Nuclear Power Corporation of India Limited

(A Government of India Enterprise)

27TH ANNUAL REPORT 2013-14

Kudankulam Nuclear Power Project

KKNPP Unit-1 attained criticality on 13th July 2013 and was synchronised to the Southern grid on 22nd October 2013. Attained its rated Power of 1000 MW on 7th June 2014.

CORPORATE INFORMATION

Corporate Identity Number (CIN): U40104MH1987GOI149458

Website: www.npcil.nic.in

Registered Office
16th Floor, Centre-1,
World Trade Centre, Cuffe Parade,
Colaba, Mumbai - 400005.
Tel. Nos. 022-22182171, 22182177

Corporate Office
Nabhikiya Urja Bhavan,
Anushaktinagar, Mumbai - 400094.
Tel. Nos. 022-25991000 to 1003 and 25993000 to 3007,

Statutory Auditors
M/s. Vyas & Vyas,
8, Kalptru Building, Dr. S. S. Rao Road,
Parel, Mumbai - 400012.

Branch Auditors
M/s. Essveeyar,
Flat No.FF2, Sri Karpagambal Apartments,
29/14, II Main Road, R.A. Puram,
Chennai - 600028.

M/s P.D. Agrawal & Co.,
15/11-A, Kailash Kuti Apartment, Church Lane, Civil Lines, Kanpur - 208001.

M/s. B. L. Ajmera & Co.,
Malji Chhogalal Trust Building,
Mirza Ismail Road, Jaipur - 302001.

M/s. S.N.K. & CO.,
SNK House, 31-A, Adarsh Society,
Opp. Seventh Day Adventist School,
Athwalines, Surat - 395001.

Cost Auditor
Mani & Co., Cost Accountants,
Ashoka Building , 111, Southern Avenue,
Kolkata - 700029.

Main Banker
State Bank of India,
Overseas Branch, World Trade Centre,
Cuffe Parade, Colaba, Mumbai-400005.

Registrars and Transfer Agents
TSR Darashaw Private Limited,
6-10, Haji Moosa Patravala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011.
Tel. No. 022-66568484, Fax: 022-66568494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Beetal Financial & Computer Services (P) Limited,
Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Data Harsukhdas Mandir,
New Delhi - 110062.
Tel. Nos. 011-29961281, 29961282 Fax: 011-29961284
Email: beetal@beetalfinancial.com
Website: www.beetalfinancial.com

Subsidiary Companies
Anushakti Vidhyut Nigam Limited
CIN-U40300MH2011GOI212727.
NPCIL - IndianOil Nuclear Energy Corporation Limited
CIN-U40104MH2011GOI215870.
NPCIL-NALCO Power Company Limited
CIN-U40300MH2012GOI227632.

Rajasthan Atomic Power Station Unit-5

T 13:56 hours on 3rd July 2014, RAPS Unit-5 mpleted 700 days of continuous operation. A proud moment for all of us

ABOUT US

NPCIL was formed in 1987 under the aegis of Department of Atomic Energy (DAE) in India as Public Sector Undertaking. Over these 27 years, NPCIL has spearheaded India's foray into commercial nuclear power generation and today, owns and operates a fleet of 19 nuclear power reactors. In addition, it also manages the Rajasthan Atomic Power Station Unit-1 on behalf of DAE.

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Chairman's Message

Dear Fellow Shareowners,

I am delighted to welcome you all to the 27th Annual General Meeting of NPCIL. Your wholehearted support to the Company's strategy has resulted in highest ever equivalent electricity generation of 34228 Million KWh (MUs), i.e. an increase of 4.15%. This is excluding 1106 Million KWh (MUs) of infirm power generation during the year by KKNPP-1.

The net export of electricity during the FY 2013-14 is 30896 Million KWh as against 29541 Million KWh during the previous FY 2012-13, i.e. an increase of 4.59 percent. Capacity Factor increased to 83.49% during the FY 2013-14 as compared to 80.06% during the FY 2012-13.

Kailash Chandra Purohit
Chairman and Managing Director

The total income during the FY 2013-14 is ₹ 9,053 crore which is 4.8% higher compared to ₹ 8,638 crore during the FY 2012-13. The Company earned a profit after tax of ₹ 2,299 crore during FY 2013-14 as compared to ₹ 2,101 crore for the previous FY 2012-13, with an increase of 9.42%. The increase in profit is mainly due to higher capacity utilization, resulting in increased generation of electricity and decrease in finance costs.

The Board has recommended a total dividend of ₹ 689.77 crore for the FY 2013-14 as against ₹ 630 crore of FY 2012-13. Of this, ₹ 570 crore is already paid as interim dividend.

At present NPCIL has an installed capacity of 4,780 MW (including RAPS-1 of 100 MW owned by the Department of Atomic Energy) supplying electricity to consumers.

Kudankulam Nuclear Power Project, India's largest single Nuclear Power Project (2 X 1000 MW) is being implemented with Technical Co-operation from Russian Federation.

RAPS-5 completed 606 days of continuous reactor operation till 31st March 2014 and two years of continuous operation on 2nd August 2014. Other units which have registered continuous reactor operation for more than 300 days during the financial year are KAPS-2, KGS-1, KGS-3, NAPS-2 and MAPS-1. Also TAPS-1, RAPS-2, RAPS-3, RAPS-5, MAPS-1, NAPS-1, KAPS-1, KAPS-2, KGS-1, KGS-2 and KGS-3 attained greater than 90% Availability Factor during the year.

"Follow up Mission" team of four members from IAEA visited RAPS-3&4 during February 2014 to assess the progress made by the Station in addressing the recommendations and suggestions made in the original OSART mission. The team noted that 79% of the issues were fully addressed, and there was satisfactory progress in the remaining ones.

Kudankulam Nuclear Power Project, India's largest single Nuclear Power Project (2 X 1000 MW) is being implemented with Technical Co-operation from Russian Federation. KKNPP-1 was successfully made critical (start of fission chain reaction) on 13th July 2013 and NPCIL's largest single generator of 1000 MW was synchronized to the southern grid on 22nd October 2013. This Unit has generated 1,106 MUs as infirm power till 31st March 2014. The First Unit of the project is in final stage of commercial operation. Unit-2 reactor is loaded with 'dummy fuel'. Hydro-test and strength tests of the primary circuit have been completed. Hot run of the reactor systems shall be carried out after getting clearance of AERB.

Significant progress has been achieved for India's first NPCIL designed Nuclear Power Plant of 700 MW series at Kakrapar, Gujarat (KAPP-3&4) and Rajasthan (RAPP-7&8). Activities related to 'Release of FM Vault and Calandria Vault for End Shield and Calandria Erection' for Unit-3 of Kakrapar Atomic Power Plant has been achieved in October 2013. Erection of End shields and Calandria has commenced immediately after accord of Major Equipment Erection Clearance by AERB.

The efforts made during the year resulted in signing the General Framework Agreement (GFA) for KKNPP-3&4 with M/s. Atomstroyexport in April 2014. Further activities for project implementation including AERB clearances for excavation are being pursued.

At "Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP)", Haryana, pre-project activities comprising land acquisition, Environmental Impact Assessment (EIA) studies followed by Environment Clearance by the Ministry of Environment & Forests (MoEF) have been completed. Government of India accorded administrative approval and financial sanction to the project on 3rd February 2014. Currently, siting consent is under review by AERB.

Initiatives have been taken to pursue the pre-project activity for the projects of pressurized heavy water reactors as well as light water reactors. Works at Jaitapur, Maharashtra, Chhaya Mithivirdi, Gujarat and Kovvada, Andhra Pradesh are at various stages of pre-project activity. For the Chutka site in Madhya Pradesh, public hearing for MoEF clearance was completed in February 2014.

NPCIL accords utmost importance to "Safety" over the demands of production or project schedules. Safety is a moving target, special emphasis is given to enhance and achieve higher standards of safety. Continuing with its policy of "Safety First" and striving for maintaining the high standards of safety within NPPs, the radioactivity and radiation levels in the environment around each NPP were continued to be maintained well below the values specified by Atomic Energy Regulatory Board (AERB).

NPCIL accords utmost importance to "Safety" over the demands of production or project schedules. Safety is a moving target, special emphasis is given to enhance and achieve higher standards of safety.

NPCIL's determination to build intellectual capital for maintaining sustainable competitive advantage for the future is manifest in the establishment of a state-of-the-art Research & Development/Technology Development facilities at Mumbai and Tarapur. Some of the major completed R&D projects are development of Software for Digital I&C Systems (DI&CS) for 700 MW, development of Safety I&C System Modules for 700 MW and implementation of Pre-formed Ring Liner (PRL). Advanced Heavy Water Reactor (AHWR) Thermal Hydraulic Test Facility (ATTF) at Tarapur construction was completed during this period.

Employees are the soul of our company; and our performance is driven by their commitment. Human Resource is the most vital asset of the organisation and its performance has been improving year after year due to enhancement of knowledge through training and skill development. Optimization of manpower is an important strategy towards best utilization of human resource. Accurate and comprehensive manpower optimization models for Projects, Stations and Headquarters, including multi-Unit Sites are developed.

NPCIL has taken proactive steps for setting up appropriate governance systems and processes. Transparency, accountability, fairness and communication with stakeholders are integral to its functioning.

Our Company has good relations with the communities around its stations/ projects and also with the wider society through a well conceived "Corporate Social Responsibility" programme. Our company continues to play an effective role through a host of community development initiatives with focus on healthcare, education and infrastructure development. Sustainable Development involves an enduring and balanced approach for economic activities and social progress. NPCIL has been implementing various sustainable development and public outreach activities, conveying the facts on nuclear power in a simple, transparent and credible manner and addressing apprehensions and concerns of people.

NPCIL was conferred with various Awards at State and National level for our efforts in the fields of safety, communication and other related fields.

NPCIL has taken proactive steps for setting up appropriate governance systems and processes. Transparency, accountability, fairness and communication with stakeholders are integral to its functioning. NPCIL recognises communication as a key element in the effective functioning of the overall corporate governance framework, and emphasizes continuous, efficient and relevant communication with all.

With these words, I seek your continued support in our joint efforts to realise the NPCIL's vision and to serve you and nation better.

Kailash Chandra Purohit
Chairman and Managing Director

Place : Mumbai
Date : 13th August 2014

Board of Directors

Shri Kailash Chandra Purohit
Chairman and Managing Director

Shri Kailash Chandra Purohit took over as Chairman and Managing Director of Nuclear Power Corporation of India Ltd (NPCIL) in June 2012. He held the position of Director (Projects) and was on the Board of NPCIL since 2009. Shri Purohit is an Electrical Engineer from H.B.T.I. Kanpur. He joined the erstwhile PPED and later served in different capacities in NPCIL. He became Commissioning Team Leader at Rajasthan Atomic Power Plant Unit-3&4 and contributed significantly towards Commissioning of the Pressurised Heavy Water Reactors (PHWRs) of Unit-3&4.

Shri Purohit was a key Member of the team for Kudankulam Project implementation as a Project Director. He started his professional career in operation of the Nuclear Power Plants at Rawatbhata, Kota in Rajasthan and obtained license for the operation of these Plants. He has over 40 years of wide-ranging experience and has made significant contributions in Construction, Commissioning, Operation as well as renovation and modernisation of Nuclear Power Reactors in India.

His expertise spans both indigenous PHWRs and the latest large size Light Water Reactors (LWRs) being set up with international cooperation at Kudankulam. He also served as the Governor of World Association of Nuclear Operators (WANO), Moscow Centre.

Shri Purohit has held several key positions in NPCIL, prior to his elevation to the position of CMD, NPCIL. Shri Purohit has successfully contributed to the Company through some of its most challenging times and enabled it to emerge stronger. The NPCIL has honoured Shri Purohit with its LEADERSHIP Award.

He has keen interest in social and welfare issues around neighbourhood. Under his leadership, NPCIL has embraced the areas of health, education and infrastructure as a part of its commitment towards creating a sustainable community development programme in and around the Company.

Shri Preman Dinaraj
Director – Finance

Shri Preman Dinaraj did his MA in Social Sciences from Jawaharlal Nehru University, New Delhi and is an alumni of IIM, Bangalore. Shri Preman Dinaraj joined the Indian Audit & Accounts Service in 1984 and has over 30 years of experience, nationally and internationally in the disciplines of Finance & Accounting, Resource Mobilisation, Human Resource Management, Programme Planning & Evaluation, Contract Management and in Training & Capacity Building.

Shri Preman Dinaraj has worked in various capacities in the Government of India in the States of Tamil Nadu, Jammu & Kashmir, Kerala, Uttarakhand & Delhi and as Accountant General, Chhattisgarh & as Principal Accountant General, Bihar. Shri Preman Dinaraj was earlier the General Manager (C&MM-Finance) and Director (Personnel) in NPCIL. He took over as Director (Finance) in NPCIL in January 2012 on deputation.

Internationally Shri Preman Dinaraj has served as Team Leader of External Audit of UNHCR in Guinea and Congo. During 2004-08, he was the Advisor to the Ministry of Finance, Government of Mauritius.

As Director (Finance), NPCIL he is responsible for augmenting the professional standards, resource mobilisation for expansion plans and in catalysing NPCIL's vision of fast growth, diversification and competitiveness in the coming years.

Besides being a whole-time director on the NPCIL Board, Shri Preman Dinaraj is the Chairman of the Board of Directors of NPCIL-NALCO Power Company Limited. Shri Preman Dinaraj is also Chairman, Financial Audit Board of International Thermonuclear Experimental Reactor (ITER) Cadarache, France and a Director on the Board of M/s L&T Special Steels and Heavy Forgings Pvt. Ltd., (JV between NPCIL and L&T Ltd.). Shri Preman Dinaraj has travelled to over 25 countries and hobbies include reading, writing and public speaking.

Shri G. Nageswara Rao
Director – Operations

Shri G. Nageswara Rao is an Electrical Engineering graduate from Jawaharlal Nehru Technological University, Andhra Pradesh. In 1975, he joined the 19th batch of the BARC Training School. He received the Homi Bhabha Award on completion of his training having obtained the first rank in his batch. On completion of his training in 1976, he joined the Operation & Maintenance (O&M) Group at MAPS. He worked on the commissioning of the fuel handling system of both RAPS-2 and MAPS. In 1987, he was appointed as the Senior Maintenance Engineer for the Fuel Handling Unit at MAPS. In 1997, he was promoted and posted as Maintenance Superintendent at KAPS, where he improved the productivity of the manpower as well as equipment reliability. He also introduced the concept of biennial shutdown of the units for planned maintenance which helped to increase the performance levels of the units. In the year 2000 he was elevated to the post of Chief Superintendent, KAPS and worked towards making it the model NPCIL station, by sustaining high performance.

In April 2002, he was appointed as Station Director, Kaiga Generating Station-1&2. With his managerial, technical and motivational skills, he brought about both technical and organizational improvement at the station. Due to his unstinting efforts, KGS-2 recorded continuous run of 529 days, setting a benchmark performance among NPCIL Units. He established harmonious relations in and around the neighbourhood promoting various social welfare schemes on education, health, environment etc.

During December 2006, he was posted to NPCIL-HQ as Executive Director (Operations) and later elevated as Director (Operations) in NPCIL Board. At HQ, through dedicated initiatives he streamlined operating experience sharing, station performance improvement programme, WANO Technical Support Missions and optimization of fuel supplies, thus ensuring safe and reliable operation of the units in consistent manner.

Recognizing his outstanding contributions in the safe operation of Nuclear Power Plants, he was honoured with the WANO Nuclear Excellence Award during the Biennial General Meeting of WANO held at Chicago in September 2007. He was conferred with "NPCIL Leadership Award-2009" and "INS Outstanding Service Award 2011" by NPCIL and Indian Nuclear Society respectively.

He is a full time functional Director on the Board of NPCIL since August 2007. He is the Chairman of the Joint Venture Company 'NPCIL-IndianOil Nuclear Energy Corporation Ltd.' since June 2012. He also serves as member on the Boards of Heavy Water Board, Nuclear Fuel Complex and World Association of Nuclear Operators (WANO) Tokyo Centre Governing Board.

Shri S.B. Agarkar

Director – Human Resource

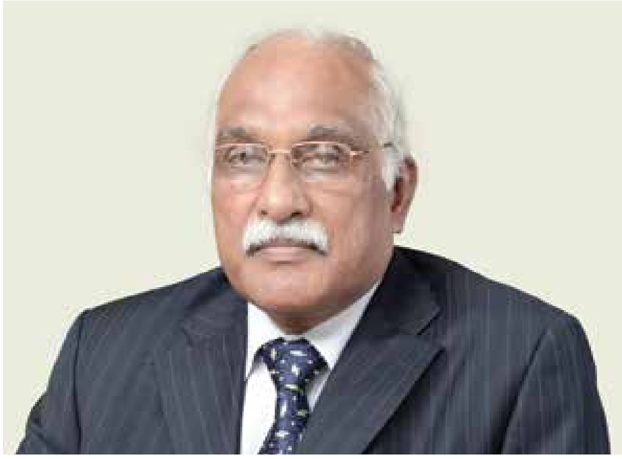
Shri S. B. Agarkar graduated in Electrical Engineering in 1975 from the Punjab Engineering College, Chandigarh. He has a rich 38 years experience in the nuclear industry in a variety of areas. He specialised in Nuclear Power Plant (NPP) Electrical Systems design and led the team of Engineers in Electrical Design Group in the designing of Electrical Systems of eight NPPs and made major contributions in the evolution of PHWR electrical systems designs. He also has vast experience in contract management and information technology application. He was a member of the Bureau of Indian Standards Committees and acquired expertise in quality standards.

Shri Agarkar was actively involved in human resource development in nuclear power, including talent identification and acquisition, training and development. He has made major contributions in human resource policy formulation, compensation re-structuring, on-line performance assessment and management systems, computerisation of HR processes and information systems, development and implementation of career growth policies for all employee segments. Shri Agarkar led teams of HR professionals in all NPCIL locations for uniform implementation of Corporate HR policies and successful management of employee relations and external interfaces. He was also actively involved in NPCIL's CSR activities in a challenging and evolving business environment. He was on the Board of NPCIL from 27th November 2009 to 31st March 2014. Shri Agarkar ceased to be a Director of NPCIL consequent upon his retirement from the company.

Shri S.G. Ghadge
Director – Technical

Shri S.G. Ghadge, Mechanical Engineering Graduate from Visvesvaraya National Institute of Technology, Nagpur, and Post Graduate in Nuclear Technology in BARC now known as Homi Bhabha National Institute. He has a distinguished career in Department of Atomic Energy, Nuclear Power Corporation of India spanning 39 years, which covers multiple fields of Nuclear Reactor Process Design, Procurement, Commissioning, Operational Improvements, Safety, Thermo Hydraulic Analysis with complex code development.

He spearheaded the internal reviews for post Fukushima safety assessment taking into account international thinking and worked out safety enhancement measures arising out of these reviews as well as AERB. He was member of the Indian delegation to IAEA in the Convention of Nuclear Safety and contributed towards generation of design and safety codes and guides for IAEA and AERB. He is a Distinguished Scientist of the Department of Atomic Energy. Presently his responsibilities encompass Design, Health & Safety, Safety and Licensing Analyses, Procurement, R&D and IT. He is a full time Director on the Board of NPCIL from 1st July 2013.



Shri R.K. Gargye
Director – Projects

Shri R.K. Gargye graduated in Mechanical Engineering in 1974 from Madhav Institute of Technology and Science, Gwalior. He has held significant positions in Nuclear Power Stations and Projects as Senior Maintenance Engineer (Mechanical), Engineer-in-Charge (Coolant Channel Replacement Group), Maintenance Superintendent, Chief Engineer (Nuclear & Conventional System), Chief Superintendent, Station Director, Site Director and Executive Director (Projects). Under his leadership, various works were carried out for the first time in the country which were appreciated internationally.

He was instrumental in giving new life to one of the Reactors which was almost in the process of shut down in the year 1987. His innovative ideas and development work were implemented and the Reactor Component was repaired. This was also done for the first time not only in the country but in the world.

