ESI Authorities	₹ 27.18 Lakhs	A claim received from ESI Authorities for ₹ 27.18 Lakhs for the year 2011-12. Hearing date was 18.3.2016. NSPCL personnel appeared but ESI Authorities were not present. Date of next hearing is awaited.
11.	2011	High Court of Orissa	Nil*	Petition for stay operation to the advertisement for recruitment filed by Shri H.K. Padhi, for the post of Technical Grade IV in NSPCL Rourkela till disposal of the writ petition of Sh. H.K.Padhi. The case is pending in the High Court.
12.	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. Dispute has been referred to CGIT Bhubaneswar for adjudication.

S. No.	Pending Since	Authority where cases is pending	Amount involved	Reason for pendency
13.	2013	Odisha Sales Tax Tribunal, Baniyakar Bhawan, Cantonment Road, Cuttack	₹ 134.64 Lakhs	2nd appeal filed before the Odisha Sales Tax Tribunal against the demand of ₹ 81.79 Lakhs 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 Company has deposited ₹ 4.27 Lakhs on first appeal before Commissioner of Commercial Taxes and ₹ 5.00 Lakhs as per directives of High Court of Odisha during disposing of writ petition. 2 <sup>nd</sup> appeal is yet to be heard.
14.	2015	Joint Commissioner of Sales Tax (Sundergarh Range), Rourkela		1 <sup>st</sup> Appeal and stay petition filed before the Joint Commissioner of Sales Tax ( Sundergarh Range), Rourkela against of order of Sales Tax Officer Rourkela I Circle, Rourkela dated 20.7.2015 for demand of ₹ 31.63 Lakhs. The Company has deposited ₹ 1.97 Lakhs for filing petition and ₹ 3.96 Lakhs for the stay of the demand and disposing of 1 <sup>st</sup> appeal.
15.	2009	High Court of Orissa, Cuttack.	₹ 1593.84 Lakhs	Being aggrieved to the Order of the CESTAT, KOLKATA No.M-82-83/S-119-120/A-224-225/KOL/2009 Dated 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 Orissa 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.
16.	2010	SDJM, Panposh, Rourkela	Nil*	The case is filed by state pollution control board under water (PC&P) due to high TSS level in two water samples in 2009.
17.	2011	Shri A.K. Tiwary, 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 ₹ 483.34 Lakhs. Company's counter claim of ₹ 134.67 Lakhs has been lodged on Agency through arbitration process. Arbitration proceeding is in progress.
18.	2011	High Court, Cuttack (Odisha)	Claim by M/s Issar is ₹ 168.96 Lakhs. Counter claim by NSPCL for risk & cost amounting to ₹ 156.31Lakhs	Contract was 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.
19.	2014	High Court, Odisha	Nil*	M/s Vandi Industrial Engineers prayed to the Court for calling upon NSPCL to showcause as to why the return of EMD to the petitioner shall not be declared illegal and further as to why NSPCL shall not be directed to award the work "High Pressure Jet Cleaning of boilers"to the petitioner.
20.	2014	High Court of Orissa	Nil*	A writ petition has been filed by Shri Radha Gobinda Nandi in the High Court,Odisha challenging the advertisement No. 1/2014 issued by NSPCL for the post of ITI Trainees without giving appointment to the petitioner as per Advertisement No. 1/2011. A notice has been received from the High Court to appear before the Court on 17.6.2015 but no hearing made on that date.





S. No.	Pending Since	Authority where cases is pending	Amount involved	Reason for pendency
21.	2007	Frist Class Judicial Magistrate, Labour Court, Durg	Nil	Fatal accident occurred on 20/07/2007. Factory Inspector had filed a case in Labour Court, Durg citing violation of Section 33 (i), Section 7 A (2) (c) of the Factories Act, 1948. Factory Inspector, Durg had also filed a criminal case in the Labour Court, Durg u/s 105 of the Factories Act, 1948 against NSPCL officials. Later on filing of writ petition before High Court, Chhattisgarh, Court had stayed in this case. Presently the case is pending for listing in the High Court, Chhattisgarh.
22.	2007	Frist Class Judicial Magistrate, Labour Court, Durg	Nil	Fatal accident occurred on 24/07/2007. Factory Inspector had filed a case in Labour Court, Durg citing violation of Section 41 read with Rule 73 (i) and 73 E of the Factories Act, 1948. Factory Inspector, Durg had also filed a criminal case in the Labour Court, Durg u/s 105 of the Factories Act, 1948 against NSPCL officials. Later on filing of writ petition before High Court, Chhattisgarh, Court had stayed in this case. Presently the case is pending for listing in the High Court, Chhattisgarh.
23.	2008	Frist Class Judicial Magistrate, Labour Court, Durg	Nil	Fatal accident occurred on 09/09/2008. Factory Inspector had filed a case in Labour Court, Durg citing violation of Section 32 (a), 33 (i) and Section 7 A (2) (c) of the Factories Act, 1948. Factory Inspector, Durg had also filed a criminal case in the Labour Court, Durg u/s 105 of the Factories Act, 1948 against NSPCL officials. Later on filing of writ petition before High Court, Chhattisgarh, Court had stayed in this case. Presently the case is pending for listing in the High Court, Chhattisgarh.
24.	2010	High Court, Chhattisgarh	₹ 100.54 Lakhs	The case is pending in the High Court, Chhattisgarh against imposition of Welfare Cess under Building and other Construction Works Welfare Cess Act, 1956. A SLP is pending before Supreme Court in connection with applicability of Welfare Cess.
25.	2010	District 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. Notice has been served to the respondent. The case is sub-judice.
26.	2011	High Court, Chhattisgarh	Nil*	The case is pending before High Court, Chhattisgarh against recovery of Damage by ESI Authority for alleged non-compliance by contractors.
27.	2013	Frist Class Judicial Magistrate, Labour Court, Durg	Nil	Fatal accident occurred on 24.7.2013 at PP-III site resulting in death of two Labourers deployed by the contractor, M/s Dhiraj Trader. Summons have been received on 28/11/2014 u/s 105 of Factories Act, 1948 against NSPCL officials. The case is sub-judice.
28.	2015	Frist Class Judicial Magistrate, Labour Court, Durg	Nil	Summon received against NSPCL officials from Labour Court, Durg M/s 105 of Factories Act, 1948 citing violation of Rule 131A of Factories Rules, 1962 and section 41 (c) of Factories Act, 1948. The case is sub-judice.
29.	2014	Sole Arbitrator (Shri P.K. Upadhyaya)	₹ 209.70 Lakhs	Contractor's (M/s Asha Construction) claims various amount after encashment of contractors Bank Guarantee by NSPCL. The case is pending before Sole Arbitrator.
30.	2015	High Court, Chhattisgarh	Nil	The case is pending before High Court, Chhattisgarh for appointment of Sole Arbitrator in case of M/s Asha Construction Vs. NSPCL.
31.	2014	Appellate Tribunal for Electricity	₹ 2375.29 Lakhs	Dadra and Nagar Haveli Power Distribution Company Limited has filed appeal in the Appellate Tribunal for Electricity against order of CERC which was in favour of NSPCL for disputed capacity charge of ₹ 2375.29 Lakhs for the period of April 2013 to December 2013 and ₹ 890.48

S. No.	Pending Since	Authority where cases is pending	Amount involved	Reason for pendency
				Lakhs for the period of January and February 2014. The Company had recovered ₹ 2375.29 Lakhs and the same is shown as contingent liability and ₹ 890.17 Lakhs which is yet to be received, provided provision for the same in accounts. The matter is still pending with Appellate Tribunal for Electricity for the entire capacity charges of ₹ 3265.48 Lakhs.
32.	2014	CERC, Delhi	₹ 149.94 Lakhs	Chhattisgarh State Power Transmission Company Limited (CSPTCL) vide their letter dated 17 <sup>th</sup> Feb, 2012 had demanded ₹ 224.81 lakhs from NSPCL, Bhilai for Unscheduled Intercharge (UI) for the period 22 <sup>nd</sup> April 2009 to 17 <sup>th</sup> July 2011. On filing of petition by NSPCL with the CERC for recovery of ₹ 140.35 lakhs as due from CSPTCL for Unscheduled Intercharge (UI) for the period 22nd April 2009 to 17 <sup>th</sup> July 2011, CERC directed to CSPTCL through order dated 1.10.2014 to calculate the UI liability of NSPCL in accordance with 2004 Open Access Regulations and UI Regulations and adjust the SLDC operating charges and Registration charges which is due from NSPCL against UI charges payable to NSPCL. CSPTCL vide letter dated 13 <sup>th</sup> November 2014 informed that as per directive of CERC, the re-calculated amount of NSPCL's liability stood as ₹ 81.26 lakhs and demanded ₹ 138.40 lakhs including SLDC operating charges and Registration charges vide letter dated 6 <sup>th</sup> Dec 2014. NSPCL stated that CSPTCL is misinterpreting the order of CERC and again filed petition No. 462/MP/2014 in CERC for clarification of the order. CERC through order dated 19 <sup>th</sup> Feb 2016 has directed CSPTCL to revise UI charges without applying limitation of 170 MW. NSPCL has demanded ₹ 102.27 lakhs after adjustment of SLDC operating charges and Registration charges from CSPTCL through letter dated 31.3.2016 applying order of CERC.

\* No Financial Claims so far on the Company.