He has also reviewed the working of one of the leading Japanese Nuclear Power Station as a member of the World Association of Nuclear Operators Review Team.

Under his leadership rehabilitation of NAPS Turbine Generator after fire incident was achieved in the shortest possible time and this was also appreciated internationally.

At TAPP-3&4, he has worked as Chief Engineer (Nuclear & Conventional System) and had an additional charge of Chief Superintendent involving construction and commissioning of these units in a record time. He was also the Station Director of TAPS-3&4 and Site Director of Tarapur Maharashtra Site. He has done the Management

Assessment of International Organization – ITER, France (International Thermonuclear Experimental Reactor) as an expert member.

He was conferred "VASVIK" Industrial Research Award in Mechanical Science and Technology, for the year 1998. He was also conferred the "NPCIL Technical Excellence Award" for the year 1998-99 for his excellent contributions. He was conferred the NPCIL High Performers Group Achievement Award for the years 2006 and 2007. He was conferred 'NPCIL Leadership Award' for the year 2008. "Vocational Excellence Award" was also conferred on him by Rotary Club of Boisar, Tarapur in the year 2011.

Presently he is a whole time Director on NPCIL Board holding the position of Director (Projects) from 1st July 2013. He is responsible for all the ongoing Projects taken up by NPCIL in collaboration with International Vendors.

Shri A.P. Joshi

Director

Shri A.P. Joshi topped the University in his graduation and secured 2nd rank in post-graduation in Physics. He is the recipient of 5 gold medals from the then President of India for academic distinctions. He joined the Indian Administrative Service in 1978 and has been the Chief Executive of PSUs for over 12 years. He has a rich experience of over 10 years in formulation, sanction and implementation of mega infrastructure projects in Water Resources, Power and Transport sectors. He has played a significant role in the completion and dedication of the ₹ 11,000 crore Upper Krishna Project to the nation by the President of India.

During his tenure as the Additional/Special Secretary of the Department of Atomic Energy, he was in charge of processing, sanction and implementation of mega nuclear power projects. He has shaped Cabinet proposals for securing in-principle Government approval for seven sites for developing over 35,000 MW capacity in the next twenty years, besides financial sanctions for several projects. He led the Indian team which finalised the credit of USD 4.2 billion for the 2nd phase of 2 x 1000 MW Kudankulam Nuclear Power Project. Enhanced transparency, financial awareness among non-finance executives and IT leveraging in various aspects of contract management, recruitment of personnel, etc. in Government/PSU functioning were high on his agenda.

Shri Joshi was on the Board of NPCIL from 11th December 2008 to 30th April 2013. Shri Joshi ceased to be a Director of NPCIL consequent upon his appointment as Secretary, Government of India & Member (Finance), Atomic Energy Commission, Space Commission and Earth Commission. Shri Joshi superannuated from Government service in September 2013.

Dr. C.B.S. Venkataramana

Director

Dr. C.B.S. Venkataramana has post-graduate degrees in Commerce (Sri Venkateswara University 1977), Economics (University of Madras 1997) and Health Science (The Johns Hopkins University, School of Hygiene and Public Health, USA 2001). Dr. Venkataramana also holds a Doctor of Public Health degree from the University of Illinois, School of Public Health at Chicago, USA (2007).

Dr. Venkataramana joined the Indian Administrative Service in 1982. He is currently working as Additional Secretary, DAE. He has more than 30 years experience in Public Administration and has held numerous assignments including:

- Collector & District Magistrate, East Godavari & Karim Nagar District, Andhra Pradesh
- Vice Chairman, Urban Development Authority, Visakhapatnam, Andhra Pradesh
- Director, Handlooms & Textiles, Government of Andhra Pradesh
- Commissioner, Family Welfare & Principal Secretary, Health, Andhra Pradesh
- Principal Secretary, School Education, Andhra Pradesh
- Joint Director General of Shipping, Ministry of Shipping, Govt. of India
- Joint Secretary, Cabinet Secretariat, Government of India

Dr. Venkataramana is on the Board of NPCIL since 10th May 2013.

Shri V. R. Sadasivam
Director

Shri V. R. Sadasivam, a commerce graduate from Loyola College, Chennai, joined a nationalised bank, as an officer and worked for six years. He later joined the Indian Defense Accounts Service in 1981 and has served in Meerut, New Delhi, Chennai, Bangalore and Mumbai. As the Controller of Defence Accounts (R&D) at Bangalore, he was responsible for the payment, accounting, audit and financial advisory services to the DRDO Labs in the South. He has a long association with the DAE and its units. From 1994 to 1995, he has worked with the IGCAR and with BARC from 1998 to 2002. In 2007, he joined the DAE on the post of the Joint Secretary (Finance).

Shri Sadasivam was on the Board of NPCIL from 18th July 2007 to 31st December 2013. Shri Sadasivam ceased to be a Director of NPCIL consequent upon his retirement from Government service in December 2013.

Shri Sekhar Basu
Director

Shri Sekhar Basu, a renowned nuclear scientist, is currently the Director of Bhabha Atomic Research Centre (BARC). Earlier he worked as the Project Director of Nuclear Submarine Programme and later as the Chief Executive of the Nuclear Recycle Board in the same institute. Shri Basu is an engineer of exceptional ability who has played a lead role in multiple areas of nuclear science and engineering, is a major contributor in establishing India as a leader in nuclear field.

Shri Basu, born on 20th September 1952, did his schooling from Ballygunge Government School, Kolkata and graduated in Mechanical Engineering from Veermata Jijabai Technological Institute (VJTI), University of Mumbai in 1974. After completion of one year of BARC Training School programme in nuclear science and engineering, he joined the Reactor Engineering Division of BARC in 1975. He started his career by designing fuel for Boiling Water Reactor, which showed excellent in reactor performance. Later he took up the responsibility of the development of nuclear submarine propulsion plant and built the land based prototype at Kalpakkam from scratch. He continues to guide the Indian nuclear propulsion programme for the sea going versions. Since 2000, he was also responsible for the design, development, construction and operation of nuclear recycle plants at Tarapur and Kalpakkam, involving reprocessing and nuclear waste management. These plants are performing to international standards. He is pursuing the design of the Integrated Nuclear Recycle Plant, which will take this programme to a higher platform.

As the Chairman of Project Management Board he is responsible for the development of Indian Neutrino Observatory at Tamil Nadu and as Apex Project Co-ordinator, he is pursuing the development of 1 Gev Superconducting Accelerators for the Accelerator Driven System Programme. Shri Basu is also guiding the establishment of nuclear fuel cycle park involving research reactors, fuel fabrication and reprocessing facilities at the Vizag campus of BARC. Work on the design of Indian Pressurised Water Reactor has also been initiated by him.

As Director, BARC, Shri Basu has taken special initiatives for major expansion of the societal programmes of DAE in the field of nuclear agriculture, food preservation and nuclear medicine. While pursuing the basic research in the field of nuclear science and engineering, he is also working towards the expansion of enrichment and strategic programmes. He represented India in concluding 'Arrangements and Procedures' with the US Government for reprocessing of US hypothecated fuel and he has chaired the International Committee for the design review of three modules of International Thermonuclear Experimental Reactor (ITER).

He has several publications to his credit in national and international journals. Shri Basu has been conferred several awards and these include: Indian Nuclear Society Award 2002, DAE Awards in 2006 and 2007. He is also a Fellow of the Indian National Academy of Engineers (INAE) and Indian Society for Non Destructive Testing (ISNT). Jadavpur University awarded him with DLit (Honoris Causa) degree in 2013. He was awarded Padma Shri by the Government of India in 2014.

Shri Basu is on the Board of NPCIL since 8th October 2012.

Dr. Nalini Bhat

Director

Dr. Nalini Bhat, former Adviser, Ministry of Environment and Forests, Government of India, New Delhi, is a post-graduate in Physics and a Ph.D in Environmental Sciences. She received her training in Asian Institute of Technology (AIT), Bangkok and International Institute for Applied System Analysts (IIASA), Vienna, Austria. She has to her credit national and international publications, relating to environmental matters. Dr. Bhat has handled assignments in the areas relating to environmental impact assessment and pollution control and setting up of environmental standards, air quality management and source apportionment studies, among others.

Dr. Bhat had been appointed as a part-time Director on the NPCIL Board on 15th July 2010 and ceased to be a Director w.e.f. 30th April 2013 consequent upon her retirement from Government service.

Shri A.S. Bakshi
Director

Shri A.S. Bakshi was the former Chairperson, Central Electricity Authority (CEA) and Ex-officio Secretary to the Government of India. An officer of the CPES cadre, Shri Bakshi joined the erstwhile Central Water & Power Engineering Services (CW&PES) in August 1975. He has acquired a versatile experience of about 38 years in the development of India's power sector during the period of his wide and varied work experience in various capacities in the CEA. Shri Bakshi is a Mechanical Engineer; he continued his educational pursuit to acquire the qualification of M.B.A while in service.

As an expert in operation & maintenance engineering of thermal generating units, Shri Bakshi was selected for a prestigious foreign assignment in Water & Power Department, Abu Dhabi (U.A.E.). From July 1979 to October 1984, he handled the operation & maintenance of oil fired 6 x 67.5 MW generating plant having a desalination unit.

On his promotion as the Chief Engineer in October 2004, Shri Bakshi was associated for the integrated resource planning in the country with both short term and long term Generation Planning & Load Forecasting. He had been instrumental in the preparation of National Electricity Plan brought out in April 2007, covering the 11th Plan in detail and also the perspective for 12th& 13th Plans.

During his tenure as the Chairperson of CEA, Shri Bakshi was involved in the overall planning and coordination of all the facets of India's power sector. As a part of the responsibilities attached to the post, he was associated in important matters of the Central Electricity Regulatory Commission (CERC) as its Ex-officio Member.

Shri Bakshi had been appointed as a part-time Director on the NPCIL Board on 29th February 2012 and ceased to be a Director w.e.f. 31st July 2013 consequent upon his retirement from Government service.

Shri I.A. Khan
Director

Shri Ismail Ali Khan, Adviser (Energy), Planning Commission, Government of India, New Delhi, is B. E. (Electrical), M Sc. (Development Studies) from University of Bath, UK and also holding P. G. Diploma in Materials Management from Punjabi University, Patiala.

Shri Khan has experience in various functional areas in his career spanning more than 30 years. Shri Khan began his career with the Hyderabad Asbestos Cement Products Ltd., as Engineer. Prior to joining Planning Commission, he held positions like Assistant Engineer with the Singareni Collieries Company Ltd., (a Government of A.P. Undertaking) and Assistant Director of Training in the Directorate General of Employment & Training, Ministry of Labour, Government of India. As Assistant Director of Training, he was associated with the design and development of tailor made courses as per the specific needs of various industries, organisation of long-term and short-term courses for the training of middle management and supervisory personnel.

Since 1991, he has been working with Energy Division of the Planning Commission in various capacities and associated with the development planning and policy formulation for the development of energy sector in India, formulation of long term plans for the development of Power sector integrated to total energy sector development objectives including atomic power sector;

formulation of development strategies for coal sector, petroleum and natural gas sector and renewable energy. Shri Khan has been closely associated with drafting sector specific reports, long term energy demand forecasting, economic research and policy level analysis, monitoring and evaluation of development projects, Project management, Project appraisal and administration. Shri Khan was also working in the UNDP CAP project - Capacity for Afghanistan Public Services Programme (CAP Project) on deputation from Government of India from June 2007 to June 2009 as Coach/Adviser under the Tripartite Agreement between UNDP, Government of India and Government of Afghanistan.

Shri Khan has written articles in the journal/magazines, attended number of International Conferences/Seminars. Shri Khan participated as panelist in number of National/ International conferences/seminars, presented papers and key note addresses at the International Conferences/ Seminars. He has also participated in training Programmes at national and international level.

Shri Khan had been appointed as a part-time Director on the NPCIL Board on 26th September 2012 and ceased to be a Director w.e.f. 31st January 2014 consequent upon his retirement from Government service.

Dr. S.M. Jaamdar

Director

Dr. S.M. Jaamdar, IAS, retired was former Principal Secretary, Home Department, Government of Karnataka. He is presently Director, School of Criminology and Criminal Justice, Rani Chennamma University, Belgaum, Karnataka. During his long and distinguished career, he held a number of important assignments including Deputy Commissioner & District Magistrate in four districts of Karnataka, Commissioner – Resettlement, Rehabilitation & Land Acquisition in Upper Krishna Project, Managing Director of Karnataka Land Development Bank, Registrar of Bangalore University and Acting Vice Chancellor of Karnataka Women's University, Principal Secretary, Revenue Department, Government of Karnataka, Managing Director, Karnataka Power Corporation Limited, Managing Director, Karnataka State Financial Corporation, etc.

Dr. Jaamdar is a post-graduate in Humanities and Sciences from Tata Institute of Social Sciences, Mumbai and University of Bath, U.K. respectively. He has also done M.S. and Doctoral studies in Criminology from Florida State University, USA. He is a founder Member of Institute of Social and Economic Change, Bangalore. He has published numerous research articles in India and abroad on allied subjects.

Dr. Jaamdar is on the Board of NPCIL as a non-official Independent Director since 28th June 2013.

Note: The composition of the Board of Directors during the FY 2013-14.

Company Secretary

Shri Srikar R Pai

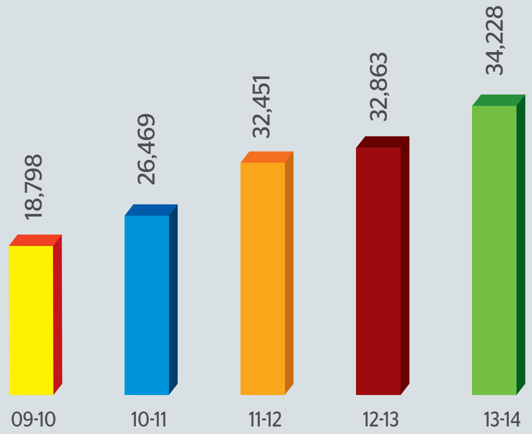
Shri Srikar Pai has done his graduation in Commerce and Law from the University of Calicut. He is a fellow member of the Institute of Company Secretaries of India, New Delhi. Prior to joining NPCIL, he was with Punjab National Bank, New Delhi. He has a rich banking experience of 21 years to his credit. He is also an Associate Member of the Indian Institute of Banking and Finance, Mumbai.

Operational Highlights

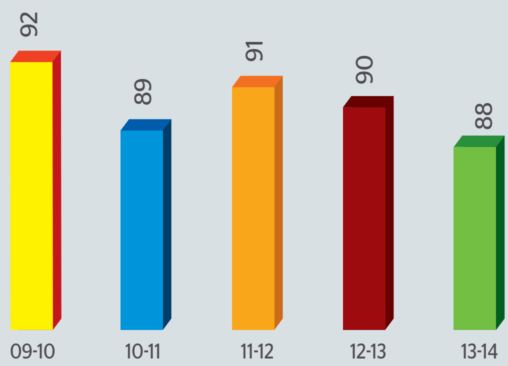
83%
Capacity Factor for the year 2013-14

88%
Weighted Average Availability Factor of operating stations in 2013-14

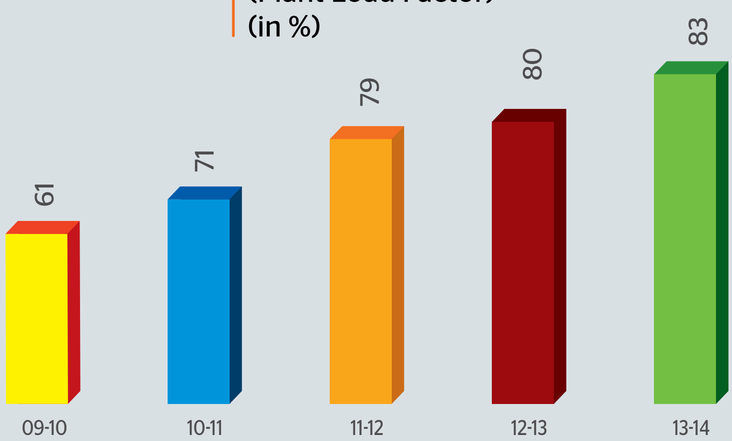
Generation
(in Million Units)



Availability Factor
(in %)



Capacity Factor
(Plant Load Factor)
(in %)



Key Financial Indicators

(₹ in Crore)

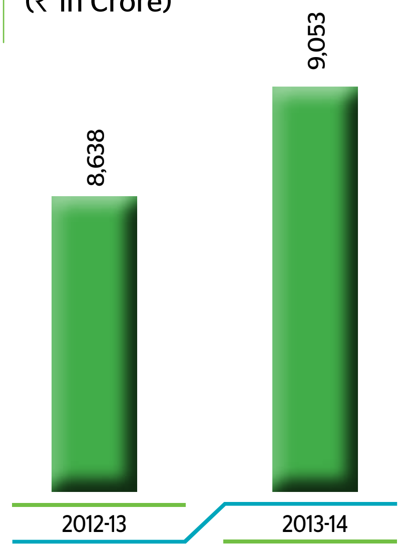
49,095
Total Assets

37,452
Total Fixed Assets including CWIP

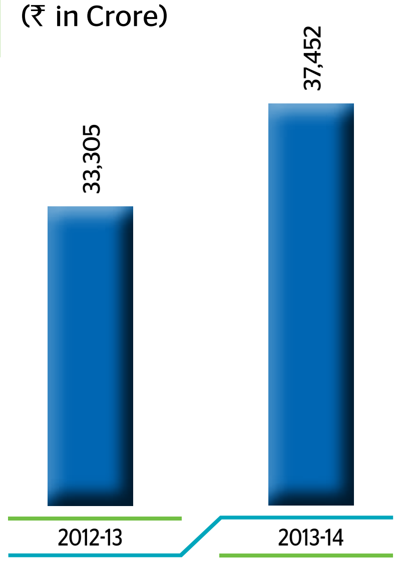
26,292
Net Worth

16,118
Revenue Reserves

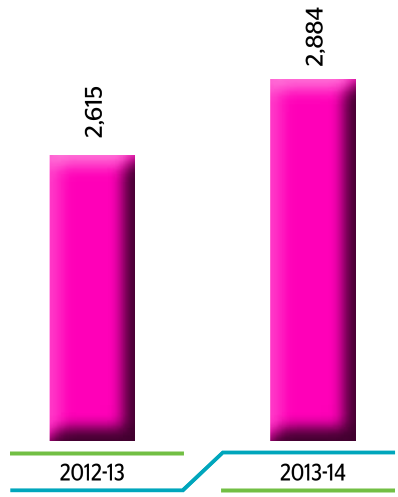
Total Income
(₹ in Crore)



Total Fixed Assets
(₹ in Crore)

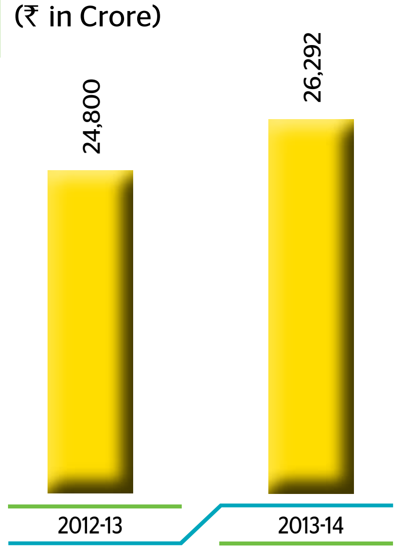


Profit Before Tax
(₹ in Crore)

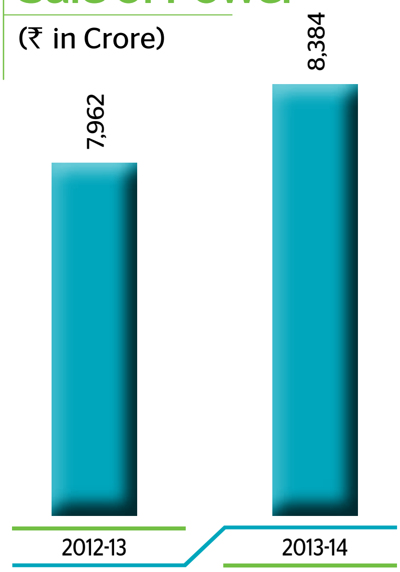


Profit After Tax
(₹ in Crore)

Net Worth
(₹ in Crore)

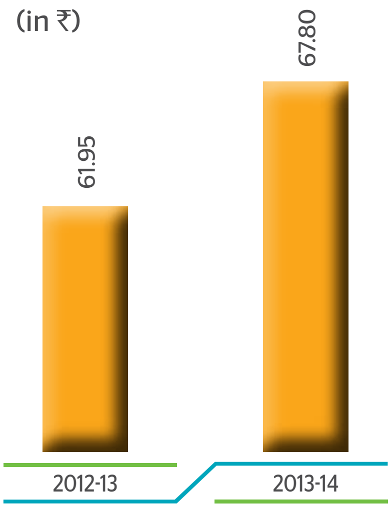


Sale of Power
(₹ in Crore)



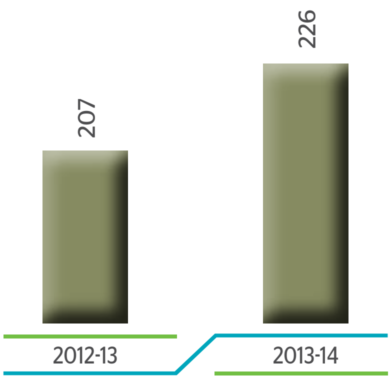
Dividend Per Share

(in ₹)



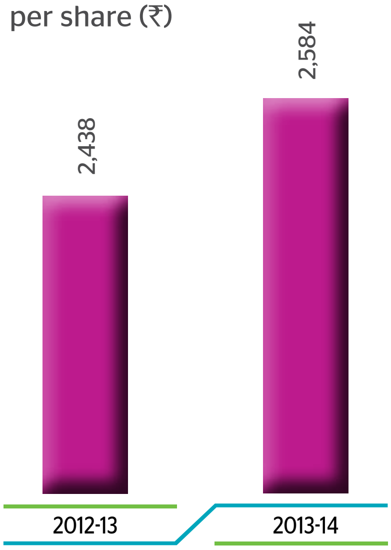
Earning Per Share

(in ₹)



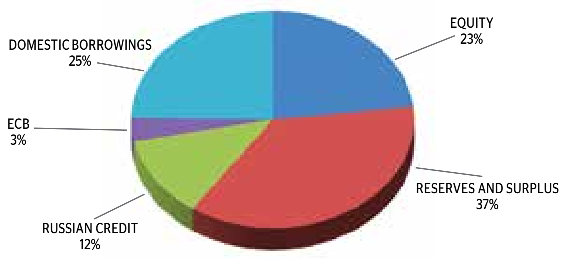
Book Value

per share (₹)



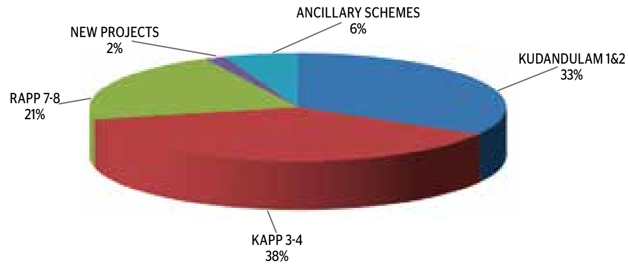
SOURCES OF FUNDS

(%)



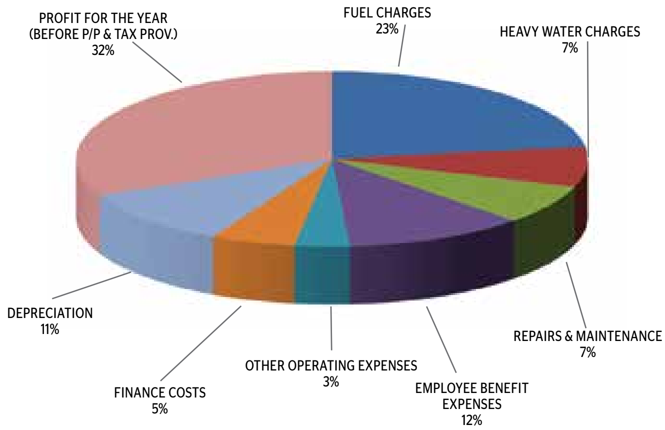
CAPITAL EXPENDITURE - 2013-14

(₹ 4,675.73 Crore)



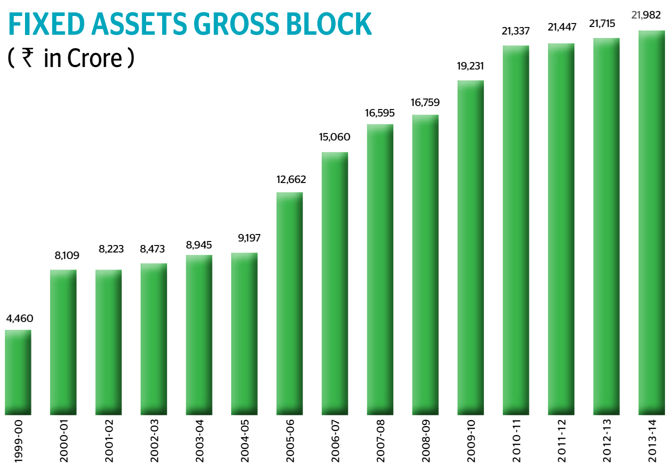
DISTRIBUTION OF REVENUE (%)

(TOTAL REVENUE ₹ 9,052.70 Crore)



FIXED ASSETS GROSS BLOCK

(₹ in Crore)



BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Crore)

Particulars	Note No.		As at 31st March 2014	As at 31st March 2013
I. EQUITY & LIABILITIES				
1. Shareholders' Funds				
a) Share Capital	1		10,174.33	10,174.33
b) Reserves and Surplus	2		18,379.03	16,756.19
			28,553.36	**26,930.52**
2. Non Current Liabilities				
a) Long Term Borrowings	3		14,900.71	15,160.35
b) Deferred Tax Liability (Net)	4		18.64	24.47
c) Other Long Term Liabilities	5		84.75	43.76
d) Long Term Provisions	6		897.01	794.91
			15,901.11	**16,023.49**
3. Current Liabilities				
a) Short Term Borrowings	7		-	-
b) Trade Payables	8		550.52	454.27
c) Other Current Liabilities	9		3,891.77	2,586.13
d) Short Term Provisions	10		197.91	428.45
			4,640.20	**3,468.85**
TOTAL			**49,094.67**	**46,422.86**
II. ASSETS				
1. Non Current Assets				
a) Fixed Assets				
i) Tangible Assets	11	11,361.85		12,066.33
ii) Intangible Assets	11	5.22		5.99
iii) Capital Work In Progress	12	26,084.34		21,231.69
iv) Intangible Assets Under Development		0.64		0.64
			37,452.05	**33,304.65**
b) Non Current Investments	13		1,639.04	1,690.67
c) Long Term Loans and Advances	14		2,825.69	2,533.28
d) Other Non Current Assets	15		501.58	516.82
			42,418.36	**38,045.42**
2. Current Assets				
a) Current Investments	16		672.81	172.81
b) Inventories	17		504.85	485.40
c) Trade Receivables	18		1,827.34	1,972.56
d) Cash & Bank Balances	19		1,517.34	3,488.46
e) Earmarked Cash & Bank Balances	19A		1,253.74	1,100.20
f) Short Term Loans and Advances	20		334.05	219.26
g) Other Current Assets	21		566.18	938.75
			6,676.31	**8,377.44**
TOTAL			**49,094.67**	**46,422.86**

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements.

In terms of our Audit Report of even date attached

For and on behalf of
NUCLEAR POWER CORPORATION OF INDIA LIMITED

For VYAS & VYAS
Chartered Accountants
FRN. 000590C
Sd/-
(NEETU GUPTA)
Partner
M. No. 079006
PLACE : MUMBAI
DATE : 12-05-2014

Sd/-
(SRIKAR R. PAI)
Company Secretary

Sd/-
(PREMAN DINARAJ)
Director (Finance)

Sd/-
(K. C. PUROHIT)
Chairman and Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2014

(₹ in Crore)

	Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I	**Income / Revenue**			
	Revenue From Operation	22	8,384.13	7,961.51
	Other Income	23	668.57	676.46
	TOTAL REVENUE		**9,052.70**	**8,637.97**
II	**Expenses**			
	Fuel & Heavy Water Charges	24	2,734.31	2,630.97
	Operation and Maintenance Expenses	25	655.43	620.97
	Employee Benefits Expenses	26	1,037.24	995.18
	Finance Costs	27	481.51	555.66
	Depreciation and Amortization Expenses	11	947.19	962.93
	Administration and Other Expenses	28	312.25	254.79
	TOTAL EXPENSES		**6,167.93**	**6,020.50**
III	**Profit Before Exceptional and Extraordinary Items and Tax**		**2,884.77**	**2,617.47**
	Prior Period Adjustments	29	0.43	2.89
	Exceptional items		-	-
IV	**Profit Before Extraordinary Items And Tax**		**2,884.34**	**2,614.58**
	Extraordinary Items		-	-
V	**Profit Before Tax**		**2,884.34**	**2,614.58**
VI	**Tax Expenses**	30		
	(1) Current Tax		590.97	504.83
	(2) Deferred Tax		(5.83)	8.76
	TOTAL TAX EXPENSES		**585.14**	**513.59**
VII	**NET PROFIT FOR THE YEAR**		**2,299.20**	**2,100.99**
VIII	**EARNING PER EQUITY SHARE (FV of ₹ 1000 each)**			
	(1) Basic (2) Diluted } (Amount in ₹)		225.98	206.50

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements.

In terms of our Audit Report of even date attached

For VYAS & VYAS
Chartered Accountants
FRN. 000590C
Sd/-
(NEETU GUPTA)
Partner
M. No. 079006
PLACE : MUMBAI
DATE : 12-05-2014

For and on behalf of
NUCLEAR POWER CORPORATION OF INDIA LIMITED

Sd/-
(SRIKAR R. PAI)
Company Secretary

Sd/-
(PREMAN DINARAJ)
Director (Finance)

Sd/-
(K. C. PUROHIT)
Chairman and Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2014

(₹ in Crore)

	Particulars	2013-14		2012-13	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax and extraordinary items		2,884.34		2,614.58
	Adjustments for :				
	Add: (a) Depreciation	947.19		962.93	
	(b) Prov. For Obsolete stock	0.67		(0.01)	
	(c) Prov. For Trade Receivables	(0.02)		-	
	(d) Prov. For doubtful advances	-		(0.08)	
	(e) Prov. For Gratuity, Leave encashment & other benefits	108.84		204.80	
	(f) Loss on sale of assets	1.18		0.07	
	(g) Prior Period depreciation/Obsolesce	1.09		4.77	
	(h) Wealth Tax Provision	1.00		1.50	
	(i) Interest Expense on Financing Activities	481.51	1,541.46	555.66	1,729.64
			4,425.80		**4,344.22**
	Less :(a) Prov. No longer required	7.23		8.40	
	(b) Profit on sale of fixed assets	1.27		0.19	
	(c) Transfer from R & D Fund	11.96		7.28	
	(d) Interest Income on Investing Activities	480.11	500.57	639.58	655.45
	Operating Profit before changes in Assets and Liabilities		**3,925.23**		**3,688.77**
	Adjustments for changes in Assets and Liabilities:				
	Decrease/(Increase) in Trade Receivables	145.24		262.68	
	Decrease /(Increase) in Inventories	(20.10)		(33.26)	
	Decrease/(Increase) in Other Assets	(37.74)		(110.64)	
	Decrease/(Increase) in Loans & Advances	(128.47)		(136.98)	
	Increase/(Decrease) in liabilities	179.22	138.15	(332.65)	(350.85)
	CASH GENERATED FROM OPERATION		**4,063.38**		**3,337.92**
	less : Taxes Paid (Net of Refund)		618.64		489.39
	NET CASH FROM OPERATING ACTIVITIES		**3,444.74**		**2,848.53**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(273.05)		(272.33)	
	Sale of Fixed Assets	10.68		5.13	
	Capital Work in Progress & Capital Advances	(4,373.46)		(3,876.98)	

(₹ in Crore)

	Particulars	2013-14		2012-13	
	Investments (Net)	(448.37)		528.19	
	Loan to JV Company	(7.22)		(30.00)	
	Interest on Investments	909.12		372.43	
	Interest on Earmarked Funds	124.03		123.48	
	Investment (Net) of Earmarked Funds	(153.54)		84.80	
	Taxes paid on earmarked funds (Net of Refund)	(39.09)		(36.53)	
	Levy collected	61.79		59.08	
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**(4,189.11)**		**(3,042.73)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of Equity share capital	-		-	
	Interest paid on Borrowings	(1,199.53)		(1,043.51)	
	Loan from banks and Russian credit	82.96		282.06	
	Raising of bonds / Term Loans (Net of Repayment)	933.60		1,020.00	
	Interim Dividend for current year (including tax thereon)	(666.88)		(358.14)	
	Final Dividend Paid for previous year (including tax thereon)	(376.90)		(339.20)	
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES		**(1,226.75)**		**(438.79)**
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		(1,971.12)		(632.99)
	Cash & Cash Equivalents as at the Commencement of the Year		3,488.46		4,121.45
	Cash & Cash Equivalents as at the Close of the Year (Excluding earmaked)		1,517.34		3,488.46

Previous year figures have been regrouped / rearranged, wherever found necessary.

In terms of our Audit Report of even date attached

For and on behalf of
NUCLEAR POWER CORPORATION OF INDIA LIMITED

For VYAS & VYAS
Chartered Accountants
FRN. 000590C

Sd/-
(NEETU GUPTA)
Partner
M. No. 079006

Sd/-
(SRIKAR R. PAI)
Company Secretary

Sd/-
(PREMAN DINARAJ)
Director (Finance)

Sd/-
(K. C. PUROHIT)
Chairman and Managing Director

PLACE : MUMBAI
DATE : 12-05-2014

I. SIGNIFICANT ACCOUNTING POLICIES

forming part of the Financial Statements for the year ended 31st March 2014

A. Basis of Accounting

The financial statements are prepared under historical cost convention, on an accrual basis and in accordance with generally accepted accounting principles, accounting standards, relevant provisions of the Companies Act 1956, The Electricity Act, 2003 and Atomic Energy Act, 1962.

B. Inventories

Inventory consists of Operations & Maintenance (O&M) stores & spares, which includes maintenance supplies, consumables and loose tools awaiting use, to be consumed in the operations & maintenance process.

Spares which can be used only in connection with particular items of fixed assets and whose use is expected to be irregular are onsidered as Capital Spares / Insurance Spares and capitalized as Fixed Assets.

Stores & spares are valued at lower of cost / engineers estimate (where costs are not ascertainable) and net realizable value. 'Costs' include' cost of purchase' and 'cost of conversion', including incidentals like freight, octroi etc.

Issue of stores & spares including inter unit transfer of stock and closing stocks are valued at monthly moving weighted average.

O&M stores & spares, including consumable stores and loose tools, are charged to revenue expenditure at the time of issue.

Non moving and slow moving items of inventory are subjected to continuous technical monitoring. Diminution in value of obsolete and unserviceable stores and spares is ascertained on review and provided for.

C. Prior Period Items

Prior period items are incomes or expenses, which arise in the current period as a result of 'errors' or 'omissions' in the financial statements prepared in earlier years. Effects of changes in estimates are not treated as omission or error.

D. Depreciation/Amortisation

Depreciation on fixed assets is provided on straight line method, on the capitalized cost, at the rates specified in Schedule XIV of The Companies Act, 1956 to the extent of 95% except for Computers and Peripherals including Software.

Cost of Computers and Peripherals are depreciated on Straight Line Method over a period of 5 years to the extent of 95%.

Individual Assets costing upto ₹ 5000/- are fully depreciated in the year of acquisition.

Depreciation on assets added on or after April 1, 2004 is provided on prorata basis with reference to the date of addition. Assets added prior to April 1, 2004 were depreciated with effect from start of subsequent financial year.

Assets acquired on lease arrangement are depreciated at the respective rate of depreciation applicable to asset or written off over lease period – whichever is higher. Leasehold land is amortised over the period of lease.

E. Revenue Recognition

Revenue is recognized on accrual basis and when its collection or receipt is reasonably certain.

E.1 Sale of Electrical Energy

Revenue on sale of electrical energy is recognized net of levies and is on the basis of the net units exported to beneficiaries at tariff notified by DAE. In case where tariff is not notified, the same is recognized in Accounts at provisional tariff subject to final notification of tariff.

In case the Power Purchase Agreement with any beneficiaries has expired, pending renewal of the same, rebates are accounted for in accordance with

I. SIGNIFICANT ACCOUNTING POLICIES

forming part of the Financial Statements for the year ended 31st March 2014

the old Power Purchase Agreement.

Delayed payment charges / Surcharge on late or non payment of dues by Sundry Debtors for Sale of Energy is not treated accrued due to uncertainty of its realization and is therefore accounted for on its receipt.

E.2 Consultancy Income

Income from consultancy services is accounted for on the basis of actual progress / technical assessment of work executed in line with the terms of respective consultancy contracts.

E.3 Sale of scrap is accounted for as & when the sale is completed.

E.4 Liquidated Damages

Liquidated damages recovered from suppliers / contractors are recognized as income at the time of final settlement. Till such time, they are shown under liabilities.

E.5 Claims lodged with insurance companies and others, are accounted for as & when, these are settled by the concerned agencies.

F. Fixed Assets

Fixed assets taken over from the Department of Atomic Energy (DAE), Government of India (GOI), are recorded at the cost available from records of DAE or Engineers estimates – wherever costs are not ascertainable.

All fixed assets acquired / constructed by the Corporation thereafter are capitalized at cost of acquisition / construction / fabrication / erection or on engineers' estimates, wherever the actual cost is not available.

The cost of fixed asset comprises its purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

Item(s) retired from active use and held for disposal, is stated at its 'net book value or net realizable value, whichever is lower'.

Assets acquired on lease: Lease premium paid and other costs incurred for acquiring lease rights of assets, is treated as cost of the lease hold asset.

For Joint Ownership: Wherever ownership is available, such assets are capitalized.

In case of receipt of Contribution: At cost, net of contribution from other parties.

In case of payment of Contribution: At Contribution so paid to other parties.

Wherever Ownership is not available, payments made are treated as revenue expenditure and charged to the Statement of Profit & Loss.

Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and is depreciated on straight line method over a period of five years or its licence period, whichever is less.

Research & Development (R&D)

Expenditure on acquisition of fixed assets for R&D is included in fixed assets and depreciation thereon is provided as applicable. Revenue expenditure on research & development (R&D) is charged to the Statement of Profit & Loss in the year the expenditure is incurred.

G. Capital Work-in-Progress

Capital work in progress (CWIP) includes all expenditure for acquisition and construction of assets. Such expenditure includes cost of preparing project report, conducting feasibility study, land survey and location study etc. CWIP also includes all direct incidental expenditure during construction (EDC). All common costs are allocated on a rational basis. EDC is allocated on prorata basis to the assets capitalized on commencement of commercial operation.

Major Renovation, Modernization and Up gradation of Units at Stations needing long shut down resulting in increased efficiency of the unit are considered as projects.

I. SIGNIFICANT ACCOUNTING POLICIES

forming part of the Financial Statements for the year ended 31st March 2014

All direct expenditure during such major renovation, modernization & upgradation is considered as 'CWIP' and capitalized on its completion.

H. Reserves and Surplus

Levy collected from beneficiaries for decommissioning of power plants is credited to Decommissioning Fund account. Amounts appropriated from Research & Development Fund (R&D Fund) and Renovation & Modernisation Fund (R&M Fund) towards capital expenditure is transferred from these funds to Capital Reserve and attributable amounts towards revenue expenditure is transferred from R&D Fund to the Statement of Profit & Loss. Interest earned on respective fund investments and income tax paid also adjusted in the said Funds.