For and on behalf of Board of Directors

Date: August 31, 2016  
Place: New Delhi

Sd/-  
(Kaushal Kishore Sharma)  
Chairman  
DIN: 03014947



Bhilai PP-III, Control Room





## Annexure-VII

Information under Rule 5(2) of Chapter XII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, of top ten employees in terms of remuneration drawn during the Financial Year 2015-16 are as follows:

Sr. No.	Employee Name (shri)	Designation	Total Remuneration (IN INR)	Nature of Employment	Qualification & Experience	Experience of Years	Date of commencement of employment	Age (in years)	Last employment held by such employee before joining the company	% of Equity share capital held	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Bhaskar Bhattacharya	General Manager (Engineering)	4,346,085.23	On Secondment from NTPC	B. Tech. (Instrumentation) Exp- C&I, VTF, VKH C&I Des., PE C&I, Engg.	34	19.09.1981 in NTPC & 01.01.2004 in NSPCL	59yrs	NIL	NIL	No
2.	Shesh Vinay Shahi	CFO	4,106,240.00	Permanent	B. Tech. (Met. Engg.), ICWA, PGDM. Exp- Finance and Accounts, Rail Mill Operation, Corporate Planning ISO 9000, CFO.	34	01.08.2002 in NSPCL	57yrs	SAIL (09.01.1982 to 31.07.2002)	NIL	No
3.	Krishna Moorthy Gurram	General Manager (Corporate Affairs)	3,905,540.87	On Secondment from NTPC	B. Tech. (Mech.), M. Tech (Design), CFA, PGD (Finance), Exp.- Corp. Plng., Project Plng. & Monitoring, Corp. Plng.	31	30.07.1987 in NTPC & 30.11.2013 in NSPCL	56yrs	Asst. Exec. Engineer in ONGC (15.12.1984 to 18.07.1987)	NIL	No
4.	Manash Sarkar	Chief Executive Officer	3,840,750.34	On Secondment from NTPC	B. E. (Mech.), Exp- Opn., Mech. Maint. Boiler & Turbine, O&E, Maint. Plng., Mech. Maint., O&M, HOP, MD Office, CMD Sectt., CEO	37	15.11.1978 in NTPC & 08.07.2014 in NSPCL	58yrs	NIL	NIL	No
5.	Vinod Kumar Dassani	General Manager (C&M)	3,618,749.79	On Secondment from NTPC	B. E. (Mech.), Exp- Mech. Maint., HR- EDC, C&M	35	11.11.1980 in NSPCL & 14.04.2011 in NSPCL	57yrs	NIL	NIL	No
6.	Upendra Lal	General Manager (HR)	3,586,646.12	On Secondment from NTPC	BE (Mech.), PGDPM, MBA (PM), Exp.- IT, HR	37	19.05.1986 in NTPC & 02.05.2015 in NSPCL	58yrs	SAIL (11.04.1979 to 16.05.1986)	NIL	No
7.	Pradeep Kumar Upadhyaya	GM & BUH	3,562,325.31	On Secondment from NTPC	BE (Mech.), Exp.- Operation, C&M, Mech. Maint. Boiler, O&M, Opn., Head of Project	36	26.11.1979 in NTPC & 16.11.2014 in NSPCL	59yrs	NIL	NIL	No
8.	Surendra Kumar Sharma	General Manager (OS)	3,539,964.09	On Secondment from NTPC	BE (Elect.), MBA (Marketing), Exp.- EE, TS, Elect. Maint., Comml., OS	32	29.08.1984 in NTPC & 01.05.2015 in NSPCL	54yrs	NIL	NIL	No

9.	Debasish Chattopadhyay	General Manager (O&M)	3,534,542.77	On Secondment from NTPC	BE (Elect.), Exp.- Opn., O&M	30	09.09.1986 in NTPC & 23.06.2001 in NSPCL	52yrs	NIL	NIL	No
10.	Awadhesh Kumar Tiwary	Business Unit Head	3,459,094.06	On Secondment from NTPC	B. Sc. Engg. (Electrical), Exp-Opn., Fuel Hand., OS, Head of Project	29	29.11.1986 in NTPC & 10.09.2015 in NSPCL	58yrs	CIL (01.01.1982 to 17.04.1984), Bihar State Electricity Board (18.04.1984 to 25.11.1986)	NIL	No

For and on behalf of Board of Directors

Sd/-  
(Kaushal Kishore Sharma)  
Chairman  
DIN: 03014947

Date: August 31, 2016  
Place: New Delhi



Bhilai PP-II, Deaerator Floor





## BALANCE SHEET AS AT

₹ in Lakhs

PARTICULARS	NOTE	31.03.2016	31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	98050.01	98050.01
Reserves and surplus	3	76424.44	66183.31
Fly ash utilisation fund	3A	-	6.05
		<b>174474.45</b>	<b>164239.37</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	52934.40	71812.99
Deferred tax liabilities (Net)	5	36457.28	37969.92
Other Long term liabilities	6	3740.83	6005.72
Long-term provisions	7	927.78	730.62
		<b>94060.29</b>	<b>116519.25</b>
<b>Current liabilities</b>			
Trade payables	8	8970.44	9648.37
Other current liabilities	9	28972.12	35320.88
Short-term provisions	10	5550.82	8471.46
		<b>43493.38</b>	<b>53440.71</b>
<b>TOTAL</b>		<b>312028.12</b>	<b>334199.33</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	204349.99	216653.93
Intangible assets	11	594.00	868.56
Capital work-in-progress	12	8761.31	3546.68
Long-term loans and advances	13	24785.98	29234.60
		<b>238491.28</b>	<b>250303.77</b>
<b>Current assets</b>			
Inventories	14	19252.74	21684.67
Trade receivables	15	1851.06	3467.05
Cash and Bank Balances	16	39764.05	27272.92
Short-term loans and advances	17	3419.45	12701.06
Other current assets	18	9249.54	18769.86
		<b>73536.84</b>	<b>83895.56</b>
<b>TOTAL</b>		<b>312028.12</b>	<b>334199.33</b>
Contingent Liabilities	19	8755.71	8323.71
Significant Accounting Policies	1		
Other notes to Financial Statements	28 - 47		
The accompanying notes form an integral part of these Financial Statements.			

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 **Amit Ray & Co.**  
**Chartered Accountants FRN No.000483C**

Sd/-  
(Pradeep Mukherjee)  
Partner Membership No.070693

Place : New Delhi  
Date : 11<sup>th</sup> May 2016



## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

₹ in Lakhs

PARTICULARS	NOTE	31.03.2016	31.03.2015
<b>REVENUE</b>			
Revenue from operations (Gross)	20	183541.39	169302.97
Less: Electricity Duty/POC		19647.42	14153.74
<b>Revenue from operations (Net)</b>		<b>163893.97</b>	<b>155149.23</b>
Other Income	21	7686.51	7150.38
<b>TOTAL REVENUE</b>		<b>171580.48</b>	<b>162299.61</b>
<b>EXPENSES</b>			
Fuel	22	69630.46	66188.81
Employee benefits expense	23	14536.83	13484.07
Finance costs	24	10306.09	12356.87
Depreciation and amortization expense		18199.51	17763.59
Generation, administration & other expense	25	32690.43	25356.15
Prior period items (Net)	26	11.28	408.61
<b>TOTAL EXPENSES</b>		<b>145374.60</b>	<b>135558.10</b>
<b>Profit before tax</b>		<b>26205.88</b>	<b>26741.51</b>
<b>Tax expenses :</b>			
<b>Current tax</b>			
Current Year		6965.84	5629.69
Earlier Years		88.93	-
Deferred tax		(1512.65)	(109.96)
Less: Availment of MAT credit		4020.29	1519.32
<b>Total tax Expenses</b>		<b>1521.83</b>	<b>4000.41</b>
<b>Profit for the year</b>		<b>24684.05</b>	<b>22741.10</b>
Expenditure during construction period	27	352.15	115.39
Earnings per equity share (par value ₹. 10/- each) Basic & Diluted (₹)		2.52	2.32
Significant Accounting Policies	1		
Other notes to Financial Statements	28 - 47		
The accompanying notes form 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 **Amit Ray & Co.**  
**Chartered Accountants FRN No.000483C**  
Sd/-