I. Foreign Exchange Transactions

Foreign currency transactions are initially recorded at rates of exchange ruling at the date of transaction.

At Balance Sheet date, foreign exchange monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction. Exchange difference arising from settlement/translation of Long Term Foreign Currency Monetary Items relating to fixed assets / capital work in progress (whether treated as borrowing cost or otherwise) are adjusted in the carrying cost of related assets. Other exchange differences are recognized as income or expense in the period in which they arise.

In terms of MCA Notification No.G.S.R. 225 (E) dated 31.03.2009 as amended by Notification No. 914 (E) dated 29.12.2011, Corporation exercised the option as given in the said Notification. Exchange rate variation (ERV) arising from settlement / translation of Long Term Foreign Currency Monetary Items, in so far as it relates to the acquisition / construction of capital assets (whether treated as borrowing cost or otherwise) have been adjusted in the carrying cost of the related capital assets / CWIP. Balance ERV, i.e. not related to acquisition / construction of capital assets is being accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' (FCMITD) and amortized / adjusted over the balance period of such long term loan not beyond 31.03.2020.

J. Investments

Long term Investments (Non-Current) are stated at cost after deducting provision, if any made for permanent diminution in the values.

Current Investments are stated at lower of cost and market/fair value.

K. Employee Benefits

K.(i) DAE/GOI Employees

Leave salary, Pension contribution and Provident Fund contributions in respect of employees on deputation from DAE / GOI are paid to DAE / GOI in accordance with the norms prescribed by DAE / GOI.

Pension contribution in respect of employees who have opted for combined pension, is paid to DAE / GOI, in accordance with the norms prescribed by DAE / GOI.

K.(ii) Corporation Employees

Contribution to Provident Fund is defined contribution scheme and contributions are charged to the Statement of Profit & Loss of the year when the contribution to the fund are due.

Liability on account of gratuity, long term earned leave, half pay leave, and post retirement medical benefits are defined benefit obligations and are determined on the basis of actuarial valuation made at the end of each financial year and provided for in the books of accounts. Leaves encashed during the year are charged to the Statement of Profit & Loss.

I. SIGNIFICANT ACCOUNTING POLICIES

forming part of the Financial Statements for the year ended 31st March 2014

Actuarial gains/losses are recognized in the Statement of Profit and Loss.

Provision for ex-gratia is made as per orders of Govt. of India. Incentives are provided as per the schemes adopted by the Corporation, as applicable from time to time.

L. Borrowing Costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of a fixed asset, are capitalized as a part of cost pertaining to that asset. Other borrowing costs are considered as an expenditure in the period in which these are incurred and are charged to the Statement of Profit & Loss or EDC – as the case may be.

M. Taxation

Tax expense comprises of current tax and deferred tax charged to the Statement of Profit and Loss for the year. Current tax includes Income Tax and Wealth Tax.

Provision for Income tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act. 1961. Provision for Wealth Tax is made in accordance with Wealth Tax Act, 1957.

The deferred tax is recognized on timing differences between the book profit and taxable profit for the year. It is accounted for by applying the tax rates and the tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

N. Provisions, Contingent Assets and Contingent Liabilities

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands and contested / contestable.

Contingent Liabilities under various fiscal laws include those in respect of which the Corporation/ Department is in appeal.

Contingent Assets are neither recognized, nor disclosed.

Provisions and Contingent liabilities are reviewed at each Balance sheet date and adjusted to reflect the current management estimate.

O. Allocation of Head Office Expenditure

Identifiable expenses of Head Office are directly transferred to the respective locations. Expenditure incurred for rendering services for project related activities are allocated to the Projects, and expenditure incurred for rendering services for station related activities are allocated to the Stations.

Expenditure incurred to projects at Head Office is allocated to projects in equal proportion. The Head Office expenditure related to stations is allocated to stations in equal proportion.

Unidentifiable expenses are charged to the Statement of Profit & Loss.

P. Cash Flow Statement

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

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

1 : Share Capital

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Authorised Share Capital		
15,00,00,000 Equity shares of ₹ 1,000/- each	15,000.00	15,000.00
Issued, Subscribed and Paid up Share Capital	10,174.33	10,174.33
10,17,43,327 (Previous year 10,17,43,327) Equity Shares of ₹ 1,000/- each fully paid up		
Total	**10,174.33**	**10,174.33**

(i) The Corporation is a Government Company with 100% share holding by the President of India and nominees, through administrative control of Department of Atomic Energy (DAE). The Corporation has only one class of shares having par value of ₹ 1,000/- each with equal rights for Dividend and Vote.

(ii) During the financial year 2011-12, 2.90 lacs fully paid up Equity Shares of ₹ 1,000/- each had been issued at par by utilising / converting the interest free loan from Government of India (GOI) in terms of GOI approval dated 27th September 2011.

(iii) Reconciliation of number of shares outstanding at the beginning and end of the reporting period are given below:

Particulars	2013-14	2012-13
Equity Shares at the beginning of the period	10,17,43,327	10,17,43,327
Add : Equity Shares Allotted during the period	-	-
Equity Shares at the end of the period	10,17,43,327	10,17,43,327

(iv) The Board of Directors has recommended a final dividend @ 30 percent (Previous Year - 30 percent) of Profit After Tax (PAT) of the Corporation. This amounts to ₹ 689.77 crore (Previous Year ₹ 630.30 crore), including interim dividend of ₹ 570.00 crore (Previous Year ₹ 308.15 crore). Applicable dividend distribution tax has been paid / payable of ₹ 117.23 crore (Previous Year ₹ 104.74 crore).

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

2 : Reserves and Surplus

(₹ in Crore)

Particulars		As at 31st March 2014	As at 31st March 2013
CAPITAL RESERVE			
Balance as per last Balance Sheet	651.02		620.92
Add : Transferred from Research & Development Fund	67.45		32.35
	718.47		653.27
Less : Depreciation on R&D Assets for Current Year	4.13		2.25
See description Note (i)		**714.34**	**651.02**
DECOMMISSIONING FUND*			
Balance as per last Balance Sheet	1,191.99		1,065.04
Add : Levy for the year	61.79		59.08
Add : Interest on Fund Investments	106.36		99.63
	1,360.14		1,223.75
Less : Payment of Income Tax	35.20		31.76
See description Note (ii)		**1,324.94**	**1,191.99**
RENOVATION AND MODERNISATION FUND*			
Balance as per last Balance Sheet	11.38		10.75
Add : Interest on Fund Investments	0.74		0.79
	12.12		11.54
Less : Payment of Income Tax	0.15		0.16
See description Note (ii)		**11.97**	**11.38**
RESEARCH AND DEVELOPMENT FUND*			
Balance as per last Balance Sheet	276.13		297.31
Add : Interest on Fund Investments	16.93		23.06
	293.06		320.37
Less : Transferred to Capital Reserve	67.45		32.35
Less : Payment of Income Tax	3.74		4.61
Less : Transfer to P&L	11.96		7.28
See description Note (ii)		**209.91**	**276.13**
GENERAL RESERVE			
Balance as per last Balance Sheet	11,700.75		10,700.75
Add : Transferred from Surplus	1,000.00		1,000.00
		12,700.75	**11,700.75**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(₹ in Crore)

Particulars		As at 31st March 2014	As at 31st March 2013
BOND REDEMPTION RESERVE			
Balance as per last Balance Sheet	1,054.70		800.00
Add : Transferred from Surplus	233.40		254.70
See description Note (iii)		**1,288.10**	**1,054.70**
SELF INSURANCE FUND*			
Balance as per last Balance Sheet	-		-
Add : Transferred from Surplus (Net)			
- Collection during year	40.87		-
- Interest earned during year	-		-
- Adjustment of Income Tax Liability	(8.57)		-
- Adjustment of Dividend Implication	(11.34)		-
See description Note (iv)		**20.96**	-
SURPLUS			
Opening Balance	1,870.22		1,758.97
Add : Transferred from Statement of Profit & Loss	2,299.20		2,100.99
	4,169.42		3,859.96
Less : Transfer to Bond Redemption Reserve	233.40		254.70
Less : Interim Dividend paid	570.00		308.15
Less : Tax on Interim Dividend paid	96.88		49.99
Less : Proposed Dividend	119.77		322.15
Less : Tax on Proposed Dividend	20.35		54.75
Less : Transfer to General Reserve	1,000.00		1,000.00
Less : Transfer to Self Insurance Fund (Net)	20.96		-
		2,108.06	**1,870.22**
Total		**18,379.03**	**16,756.19**

*Specifically represented by Earmarked Investments (refer Note No. 19, 19A and 21)

(i) The Capital Reserve has been created by transferring the amount on utilisation of Renovation & Modernisation Fund and Research & Development Fund for approved & sanctioned Capital Expenditure of the respective funds as per the approval & sanction of the Government of India (GOI). The Corporation had collected Renovation & Modernisation Fund and Research & Development Fund from beneficiaries on behalf of DAE.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) (a) Vide Notification no. DAE/OM/No.-3/10(17)/87-PP dated December 22, 1988 of DAE, the Corporation is collecting levy from beneficiaries for Decommissioning of power plants, on behalf of DAE and the levy is credited to Decommissioning Fund account, as required by the notifications. During the year, Decommission Fund levy aggregating to ₹ 61.79 crore (Previous year ₹ 59.08 crore) has been collected on the basis of net units exported to the beneficiaries & others, as per tariffs notified by DAE.

(ii) (b) Regular Interest earned on the fund's investments and income tax thereon are adjusted in the respective Funds, viz., (1) Renovation & Modernisation Fund, (2) Research and Development Fund, and (3) Decommissioning Fund. Presently, the collection for Renovation & Modernisation Fund and Research & Development Fund has been stopped as per the Govt. directives /notification. The utilisation of all the three Funds have been made as per the requirement of respective notification.

(ii) (c) Income tax demanded / Refunded by Income Tax Department on levies collected from beneficiaries for Decommissioning, Renovation & Modernisation and Research & Development Fund and also the interest earned / paid thereon on respective fund investments are adjusted to the respective Fund. However, the Corporation has disputed such demand before the appropriate Appellate Authorities under Income Tax Act, 1961.

(iii) The Bond Redemption Reserve has been created against the balance Redemption Liability of Secured Bonds issued by the Corporation as per prevailing statutory requirement.

(iv) Vide Notification no. 1/2(18)/2010-Power/6710 dated 23/05/2013 of DAE, the Corporation is collecting Self Insurance Fund @ 1.5 paise/kWh for Hot Zone Assets of Atomic Power Plants. The objective of said collection is creation of a self corpus, hence, the collection and interest earned thereon for the year has been apportioned from the Surplus as included in Revenue from Operation (Note - 22) of the Corporation. The apportionment has been made after netting-off income tax liability and other adjustments.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

3 : Long Term Borrowings

(i) Long Term Borrowings are given below:

(₹ in Crore)

Sr. No	Particulars	As at 31st March 2014	As at 31st March 2013
A.	**Secured Borrowings - Bonds :**		
	Redeemable Non-Cumulative Scheme	**5,097.22**	**3,179.62**
	(Face value of ₹ 1.00 lacs & ₹ 10.00 lacs each)		
	See description Note (ii)		
B.	**Secured Borrowings - Term Loans from Banks**	**3,586.00**	**5,786.00**
	See description Note (iii)		
C.	**Un-Secured Borrowings**		
	i) From Department of Atomic Energy - G.O.I Russian Credit - Loan KK Project	4,705.24	4,824.73
	ii) Foreign Currency Loan - External Commercial Borrowing from State Bank of India, Singapore Branch	1,512.25	1,370.00
	See description Note (iv), (v) & (vi)	**6,217.49**	**6,194.73**
	Total	**14,900.71**	**15,160.35**

(ii) (a) Descriptive details for "Bonds" - Secured Borrowings:

(₹ in Crore)

Sr. No	Series	Particulars	Face Value	Redeemable on	As at 31st March 2014	As at 31st March 2013
			(in Lacs)			
1	XXVIII	9.18 % - Redeemable at 5 equal installments of ₹ 400 Crore each, Repayable on 23.01.2025, 2026, 2027, 2028 and 2029	10.00	23.01.2029	2,000.00	-
2	XXVII	8.54% & 8.56% with bullet redemption at the end of 10th year	10.00	15-03-2023 & 18-03-2023	1,500.00	1,500.00
3	XXV	Floating Rate Bonds with +189 bps markup to the Benchmark Interest rate (1 year G-Sec-Semiannual) with annual reset & bullet Redemption at the end of 10th year.	10.00	16-11-2019	650.00	650.00
4	XXVI	8.50% with bullet Redemption at the end of 10th year	10.00	16-11-2019	700.00	700.00
5	XXIV	4.75% Tax-free with Put / Call Option on 26/03/2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 & 2018.	10.00	26-03-2019	9.20	9.20
6	XV	8.25% Tax-free with Put & Call option at par on 06-01-2008, 2009, 2010, 2011, 2012, 2013, 2014 & 2015	1.00	06-01-2016	18.02	45.42
7	XXIII	5.25% Taxable Infrastructure with Put / Call Option on 23/03/2009,2010, 2011, 2012 & 2013	10.00	23-03-2014	-	95.00
8	XXII	6.10% Taxable with bullet redemption at the end of 10th year	10.00	15-03-2014	-	820.00
9	XXI	5.75% Infrastructure with Put & Call option at par on 14.08.2010, 2011, 2012	1.00	14-08-2013	-	69.00

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(₹ in Crore)

Sr. No	Series	Particulars	Face Value	Redeemable on	As at 31st March 2014	As at 31st March 2013
			(in Lacs)			
10	XX	6.15% Taxable - Redeemable at equal installment of ₹ 55.00 Crore each, Repayable on 14.08.2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018	1.00	14-08-2018	275.00	330.00
					5,152.22	**4,218.62**
		Less : Current Maturities of Long Term Borrowings (Carried to Note - 9)				
1	XX	6.15% Taxable - ₹ 55.00 crore - Sixth Installment/series repayable on 14/08/2014 (Previous year on 14/08/2013)	1.00	14-08-2014 & 14-08-2013	55.00	55.00
2	XXI	5.75% Infrastructure with Put & Call option at par	1.00	14-08-2013	-	69.00
3	XXII	6.10% Taxable with bullet redemption at the end of 10th year	10.00	15-03-2014	-	820.00
4	XXIII	5.25% Taxable Infrastructure with Put / Call Option on 23/03/2009,2010, 2011, 2012 & 2013	10.00	23-03-2014	-	95.00
		See description Note (ii)-(b) & (ii)-(c.)			**55.00**	**1,039.00**
		Sub-Total (I)			**5,097.22**	**3,179.62**

(ii) (b) Bonds redeemed during the year are given below :

(₹ in Crore)

	Redemption During The Year	2013-14	2012-13
1)	Part Redemption of Sr. XX (6.15%) Bonds, CY - 14/08/2013 (PY 14/08/2012)	55.00	55.00
2)	Full Redemption of Sr. XXI (5.75%) Bonds, CY - 14/08/2013 (PY Nil)	69.00	-
3)	Full Redemption of Sr. XXII (6.10%) Bonds, CY - 15/03/2014 (PY Nil)	820.00	-
4)	Full Redemption of Sr. XXIII (5.25%) Bonds, CY - 23/03/2014 (PY Nil)	95.00	-
5)	Part Redemption of Sr. XV (8.25%) Bonds, CY - 04/01/2014 (PY Nil)	27.40	-
6)	Full Redemption of Sr. XIX (5.30%) Bonds, CY - Nil (PY 31/12/2012)	-	25.00
	Total	**1,066.40**	**80.00**

(ii) (c) Following series of Bonds are secured by way of Trusteeship Agreement coupled with covenants of negative lien and irrevocable power of attorney in favour of Trustees to create equitable mortgage over the fixed assets.

Bonds' Series	Secured by Fixed Assets of '
XX & XXI	Rajasthan Atomic Power Station - Unit 3 & 4
XV	Kaiga Atomic Power Station - Unit 1 & 2
XXII, XXIII & XXIV	Tarapur Atomic Power Project - Unit 3 & 4
XXV & XXVI	Kaiga Atomic Power Station - Unit 3 & 4 and Rajasthan Atomic Power Station - Unit 5 & 6
XXVII	Kakrapar Atomic Power Station - Unit 3 & 4 and Rajasthan Atomic Power Station - Unit 7 & 8
XXVIII	Kundankulam Atomic Power Project - Unit 1 & 2

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(iii) (a) "Long Term Borrowings" payable with in 12 months from the reporting date, as per offer term, are reduced from "Long Term Borrowings" and disclosed separately under "Other Current Liabilities". Current maturity of Long Term Borrowings is worked out considering the due Redemption date as per the original offer document/agreement and excluding the optional liability exercisable under the PUT / CALL Options attached to respective Bonds / Term Loans.

(iii) (b) Descriptive details of "Term Loans from Banks" - Secured Borrowings :

(₹ in Crore)

Sr. No	Particulars	Redeemable on	As at 31st March 2014	As at 31st March 2013
I	CANARA BANK (i) With bullet repayment after 10 years, (ii) Floating Rate - G-Sec. Rate (+) 30bps, reset at the end of each year (iii) Secured by negative lien of asset of MAPS	28.10.2015	130.00	130.00
II	CANARA BANK (i) With bullet repayment after 10 years, (ii) Floating Rate -G-Sec. Rate (+) 30bps, reset at the end of each year (iii) Secured by negative lien of asset of TAPS-3&4	28.10.2015	456.00	456.00
III	STATE BANK OF INDIA (PREVIOUS YEAR (PY) - DENA BANK) (Refer Note (iii) (d)) (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate-BPLR' Rate (-) 4.56% reset at the end of each year), (iii) Secured by negative lien of asset of KK 1&2	29.06.2015	250.00	250.00
IV	STATE BANK OF INDIA (PY - BANK OF INDIA) (Refer Note (iii) (d)) (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate-BPLR' Rate (-) 3.81% reset at the end of each year), (iii) Secured by negative lien of asset of KK 1&2 (PY - Asset of KK 1&2 and KAPP 3&4)	28.06.2015	500.00	500.00
V	STATE BANK OF INDIA (PY - BANK OF INDIA) (Refer Note (iii) (d)) (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate-BPLR' Rate (-) 4.06% reset at the end of each year), (iii) Secured by negative lien of asset of KK1&2 (PY - Asset of KAIGA 3&4)	14.06.2015	1,000.00	1,000.00
VI	STATE BANK OF INDIA (Refer Note (iii) (e) (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate - SBAR Rate (-) 3.81%) reset at the end of each year), (iii) Secured by negative lien of asset of KAIGA3&4 and RAPS5&6	31.05.2015	250.00	250.00
VII	STATE BANK OF INDIA (Refer Note (iii) (e) (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate - SBAR' Rate (-) 3.81% reset at the end of each year), (iii) Secured by negative lien of asset of KK 1&2	31.05.2015	1,000.00	1,000.00
VIII	STATE BANK OF INDIA (I) With bullet repayment after 10 years, (II) Floating Rate- G-Sec. Rate (+) 50bps reset at the end of each year, (iii) Secured by negative lien of asset of TAPS-3&4	28.03.2015	700.00	700.00

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(₹ in Crore)

Sr. No	Particulars	Redeemable on	As at 31st March 2014	As at 31st March 2013
IX	**STATE BANK OF INDIA (Refer Note (iii) (e)** (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate-SBAR' Rate (-) 3.81% reset at the end of each year), (iii) Secured by negative lien of asset of KAIGA 3&4	26.02.2015	250.00	250.00
X	**STATE BANK OF INDIA (Refer Note (iii) (e)** (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate-SBAR' Rate (-) 3.81% reset at the end of each year), (iii) Secured by negative lien of asset of KAIGA 3&4	24.12.2014	500.00	500.00
XI	**STATE BANK OF INDIA (PY - BANK OF INDIA) (Refer Note (iii) (d))** (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate -BPLR' Rate (-) 4.06% reset at the end of each year), (iii) Secured by negative lien of asset of KK 1&2 (PY - Asset of KAIGA 3&4 and RAPS 5&6)	14.12.2014	500.00	500.00
XII	**STATE BANK OF INDIA (PY - DENA BANK) (Refer Note (iii) (d))** (i) With bullet repayment after 5 years, (ii) Floating Rate-Base Rate (+) 0.10% (PY - Floating Rate -BPLR' Rate (-) 4.56% reset at the end of each year), (iii) Secured by negative lien of asset of KK1&2 (PY - Asset of RAPS-5&6)	10.12.2014	250.00	250.00
			5,786.00	**5,786.00**
Less : Current Maturities on Redemption as per term of offer - Term Loan (Carried to Note - 9)				
	a) STATE BANK OF INDIA	10.12.2014	250.00	-
	b) STATE BANK OF INDIA	14.12.2014	500.00	-
	c) STATE BANK OF INDIA	24.12.2014	500.00	-
	d) STATE BANK OF INDIA	26.02.2015	250.00	-
	e) STATE BANK OF INDIA	28.03.2015	700.00	-
	see description Note (iii)-(c)		**2,200.00**	**-**
	Sub Total (II)		**3,586.00**	**5,786.00**

(iii) (c) Term Loan repayable, with in 12 months from the Reporting date, as per offer term, are deducted from "Long Term Borrowings - Term Loan From Banks"' and disclosed separately under "Other Current Liabilities".