(Pradeep Mukherjee)  
Partner Membership No.070693

Place : New Delhi  
Date : 11<sup>th</sup> May 2016





## CASH FLOW STATEMENT

₹ in Lakhs

For the year ended (Particulars)	31.03.2016		31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax , prior period items and extra-ordinary items	26,217.17		27,150.11
Adjustment for:			
Depreciation & Amortisation	18,918.67	18,468.10	
Provision Written Back	(30.47)	(27.76)	
CERC Provision Written Back	(515.06)	-	
Profit on Sale of Fixed Assets	(1.11)	(0.02)	
Provision for other losses written back	(0.36)	-	
Loss on Disposal of Fixed Assets	329.17	105.16	
Provision for Tariff Adjustment	761.22	424.29	
Provision for Doubtful Debts	890.18	140.35	
Provision for MAT Credit	4,714.00	-	
Provision for Shortage & Obsolescence in stores	4.79	4.47	
Provision for Arbitration Case	11.54	-	
Fly Ash Utilisation Fund (Net)	(6.05)	6.05	
Prior Period Expenses	-	61.05	
Interest Income	(3,764.87)	(4,299.42)	
Interest and finance charges	10,306.09	12,356.87	
Income on Sale of Investment	(242.56)	(129.03)	
	<b>31,375.19</b>		<b>27,110.10</b>
	<b>57,592.35</b>		<b>54,260.21</b>
Operating profit before working capital changes			
Adjustment for:			
Trade and other receivables	(2,687.89)	1,375.07	
Inventories	2,457.61	(6,573.05)	
Trade payables / other liabilities & Provisions	(9,640.16)	5,017.91	
Loans and Advances	3,426.97	(64.39)	
Other current assets	9,353.51	(730.57)	
	<b>2,910.04</b>		<b>(975.03)</b>
Cash generated from operations	<b>60,502.40</b>		<b>53,285.18</b>
Direct Taxes Refund/ (Paid) ((Net))	2,554.79		(5,332.52)
<b>Net cash from operating activities - A</b>	<b>63,057.19</b>		<b>47,952.67</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest Income	3,931.69	3,980.89	
Profit on Sale of Fixed Assets	1.11	0.02	
Income on Sale of Investment	242.56	129.03	
Purchase of assets / addition to CWIP/ construction stores & advances	(11,895.25)	(8,268.27)	
	<b>(7,719.90)</b>		<b>(4,158.33)</b>
<b>Net cash used in Investing activities - B</b>	<b>(7,719.90)</b>		<b>(4,158.33)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceed from issue of Equity capital	-	-	
Proceeds from borrowing	4,141.60	9,052.80	
Repayment of borrowings	(22,191.87)	(24,768.56)	
Interest paid	(10,352.97)	(12,403.75)	

For the year ended (Particulars)		31.03.2016		31.03.2015
Dividend paid	(12,000.00)		(16,628.40)	
Tax on dividend paid	(2,442.92)	<b>(42,846.15)</b>	(3,065.93)	<b>(47,813.84)</b>
<b>Net cash used financing activities - C</b>		<b>(42,846.15)</b>		<b>(47,813.84)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>12,491.14</b>		<b>(4,019.51)</b>
Cash and cash equivalents - opening balance		27,272.92		31,292.43
Cash and cash equivalents - closing balance		39,764.05		27,272.92
<b>Net cash increase / decrease</b>		<b>12,491.14</b>		<b>(4,019.51)</b>
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. iii) Amount Available in Fly Ash Utilisation Bank Account is not available for Business Purpose.				

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 **Amit Ray & Co.**  
**Chartered Accountants FRN No.000483C**  
Sd/-

**(Pradeep Mukherjee)**  
Partner Membership No.070693

Place : New Delhi  
Date : 11<sup>th</sup> May 2016



Workshop Site, Bhilai PP-II



Control Room, Rourkela





## 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 3<sup>rd</sup> 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/amortisation.
- 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.
- 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 the 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 assets of taken over plants is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013. Depreciation for other plants/ including new plants under construction/implementation will be as per CERC Rates.
- 10.1.3 Depreciation on the following assets is provided based on their estimated useful life ascertained on evaluation:





a)	Kutch Roads	2 Years
b)	Enabling works	
	o residential buildings.	15 Years
	o Internal electrification of residential buildings.	10 Years
	o non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 Years
c)	Personal Computers & Laptops including peripherals	3 Years
d)	Photocopiers, fax Machines, water coolers and refrigerators	5 Years
e)	Temporary erections including wooden structures	1 Year
f)	Telephone exchange	15 Years
g)	Wireless systems, VSAT equipment, CCTV systems, access control systems, audio video conferencing system and display devices viz. projectors, screens & TVs.	6 Years

- 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 depreciated 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:-
- 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.
  - 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.
  - 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 ₹ 5,00,000/- 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	31.03.2016	31.03.2015
<b>Equity Share Capital</b>		
<b>AUTHORISED</b>		
5,00,00,00,000 shares of par value		
₹ 10/- each (P.Y. 5,00,00,00,000 shares		
of par value ₹ 10 /- each)	5,00,000.00	5,00,000.00
	<b>5,00,000.00</b>	<b>5,00,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
98,05,00,100 shares of par value of	98,050.01	98,050.01
₹ 10/- each (P.Y. 98,05,00,100 shares ₹ 10/- each)		
<b>TOTAL</b>	<b>98,050.01</b>	<b>98,050.01</b>

- The Company has only one class of equity shares having a par value ₹ 10/- each (previous year 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	31.03.2016	31.03.2015
<b>General Reserve</b>		
As per last financial statements	2,630.98	2,630.98
Add : Transfer from surplus	-	-
<b>Closing Balance</b>	<b>2,630.98</b>	<b>2,630.98</b>
<b>Surplus</b>		
As per last financial statements	63,552.33	52,817.87
Add : Profit for the year as per Statement of Profit and Loss	24,684.05	22,741.10
Less: Interim Dividend paid	10,000.00	8,000.00
Tax on Interim Dividend paid	2,035.77	1,599.51
Proposed Dividend	2,000.00	2,000.00
Tax on Proposed Dividend	407.15	407.13
Transfer to CSR Reserve	427.47	-
<b>Net Surplus</b>	<b>73,365.99</b>	<b>63,552.33</b>
<b>Corporate social responsibility reserve</b>		
As per last financial statements	-	-
Add ; Transfer from surplus	427.47	-
<b>Closing Balance</b>	<b>427.47</b>	<b>-</b>
<b>Grand Total</b>	<b>76,424.44</b>	<b>66,183.31</b>

- a) During the year, the Company has paid interim dividend of ₹ 1.020 (previous year ₹ 0.816/-) per equity share of par value ₹ 10/- each for the year 2015-16. Further, the company has proposed final dividend of ₹ 0.204 (previous year ₹ 0.204/- ) per equity share of par value ₹ 10/- each for the year 2015-16. Thus, the total dividend (including Interim dividend) for the financial year 2015-16 ₹ 1.224 (previous year ₹ 1.020/-) per equity share of par value ₹ 10/- each.
- b) In terms of section 135 of the Companies Act, 2013 read with guidelines on Corporate Social Responsibility issued by Department of Public Enterprises (DPE), GOI, the company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with its CSR Policy. The Company has spent an amount of ₹ 483.33 lakhs during the year and the unspent balance amount of ₹ 188.32 lakhs has been appropriated to CSR reserve from surplus. Refer Note 47.
- c) For Financial year 2014-15 the Company has spent ₹ 462.19 lakhs and balance unspent amount of ₹ 239.15 lakhs has been appropriated to CSR reserve from surplus. Refer Note 47.

### Note No. 3A to the Financial Statements FLY ASH UTILISATION FUND

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>Fly Ash Utilization Fund</b>		
As per last financial statements	6.05	-
Add: Transfer from revenue from operations (Note 20)	170.72	6.54
Less:Utilization during the year(Note25)	176.77	0.49
<b>Closing Balance</b>	<b>-</b>	<b>6.05</b>





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

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>Term Loans</b>		
<b>Secured</b>		
From Banks	22,827.54	27,327.18
From Financial Institution	26,557.14	39,835.72
	<b>49,384.68</b>	<b>67,162.90</b>
<b>Un-Secured</b>		
From Bank	3,549.72	4,650.09
	<b>3,549.72</b>	<b>4,650.09</b>
<b>TOTAL</b>	<b>52,934.40</b>	<b>71,812.99</b>

- a) There has been no defaults in repayment of any of the loans or interest thereon as at the end of the year.
- b) The rupee term loan carries interest rate in the range of 8% to 10.65%. 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, Union Bank of India.

## Note No. 5 to the Financial Statements DEFERRED TAX LIABILITIES

₹ in Lakhs

PARTICULARS	AS AT 01.04.2015	Additions/(Adjustments) During the year	AS AT 31.03.2016
<b>Deferred Tax Liabilities</b>			
Difference in book depreciation and tax depreciation	39,356.53	(1,412.39)	37,944.14
<b>Less: Deferred Tax Assets</b>			
Provisions & other disallowances for tax purposes including disallowances u/s 43B of the Income Tax Act, 1961	1,386.61	100.25	1,486.86
<b>Deferred Tax Liabilities (Net)</b>	<b>37,969.92</b>	<b>(1,512.64)</b>	<b>36,457.28</b>

- a) The net increase/(decrease) during the year in the deferred tax liability amounting to ₹ (1512.65) lakh (previous year ₹ (109.96) 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	31.03.2016	31.03.2015
<b>Trade Payables</b>	-	50.90
<b>Other liabilities</b>		
Payable for Capital expenditure	481.50	23.40
Others	3,259.33	5,931.42
<b>Total</b>	<b>3,740.83</b>	<b>6,005.72</b>

- 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	31.03.2016	31.03.2015
<b>Provision for Employee benefits</b>		
As per last financial statements	730.62	623.71
Addition/ (Adjustments) during the year	197.16	106.91
<b>Total</b>	<b>927.78</b>	<b>730.62</b>

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	31.03.2016	31.03.2015
For Goods and Services	8,970.44	9,648.37
	<b>8,970.44</b>	<b>9,648.37</b>

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

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
Current maturities of long term borrowings		
Term loans from banks & financial institution		
Secured	21,089.75	20,261.43
Un-secured	1,100.00	1,100.00
Interest accrued but not due on borrowings	160.41	207.29
Payable for Capital Expenditure	2,501.47	1,936.48
<b>Other Payables</b>		
TDS & other statutory dues	470.27	1,634.84
Others	3,650.22	10,180.84
	<b>28,972.12</b>	<b>35,320.88</b>

Other payables - 'Others' includes:

- Deposits received from contractors, customers and others.
- Gratuity for an amount of ₹72.27 lakhs (previous year ₹ 62.89 lakhs) payable to NSPCL Gratuity Trust.





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

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>Provision for Employee benefits</b>		
As per last financial statements	2,042.20	1,756.60
Additions/(Adjustments) during the year	235.70	285.60
	<b>2,277.90</b>	<b>2,042.20</b>
<b>Provision for proposed dividend</b>		
As per last financial statements	2,000.00	8,628.40
Additions during the year	2,000.00	2,000.00
Amount paid during the year	2,000.00	8,628.40
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Provision for tax on proposed dividend</b>		
As per last financial statements	407.14	1,466.40
Additions during the year	407.16	407.14
Amount paid during the year	407.14	1,466.40
	<b>407.16</b>	<b>407.14</b>
<b>Provision for Tariff Adjustment</b>		
As per last financial statements	4,021.76	3,597.47
Additions during the year	761.22	424.29
Amounts adjusted during the year	3,928.76	-
	<b>854.22</b>	<b>4,021.76</b>
<b>Others</b>		
As per last financial statements	0.36	0.36
Additions during the year	11.54	-
Amounts adjusted during the year	0.36	-
	<b>11.54</b>	<b>0.36</b>
<b>Total</b>	<b>5,550.82</b>	<b>8,471.46</b>

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, Panoramic View

## Note No. 11 to the Financial Statements

### FIXED ASSETS

₹ in Lakhs

Tangible Assets	Gross Block				Depreciation				Net Block	
Particulars	AS AT 01.04.2015	Addition	Adjustment	AS AT 31.03.2016	AS AT 01.04.2015	Addition	Adjustment	AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
Land and Leasehold	11,524.24	-	(0.02)	11,524.26	2,682.16	298.98	-	2,981.14	8,543.13	8,842.09
Roads, Bridges & Culverts	2,419.51	-	(0.30)	2,419.81	520.55	122.19	-	642.74	1,777.08	1,898.96
Main Plant Buildings	8,557.30	-	-	8,557.30	2,937.74	247.54	-	3,185.28	5,372.03	5,619.56
Other Buildings	29,224.02	110.15	(16.38)	29,350.55	6,921.25	873.98	(1.56)	7,796.80	21,553.75	22,302.77
Temporary Erection	47.61	-	-	47.61	47.61	-	-	47.61	-	-
Water Supply, Drainage & Sewerage System	2,351.97	4.99	(250.13)	2,607.09	393.55	100.89	-	494.44	2,112.65	1,958.42
MGR Track and Signaling System	5,564.85	-	(0.79)	5,565.64	1,708.00	293.60	-	2,001.60	3,564.03	3,856.85
Railway Siding	458.85	-	(22.39)	481.23	118.76	67.94	-	186.71	294.53	340.08
Plant & Machinery	2,82,344.81	5,866.73	599.20	2,87,612.34	1,16,552.80	15,605.95	206.55	1,31,952.20	1,55,660.14	1,65,792.02
Construction Equipments	1,792.40	18.10	0.00	1,810.49	1,061.54	114.98	0.00	1,176.52	633.98	730.86
Furniture & Fixtures	2,610.81	37.06	10.95	2,636.93	1,101.15	164.44	1.07	1,264.52	1,372.41	1,509.66
Other Office Equipments	454.70	66.56	13.27	507.98	271.58	50.16	9.09	312.65	195.33	183.12
EDP, WP Machines & Satcom Equipments	1,749.40	156.57	63.14	1,842.83	651.88	306.24	55.93	902.19	940.64	1,097.52
Vehicles Including Speedboats	29.33	9.11	-	38.44	19.90	4.23	-	24.14	14.31	9.43
Electrical Installations	1,556.39	67.19	(5.27)	1,628.85	391.51	129.26	-	520.77	1,108.08	1,164.88
Laboratory & Workshop Equipments	1,510.49	29.59	-	1,540.09	488.10	94.30	-	582.40	957.69	1,022.39
Hospital Equipments	6.40	-	-	6.40	1.23	0.21	-	1.44	4.96	5.17
Communication Equipments	384.99	1.24	0.38	385.85	115.77	25.23	0.34	140.66	245.19	269.22
Retired Assets/ Unservicable	0.21	-	0.12	0.09	0.05	-	0.05	-	0.09	0.16
Capital Expenditure of Assets not Owned by Company	1,125.78	14.07	-	1,139.84	1,075.00	64.84	-	1,139.84	-	50.78
Total :	3,53,714.07	6,381.36	391.78	3,59,703.64	1,37,060.14	18,564.98	271.47	1,55,353.65	2,04,349.99	2,16,653.93
Previous Year :	3,45,162.63	8,506.05	(45.39)	3,53,714.07	1,19,016.26	18,298.77	254.89	1,37,060.14	2,16,653.93	2,26,146.38

Tangible Assets	Gross Block				Depreciation				Netblock	
Particulars	AS AT 01.04.2015	Addition	Adjustment	AS AT 31.03.2016	AS AT 01.04.2015	Addition	Adjustment	AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
Software	1,163.78	67.65	(11.48)	1,242.91	295.22	353.69	-	648.91	594.00	868.56
TOTAL :	1,163.78	67.65	(11.48)	1,242.91	295.22	353.69	-	648.91	594.00	868.56
Previous Year :	144.28	1,019.50	-	1,163.78	126.16	169.32	0.27	295.22	868.56	18.12
GRAND TOTAL :	3,54,877.84	6,449.01	380.31	3,60,946.55	1,37,355.36	18,918.67	271.47	1,56,002.56	2,04,943.99	2,17,522.49
Previous Year :	3,45,306.91	9,525.55	(45.39)	3,54,877.84	1,19,142.42	18,468.10	255.16	1,37,355.36	2,17,522.49	2,26,164.49

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

	AS AT 31.03.2016	AS AT 31.03.2015
Charged to statement of Profit & Loss	18,199.51	17,293.92
Allocated to Fuel Cost	705.22	704.51
Prior period & IEDC	13.94	469.66
<b>Total :</b>	<b>18,918.67</b>	<b>18,468.10</b>

#### Note :

- Leasehold land includes 1758.09 sqm valuing ₹2189.65 lakhs (Previous year 1758.09 sqm valuing ₹2189.65 lakhs) pertaining to 4<sup>th</sup> Floor, NBCC Tower, 15 Bhikaji cama place, New Delhi acquired on perpetual lease and no depreciation has been charged thereof.
- 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

Tangible assets under development	AS AT 01.04.2015	Addition	Deductions/ Adjustments	Capitalised	AS AT 31.03.2016
Road, Bridges, Culverts & Helipads	-	-	-	-	-
Building	-	-	-	-	-
Main Plant	32.09	-	32.09	-	-
Others	8.60	85.66	(32.09)	49.45	76.90
Temporary Erections	-	-	-	-	-
Water supply Drainage & Sewerage	236.43	6.40	231.98	4.99	5.86
MGR Track & Signalling system	1.71	-	1.71	-	-
Railway Sidings	259.55	-	-	-	259.55
Plant & Machinery	2,471.06	9,813.00	140.91	5,197.23	6,945.92
Furniture & Fixtures	-	46.85	-	34.32	12.52
Other Office Equipments	10.44	37.56	2.17	45.82	-
EDP, WP SATCOM Equipment	-	178.51	24.16	153.25	1.10
Construction Equipment	-	-	-	-	-
Lab & Workshop Equipment	-	-	-	-	-
Electrical Installation	14.78	15.65	-	30.43	-
	<b>3,034.65</b>	<b>10,183.62</b>	<b>400.92</b>	<b>5,515.50</b>	<b>7,301.86</b>
Survey Soil & Investigation	55.22	21.45	-	-	76.67
Less Allocated to CWIP	-	-	-	-	-
Incidental Expenditure During Constructi (Net)	115.40	387.58	-	14.52	488.46
	<b>3,205.27</b>	<b>10,592.64</b>	<b>400.92</b>	<b>5,530.01</b>	<b>7,866.98</b>
Prov.Unservice.CWIP	(2.44)	-	-	-	(2.44)
Construction stores (net of Provisions)	343.85	736.92	266.58	-	814.18
<b>Total :</b>	<b>3,546.68</b>	<b>11,329.56</b>	<b>667.50</b>	<b>5,530.01</b>	<b>8,678.73</b>
Previous Year	5,169.37	6,669.81	221.34	8,071.16	3,546.68

Tangible assets under development	AS AT 01.04.2015	Addition	Deductions/ Adjustments	Capitalised	AS AT 31.03.2016
Software	-	94.06	-	11.48	82.58
<b>Total :</b>	<b>-</b>	<b>94.06</b>	<b>-</b>	<b>11.48</b>	<b>82.58</b>
Previous Year	509.95	509.55	-	1,019.50	-
<b>Grand Total:</b>	<b>3,546.68</b>	<b>11,423.62</b>	<b>667.50</b>	<b>5,541.49</b>	<b>8,761.31</b>
Previous Year	5,679.32	7,179.36	221.34	9,090.66	3,546.68

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

(Considered good, unless otherwise stated)