(iii) (d) The term loan mentioned at serial number III, IV, V, XI and XII amounting to ₹ 2,500/- crore taken from Dena Bank and Bank of India has been restructured with respect to applicable interest rate and security on these loans during the current financial year. Primarily, the restructuring has been carried out to reduce the interest rate for the said term loans. During the restructuring process, these loans have been taken and replaced by the State Bank of India and the said banker has also agreed to change the applicable interest rate from Prime Lending Rate (BPLR) regime to Base Rate (BR) regime. The prevailing interest rates under BPLR regime were 10.45 % p.a. for serial number III, 10.69 % p.a. for serial number IV & V, 10.50 % p.a. for serial number XI and 10.70 % p.a. for serial number XII at the time of restructuring. Whereas, The effective interest rate under BR regime is 9.80 % p.a. for the said term loans at the time of restructuring. The revised interest rate regime is applicable from 25/07/2013. The negative lien on the assets of KK 1&2 is offered in place of existing negative lien as stated above for the said term loans. However, there is no other change in respect of repayment date for the said term loans.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(iii) (e) The term loan mentioned at serial number VI, VII, IX and X amounting to ₹ 2,000/- crore taken from State Bank of India has been re-negotiated with respect to applicable interest rate on these loans during the current financial year. The re-negotiation has been carried out to reduce the interest rate for the said term loans. During negotiation, the said banker has agreed to change the applicable interest rate from State Bank Advance Rate (SBAR) regime (i.e. Prime Lending Rate) to Base Rate (BR) regime. The prevailing interest rates under SBAR regime were 10.94 % p.a. (i.e. existing SBAR rate on reset date of 14.75% - 3.81%) for term loan at serial number VI & VII and 10.19 % p.a. (i.e. existing SBAR rate on reset date of 14.00% - 3.81%) for term loan at serial number IX & X at the time of restructuring. Whereas, The effective interest rate at the time of re-negotiation under BR regime is 9.80 % p.a. (i.e. the existing BR rate of 9.70% + 0.10%) for the said term loans. However, there is no other change in respect of repayment date or the security for the said term loans.

(iv) (a) DAE loan (Russian credit) represents funds provided by DAE to NPCIL on account of credit extended by Government of Russian Federation to Government of India (GOI). The applicable rate of interest is 4% p.a. and exchange fluctuation on repayment of loan shall be borne by the Corporation. The loan was utilized to pay for supplies / erection / assistance in terms of various contracts entered into with M/ s Atomstroyexport for setting up two units of 1000 Mwe each at Kudankulam (KK). As per the repayment procedure, funds are deposited by the Corporation with Controller of Aid Accounts & Audit (CAA&A) / DAE for repayment of Russian Credit.

(iv) (b) Details of Un-Secured Borrowings - DAE Loan (Russian Credit) are given below:

(₹ in Crore)

Particulars	2013-14	2012-13
Balance at the end of the year	5,766.57	5,834.80
Less: Amount deposited with CAA&A	431.85	440.79
Net Balance of Loan	5,334.72	5,394.01
Less :Amount Payable within a period of 12 months (Carried to Note- 9)	629.48	569.28
Closing Balance	**4,705.24**	**4,824.73**

(iv) (c) The Russian Credit shall be repayable in 14 installments as under:

Loan Unit - I - 14 Installments starting from Financial Year 2008-09.

Loan Unit - II - 14 Installments starting from Financial Year 2009-10.

(v) (a) External Commercial Borrowings (ECB) represents the mobilization of debt to meet the requirement of capital expenditure for the procurement of capital equipments for various sites such as KKNPP 1&2, KKNPP 3&4, KAPS 3&4 and RAPP 7&8. The ECB has been arranged from State Bank of India Singapore Branch. The applicable rate of interest is LIBOR + Margin (Predetermined spread of 2.35%). The total ECB sanctioned and fully withdrawn till date is 250 million US $ (i.e. 83 million US $ in Trench A facility and 92 million US $ & 75 million US $ in Trench B facility).

(v) (b) The ECB is repayable as under :-

a) Under Trench A facility (83 million US $) : At the end of 5 years from the first utilisation date i.e. 29/02/2012.

b) Under Trench B facility (167 million US $) : In two installments at the end of 6th & 7th year from the first utilisation date i.e. 29/03/2012.

(vi) Treatment of Exchange Rate Variation (ERV) in the Financial Statements

In terms of MCA Notification No.G.S.R. 225 (E) dated 31.03.2009 as amended by Notification No. 914 (E) dated 29.12.2011, Corporation exercised the option as mentioned in Accounting Policy No. I, the detailed disclosure is summarised as under:

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

a) **On Russian Credit** (₹ in Crore)

Particulars	2013-14	2012-13
Total ERV Loss / (Income) for the year*	558.46	353.36
Less: ERV regarded as adjustment to interest cost (KK)	-	-
Balance ERV adjusted to carrying cost of CWIP (KK)	**558.46**	**353.36**

b) **On External Commercial Borrowing** (₹ in Crore)

Particulars	2013-14	2012-13
Total ERV Loss / (Income) for the year*	142.25	69.28
Less: ERV regarded as adjustment to interest cost	-	-
Balance ERV to be adjusted to carrying cost of CWIP	**142.25**	**69.28**

*MCA vide its circular no. 25/2012 dated 09.08.2012 had clarified that para 4(e) of Accounting Standard 16 relating to "Borrowing Costs" shall not apply to a company which has exercised the option granted by Notification No. 914 (E) dated 29.12.2011. Accordingly, the ERV pertaining to the financial year has not been regarded as adjustment to the borrowing cost to the extent mentioned in the AS - 16 for accounting treatment and disclosure.

4 : Deferred Tax Liability (Net)

(i) The deferred tax liability (Net) as at the end of the reporting period are given below:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Deferred Tax Liability	1,192.34	1,273.73
Less : Deferred Tax Recoverable (Assets)	1,173.70	1,249.26
Total	**18.64**	**24.47**

(ii) The item wise details of deferred tax liability (net) in accordance with Accounting Standard 22 : "Taxes on Income" are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Difference of book depreciation and tax depreciation (Deferred Tax Liability)	1,471.18	1,517.14
Less : Provisions & other disallowances (Deferred Tax Asset)	278.84	243.41
Deferred Tax Liability (Net)	**1,192.34**	**1,273.73**

During the current financial year 2013-14, there is net decrease of ₹ 81.39 crore (Previous year ₹ 17.45 crore) of deferred tax liability. Out of the total deferred tax liability, a sum of ₹ 1,173.70 crore excluding ₹ 18.64 crore (Previous Year ₹ 1,249.26 crore excluding ₹ 24.47 crore) is recoverable from the electricity beneficiaries on becoming part of Current Tax. The amount of ₹ 18.64 crore (Previous Year ₹ 24.47 crore) excluded above pertains to deferred tax liability of Corporate Office.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

5 : Other Long Term Liabilities

(i) Summary of Other Long Term Liabilities:

(₹ in Crore)

Particulars		As at 31st March 2014	As at 31st March 2013
1. Trade Payable			
Amount due to Micro, Small & Medium Enterprises	See description Note (ii)	-	-
Payable to Others		1.50	2.59
		1.50	**2.59**
2. Other Liability		83.25	41.17
Total		**84.75**	**43.76**

(ii) The Details of liabilities to Micro, Small and Medium Enterprises, to the extent information available with the Corporation are given under. These liabilities are not due for payment as per the contractual term of payment.

(₹ in Crore)

Due to MSME Enterprise	As at 31st March 2014	As at 31st March 2013
1. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of the accounting year (No amount is due for more than 45 days & Interest due ₹ Nil).	-	-
2. The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006,alongwith the amounts of the payment made to the supplier beyond appointed day during the accounting year	-	-
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
4. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
5. The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of Disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**-**	**-**

6 : Long Term Provisions

(i) : Details of Long Term Provisions :

(₹ in Crore)

Particulars		As at 31st March 2014	As at 31st March 2013
1. Provisions for Employee Benefits			
Gratuity		318.51	305.97
Leave Encashment		312.46	276.48
Other Employee Benefits		322.83	262.51
		953.80	**844.96**
Less : Provisions payable within 12 months (Carried to Note -10)		56.79	50.05
	Refer Note - 33	897.01	794.91
2. Other Provisions		-	-
Total		**897.01**	**794.91**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

7 : Short Term Borrowings

(i) Details of Short Term Borrowings are as under :

(₹ in Crore)

Sr No	Particulars	As at 31st March 2014	As at 31st March 2013
A	**Secured Borrowings**		
	i) Loans repayable on demand	-	-
	From Banks	-	-
	From other parties	-	-
	ii) Loans & Advances from Related Parties	-	-
	iii) Deposits	-	-
	iv) Other Loans & Advances	-	-
B	**Un-Secured Borrowings**		
	i) Loans repayable on demand	-	-
	From Banks	-	-
	From other parties	-	-
	ii) Loans & Advances from Related Parties	-	-
	iii) Deposits	-	-
	iv) Other Loans & Advances	-	-
	Total	**-**	**-**

8 : Trade Payables

(i) : Summary of Trade Payables :-

(₹ in Crore)

Particulars		As at 31st March 2014	As at 31st March 2013
1. Trade Payable			
Amount due to Micro, Small & Medium Enterprises	See description Note (ii)	1.39	1.97
Payable to Others		549.13	452.30
Total		**550.52**	**454.27**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) The Details of liabilities to Micro, Small and Medium Enterprises, to the extent information available with the Corporation are given under. These liabilities are not due for payment as per the contractual term of payment.

(₹ in Crore)

Due to MSME Enterprise	As at 31st March 2014	As at 31st March 2013
1. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of the accounting year (No amount is due for more than 45 days & Interest due ₹ Nil).	1.39	1.97
2. The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006,alongwith the amounts of the payment made to the supplier beyond appointed day during the accounting year	-	-
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
4. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
5. The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of Disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**1.39**	**1.97**

9 : Other Current Liabilities

(i) : Details of Other Current Liabilities :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Current Maturities of Long Term Debt / Borrowing (Carried from Note-3), (See description Note.(ii))	2,884.48	1,608.28
2. Interest accrued but not due on Borrowings (See description Note (iii))	220.24	232.78
3. Income Received in Advance	0.07	0.07
4. Unpaid/Unclaimed Bonds and Interest accrued thereon (See description Note (iv))	0.03	0.15
5. Other Payables (See description Note (v))	786.95	744.85
Total	**3,891.77**	**2,586.13**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) Details of Current Maturities of Long Term Debts:

(₹ in Crore)

Particulars	Redeemable On	As at 31st March 2014	As at 31st March 2013
A. Current maturity of Bonds (excluding Put/Call options):			
6.15% Taxable - ₹ 55.00 crore - Sixth Installment / Series	14-08-2014 & 14-08-2013	55.00	55.00
5.75% Infrastructure with Put & Call option at par	14-08-2013	-	69.00
6.10% Taxable with bullet redemption at the end of 10th year	15-03-2014	-	820.00
5.25% Taxable Infrastructure with Put / Call Option	23-03-2014	-	95.00
		55.00	**1,039.00**
B. Current maturity of Term Loans:			
From STATE BANK OF INDIA	10.12.2014	250.00	-
From STATE BANK OF INDIA	14.12.2014	500.00	-
From STATE BANK OF INDIA	24.12.2014	500.00	-
From STATE BANK OF INDIA	26.02.2015	250.00	-
From STATE BANK OF INDIA	28.03.2015	700.00	-
		2,200.00	**-**
C. Current maturity of Russian Credit (Loan KK Project)		**629.48**	**569.28**
Total		**2,884.48**	**1,608.28**

(iii) Details of interest accrued but not due on Borrowing are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Interest on Bonds	105.44	130.22
2. Interest on Term Loan	43.66	31.63
3. Interest on Loan from DAE-Russian Credit-KK Project	57.21	57.57
4. Interest on ECB	13.93	13.36
Total	**220.24**	**232.78**

(iv) Unpaid / Unclaimed Bonds and Interest accrued thereon includes the amount of Redeemed Bonds and Accrued Interest on those Bonds which remain Unclaimed / Unpaid till date. The total Unpaid amount is transferable to "Investors' Education and Protection Fund" on expiry of 7 years as per the requirement of Companies Act and related rules.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(v) Details of Other Payables are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Payable to DAE/DAE Undertakings*	277.73	267.59
2. Employee Liabilities	142.12	105.30
3. Payable to Statutory Authority - TDS & With-holding Tax	15.55	11.54
4. Other Liabilities	351.55	360.42
Total	**786.95**	**744.85**

*Payable to DAE/DAE undertakings includes for Fuel & Heavy Water liability of ₹ 183.33 crore (Previous year ₹ 118.99 crore).

10 : Short Term Provisions

(i) : Details of Short Term Provisions are as under:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Provisions for Employee Benefits (Carried from Note - 6)		
Gratuity	18.16	16.04
Leave Encashment	12.43	12.17
Other Employee Benefits	26.20	21.84
Refer Note - 33	**56.79**	**50.05**
2. Other Provisions		
Income Tax*	–	–
Wealth Tax	1.00	1.50
Proposed Dividend	119.77	322.15
Tax on Proposed Dividend	20.35	54.75
	141.12	**378.40**
Total	**197.91**	**428.45**

* Refer foot Note to Note No. 20 (ii)

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

11 : Tangible and Intangible Assets

(i): Details of Tangible and Intangible Assets with Reconciliation of Gross & Net Carrying amount of each class of Assets at the beginning and end of the Reporting Period are given below, with separate disclosure for additions, and deductions/adjustment for each class of Assets.

(₹ in Crore)

	GROSS BLOCK				DEPRECIATION/OBSOLENCE LOSS				NET BLOCK	
FIXED ASSETS	AS AT	ADDITION	DEDUCTION	AS AT	AS AT	FOR THE	DEDUCTION	AS AT	AS AT	AS AT
	01.04.2013		ADJUST.	31.03.2014	01.04.2013	YEAR	ADJUST.	31.03.2014	31.03.2014	31.03.2013
A. TANGIBLE ASSETS:										
LAND (Free Hold)	160.22	-	-	160.22	-	-	-	-	160.22	160.22
LAND (Lease Hold)	0.59	-	-	0.59	0.08	0.01	-	0.09	0.50	0.51
BUILDINGS (Free Hold)	1,295.20	69.69	0.03	1,364.86	217.65	22.43	(0.01)	240.09	1,124.77	1,077.55
BUILDINGS(Lease Hold)	7.88	-	-	7.88	4.22	0.09	-	4.31	3.57	3.66
PLANT AND EQUIPMENTS	19,832.51	170.96	4.42	19,999.05	9,163.79	927.29	(1.48)	10,092.56	9,906.49	10,668.72
FURNITURE & FIXTURES	123.13	12.34	0.05	135.42	72.93	6.42	0.01	79.34	56.08	50.20
VEHICLES	17.97	1.78	0.67	19.08	10.72	1.16	0.61	11.27	7.81	7.25
OFFICE EQUIPMENT	264.23	17.04	0.28	280.99	166.05	12.82	0.21	178.66	102.33	98.18
OTHERS - RAILWAY SIDINGS	0.34	-	-	0.34	0.32	-	-	0.32	0.02	0.02
TOTAL TANGIBLE ASSETS :	**21,702.07**	**271.81**	**5.45**	**21,968.43**	**9,635.76**	**970.22**	**(0.66)**	**10,606.64**	**11,361.79**	**12,066.31**
B. ASSETS HELD FOR DISPOSAL	0.16	0.06	0.10	0.12	0.14	-	0.08	0.06	0.06	0.02
TOTAL TANGIBLE ASSETS : (A+B)	**21,702.23**	**271.87**	**5.55**	**21,968.55**	**9,635.90**	**970.22**	**(0.58)**	**10,606.70**	**11,361.85**	**12,066.33**
C. INTANGIBLE ASSETS										
SOFTWARE	12.49	1.18	0.02	13.65	6.50	1.93	-	8.43	5.22	5.99
TOTAL (A+B+C)	**21,714.72**	**273.05**	**5.57**	**21,982.20**	**9,642.40**	**972.15**	**(0.58)**	**10,615.13**	**11,367.07**	**12,072.32**
PREVIOUS YEAR TOTAL	**21,447.40**	**272.33**	**5.01**	**21,714.72**	**8,656.57**	**983.26**	**(2.57)**	**9,642.40**	**12,072.32**	**12,790.82**

(ii) : Intangible Assets includes Software.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(iii) : Reconciliation of Depreciation charged to Statement of Profit and Loss is given below :

Depreciation for the year ₹ 972.73 crore (Previous Year 2012-13 ₹ 985.83 crore) is reconciled as under

(₹ in Crore)

Particulars	2013-14	2012-13
Depreciation charged to Profit & Loss	947.19	962.93
Add : Depreciation included under Expenses During Construction	22.14	16.74
period pending allocation (Note.12 (v))		
: Depreciation relating to prior period (Note. 29)	1.09	4.77
: Depreciation on R&D Assets (Note 2)	4.13	2.25
: Obsolesce Loss Trf. to prior period (Note 29)	-	-
Less : Deduction / Adjustments	1.82	0.86
Total	**972.73**	**985.83**

(iv) Gross Block of Fixed Assets and related Accumulated Depreciation include the Value of assets taken over from DAE are accounted at their original cost and related accumulated depreciation based on its classification.

(v) (a) Land includes cost incurred on its development.

(b) Title deed of land owned by Tarapur Maharashtra Site (TMS) remains in name of erstwhile Tarapur Atomic Power Project.

(c) Title deed of land owned by Madras Atomic Power Station (MAPS) admeasuring 605.29 acres remains in name of DAE. This area of land was transferred by State Government to DAE at free of cost and later on, handed over by DAE to MAPS at free of cost.

(d) Land at Rawatbhata Rajasthan Site (RRS) includes :

i) 267.21 hectares of Revenue Department & Private land acquired for which title (Jamabandi) is available;

and does not include:

ii) 393.58 hectares of Forest and Revenue Department land acquired on the condition that its legal status would remain unchanged;

iii) 983.40 hectares of forest land taken on notional rent of ₹ 1 per annum.