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>SECURITY DEPOSITS (Un-secured)</b>	<b>24.41</b>	<b>31.58</b>
<b>LOANS</b>		
Employees (including accrued interest)		
Secured	2111.11	1598.80
Unsecured	180.53	221.00
	<b>2,291.64</b>	<b>1,819.80</b>
<b>ADVANCES</b>		
Contractors & Suppliers, including materials issued on loan		
Unsecured	35.89	1614.65
Advance Tax Deposited & Tax Deducted at Source	52955.29	48948.46
Less: Provision for Current Tax	48591.63	41954.51
Others		
Unsecured	5.42	15.95
	<b>4,404.97</b>	<b>8,624.55</b>
MAT credit entitlement		
As per last financial statements	18758.67	17239.35
Add : MAT credit entitlement during the year	4020.29	1519.32
Less : Provision for unutilised MAT	4714.00	0.00
	<b>18,064.96</b>	<b>18,758.67</b>
<b>TOTAL</b>	<b>24,785.98</b>	<b>29,234.60</b>
Due from Officers of the Company		
Officers	2.71	4.26



TG Hall, Bhilai PP-II





## Note No. 14 to the Financial Statements INVENTORIES

(Considered good, unless otherwise stated)

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
Coal	9538.58	12202.51
Fuel oil	506.03	699.32
Stores and spares	7927.22	7501.64
Chemicals & consumables	189.63	135.36
Loose tools	36.41	31.20
Others	1073.57	1159.04
	<b>19,271.44</b>	<b>21,729.07</b>
Less: Provision for shortages in stores	0.75	2.85
Provision for obsolete/ unserviceable items/ dimunition in value of surplus inventory	17.95	41.55
<b>Total</b>	<b>19,252.74</b>	<b>21,684.67</b>
Inventories include material in transit and under inspection	1722.23	257.21

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

(Un - Secured Considered good, unless otherwise stated)

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>Outstanding for a period exceeding six months from the due date of payment</b>		
Considered good	-	890.18
Considered doubtful	1030.53	140.35
Less: provision for doubtful receivable	1030.53	140.35
	-	<b>890.18</b>
<b>Others</b>		
Considered good	1851.06	2576.87
	<b>1,851.06</b>	<b>2,576.87</b>
<b>Total</b>	<b>1,851.06</b>	<b>3,467.05</b>

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

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Accounts	215.03	1181.25
Cash Credit Account	916.86	1351.06
Deposits with original maturity upto three months	23129.24	12950.00
Cheques and drafts in hand	2.80	0.00
Stamps in hand	0.12	0.10
<b>Other bank balances</b>		
Deposits with original maturity of more than three months *	15500.00	11790.51
	<b>39,764.05</b>	<b>27,272.92</b>

\* Includes bank deposits with more than twelve months maturity amounting to ₹ NIL ( previous year ₹ NIL)  
Balance in fly ash bank account of ₹ 29 as on 31.03.2016 is not available for business use.

## Note No. 17 to the Financial Statements SHORT-TERM LOANS AND ADVANCES

(Considered good, unless otherwise stated)

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>LOANS</b>		
Employees (including accrued interest)		
Secured	243.99	194.88
Unsecured	220.63	161.62
	<b>464.62</b>	<b>356.50</b>
<b>ADVANCES</b>		
Employees		
Unsecured	9.00	8.88
Contractors & Suppliers, including materials issued on loan		
Unsecured, considered good	2329.25	4873.25
Unsecured, considered doubtful	4.29	4.29
Less: Provision for doubtful advances	4.29	4.29
<b>Others</b>		
Un-secured	615.54	466.71
Advance tax deposited	0.00	6979.51
Excise Duty	0.24	0.00
	<b>2,954.03</b>	<b>12,328.35</b>
<b>Security Deposits (Unsecured)</b>	<b>0.80</b>	<b>16.21</b>
<b>Total</b>	<b>3,419.45</b>	<b>12,701.06</b>
Due from Officers of the company		
Officers	0.25	0.54





## Note No. 18 to the Financial Statements OTHER CURRENT ASSETS

(Considered good, unless otherwise stated)

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
<b>Interest Accrued on :</b>		
Term deposits	706.55	873.37
<b>Claims Recoverables</b>		
Un-Secured, Considered good	1641.96	93.45
Un-Secured, considered Doubtful	0.06	0.06
Less: Provision for doubtful claims	0.06	0.06
Unbilled Revenues	6901.03	17803.04
<b>Total</b>	<b>9,249.54</b>	<b>18,769.86</b>

Unbilled revenues is net of credits to be passed to beneficiaries at the time of billing. It includes ₹ 2151.67 lakhs (Previous year ₹ 12340.03 lakhs) in case of PP - III and ₹ 4749.36 lakhs (Previous year ₹ 5463.01 lakhs) in case of PP - II.

## Note No. 19 to the Financial Statements CONTINGENT LIABILITIES

₹ in Lakhs

AS AT	31.03.2016	31.03.2015
Claims against the company not acknowledged as debt in respect of Capital Works	100.54	104.85
Disputed Income Tax	1730.40	1627.81
Disputed Service Tax demand	3190.04	2994.36
Others *	3734.73	3596.69
<b>Total</b>	<b>8,755.71</b>	<b>8,323.71</b>

Possible reimbursement ₹ 4195.00 Lakh (Previous year ₹ 3959.69 lakh)

\* Includes an amount of ₹ 156.62 lakh as on 31.03.2016 (previous year ₹ 172.20 lakhs) on account of entry tax demand received from Sales Tax department, Rourkela, for which the case is pending with Sales Tax Tribunal.



5th Customer Meet held on 25th July 2015 at Srinagar

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

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
<b>Sales</b>		
Energy sales(including Electricity Duty/ Parellel Operation Charges)	182952.71	169232.29
Energy internally consumed	43.15	42.92
	<b>1,82,995.86</b>	<b>1,69,275.21</b>
<b>Provisions Written back</b>		
Obsolescence in stores	30.47	27.76
Provision tarrif adjustment written back	515.06	0.00
	<b>545.53</b>	<b>27.76</b>
<b>Other operating revenue</b>		
Sale of Fly Ash	170.72	6.54
Less: Transferred to fly ash utilisation fund (Note 3A)	170.72	6.54
	-	-
	<b>1,83,541.39</b>	<b>1,69,302.97</b>

Energy sales is exclusive of electricity duty directly paid by SAIL in respect of DSP-CPP-II for FY 2015-16 is ₹ 1790.39 Lakhs (Previous year ₹ 1655.78 Lakhs (for full year)).

## Note No. 21 to the Financial Statements OTHER INCOME

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
<b>Interest from</b>		
Loan to Employees	148.17	123.53
Indian Banks	3,764.87	4,299.42
Income tax refunds	1,389.57	2,360.64
Others	0.06	0.71
<b>Income from Current Investments- Non-trade</b>		
Net Gain on sales of Mutual funds	242.56	129.03
<b>Other non-operating income</b>		
Miscellaneous Income	2,140.20	237.04
Profit on disposal of fixed assets	1.11	0.01
Less: Trfd. To Exp. during construction period (Net) - Note 27	0.03	-
<b>TOTAL</b>	<b>7,686.51</b>	<b>7,150.38</b>





## Note No. 22 to the Financial Statements

### FUEL

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
Coal	69,023.66	64,636.64
Furnace oil	228.87	630.32
LDO & HSD	377.93	921.85
<b>TOTAL</b>	<b>69,630.46</b>	<b>66,188.81</b>

## Note No. 23 to the Financial Statements

### EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
Salaries and Wages	11,163.87	10,840.72
Contribution to provident & other funds	2,075.56	2,203.80
Staff welfare expenses	1,680.99	1,119.02
	<b>14,920.42</b>	<b>14,163.54</b>
Less: Allocated to Fuel cost	234.58	616.74
Transferred to expenditure during construction period (net)- Note-27	149.01	62.73
<b>TOTAL</b>	<b>14,536.83</b>	<b>13,484.07</b>

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

## Note No. 24 to the Financial Statements

### FINANCE COSTS

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
<b>Interest on</b>		
<b>Rupee Term Loans</b>		
From banks	3,970.67	4,212.03
From Financial Institution	4,652.49	5,816.41
<b>Rupee Working Capital Loan</b>		
From bank	2.16	1.09
<b>Others</b>		
From Others	1,653.11	2,284.76
<b>Other Borrowing costs</b>		
Guarantee fee	-	4.81
Other finance Charges	27.66	37.78
	<b>10,306.09</b>	<b>12,356.88</b>
Less: Transferred to expenditure during construction period - (Note 27)	-	0.01
	<b>10,306.09</b>	<b>12,356.87</b>