(vi) Building Includes ; (a) Lease premium in respect of premises taken on long lease at various places; (b) Proportionate cost in respect of buildings constructed on the land belonging to DAE & others, as per the respective arrangements/ understandings; (c) Buildings Constructed on Land belonging to DAE as per respective arrangements/ undertakings.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

12 : Capital Work in Progress

(i) : Details of Capital Work in Progress are as under:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Capital Work-in-Progress	**14,400.50**	**12,186.28**
See description Note (ii)		
Capital Goods and Stores	844.09	679.70
Less : Provision for Obsolescence/Loss	0.31	0.29
See description Note (iii)	**843.78**	**679.41**
Payment - Against Material Pending Acceptance		
Against Capital Expenditure Considered good	490.35	411.43
Against Capital Expenditure Considered doubtful	12.92	12.92
	503.27	**424.35**
Less : Provision for doubtful advances	12.92	12.92
See description note (iv)	**490.35**	**411.43**
Expenditure - During Construction Pending Allocation	**9,332.58**	**6,989.23**
See description Note (v)		
Expenditure - on Upcoming Projects/ Sites	**1,017.13**	**965.34**
Total	**26,084.34**	**21,231.69**

(ii) : CWIP of Contracts & Materials Management division (C&MM) includes Materials lying with Fabricators amounting to ₹ 259.36 crore (Previous year ₹ 249.05 crore).

(iii) (a) : Capital Goods and Stores stated above includes Goods in Transit and Goods lying with Contractors. The value of these items are given below:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Goods in Transit (Included in Capital Goods & Stores)	1.47	6.72
Goods lying with Contractors (Included in Capital Goods & Stores)	0.14	0.19

(iii) (b) : (a) As per Technical appraisal made by the management, it is of the opinion that slow moving and non moving inventory lying with the Corporation as at the year-end are serviceable and in good condition. (b) The management affirms correct identification of Shortage/ obsolescence of stores, spares and capital inventories which are non-moving/ slow moving, in view of technical reasons and provided for.

(iv) :Payment Against Material Pending Acceptance includes Expenditure/Advance which are predominantly supply/stage payments made to Suppliers/fabricators against dispatch documents or against materials received by sites/units and under inspection or delivered to fabricators for further processing, which are in the process of adjustment/reconciliation. In the opinion of the management, stagnancy in respect of such advances is periodically reviewed and provisions required, if any is accordingly made.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(v): Details of Carrying balance of Expenditure During Construction during the reporting year is given below:

(₹ in Crore)

EXPENDITURE DURING CONSTRUCTION PERIOD PENDING ALLOCATION	As at 31st March 2014	As at 31st March 2013
OPENING BALANCE	6,989.23	5,214.61
ADD : EXPENSES DURING THE YEAR		
Fuel – Use Charges	72.13	–
Fuel – Lease Charges	18.41	–
Fuel – Recovery Charges	14.67	–
Sub-Total (A)	**105.21**	**–**
Salaries & Wages	105.51	90.13
Bonus / Incentives	20.44	18.68
Gratuity, Leave encashment & Other employee benefits	0.03	0.05
Contribution to Provident and Other Funds	7.97	6.63
Staff Welfare Expenses	32.60	22.63
Allocation of Head Office Expenditure	265.64	275.77
Sub-Total (B)	**432.19**	**413.89**
Stores and Spares Consumed	40.33	14.29
Repairs and Maintenance		
a) Building	9.52	5.14
b) Plant and Machinery	5.29	5.23
c) Office Equipments	2.09	1.64
d) Others	19.77	14.06
Insurance	21.73	19.03
Rates and Taxes - Direct	1.44	0.29
Electricity and Water Charges - Plant Site	299.46	199.07
Security Expenses- Plant Site	11.00	13.97
Sub-Total (C)	**410.63**	**272.72**
Rent	1.93	1.75
Rates and Taxes	-	0.77
Travelling and Conveyance Expenses	2.04	2.08
Printing and Stationery	0.74	1.06
Electricity and Water Charges - Township	1.70	2.17
Advertisement Expenses	1.00	0.49
Net Gain / Loss on Foreign Currency Transactions and Translation	700.86	437.89
Public Awareness	1.96	0.84
Security Expenses	2.96	1.39
Other Expenses	83.48	78.75
Sub-Total (D)	**796.67**	**527.19**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(₹ in Crore)

EXPENDITURE DURING CONSTRUCTION PERIOD PENDING ALLOCATION	As at 31st March 2014	As at 31st March 2013
Depreciation	22.14	16.74
Finance Cost - Interest on Borrowed Funds (Bond)	162.53	5.84
Finance Cost - Interest on Borrowed Funds (Term Loan)	278.66	298.51
Finance Cost - Interest on Russian Credit - GOI-DAE Loan	221.46	227.33
Finance Cost - Interest on ECB	42.83	28.76
Sub-Total (E)	**727.62**	**577.18**
TOTAL EXPENDITURE (A+B+C+D+E)	**2,472.32**	**1,790.98**
Less : **Income**		
Interest (Others)	5.37	3.38
Infirm Power	95.94	-
Other Income	27.88	14.74
Prior Period Income/Expense (Net)	(0.22)	(1.76)
	128.97	**16.36**
NET EXPENSES FOR THE YEAR	**2,343.35**	**1,774.62**
BALANCE AT THE END OF THE YEAR	**9,332.58**	**6,989.23**
Less : Allocated to Fixed Assets	-	-
NET TOTAL	**9,332.58**	**6,989.23**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

13 : Non Current Investments*

(i): Details of Unquoted Trade & Other Investments (Long Term) :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
I. Trade Investments		
1. Investment in Equity/Shares		
(a) Joint Venture / Subsidiary Companies	148.18	141.27
See description Note (ii) (a) to (e)		
2. Investment in Debenture/Bonds		
(a) Power Bonds	509.85	805.27
See description Note (iii)		
Total Trade Investments	**658.03**	**946.54**
II. Other Investments		
1. Investment in Equity/Shares Instrument		
(a) Investment in Shares of Co-Operative Societies at Units		
(i) 10,264 Shares of KAPS Co-Operative society of ₹ 10/- each fully paid.	0.01	0.01
(ii) 7,102 Shares of NAPS Co-operative society of ₹ 10/- each fully paid.	0.01	0.01
(iii) 4,924 Shares of MAPS Co-operative society of ₹ 10/- each fully paid.	-	-
(iv) 1,200 Shares of TAPS Co-operative society of ₹ 10/- each fully paid.	-	-
See description Note (iv)	**0.02**	**0.02**
(b) Investment in Shares of BHAVINI		
17,24,500 (Previous year 12,00,000) Equity shares of ₹ 1,000/- each fully paid up	**172.45**	**120.00**
See description Note(v)		
2. Other Investments		
(a) Employees Leave Encashment Scheme		
(i) Life Insurance Corporation of India	254.84	232.73
(ii) SBI Life Cap Assure	112.16	102.62
(iii) ICICI Prudential	31.29	28.44
(iv) India First Life Insurance	76.00	-
See description Note (vi) (a) to (c)	**474.29**	**363.79**
(b) Employees Gratuity Scheme		
(i) Life Insurance Corporation of India	126.11	115.28
(ii) SBI Life Cap Assure	127.55	116.60
(iii) ICICI Prudential	31.30	28.44
(iv) Reliance Life Insurance Co.	49.29	-
See description Note (vi) (a) to (c)	**334.25**	**260.32**
Total Other Investments	**981.01**	**744.13**
Total	**1,639.04**	**1,690.67**

* For valuation method refer Accounting Policy No. 'J'.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) (a) : Details of Investment in Joint Venture / Subsidiary Companies by NPCIL :

Name of Company	As at 31.03.2014	
	No. of Equity Share held of Face Value ₹ 10/- each**	Cost of Investment** (In ₹)
1. L&T Special Steels and Heavy Forgings Private Limited (JV)	14,73,16,000 (14,04,00,000)	1,47,31,60,000 (1,40,40,00,000)
2. Anushakti Vidhyut Nigam Ltd. (JV & Subsidiary)	51,000 (51,000)	5,10,000 (5,10,000)
3. NPCIL Indian Oil Nuclear Energy Corporation Ltd. (JV & Subsidiary)	7,40,000 (7,40,000)	74,00,000 (74,00,000)
4. NPCIL – NALCO Power Company Limited (JV & Subsidiary)	74,000 (74,000)	7,40,000 (7,40,000)
Total		**1,48,18,10,000** **(1,41,26,50,000)**

**Figures in bracket denotes Previous year figures

(ii) (b) : The Corporation along with Larsen & Toubro Limited entered into a Joint Venture (JV) named as “L&T Special Steels and Heavy Forgings Private Limited” for establishing, manufacturing and supply of forgings for Indian Nuclear programme (both civilian and non-civilian) including for exports. NPCIL is having 26% share in the Joint venture whose Issued, Subscribed and Paid up Equity Share Capital of ₹ 566.00 crore (Previous year Subscribed Capital ₹ 540.00 crore). The Corporation has subscribed ₹ 147.32 crore (Previous Year ₹ 140.40 crore) as at end of current reporting period. Based on Financial Statements of the JV entity, the Corporation’s share of assets, liabilities and income & expenses as required by AS-27 'Financial Reporting of interests in Joint Ventures' are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
A. Assets		
· Long Term Assets - Tangible	365.02	362.96
– In-Tangible	3.23	3.93
· Capital Works in Progress	4.53	24.65
· Intangible Assets under Development	0.48	0.48
· Other Non - Current Assets	2.78	3.46
· Current Assets	61.65	55.82
B. Liabilities		
· Non- Current Liabilities	177.42	190.26
· Current Liabilities	138.07	67.55
C. Income	17.02	3.77
D. Expenses	104.00	44.27

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) (c) : The Corporation along with NTPC Ltd., entered into a Joint Venture (JV) named as "Anushakti Vidhyut Nigam Ltd." for establishing nuclear power stations which is also a subsidiary of the corporation. The JV was incorporated on 27th January, 2011 with NPCIL share of 51% in the issued, subscribed and paid up equity share capital of ₹ 0.10 crore (Previous Year ₹ 0.10 crore). The JV is in its early age of operation and no activity has been undertaken so far. Based on Financial Statements of the JV entity, the Corporation's share of assets, liabilities and income & expenses as required by AS-27 'Financial Reporting of interests in Joint Ventures' are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
A. Assets		
- Tangible Assets	-	-
- Intangible Assets	-	-
- Capital work in Progress	-	-
- Other Non Current Assets	-	-
- Current Assets	0.02	0.05
B. Liabilities		
- Non Current Liabilities	-	-
- Current Liabilities	-	-
C. Income	-	-
D. Expenses	-	-

(ii) (d): The Corporation along with Indian Oil Corporation Ltd. has entered into Joint Venture (JV) named as "NPCIL Indian Oil Nuclear Energy Corporation Ltd." for establishing nuclear power stations which is also a subsidiary of the corporation. It was incorporated on 6th April, 2011 with NPCIL share of 74 % in the issued, subscribed and paid up equity share capital of ₹ 1.00 crore (Previous Year ₹ 1.00 crore). The JV is in early age of operations and no activity has been undertaken so far. Based on Financial Statements of the JV entity, the Corporation's share of assets, liabilities and income & expenses as required by AS-27 'Financial Reporting of interests in Joint Ventures' are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
A. Assets		
- Tangible Assets		-
- Intangible Assets	-	-
- Capital work in Progress	-	-
- Other Non Current Assets	-	-
- Current Assets	0.76	0.75
B. Liabilities		
- Non Current Liabilities	-	-
- Current Liabilities	0.02	0.02
C. Income	0.06	0.06
D. Expenses	-	0.01

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) (e): The Corporation along with NALCO Ltd. has entered into Joint Venture (JV) named as "NPCIL NALCO Power Company Ltd." for establishing nuclear power stations which is also a subsidiary of the corporation. It was incorporated on 2nd March, 2012 with NPCIL share of 74 % in the issued, subscribed and paid up equity share capital of ₹ 0.10 crore (Previous Year ₹ 0.10 crore). The JV is in early age of operations and no activity has been undertaken so far. Based on Financial Statements of the JV entity, the Corporation's share of assets, liabilities and income & expenses as required by AS-27 'Financial Reporting of interests in Joint Ventures' are given below:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
A. Assets		
- Tangible Assets	-	-
- Intangible Assets	-	-
- Capital work in Progress	-	-
- Other Non Current Assets	-	-
- Current Assets	0.05	0.07
B. Liabilities		
- Non Current Liabilities	-	-
- Current Liabilities	-	-
C. Income	-	-
D. Expenses	-	0.03

(iii) (a): Details of all Investments in Bonds - Power Bonds, at Cost as at the end of the year are given below:

(₹ in Crore)

INVESTMENTS IN BONDS (AT COST) UNQUOTED	As at 31st March 2014	As at 31st March 2013
Investment in Power Bonds	682.66	978.08
Less : Due for maturity with in 12 months from reporting date (Carried to Note- 16)	172.81	172.81
Investment in Power Bonds (Non Current)	509.85	805.27
Total	**509.85**	**805.27**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(₹ in Crore)

PARTICULARS OF BONDS	As at 31st March 2014	As at 31st March 2013
1. 8.5 % tax free Govt. of Andhra Pradesh Special Bonds	18.04	27.06
2. 8.5 % tax free Govt. of Gujarat Special Bonds	73.99	110.99
3. 8.5 % tax free Govt. of Haryana Special Bonds	57.69	86.54
4. 8.5 % tax free Govt. of Himachal Pradesh Special Bonds	3.23	4.85
5. 8.5 % tax free Govt. of Kerala Special Bonds	0.90	1.35
6. 8.5 % tax free Govt. of Punjab Special Bonds	4.27	6.41
7. 8.5 % tax free Govt. of Uttar Pradesh Special Bonds	59.85	89.78
8. 8.5 % tax free Govt. of Uttaranchal Special Bonds	6.73	10.09
9. 8.5 % tax free Govt. of Maharashtra Special Bonds	11.31	16.96
10. 8.5 % tax free Govt. of Jammu & Kashmir Special Bonds	58.16	87.23
11. 8.5 % tax free Govt. of Madhya Pradesh Special Bonds	196.26	294.38
12. 8.5 % tax free Govt. of Delhi Long Term Advance	37.83	50.45
13. 8.5 % Govt. of Jammu & Kashmir Special Bonds(Tax Refundable)	154.40	191.99
Total	**682.66**	**978.08**

iii) (b) Investments in Bonds, include Bonds having face value of ₹ 1,000 each (except Govt. of Delhi advance) received from various beneficiaries in the form of RBI Securitised 8.5% tax free and taxable bonds/ long term advance against Debtors outstanding on Sale of Power upto September 2001, in accordance with the recommendations of Ahluwalia Committee. These Investment in Bonds/Advance are with planned maturity in equal half yearly installment (5% in each half year) and due for redemption on 1st October & 1st April every year. The installments due for maturity/redemption with in 12 months from the current reporting date, as per the Pre defined term has been shown separately under "Current Investments". The redemption of bonds/ advance started during 2006-07 for serial No. 1 to 11, during 2007-08 for serial No. 12 and during 2008-09 for serial No.13.

(iv) The Corporation invested in Equity Share Capital of Co-Operative Societies registered under the Society Act at respective State in four Unit's location. The Co-Operative Societies are created for extending services to the employees of the corporation at respective site/unit. The investment is for creation of initial corpus for the society to start functioning. These are non participative shares and no dividend is accrued from operational surplus.

(v) Bharatiya Nabhikiya Vidyut Nigam Ltd, (BHAVINI) is registered as Power (Nuclear) Generating Company by virtue of majority holding by GOI through same administrative ministry, the Department of Atomic Energy (DAE). As at end of the reporting period it is in project stage. NPCIL has committed 5% Equity investment, out of which balance commitment is ₹ 54.63 crore (Previous year ₹ 107.08 crore). During the reporting period ₹ 52.45 crore (Previous year ₹ 60.00 crore) has been paid as contribution.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(vi) (a) These Investments are primarily held for meeting Long Term Liabilities of Employee related retirement benefit expenses. The intention of holding these investments are of long term. However, these investments are being reviewed on yearly basis to fetch the better return from such investments.

(vi) (b) The corporation has taken up the "Nuclear Power Corporation of India Ltd. - Employee Group Leave Encashment Scheme" (NPCIL EGLES) from Life Insurance Corporation against the Leave Encashment Liability, a sum of ₹ 254.84 crore (Previous Year ₹ 232.73 crore) have been invested under this scheme. In addition to this, a sum of ₹ 112.16 crore (Previous Year ₹ 102.62 crore) in SBI Life-Cap Assure Leave Encashment Scheme, a sum of ₹ 31.29 crore (Previous Year ₹ 28.44 crore) in ICICI Prudential Leave Encashment Scheme and a sum of ₹ 76.00 crore (Previous Year ₹ Nil) in India First Life Insurance Leave Encashment Scheme have also been invested.

(vi) (c) A sum of ₹ 126.11 crore (Previous Year ₹ 115.28 crore) have been invested in LIC Gratuity Fund. In addition to this a sum of ₹ 127.55 crore (Previous Year ₹ 116.60 crore) in SBI Life-Cap Assure Gratuity Scheme, a sum of ₹ 31.30 crore (Previous Year ₹ 28.44 crore) in ICICI Prudential Gratuity Scheme and a sum of ₹ 49.29 crore (Previous Year ₹ Nil) in Reliance Life Insurance Co. Gratuity Scheme have also been invested.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

14 : Long Term Loans and Advances

(i) : Details of Long Term Loans & Advances are given below:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Capital Advances		
Secured & Considered Good	2,258.66	2,010.50
Un-Secured & Considered Good	0.98	0.90
Considered Doubtful	-	-
	2,259.64	2,011.40
Less : Provision for Doubtful Advances	-	-
	2,259.64	**2,011.40**
2. Security Deposits		
Secured & Considered Good	29.21	6.66
Un-Secured & Considered Good	2.89	3.15
Considered Doubtful	-	-
	32.10	9.81
Less : Provision for Doubtful Deposits	-	-
See description Note (ii)	**32.10**	**9.81**
3. Other Loans & Advances :		
(I) To JV Company-L&T Special Steels & Heavy Forgings Pvt. Ltd		
Secured & Considered Good	337.22	330.00
Interest accrued but not due on loan to JV Company	74.21	50.06
See description Note (iii)	**411.43**	**380.06**
(II) Others		
Secured & Considered Good	61.75	57.84
Un-Secured & Considered Good	60.77	74.17
Considered Doubtful	-	-
	122.52	132.01
Less : Provision for Doubtful Advances	-	-
See description Note (iv)	**122.52**	**132.01**
Total (1 + 2 + 3(I) + 3(II))	**2,825.69**	**2,533.28**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii): Security Deposits includes cash or its' equivalent deposit made with different bodies for carrying regular business operation.

(iii): Balance shown under Loans & Advances to JV Company - L&T Special Steel & Heavy Forgings Pvt. Ltd., includes Loan extended during the reporting year by the Corporation for ₹ 7.22 crore (Previous Year ₹ 30.00 crore) to the JV Company. The total loan is secured by first pari passu charge over the project assets and immovable properties of the JV Company. The principal and interest repayment have a moratorium of 10 years and 11 years respectively from the earlier of (a) the date of last drawdown of the loan, or (b) the date of commencement of commercial operation (i.e. 01.10.2012). The principal and interest repayment are to be made in five equal annual installments after the moratorium period.

(iv) (a) : Details of Other Loans & Advances - Others' are given below ;

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Employees		
Secured & Considered Good	68.13	71.46
Un-Secured & Considered Good	91.92	77.01
	160.05	148.47
Less : Amount recoverable within a period of 12 months (Carried to Note.21)	51.66	31.74
	108.39	**116.73**
2. Govt. Companies/Departments, Public Bodies & State Electricity Entities & Others		
Secured & Considered Good	3.46	0.26
Un-Secured & Considered Good	10.67	15.02
Considered Doubtful	-	-
	14.13	15.28
Less : Provision for Doubtful Advances	-	-
	14.13	**15.28**
Total	**122.52**	**132.01**

(iv) (b) : Secured Advances to Employees includes the HBA against which the Corporation obtained the Title Deed till Loan is fully repaid along with accrued Interest.

(iv) (c): "Unsecured & Considered Good" Advances include all other loans and advances extended to employees except HBA.