## Note No. 25 to the Financial Statements

### GENERATION, ADMINISTRATION & OTHER EXPENSE

₹ in Lakhs

FOR THE YEAR ENDED		31.03.2016	31.03.2015
Power charges	140.01		118.83
Less: Recovered from contractors and employees	<u>28.34</u>		7.72
		111.67	111.11
Water charges		3,769.15	3,504.24
Stores consumed		362.06	463.48
Rent	287.30		289.81
Less: Recoveries	<u>-</u>		
		287.30	289.81
Repairs & maintenance			
Buildings		303.40	300.48
Power stations		10,642.91	11,105.66
Construction equipments		-	3.07
Others		1,846.40	1,297.88
Insurance		687.46	534.45
Rates & taxes		248.13	230.39
Water Cess & environment protection cess		37.09	33.08
Training & Recruitment expenses	199.37		117.76
Less: Fees for application & training	<u>5.59</u>		30.28
		193.78	87.48
Communication expenses		214.51	124.66
Travelling expenses		752.15	768.68
Tender expenses	88.82		121.53
Less: Receipt from sale of tenders	<u>4.85</u>		8.42
		83.97	113.11
Payment to auditors		14.16	14.06
Advertisement and publicity		23.25	25.54
Security expenses		2,426.62	1,960.99
Entertainment expenses		92.65	83.45
Expenses for guest house	55.02		68.06
Less: Recoveries	<u>3.10</u>		2.79
		51.92	65.27
Brokerage & commission		10.42	4.44
Corporate social responsibility expenses		514.37	462.19
Ash utilisation & marketing expenses	265.27		13.89
Less: Transferred to fly ash utilisation fund (Note 3A)	<u>176.78</u>		0.49
		88.49	13.40
Books and periodicals		8.96	4.58
Professional charges and consultancy fees		381.60	184.84
Legal expenses		35.57	53.21
EDP hire and other charges		142.08	86.63
Printing & stationary		42.95	32.03
Hiring of vehicles		221.81	241.31
Rebate to customers		2,339.43	2,161.81
Miscellaneous expenses		228.41	191.17
Survey & Investigation expenses written off		184.46	311.03





FOR THE YEAR ENDED	31.03.2016	31.03.2015
Loss on disposal or written off fixed assets	329.17	105.16
	<b>26,676.30</b>	<b>24,968.69</b>
Less: Allocated to fuel cost	167.09	128.99
Transferred to Expenditure during construction period (net)- Note-27	200.51	52.65
	<b>26,308.70</b>	<b>24,787.05</b>
<b>Provisions</b>		
MAT credit	4,714.00	-
Arbitration case	11.54	-
Interest on refund to Customers	761.22	424.29
Doubtful Debts	890.18	140.35
Shortage in stores	1.33	2.09
Obsolescence in stores	3.46	2.37
	<b>6,381.73</b>	<b>569.10</b>
<b>Total</b>	<b>32,690.43</b>	<b>25,356.15</b>
<b>Details in respect of payment to auditor</b>		
As Auditor		
Audit fee	6.50	6.00
Tax audit fee	2.25	1.75
<b>In other capacity</b>		
Other services ( Certification Fees)	-	0.40
Reimbursement of expenses	3.67	4.25
Reimbursement of Service Tax	1.74	1.66
<b>Total</b>	<b>14.16</b>	<b>14.06</b>

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

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
<b>REVENUE</b>		
Others	-	(61.05)
	-	<b>(61.05)</b>
<b>EXPENDITURE</b>		
Depreciation and amortisation (Note - 11)	11.28	469.66
Others	-	-
	<b>11.28</b>	<b>469.66</b>
<b>Net Expenditure/(Revenue)</b>	<b>11.28</b>	<b>408.61</b>

## Note No. 27 to the Financial Statements EXPENDITURE DURING CONSTRUCTION PERIOD

₹ in Lakhs

FOR THE YEAR ENDED	31.03.2016	31.03.2015
<b>A. Employee Benefits Expense</b>		
Salaries and Wages	139.80	49.72
Contribution to provident and other funds	3.86	11.98
Staff welfare expenses	5.35	1.03
<b>Total (A) (Note - 23)</b>	<b>149.01</b>	<b>62.73</b>
<b>B. Finance Costs</b>		
Bank charges	-	0.01
<b>Total (B) (Note - 24)</b>	<b>-</b>	<b>0.01</b>
<b>C. Depreciation and Amortisation</b>		
Depreciation	2.66	-
<b>Total (C) (Note - 11)</b>	<b>2.66</b>	<b>-</b>
<b>D. Generation, Administration and Other expenses</b>		
Communication expenses	1.03	0.42
Travelling expenses	8.83	8.25
Tender expenses	11.39	20.07
Less: Receipt from sale of tenders	0.12	-
Entertainment expenses	0.71	0.25
Printing and stationary	0.78	-
Professional charges and consultancy fees	177.33	-
Miscellaneous expenses	0.56	23.66
<b>Total (D) (Note - 25)</b>	<b>200.51</b>	<b>52.65</b>
<b>Total (A+B+C+D)</b>	<b>352.18</b>	<b>115.39</b>
<b>E. Less Other Income</b>		
Other Income	0.03	-
<b>Total (E) (Note - 21)</b>	<b>0.03</b>	<b>-</b>
<b>Total (A+B+C+D-E)</b>	<b>352.15</b>	<b>115.39</b>



Inauguration of EET-2015, Bhilai





## 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 31.03.2016 is ₹ 17401.84 Lakh (Previous year ₹ 22,826.73 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 21.34 Lakh MT (Previous year 22.01 Lakh MT) of coal costing ₹ 61864.90 Lakh (Previous year ₹ 66032.96 Lakh) and gas costing ₹ 4168.48 Lakh (Previous year ₹ 4261.57 Lakh) has been consumed in CPP-II.
33. During the year 2015-16, out of 20.04 Lakh Tons (Previous year 18.73 Lakh Tons) of ash generated, 16.18 Lakh Tons (Previous year 10.54 Lakh Tons) ash has been utilized for various productive purposes which is 80.74% (Previous year 56.27%) 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 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 ₹ 751.42 Lakh (previous year ₹ 713.61 Lakh) is recognized as expense out of which ₹ 3.86 Lakh (previous year ₹ 11.98) is transferred to EDC account and the remaining amount of ₹ 747.56 Lakh (previous year ₹ 701.63 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 1<sup>st</sup> 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 Profit & Loss Account

(₹ in Lakh)

	Gratuity	PRMF	Leave	Terminal Benefits
Current Service Cost	138.90	32.20	204.27	15.87
	{130.05}	{28.31}	{186.97}	{16.03}
Interest cost on benefit obligation	148.99	46.30	161.10	10.13
	{146.88}	{40.22}	{148.12}	{9.73}
Expected return on plan assets	(146.07)	-	-	-
	{{128.21}}	{-}	{-}	{-}
Net actuarial (gain)/loss recognized in the year	(69.56)	81.73	273.45	(11.22)
	{{112.16}}	{69.33}	{229.99}	{{9.20}}
Expenses recognized in the statement of Profit & Loss	72.27	160.23	638.82	14.77
	{36.56}	{137.86}	{565.08}	{16.56}
Actual Return on Plan Assets	165.15	-	-	-
	{151.55}	{-}	{-}	{-}



**b) The amount recognized in the Balance Sheet**

(₹ in Lakh)

	Gratuity	PRMF	Leave	Terminal Benefits
Present value of obligation as at 31.3.16	1932.90	686.65	2243.12	136.09
	{1862.38}	{578.70}	{2013.74}	{126.61}
Fair value of plan assets as at 31.3.16	1860.63	-	-	-
	{1825.84}	{-}	{-}	{-}
Net assets/ (liability) recognized in the Balance Sheet	(72.27)	(686.65)	(2243.12)	(136.09)
	{(36.54)}	{(578.70)}	{(2013.74)}	{(126.61)}

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

(₹ in Lakh)

	Gratuity	PRMF	Leave	Terminal Benefits
Present value of obligation as at 01.04.2015	1862.38	578.70	2013.74	126.61
	{1727.95}	{473.22}	{1733.51}	{114.46}
Acquisition Adjustment	-	-	2.73	-
	{26.34}	{-}	{26.65}	{-}
Interest cost	148.99	46.30	161.10	10.13
	{146.88}	{40.22}	{148.12}	{9.73}
Current Service Cost	138.90	32.21	204.27	15.87
	{130.05}	{28.31}	{186.97}	{16.03}
Benefits paid	(166.90)	(52.28)	(412.16)	(5.30)
	{(80.00)}	{(32.39)}	{(311.50)}	{(4.42)}
Net actuarial (gain)/ loss on obligation	(50.47)	81.73	273.45	(11.22)
	{(88.83)}	{69.33}	{229.99}	{(9.20)}
Present value of the defined benefit obligation as at 31.03.2016	1932.90	686.65	2243.12	136.09
	{1862.38}	{578.70}	{2013.74}	{126.61}

**d) Changes in the fair value of plan assets**

(₹ in Lakh)

	Gratuity	PRMF	Leave	Terminal Benefits
Fair value of plan assets as at 01.04.2015	1825.83	-	-	-
	{1602.69}	{-}	{-}	{-}
Acquisition Adjustment	-	-	-	-
	{26.34}	{-}	{-}	{-}
Expected return on plan assets	146.06	-	-	-
	{128.21}	{-}	{-}	{-}
Contributions by employer	36.55	-	-	-
	{125.27}	{-}	{-}	{-}
Benefit paid	(166.90)	-	-	-
	{(80.00)}	{-}	{-}	{-}
Net Actuarial gain/(loss)	19.09	-	-	-
	{23.33}	{-}	{-}	{-}
Fair value of plan assets as at 31.03.2016	1860.63	-	-	-
	{1825.84}	{-}	{-}	{-}

**e) Other disclosures:**

(₹ in Lakh)

	Year Ended				
<b>Gratuity</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Present value of obligation at the end of year	1932.90	1862.38	1727.95	1654.32	1502.49
Fair value of plan assets at the end of year	1860.63	1825.83	1602.68	1501.95	1365.95
Surplus/(Deficit)	(72.27)	(36.55)	(125.27)	(152.37)	(136.53)
Experience adjustment on plan liabilities (loss)/gain	50.47	87.33	(20.95)	(38.40)	(77.80)
Experience adjustment on plan assets (loss)/gain	19.09	23.33	28.40	12.86	20.18