(iv) (d) : Advances to Employees includes ₹ 0.01 crore (Previous Year: ₹ Nil) due from Directors and other Officers of the Corporation.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

15 : Other Non Current Assets

(i) : Details of Other Non Current Assets :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Heavy Water Lease Charges Recoverable	439.65	450.23
Less : Current portion (Carried to Note- 21)	9.82	10.04
See description Note (ii)	**429.83**	**440.19**
2. Others - (Interest accrued but not due on staff loans)	**71.75**	**76.63**
Total	**501.58**	**516.82**

(ii) : Heavy Water Lease Charges Recoverable (HWLCR) has been paid for EMCCR (Long Shut Down) period of the Projects and eligible to be part of the capital cost for the purpose of fixation of tariff. The recoverable outstanding of ₹ 254.29 crore as on 31.03.2014 (₹ 264.87 crore as on 31.03.2013) has been considered for present tariff fixation and balance ₹ 185.36 crore (Previous year ₹ 185.36 crore) shall become part of capital cost at the time of fixation of tariff in future.

16 : Current Investments*

(i) : Details of Unquoted Trade & Other Investments :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Investment in Debenture/Bonds		
(a) Power Bonds (Carried from Note.13 (iii) (a))	172.81	172.81
See description Note (ii)		
2. Investment in Mutual Funds	500.00	-
See description Note (iii)		
Total	**672.81**	**172.81**

* For valuation method refer Accounting Policy No. 'J'.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) : Details of Bonds are given below:

(₹ in Crore)

PARTICULARS OF BONDS	As at 31st March 2014	As at 31st March 2013
Due for maturity with in 12 months from reporting date *		
1. 8.5 % tax free Govt. of Andhra Pradesh Special Bonds	4.51	4.51
2. 8.5 % tax free Govt. of Gujarat Special Bonds	18.50	18.50
3. 8.5 % tax free Govt. of Haryana Special Bonds	14.42	14.42
4. 8.5 % tax free Govt. of Himachal Pradesh Special Bonds	0.81	0.81
5. 8.5 % tax free Govt. of Kerala Special Bonds	0.23	0.23
6. 8.5 % tax free Govt. of Punjab Special Bonds	1.07	1.07
7. 8.5 % tax free Govt. of Uttar Pradesh Special Bonds	14.96	14.96
8. 8.5 % tax free Govt. of Uttaranchal Special Bonds	1.68	1.68
9. 8.5 % tax free Govt. of Maharashtra Special Bonds	2.83	2.83
10. 8.5 % tax free Govt. of Jammu & Kashmir Special Bonds	14.54	14.54
11. 8.5 % tax free Govt. of Madhya Pradesh Special Bonds	49.06	49.06
12. 8.5 % tax free Govt. of Delhi Long Term Advance	12.61	12.61
13. 8.5 % Govt. of Jammu & Kashmir Special Bonds(Tax Refundable)	37.59	37.59
Total	**172.81**	**172.81**

* Refer note 13 (iii) (a) & (b)

(iii) : Details of Mutual Fund as on 31.03.2014.

(₹ in Crore)

NAME OF SCHEME	No. of Units	NAV as on 31.03.2014	Cost
BOI AXA Liquid Fund Direct Plan - Growth	33,86,659.22	500.60	500.00
Total		**500.60**	**500.00**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

17 : Inventories*

(i): Details of Inventories :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Stores & Spares (O&M)	510.21	490.11
Less : Provision for Obsolescence/Loss	5.36	4.71
See description Note. (ii) & (iii)		
Total	**504.85**	**485.40**

* For valuation method refer Accounting Policy No. 'B'.

(ii) : (a) As per Technical appraisal made by the management, it is of the opinion that slow moving and non moving inventory lying with the Corporation as at the year-end are serviceable and in good condition. (b) The management affirms correct identification of Shortage/ obsolescence of stores, spares and capital inventories which are non-moving/ slow moving, in view of technical reasons and provided for.

(iii) : Inventory stated above includes Goods in Transit and Goods lying with Contractors. The value of these items are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Goods in Transit (Included in Inventory)	4.54	5.41
Goods lying with Contractors (Included in Inventory)	-	-

18 : Trade Receivables

(i) : Summary Details of Trade Receivables:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade Receivables - Secured & Considered Good		
Outstanding Exceeding Six Months from due date of payment	10.67	10.73
Others	812.22	824.15
	822.89	**834.88**
Trade Receivables - Un-Secured & Considered Good		
Outstanding Exceeding Six Months from due date of payment	198.17	300.06
Others	806.28	837.62
	1,004.45	**1,137.68**
Trade Receivables - Doubtful		
Outstanding Exceeding Six Months from due date of payment	3.12	3.14
Others	-	-
	3.12	3.14
Less : Provision for Doubtful Receivables	3.12	3.14
	–	–
Total	**1,827.34**	**1,972.56**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

19: Cash & Bank Balances

(i): Details of Cash & Bank Balances are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Balances with Banks :		
Current Accounts' Balance	317.83	141.70
Deposit Accounts' Balance	1,198.27	3,344.08
See description Note (ii) & (iii)	**1,516.10**	**3,485.78**
2. Cheques, Drafts on hand	0.00	0.18
3. Cash on hand	0.02	0.01
4. Others - Including Imprest Balance	1.22	2.49
Total	**1,517.34**	**3,488.46**

(ii) : Deposit with more than 12 months Maturity ₹ Nil (Previous Year ₹ Nil.).

(iii) : Out of the total Balances with Banks, a sum of ₹ 19.31 crore (Previous Year ₹ 140.06 crore) pertains to Earmarked Funds, which is not available for use in the normal course of business operation.

19 A : Earmarked Cash & Bank Balances

(i) : Details of Earmarked Cash & Bank Balances are given below :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Balances with Banks - For Earmarked Funds :		
Current Accounts' Balance	-	-
Deposit Accounts' Balance	1,253.74	1,100.20
See description Note (ii) (a) & (b)		
Total	**1,253.74**	**1,100.20**

(ii) (a) : Deposit with more than 12 months Maturity for earmarked fund ₹ 1,021.24 crore (Previous Year ₹ 751.30 crore).

(ii) (b) : Earmarked Cash and Bank Balances are not available for use in the normal course of business operation.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

20 : Short Term Loans and Advances

(i) : Details of Short Term Loans & Advances:

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Loans & Advances :		
(I) Others		
Secured & Considered Good	97.08	56.29
Un-Secured & Considered Good	236.97	162.97
Considered Doubtful	0.07	0.07
	334.12	219.33
Less : Provision for Doubtful Advances	0.07	0.07
See description Note (ii)		
Total	**334.05**	**219.26**

(ii) : Details of Short Terms Loans & Advances - To Others' are given below ;

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
1. Govt. Companies/Departments, Public Bodies & State Electricity Entities		
Secured & Considered Good	15.20	8.47
Un-Secured & Considered Good	135.31	105.26
Considered Doubtful	0.07	0.07
	150.58	113.80
Less : Provision for Doubtful Advances	0.07	0.07
	150.51	**113.73**
2. Advance Income Tax / Tax Recoverable*	**60.18**	**33.45**
3. Others	**123.36**	**72.08**
Total	**334.05**	**219.26**

*Details of Advance Income Tax/Tax recoverable Net of Provision

(₹ in Crore)

Particulars	2013-14	2012-13
Gross Amount	1,923.69	1,305.98
including tax paid for Current Year ₹ 563.31 crore (Previous Year ₹ 475.47 crore)		
Less : Provision for Taxation	1,863.51	1,272.53
including for Current Year ₹ 590.00 crore (Previous Year ₹ 505.00 crore)		
Total	**60.18**	**33.45**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

21 : Other Current Assets

(i) : Details of Other Current Assets :

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Heavy Water Lease Charges Recoverable (Carried from Note 15)	9.82	10.04
Interest Accrued But not Due on Deposits/Advances	60.94	514.10
Interest Accrued But not Due on Loans to staff	19.82	7.25
Interest Accrued But not Due on Earmarked Funds	294.73	239.24
Current Maturity of Employees Long Term Advances (Carried from Note 14 (iv) (a))	51.66	31.74
Others (See description Note (ii) & (iii))	129.21	136.38
Total	**566.18**	**938.75**

(ii) : Others includes amount recoverable from subsidiaries ₹ 0.02 crore (Previous Year ₹ 0.17 crore) against preliminary expenses incurred on their behalf.

(iii) : Others inter-alia includes the following;

(₹ in Crore)

Particulars	As at 31st March 2014	As at 31st March 2013
Amount Recoverable from Sales Tax Office	15.55	13.22
Amount Recoverable from Insurance Company	0.04	20.20
Amount Recoverable from DAE / DAE Undertakings	97.00	78.50
Others including Prepaid Payments	16.62	24.46
Total	**129.21**	**136.38**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

22: Revenue from Operation

(i) Revenue from Operation for the year are given below:

(₹ in Crore)

Particulars	Description Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Sales of Electrical Energy	(ii) to (vii)	8,384.13	7,961.51
Total		**8,384.13**	**7,961.51**

(ii) Sales of Energy includes Internal Consumption of Power for Projects amounting to ₹ 4.30 crore (Previous Year ₹ 2.80 crore) which is considered at cost of generation.

(iii) Revenue on Sale of Energy is recognized net of Decommissioning Fund Levy aggregating to ₹ 61.79 crore (Previous Year ₹ 59.08 crore) on the basis of net unit exported to the beneficiaries and others at tariffs notified by DAE.

(iv) Sale of Energy includes Sale of Steam amounting to ₹ 37.51 crore (Previous Year ₹ 40.54 crore).

(v) Sales of Energy includes 'Self Insurance Fund' amounting to ₹ 40.87 crore (Previous Year ₹ Nil) collected on the basis of net unit exported to the beneficiaries.

(vi) (a) Heavy Water Board (DAE-GOI) vide notification no. HWB/Accts/HWPM/2/255 dated June 17, 2013 has revised the notified pool price for reactors (i.e. TAPS- 3&4 and Kaiga-3) for the year 2005-06 to 2010-11. Accordingly, Sales of Energy accounted during the year has been reduced by an amount of ₹ 19.87 crore on account of the impact of above notified pool price for the above said years (Refer to Note 24 (iii).

(vi) (b) Heavy Water Board (DAE-GOI) vide notification no. HWB/Accts/HWPM/2/255 dated June 17, 2013 has notified / revised the final rates of pool price for the year 2004-05 to 2007-08. Accordingly, Sales of Energy accounted during the year has been reduced by an amount of ₹ 13.21 crore on account of the impact of final rates of pool price for the above said years (Refer to Note 24 (iv).

(vii) The operation of the Corporation of generation of electricity is considered as a single segment, which operates in one geographical segment; hence Segment Reporting as required under Accounting Standard (AS)–17 is not applicable.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

23: Other Income

(i) Other Income for the year are given below:

(₹ in Crore)

	Particulars	Description Note No.		For the year ended 31st March 2014	For the year ended 31st March 2013
1.	Interest Income				
	i) on Deposits		272.86		417.95
	ii) on Staff Loans		16.97		22.26
	iii) on Bonds & Others		197.70		192.10
				487.53	**632.31**
2.	Delayed Payment Charges	(ii)		160.80	0.12
3.	Excess Provision written back			7.23	8.40
4.	Profit on sale of fixed assets			1.27	0.19
5.	Miscellaneous Income			26.54	19.34
6.	Income from Consultancy Services			8.93	4.72
7.	Income from Current Investments			9.55	29.53
				701.85	**694.61**
	Less: Transferred to EDC Note No 12 (v).			33.25	18.12
	Transferred to Adjustment with Other Dues (DAE) Note No. 45			0.03	0.03
	Total			**668.57**	**676.46**

(ii) Delayed Payment Charges includes an amount of ₹ 157.39 crore (Previous Year ₹ Nil) received as Interest on account of settlement of old outstanding dues of NAPS recoverable from DESU (i.e. Delhi Electric Supply Undertaking).

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

24: Fuel & Heavy Water Charges

(i) Fuel and Heavy water Charges for the year are given below:

(₹ in Crore)

	Particulars	Description Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
1.	**Fuel Charges**	(ii)		
	(a) Fuel Use Charges		1,947.38	1,724.47
	(b) Fuel Recovery Charges		139.86	125.19
	(c) Fuel Lease Charges		75.55	64.79
			2,162.79	**1,914.45**
2.	**Heavy Water charges**	(ii)		
	(a) Heavy Water Lease Charges	(iii)	630.34	659.01
	(b) Heavy Water Make up Charges	(iv)	35.81	45.27
	(c) Other Cost relating to Heavy Water		10.58	12.24
			676.73	**716.52**
	Less: Transferred to EDC Note No 12 (v).		105.21	-
Total			**2,734.31**	**2,630.97**

(ii) Being a Unique industry i.e. Nuclear Power, NPCIL is not maintaining any inventory with respect to Fuel and Heavy Water. All Fuel and Heavy Water costs are charged as per directives of DAE as applicable from time to time. Being confidential in nature, the quantitative details of above are not disclosed as per DAE Order No.AEA/18/1/89-ER/3345 dated 22.11.1989

(iii) Heavy Water Board (DAE-GOI) vide notification no. HWB/Accts/HWPM/2/255 dated June 17, 2013 has revised the notified pool price for reactors (i.e. TAPS- 3&4 and Kaiga-3) for the year 2005-06 to 2010-11. The heavy water lease charges accounted during the year has been reduced by an amount of ₹28.67 crore on account of the impact of above notified pool price for the above said years.

(iv) Heavy Water Board (DAE-GOI) vide notification no. HWB/Accts/HWPM/2/255 dated June 17, 2013 has notified / revised the final rates of pool price for the year 2004-05 to 2007-08. The heavy water make up charges accounted during the year has been reduced by an amount of ₹ 4.98 crore on account of the impact of final rates of pool price for the above said years.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

25: Operation and Maintenance Expenses

(i) Operation and Maintenance Expenses for the year are given below:

(₹ in Crore)

Particulars	Description Note No.		For the year ended 31st March 2014	For the year ended 31st March 2013
Stores and Spares consumed *			77.73	49.78
Repairs and Maintenance				
a) Buildings		69.44		75.29
b) Plant & Machinery		237.54		224.77
c) Office Equipments		17.32		18.65
d) Others		74.28		75.49
			398.58	**394.20**
Insurance			40.75	34.63
Rates and Taxes- Direct			12.66	8.01
Electricity and Water Charges Plant Site			451.07	327.14
Security Expenses- Plant			91.37	87.29
			1,072.16	**901.05**
Less: Transferred to EDC Note No 12 (v).			410.63	272.72
Transferred to Adjustment with Other Dues (DAE) Note No. 45			6.10	7.36
Total			**655.43**	**620.97**

* Refer Note No.43

26:- Employee Benefits Expenses

(i) Employee Benefits Expenses for the year are given below:

(₹ in Crore)

	Particulars	Description Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
1	**Salaries & Wages**			
	Salaries & Wages		845.31	775.33
	Bonus		160.03	154.44
	Gratuity & Leave Encashment and other Employee Benefits	Refer Note - 33	162.59	247.66
			1,167.93	**1,177.43**
2	Contribution to Provident and other funds	Refer Note - 33	64.84	57.39
3	Staff Welfare Expenses		294.36	229.83
			1,527.13	**1,464.65**
	Less: Transferred to EDC Note No 12 (v).		432.19	413.89
	: Transferred to Adjustment with Other Dues (DAE) Note No. 45		49.73	45.01
	: Transferred to CWIP Note No 12 (i).		7.97	10.57
	Total		**1,037.24**	**995.18**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

27: Finance Costs

(i) Finance costs for the year are given below:

(₹ in Crore)

	Particulars	Description Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
1	Interest Expenses;			
	(a) On Bonds		364.67	219.27
	(b) On Term Loans		558.03	628.84
	(c) On ECB /Foreign Currency Loan		42.83	40.66
	(d) On Russian Credit		221.46	227.33
2	Exchange differences arising as adjustment to Borrowing Costs	(ii)	-	-
3	Other Borrowing Costs	(iii)	-	-
			1,186.99	**1,116.10**
	Less: Transferred to EDC Note No 12 (v).		705.48	560.44
	Total		**481.51**	**555.66**

(ii) Refer Note No. 3 (vi)

(iii) Expenses incurred in connection with arrangement of loans are treated as other borrowing cost in accordance with Accounting Standard 16 "Borrowing Costs".

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

28: Administration and Other Expenses

(i) Administration and Other Expenses for the year are given below:

(₹ in Crore)

Particulars	Description Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Rent		3.32	2.95
Rates and Taxes*		1.36	2.83
Travelling and Conveyance Expenses		16.22	16.59
Printing and Stationery		5.26	5.78
Electricity and Water Charges		21.50	10.39
Loss on Sale of Fixed Asset		0.53	0.07
Loss on Sale of Store and Scrap		0.65	-
Advertisement Expenses		5.42	6.02
Net Gain/Loss on Foreign Currency Transactions and Translation		700.23	437.89
Rebates/ Discount		112.81	76.33
Research and Development Expenditure		11.96	7.28
CSR Expenses		20.43	15.70
Public Awareness Expenses		5.43	6.00
Security Expenses		7.98	4.90
Other Expenses	ii & iii	210.35	198.26
Provisions :			
- for Loss/Obsolete Stocks		0.82	1.07
		1,124.27	**792.06**
Less: Transferred to EDC Note No 12 (v).		796.67	527.19
Transferred to Adjustment with Other Dues (DAE) Note No. 45		3.39	2.80
Drawn from R&D Fund - Note No. 2		11.96	7.28
Total		**312.25**	**254.79**

* This includes Wealth tax amounting to ₹ 1.00 crore (Previous Year ₹ 1.76 crore).

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) Remuneration to Auditors :

(₹ in Crore)

Particulars	2013-14	2012-13
Audit Fees:		
To Statutory Auditors	0.11	0.08
To Branch Auditors	0.21	0.18
Tax Audit Fees		
To Statutory Auditors	0.03	0.03
To Branch Auditors	0.06	0.05
As expenses:		
Paid to Statutory Auditors	-	0.02
Paid to Branch Auditors	0.01	0.01
Certification Fees:		
Paid to Statutory Auditors & Branch Auditors	0.03	-

(iii) Other Expenses includes following :

(₹ in Crore)

Particulars	2013-14	2012-13
Telephone & Internet Expenses	12.20	12.25
Vehicles Expenses	50.99	45.07
Legal and Professional Charges	72.80	78.69
RLDC Charges and Fees	20.95	7.12
Testing Charges	2.09	1.14
Fees and Subscription	11.08	11.49
Office Expenses	6.19	6.18
Inventory/Freight related Expenses	9.26	11.50
Bank Charges	0.37	3.75
Other Expenses	24.42	21.07
Total	**210.35**	**198.26**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

29 : Prior Period Adjustments

(i) Prior Period adjustments for the year are given below :

(₹ in Crore)

Particulars	Description Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
DEBITS			
Depreciation / obsolence		1.12	4.78
Miscellaneous		0.36	0.01
		1.48	**4.79**
Less : Transferred To EDC Note No.12(v)		0.22	1.76
Transferred to Adjustment with Other Dues (DAE) Note No. 45		-	-
		0.22	**1.76**
Sub-Total (A)		**1.26**	**3.03**
CREDITS			
Miscellaneous		0.65	0.13
Depreciation		0.03	0.01
FCMITD		0.15	-
		0.83	**0.14**
Less : Transferred To EDC Note No.12 (v)		-	-
Transferred to Adjustment with Other Dues (DAE) Note No. 45		-	-
Sub-Total (B)		**0.83**	**0.14**
Total (A-B)		**0.43**	**2.89**

30: Tax Expenses

(i) Tax Expenses for the year are given below :

(₹ in Crore)

	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
1.	**Current Tax**			
	(a) Current Year	590.00		505.00
	(b) Earlier Year	0.97		(0.17)
			590.97	504.83
2.	**Deferred Tax** **(Refer Note - 4)**			
	(a) Deferred Tax Expense / (Income)- Current Year	(5.83)		8.76
	Less : Reduction in Recovery / (Recoverable)	-		-
		(5.83)		8.76
	(b) Earlier Years (Non-recoverable)	-		-
			(5.83)	8.76
	Total		**585.14**	**513.59**

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

31. Contingent Liabilities & Commitments :

(i) Contingent Liabilities not provided for includes :

(₹ in Crore)

	Particulars	2013-14	2012-13
a	Claims against the Corporation not acknowledged as debts.	257.46	183.34
b	Sales tax/ Entry Tax Demands contested in Appeals (Amount paid under protest ₹ 2.71 crore, Previous year ₹ 2.71 crore).	0.14	0.14
c	Unexpired value of Letters of Credits/ Bank Guarantees given on behalf of Corporation.	0.44	3.29
c	Income-tax demands contested in appeals net of provisions (Amount paid under protest ₹ 11.63 crore (Previous Year ₹ 29.71 crore)	193.27	229.76

(ii) In the opinion of management, the aforesaid contingent liabilities relating to income-tax demands, if eventually arise on the Corporation, would be claimed from the beneficiaries except withholding tax of ₹ 163.99 crore (Previous Year ₹ 200.49 crore) which shall be added to project cost of Kudankulam (KKNPP1&2).