(₹ in Lakh)

<b>PRMF</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Present value of obligation as at the end of	686.65	578.70	473.22	373.89	322.60
Experience adjustment on plan liabilities (loss)/gain	(81.73)	(83.16)	(68.77)	(13.17)	(24.57)

(₹ in Lakh)

<b>Leave</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Present value of obligation as at the end of	2243.12	2013.74	1733.51	1452.02	1131.78
Experience adjustment on plan liabilities (loss)/gain	(273.45)	(223.77)	(349.46)	(252.22)	(118.79)

(₹ in Lakh)

<b>Terminal Benefits</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Present value of obligation as at the end of	136.09	126.61	114.46	106.60	95.32
Experience adjustment on plan liabilities (loss)/gain	11.22	9.08	5.16	8.87	(9.00)

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

	<b>Cost increase by 1%</b>	<b>Cost decrease by 1%</b>
i) Service and interest cost ₹	19.96 Lakh	(12.26) Lakh
ii) Present value of obligation (PBO) ₹	135.35 Lakh	(91.90) Lakh

**G. Other Employee Benefits**

Provision for Long Service Award amounting to ₹ 60.06 Lakh (previous year ₹ -3.30 Lakh) and Economic Rehabilitation Scheme amounting to ₹ 36.31 Lakhs (previous year ₹ 4.81 lakh) for the year have been made on the basis Actuarial Valuation at the year end charged to Statement of Profit and Loss account. The increase in provision for Long Service Award during the year is due to the change of Management Policy for Long Service Award.

In accordance with significant Accounting Policy No.11.4, an amount of ₹ 859.77 Lakh (previous year ₹ 883.07 Lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 294.79 Lakh (previous year ₹ 294.13 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:

		2016	2015
I.	Central Government securities	6.72%	6.92 %
II.	State Government Securities	--	--
III.	Corporate Bonds/ debentures	7.02 %	15.54 %
IV.	Funds managed by Insurer	85.96 %	75.88%
V.	Bank Balance (for Gratuity)	0.30%	0.20%
VI.	Other receivables	--	1.46%
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

## I. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

		2016	2015
i)	Method used	Projected Unit Credit Method	
ii)	Discount Rate	8.00%	8.00%
iii)	Expected rate of return on assets (Gratuity only).	8.00%	8.00%
	Annual increase in costs		
	Future salary increase	6.00%	6.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

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 ₹ 7.85 Lakh (Previous Year ₹ 1.39 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 Lakh)

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	126655	118879	37239	36270			163894	155149
Segment result	26310	25077	2526	7280			28837	32357
Other Income	4609	3856	3077	3294			7686	7150
Interest Expenses	7822	9332	2484	3025			10306	12357
Extra Ordinary & Prior period Items		(59)	11	468			11	409
Income Tax					3034	4110	3034	4110
Deferred Tax					(1513)	(110)	(1513)	(110)
Profit After Tax							24684	22741
Other Information								
Segment Assets	227198	252615	16741	48275	22878**	577*	266816	301467
Segment Liabilities	2583	14483	15589	10158	7800	14175*	25972	38816
Depreciation	12777	12937	5422	4826			18200	17764
Non Cash Expenses Other than Depreciation			105	105			105	105
Capital Expenditure	445	216	10756	7767	83	(545)	11283	7438

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

\*\* Advance Tax & TDS reduced from PP-II & PP-III Assets & Liability the same was reduced from Unallocated during FY 2014-15.

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'

a) Joint Venture of Promoters Company

Utility Powertech Ltd., NTPC-Alstom Power Services Private Limited.

b) Key Management Personnel:

Shri Manash Sarkar CEO

Shri S.V.Shahi CFO

Smt. Umang Vats Co. Secretary

c) Transaction with related parties at (a) & (b) above are as follows:

(₹ in Lakh)

Transactions during the year	Current Year	Previous Year
Contracts for works/ services for services received by Company:		
- Utility Powertech Ltd.	2071.47	574.74
- NTPC- Alstom Power Services Private Limited	5582.29	12.25
<b>Amount Payable for contracts for works/services provided</b>	<b>Current Year</b>	<b>Previous Year</b>
- Utility Powertech Ltd.	333.22	337.31
- NTPC- Alstom Power Services Private Limited	4.35	----





- d) Remuneration to key management personnel for the year is ₹ 95.98 lakh (previous year ₹ 80.16 lakh) and amount of dues outstanding to the Company as at 31<sup>st</sup> March 2016 are ₹ 2.96 lakh (previous year ₹ 4.80 lakh)

(₹ in Lakh)

Managerial remuneration to key management personnel	Current Year	Previous Year
Shri Manash Sarkar	37.62	30.55
Shri S.V.Shahi	41.06	33.16
Smt. Umang Vats	17.30	16.45

#### 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 ₹ 60.19 lakh (previous year ₹ 63.96 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	24684.05	22741.10
Weighted average number of equity shares used as denominator	980500100	980500100
Earnings per share (Basic and Diluted) - ₹	2.52	2.32
Face value per share – ₹	10/-	10/-

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

(₹ in Lakh)

Particulars	Current Year		Previous Year	
a) Value of imports calculated on CIF basis:				
Capital Goods		580.25		951.52
Components and Spare Parts		327.86		194.56
b) Expenditure in foreign currency:				
Professional and consultation fees		-		-
Interest		-		-
Other Matters		17.77		11.78
c) Value of components, stores and spare parts consumed (including fuel)*	Current Year		Previous Year	
	% age	Amount	% age	Amount
Imported	13.09	9646.12	34.99	24613.74
Indigenous	86.91	64071.59	65.01	45723.86
<b>Total</b>	<b>100.00</b>	<b>73717.71</b>	<b>100.00</b>	<b>70337.60</b>
d) Earning in foreign Exchange			Current Year	Previous Year
Professional & consultancy fee			-	-
Others			-	-

\*Coal cost included in (c) above is ₹ 69023.66 lakh (previous year ₹ 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 Prior period Expenses which came into force w.e.f 1<sup>st</sup> April 2015. Consequently, there is a decrease in Prior Period expenses amounting to ₹ 15.12 lakh and increase in Generation, administration and other expenses amounting to ₹ 15.12 lakh for the year ending 31<sup>st</sup> March 2016.
45. Revision of pay scales of the employees of the Central Government is due w.e.f 1<sup>st</sup> January 2016. Pending acceptance of the recommendations of the VII Pay Commission constituted by the Central Government, provision of ₹ 110.70 lakh (previous year Nil) towards the payments due to the employees of Central Industrial Security Force (CISF) has been made on an estimated basis.
46. 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 2015-16.
47. As per Section 135 of the Companies Act, 2013 effective from 1<sup>st</sup> April 2014 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The amount of two percent of average net profits of previous three years ending 31<sup>st</sup> March' 2015 comes out to ₹ 671.65 lakh for the year 2015-16. The Company has spent an amount of ₹ 483.33 lakh on CSR during the year which included in Generation, administration & other expenses as detailed below:

(₹ in Lakh)

Particulars	2015-16	2014-15
A. Amount required to be spent during	671.65	701.34
B. Amount spent on CSR	*483.33	462.19
C. Shortfall amount appropriated to CSR Reserve	188.32	239.15

\*The expenditure of ₹ 483.33 lakh has been incurred in FY 2015-16. In Note 25, ₹ 514.37 lakh reflected in Profit & Loss Account of F.Y. 2015-16, includes ₹ 40.00 lakh paid as advance in F.Y.2014-15 and does not include ₹ 8.99 lakh paid in advance for FY.2015-16.

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 **Amit Ray & Co.**  
**Chartered Accountants FRN No.000483C**  
Sd/-

(**Pradeep Mukherjee**)  
Partner Membership No.070693

Place : New Delhi  
Date : 11<sup>th</sup> May 2016



Spreading Smiles, Bhilai





## 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 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

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

### Auditors' responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- (b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

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

Accounting Policy No. 10.1.11 and note no. 11 "Fixed Assets"-Tangible assets, in respect of capital expenditure on assets not owned by the Company is being written off in 4 years by the company. Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) suggests 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. During the F.Y. 2015-16 the Company has fully depreciated the balance and addition during the year in respect of 'Expenditure on Capital Asset not owned by Company' and there is nil Net Block with respect to same in Books as on 31.3.2016. The total depreciation provided during F.Y. 2015-16 is ₹ 64.84 lakhs in respect of these assets. However, during the year Ministry of Corporate Affairs, GOI, vide Gazette notification dated 30.03.2016 has notified amendments to AS-10, which prescribes the accounting treatment in respect of capital expenditure on enabling assets. The same shall come effect in the FY 2016-17, as per clarification from the GOI, Ministry of Corporate Affairs dated 27.04.2016.

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, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A** a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure B** on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of

Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure C**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 1) The Company has disclosed the impact of pending litigation on its financial position in its financial statement.(Refer Note No. 19 to the Financial Statement)
  - 2) In our opinion and to the best of our information and explanations given to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - 3) In our opinion and to the best of our information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Amit Ray & Co**  
**Chartered Accountants**  
**Firm's Registration No.-000483C**

**Place: Delhi**  
**Date: 11<sup>th</sup> May, 2016**

**Sd/-**  
**Pradeep Mukherjee**  
**Partner**  
**Membership No.-070693**



Public Ash Silo, Bhilai PP-III





## Annexure - 'A' to Independent Auditors Report

### Annexure referred to in our report of even date to the members of NTPC-SAIL Power Company Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) There is a regular programme of physical verification of all fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Physical verification of fixed assets has been done at all the units of the Company during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title/lease deeds of all the immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals by the management. No material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the clause (iii) (a), (iii) (b) and (iii) (c) of the paragraph 3 of the order are not applicable to the Company.
- (iv) The Company has not granted any loans or made any investment or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public

within the meaning of the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore the provision 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 record under Sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. 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, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and explanation given to us, there are disputed dues of Income Tax, Service Tax, Entry tax and cess aggregating to ₹ 5235.89 Lakhs which have not been deposited on account of matters pending before appropriate authorities. The details of the disputed dues as at 31<sup>st</sup> March, 2016 are mentioned hereunder:

Name of the Statute	Nature of Dues	Amount (₹ In Lakhs)	Period /Year	Forum Before which Dispute is pending.
Income Tax Act 1961	Income Tax	685.71	A.Y. 2007-08	Deputy Commissioner of Income Tax
		11.40	A.Y. 2008-09	ITAT New Delhi
		9.50	A.Y. 2009-10	ITAT New Delhi
		107.16	A.Y. 2009-10	Deputy Commissioner of Income Tax
		208.50	A.Y. 2007-08	Supreme Court Delhi
		689.80	A.Y. 2009-10	High Court Delhi
		18.67	A.Y. 2010-11	ITAT New Delhi
		11.51	A.Y. 2011-12	ITAT New Delhi
Finance Act, 1994	Service Tax including Interest and Penalty	3190.04	10-09-2004 to 28-02-2005	Hon'ble High Court of Calcutta and Orissa
Odisha Entry Tax Act, 1999	Entry Tax including Interest	156.63	Oct 2008 to March 2014	Sales Tax Tribunal, Orissa
Building and other Construction Workers Welfare Cess Act 1996	Labour Welfare Cess	100.54	Upto April 2009	Hon'ble High Court of Chhattisgarh
Employees State Insurance Act, 1948	ESI	46.43	F.Y 2008-09 & 2011-12	Hon'ble High Courts of Calcutta
<b>Total</b>		<b>5235.89</b>		

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks. Company has no due from Government or debenture holders.
- (ix) According to the books and records of the Company and as per the information and explanation given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including Debt instrument). Term loans from bank and financial institution have been applied for the purpose for which they were obtained.
- (x) According to the information and explanation given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
- (xi) As per notification no. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government

Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

- (xii) The provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) The Company has complied with the provisions of Sec. 177 & 188 of the Companies Act 2013 w.r.to. Transaction with the related parties, Where applicable, details of the transaction with the related parties have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) The Company has not made any preferential allotment or private allotment or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Amit Ray & Co**  
**Chartered Accountants**  
**Firm's Registration No.-000483C**

**Sd/-**  
**Pradeep Mukherjee**  
**Partner**  
**Membership No.-070693**

**Place: Delhi**  
**Date: 11<sup>th</sup> May, 2016**



Children Playing in the Central Park in Bhilai Township





## Annexure - 'B' to Independent Auditors Report

Annexure referred to in our report of even date to the members of NTPC-SAIL Power Company Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016

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

S. No.	Directions	Reply	Impact on financial statement
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	We have examined the lease deeds for all leasehold Land and found that Company has clear lease deeds for all leasehold land. Company has no freehold land.	Nil
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	According to information and explanation given to us, there are no cases of waiver/write off of debts/loans/interest etc.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	Yes, proper records are maintained for Inventories lying with contractors/third parties. No gift of assets was received from government or other authorities during the year.	Nil

SUB-DIRECTION OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) THE COMPANIES ACT, 2013

S. No.	Directions	Reply
1.	<b>Employee pay and Allowances and other entitlements</b>	
(I)	Examine the percentage escalation in salary assumed by management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the Company to the Actuaries for actuarial valuation were correct, complete and valid.	The percentage escalation in salary assumed by the management for computation of actuarial liability against gratuity and other employee benefits seem to be reasonable in view of the basis of computation as 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.

For Amit Ray & Co  
Chartered Accountants  
Firm's Registration No.-000483C

Place: Delhi  
Date: 11<sup>th</sup> May, 2016

Sd/-  
Pradeep Mukherjee  
Partner  
Membership No.-070693

## Annexure - C to the Auditor's Report

**Annexure referred to in our report of even date to the members of NTPC-SAIL Power Company Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **NTPC-SAIL Power Company Private Limited** ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any





evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Amit Ray & Co**  
**Chartered Accountants**  
**Firm's Registration No.-000483C**

**Place: Delhi**  
**Date: 11<sup>th</sup> May, 2016**

**Sd/-**  
**Pradeep Mukherjee**  
**Partner**  
**Membership No.-070693**



Govt. School, Morid, Bhilai-an NSPCL CSR Initiative



Distribution of wheel chair to Physically Challenged at NSPCL, Durgapur

**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 31<sup>st</sup> MARCH 2016**

The preparation of financial statements of NTPC-SAIL Power Company Private Limited for the year ended 31<sup>st</sup> March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11<sup>th</sup> May 2016.

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 31<sup>st</sup> March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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



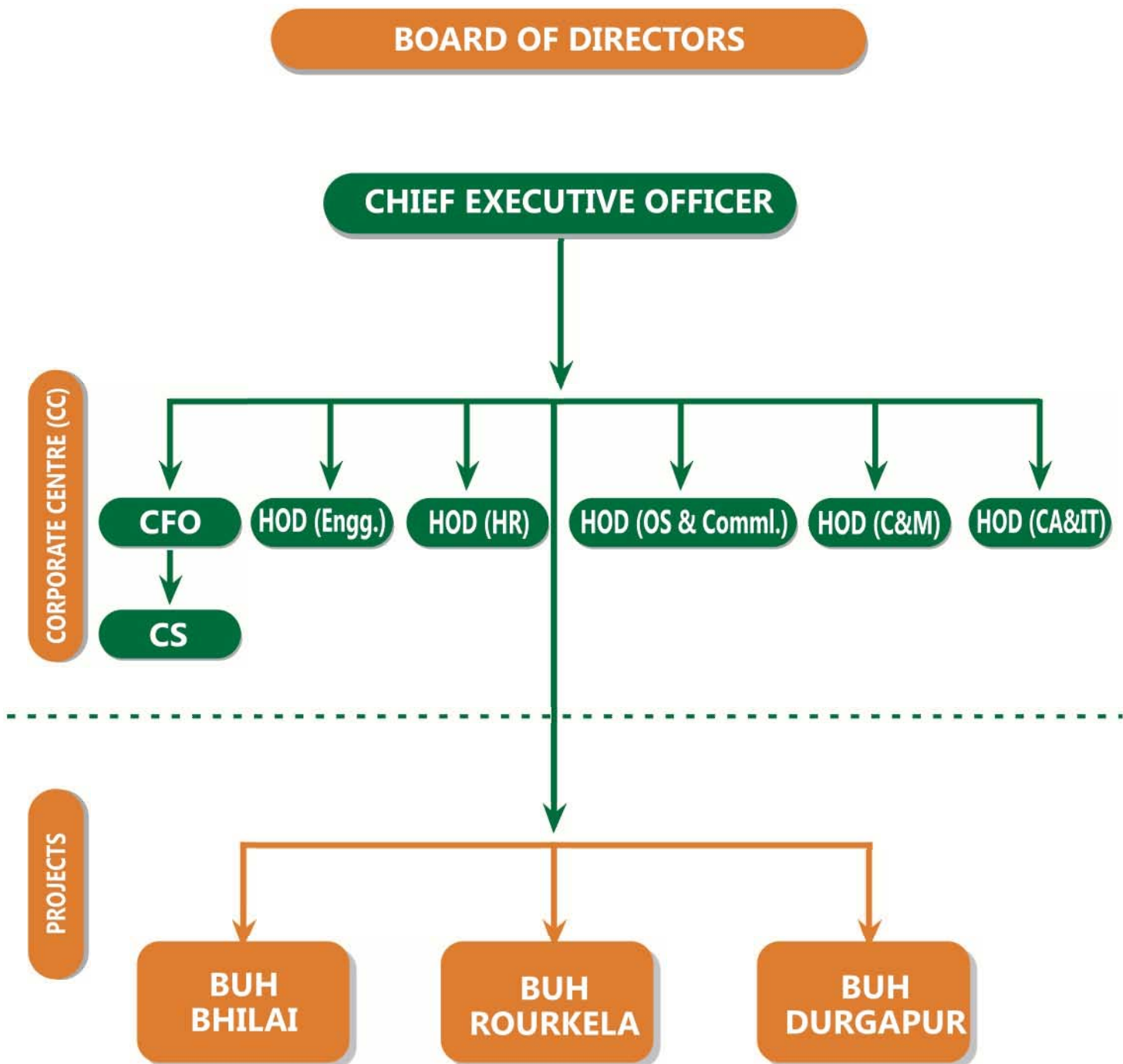
**(Sushil Kumar Jaiswal)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board, Ranchi.**

**Place : Ranchi  
Date : 15 July, 2016**





## Organization Chart















Night View, Bhilai



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

4<sup>th</sup> Floor, NBCC Tower 15, Bhikaiji Cama Place, New Delhi-110066