(iii) Amount payable to Project Affected People on rehabilitation at Tarapur Maharastra Site (TMS) has been paid and provided in respect of demands received till date, as per court orders. In view of pending court cases, the future liability is unascertainable.

(iv) Claims under point (i) (a) above includes :

(a) Notice received from Maharashtra Pollution Control Board (MPCB) by TMS for payment of Cess under Water Cess Act, 1977 amounting to ₹ 20.79 crore (Previous Year ₹ 20.79 crore) disputed by TMS before the Cess Appellate Committee of MPCB. If the claim eventually arise on the Corporation, would be claimed from the Electricity Beneficiaries.

(b) Contingent liability for ₹ 5.68 crore on account of water cess in respect of Rajasthan Atomic Power Station (RAPS 2) for the period from 01.04.1984 to 12.03.2003 has been contested and is pending with Rajasthan High Court, Jaipur. If the claim eventually arise on the Corporation, would be claimed from the Electricity Beneficiaries.

(c) Demand of interest raised by Surat Canal Division towards unpaid charges for consumption of Water on Gross intake basis ₹ 93.31 crore (Previous year ₹ 66.91 crore).

(v) Estimated amount of Contracts remaining to be executed on Capital Account (net of advances) ₹ 9,561.26 crore (Previous Year ₹ 10,396.09 crore). The Corporation has committed to subscribe Share Capital of Bharatiya Nabhikiya Vidyut Nigam Ltd, (BHAVINI) ₹ 54.63 crore (Previous year ₹ 107.08 crore). Further, the Corporation has also committed to provide loan of ₹ 12.78 crore (Previous Year ₹ 20.00 crore) to Larsen & Toubro Special Steels & Heavy Forgings Pvt. Ltd. (LTSSHF).

32. Upon the Pronouncement of 'The Civil liability for Nuclear Damages Act, 2010' w.e.f. 11-Nov-2011, the corporation is liable to pay damages upto ₹ 1,500 crore per incident on happening of any Nuclear Accident, balance liability shall be borne by Government of India. The NPCIL management has taken a financial security (i.e. Bank Guarantee) to meet the liabilities as per provisions of the Act from State Bank of India for one year effective from 15th July 2013.

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

33 (i) (a) : Disclosure as per AS 15 'Employee Benefits' :

(i) (b) : General description of various Defined Employee Benefit schemes are as under:

(i) (c) : Provident Fund : The Corporation pays fixed contribution to Provident fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the Fund for the year is recognized as expense and is charged to the statement of Profit & Loss. The obligation of the Corporation is to make such fixed contribution.

(i) (d) : Gratuity : The Corporation has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 10 Lacs on superannuation, resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

(i) (e): Leave Encashment / Half Pay Leave : The Corporation provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Corporation which accrue annually at 30 days and 20 days respectively. As per the rules of Corporation, the earned leave is en-cashable during the service and further 300 days at the time of retirement subject to leave credit as lying in the account. A maximum of 300 days of half pay leaves is en-cashable to the extent to make up shortfall of 300 days of earned leave as per the rules of the Corporation. The liability for the same is recognized on the basis of actuarial valuation.

(i) (f): Post Retirement Medical Benefit Scheme (PRMBS): The Corporation has Post Retirement Medical Benefit Scheme (PRMBS), under which retired employee and family are provided medical facilities in the Corporation hospital / empanelled hospitals. The liability for the same is recognized on the basis of actuarial valuation.

(ii) (a): The summarized position of various defined benefits recognized in the statement of profit and loss & balance sheet is given below :

(₹ in Crore)

Particulars	Gratuity As on		Leave Encashment As on	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
I Assumptions				
Mortality	IALM (2006-08) Ult	LIC(1994-96) Ult	IALM (2006-08) Ult	LIC(1994-96) Ult
Discount Rate	9.00%	8.00%	9.00%	8.00%
Rate of increase in compensation	8.00%	7.00%	8.00%	7.00%
Rate of return (expected) on plan assets	-	-	-	-
II Changes in present value of obligations				
PVO at beginning of period	305.97	242.62	276.48	198.29
Interest cost	24.77	21.53	22.11	17.93
Current Service Cost	10.46	9.89	17.42	18.55
Benefits paid	-13.59	-13.01	-35.10	-23.89
Actuarial (gain)/loss on obligation	-9.10	44.94	31.55	65.60
PVO at end of period	318.51	305.97	312.46	276.48

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(₹ in Crore)

Particulars	Gratuity As on		Leave Encashment As on	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
III Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	13.59	13.01	35.10	23.89
Benefits paid	-13.59	-13.01	-35.10	-23.89
Actuarial gain/(loss) on plan assets	-	-	-	-
Fair Value of Plan Assets at end of period	-	-	-	-
IV Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Actual Return on Plan Asset	-	-	-	-
Contributions	13.59	13.01	35.10	23.89
Benefit paid	-13.59	-13.01	-35.10	-23.89
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	-318.51	-305.97	-312.46	-276.48
Excess of actual over estimated return on Plan Assets	-	-	-	-
V Actuarial Gain/(Loss) Recognized				
Actuarial Gain/(Loss) for the period (Obligation)	9.10	-44.94	-31.55	-65.61
Actuarial Gain/(Loss) for the period (Plan Assets)	-	-	-	-
Total Gain/(Loss) for the period	9.10	-44.94	-31.55	-65.61
Actuarial Gain/(Loss) recognized for the period	9.10	-44.94	-31.55	-65.61
VI Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss				
PBO at end of period	318.51	305.97	312.46	276.48
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	-318.51	-305.97	-312.46	-276.48
Unrecognized Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognized in the balance sheet	-318.51	-305.97	-312.46	-276.48
VII Expense recognized in the Statement of P&L				
Current Service Cost	10.46	9.89	17.42	18.55
Interest Cost	24.77	21.53	22.11	17.93
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss recognized for the period	-9.10	44.94	31.55	65.60
Expense recognized in the statement of P&L	26.13	76.36	71.08	102.08
VIII Movements in the liability recognized in Balance Sheet				
Opening Net Liability	305.97	242.62	276.48	198.29
Expenses as above	26.13	76.36	71.08	102.08
Benefits paid	-13.59	-13.01	-35.10	-23.89
Closing Net Liability	318.51	305.97	312.46	276.48

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

(ii) (b): The Summary of disclosure of fair value of plan assets, projected defined benefit obligation and experience adjustments etc. in compliance with requirement of clause - 120 (n) of AS -15 "Employees Benefits" is given below.

(₹ in Crore)

History of assets value, PBO, Surplus / Deficit & Experience gains / losses	Leave Encashment				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Fair Value of Plan Assets at end of period	-	-	-	-	-
PBO at end of period	312.46	276.48	198.29	175.16	143.17
(Surplus) / Deficit in the plan	312.46	276.48	198.29	175.16	143.17
Experience adjustments on plan assets	-	-	-	-	-
(Gains) / losses due change in assumptions	0.22	40.47	12.07	4.53	-
Experience (gains) / losses on PBO	31.34	25.14	-3.39	19.69	-
Total (gain) / loss	**31.55**	**65.61**	**8.68**	**24.22**	**-**

(₹ in Crore)

History of assets value, PBO, Surplus / Deficit & Experience gains / losses	Gratuity				
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Fair Value of Plan Assets at end of period	-	-	-	-	-
PBO at end of period	318.51	305.97	242.62	220.51	184.47
(Surplus) / Deficit in the plan	318.51	305.97	242.62	220.51	184.47
Experience adjustments on plan assets	-	-	-	-	-
(Gains) / losses due change in assumptions	-20.57	33.09	-6.23	-5.40	-
Experience (gains) / losses on PBO	11.46	11.85	8.84	22.29	-
Total (gain) / loss	**-9.11**	**44.94**	**2.61**	**16.88**	**-**

(iii) Disclosure for Half pay leave & Post Retirement Medical Benefit Scheme (PRMBS) on the basis of actuarial valuation :

(₹ in Crore)

Particulars	Half Pay Leave As on		Post Retirement Medical Benefit Scheme (PRMBS) As on	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
I Assumptions				
Mortality	IALM (2006-08)Ult	LIC (1994-96)Ult	IALM (2006-08) Ult	LIC (1994-96)Ult
Discount Rate	9.00%	8.00%	9.00%	8.00%
Rate of increase in compensation	8.00%	7.00%	-	-
Rate of Withdrawal	1.00%	1.00%	1.00%	1.00%
Value of Liability (as at end of the year)	₹ 201.43	₹. 158.25	₹ 121.40	₹ 104.25

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

34. Related Parties Disclosure (AS 18) :

(i) Subsidiary Companies -

(a) Anushakti Vidhyut Nigam Ltd.

(b) NPCIL IndianOil Nuclear Energy Corporation Ltd.

(c) NPCIL NALCO Power Company Ltd.

(ii) Joint Venture Company – L&T Special Steels and Heavy Forgings Private Limited

(iii) Related Parties – Key Management Personnel :

a)	Shri K. C. Purohit	Chairman & Managing Director
b)	Shri Preman Dinaraj	Director, Finance
c)	Shri G. Nageswara Rao	Director, Operations
d)	Shri S. B. Agarkar	Director, HR
e)	Shri S.G. Ghadge	Director, Technical (w.e.f. 01.07.2013)
f)	Shri R.K. Gargye	Director, Projects (w.e.f. 01.07.2013)

(iv) Transaction with related parties mentioned in (i) above;

Amount recoverable from subsidiaries as on 31.03.2014 ₹ 0.02 crore (Previous Year ₹ 0.17 crore) against preliminary and other expenses incurred on their behalf.

(v) Transaction with related parties mentioned in (ii) above;

Loan given as on 31.03.2014 - ₹ 337.22 crore (Previous year ₹330.00 crore).

Interest accrued but not due as on 31.03.2014 (Net of tax) ₹ 74.21 crore (Previous year ₹ 50.06 crore) including interest for the year ₹ 26.83 crore (Previous year ₹21.35 crore).

Pure advance given against purchase order ₹ 6.90 crore (Previous year ₹ Nil)

(vi) Transaction with related parties mentioned in (iii) above;

(a) Remuneration for the year - ₹ 1.76 crore (Previous Year ₹ 1.45 crore).

(b)Dues outstanding to the Corporation as on 31.03.2014 ₹ 0.01 crore (Previous Year ₹ Nil).

35. List of Subsidiaries :

	Name of Subsidiary	Country	Holding (%)	
			As at 31.03.2014	As at 31.03.2013
a	Anushakti Vidhyut Nigam Ltd.	India	51%	51%
b	NPCIL IndianOil Nuclear Energy Corporation Ltd.	India	74%	74%
c	NPCIL NALCO Power Company Ltd	India	74%	74%

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

36. Disclosure in respect of AS - 20: Earnings per Share :

Earning per share (EPS) Basic and Diluted (after tax) is calculated as under:

Year	Numerator - Net Profit as per the Statement of Profit & Loss (₹ in Crore)	Denominator – Weighted Average number of equity shares outstanding (Face Value of ₹ 1000/- each)	Earning Per Share (Amount in ₹)
2013-14	2299.20	101743327	225.98
2012-13	2100.99	101743327	206.50

37. As stipulated in AS-28 Impairment of Assets, the Corporation assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

38. Disclosure of provision as required under AS-29 Provisions, Contingent Liabilities and Contingent Assets for the Financial Year 2013-14:

(₹ in Crore)

Nature of Provision	Provision outstanding at the beginning of the year	Provision made during the year	Provision utilised during the year	Provision reversed during the year	Provision outstanding at the end of the year
Income Tax	1,272.54	590.97	-	-	1,863.50
Wealth Tax	1.50	1.00	0.89	0.61	1.00
Proposed Dividend	322.15	119.77	322.15	-	119.77
Tax on Proposed Dividend	54.75	20.35	54.75	-	20.35
Gratuity	305.97	26.13	13.59	-	318.51
Leave Encashment	276.48	71.08	35.10	-	312.46
Half Pay Leave	158.25	46.94	3.77	-	201.43
Post Retirement Medical Benefit Scheme	104.25	17.15	-	-	121.40

39. Expenditure in foreign currency (on Payment Basis) :

(₹ in Crore)

Particulars	2013-14	2012-13
(i) Project related payments including Kudan Kulam (KK) Project (Net of Tax)	236.33	260.43
(ii) Other matters (travelling, subscription to books, periodicals, membership fee, etc)	5.49	8.54

40. Receipts in foreign currency

(₹ in Crore)

Particulars	2013-14	2012-13
Guest House Receipt (at KK Project)	-	0.004

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

41. Foreign Currency Exposures not hedged as on 31st March 2014 are as under :

Particulars	Currencies	2013-14	2012-13
Sundry Creditors / Deposits / Loans / Retention Money	USD	120.46 crore	131.47 crore
	EURO	0.12 crore	0.00002 crore
	GBP	0.0003 crore	-

42. Value of imports :

(₹ in Crore)

Particulars	2013-14	2012-13
Value of imports calculated on CIF basis	700.56	329.11

43. Disclosure as required by para 5 (viii) of General Instructions to Part II of Revised Schedule VI of Companies Act, 1956

(a) The information regarding value of imported spare parts and components consumed and value of all indigenous spare parts and components consumed and percentage of each to the total consumption being confidential in nature, in the opinion of the management, has not been disclosed as per DAE Order No. AEA/18/I/89-ER/3345 dated November 22, 1989.

(b) The break up between (i) Components and Spare Parts and (ii) Capital Goods, being confidential in nature, has not been disclosed.

44 (i) Licensed and Installed Capacities :

		Nuclear Energy	Wind Energy
a) Licensed Capacity		Not applicable	Not applicable
b) Installed Capacity		4680 MW*	10 MW
(Commercial units)	Previous year	4680 MW	10 MW

* Installed Capacity excluding KKNPP Unit - 1 of 1000 MW (Refer Note - 46).

44 (ii) Quantitative information in respect of Generation and Sales of Electricity :

Electricity		Nuclear Energy	Wind Energy
Generation (In Millions KWh)	2013-14 *	34227.58	17.32
	2012-13	32862.55	18.75
Sales (In Millions KWh)	2013-14 **	30895.72	17.24
	2012-13	29540.73	18.70
Sales (₹ in crore)	2013-14 ***	8,379.27	4.86
	2012-13	7,956.52	4.99

* Generation in MUs excluding 1105.62 MUs Nuclear Energy (Previous Year Nil) of KKNPP Unit - 1 (Refer Note - 46).

** Sales in MUs excluding 776.96 MUs Nuclear Energy (Previous Year Nil) of KKNPP Unit - 1 (Refer Note - 46).

*** Sales in value excluding ₹ 95.94 crore Nuclear Energy (Previous Year Nil) of KKNPP Unit - 1 (Refer Note - 46).

II. Notes forming part of the Financial Statements for the year ended 31st March 2014

45. The Corporation is operating and managing Rajasthan Atomic Power Station, Unit - 1 (RAPS-1), which is owned by DAE, Government of India. The direct expenditure and allocated common expenditure in respect of RAPS-1 have been accounted for and claimed as per the agreement with DAE.

46. The KKNPP Unit - 1 was synchronized to grid on 22.10.2013. The Reactor Power has been raised in stages upto 75% and the various operational tests in phases have been completed after obtaining clearance from the Regulatory Authority (i.e. AERB). This is a repetitive commissioning process and has to be continued till the Unit reaches 100% full power level. The overall progress of Unit - 1 as on 31.03.2014 is about 99.85%. After the completion of commissioning process, the Unit will be declared to be in stage of Commercial Operation. The Electricity generated during the process is being sold to beneficiaries as infirm power and the proceeds is being adjusted against the capital cost of the project as per the tariff norms. In respect of KKNPP Unit - 2, commissioning of the systems is in advance stage. The overall progress of Unit - 2 as on 31.03.2014 is about 97.03%. The Project's Estimated Cost (Revised) as approved by Government of India is ₹ 17,270 crore. The Expenditure incurred for the project (KKNPP Unit 1 & 2) as on 31.03.2014 is ₹ 19,431.44 crore which includes ₹ 1,750.09 crore relating to Exchange rate variation on imported materials. The Revision of the Cost Estimate is under process.

47. In the opinion of the Management, the value on realisation of Non- Current Assets (except Fixed Assets), Current Assets in the ordinary course of business will not be less than the amount at which these are stated and provision for all known liabilities is adequate and not in excess than reasonably necessary. Letters seeking confirmation of balances have been sent to most of the parties which are either confirmed by them or are deemed to be confirmed due to non-response to the letters sent to them.

48. All assets and liabilities are presented as current or non-current as per the criteria set out in revised Schedule VI of the Companies Act, 1956 notified by the Ministry of Corporate Affairs vide notification No S.O. 447 (E) dated 28th February 2011 and S.O. 653 (E) dated 30th March 2011. Based on the nature of the products, power generating process and realisation, the company has ascertained its operating cycle of less than 12 months. Accordingly, 12 months period has been considered for the purpose of current / non-current classification of assets and liabilities.

49. The figures of the current and previous year have been rounded off to the nearest crore. The figures of previous year have been reclassified, regrouped and rearranged to make them comparable with the current year's figures.

In terms of our Audit Report of even date attached

For and on behalf of
NUCLEAR POWER CORPORATION OF INDIA LIMITED

For VYAS & VYAS
Chartered Accountants
FRN. 000590C

Sd/-	Sd/-	Sd/-	Sd/-
(NEETU GUPTA)	**(SRIKAR R. PAI)**	**(PREMAN DINARAJ)**	**(K. C. PUROHIT)**
Partner	Company Secretary	Director (Finance)	Chairman and Managing Director
M. No. 079006			

PLACE : MUMBAI
DATE : 12-05-2014

CEO/CFO CERTIFICATION

It is certified that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March 2014 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.

(b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant deviations in the Company's internal control system.

For and on behalf of
Nuclear Power Corporation of India Limited

Sd/-	Sd/-
(Preman Dinaraj)	**(K. C. Purohit)**
Director (Finance)	Chairman & Managing Director

Place : Mumbai
Date : 26th May 2014

Independent Auditor's Report

To the Members of

NUCLEAR POWER CORPORATION OF INDIA LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **NUCLEAR POWER CORPORATION OF INDIA LIMITED** (hereinafter referred to as "Corporation"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information in which, are incorporated the accounts of Power Stations, Projects and offices audited by us and also by the Branch Auditors specifically appointed by the Comptroller & Auditor General of India and whose reports have been considered in preparation of this report.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the Accounting Standards referred to the sub-section(3C) of the section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us subject to

a) As mentioned in Note No.43 (a) & (b), the information as required by Para 5(viii) of General Instructions under Part II of Revised Schedule VI under the Companies Act, 1956 has not been disclosed being confidential in nature.

b) In view of technical reasons, we have relied on Management's representation/Technical Staff certification affirming future economic benefit, serviceable and good condition in respect of Capital goods & Stores, Construction surplus and Non-Moving/Slow Moving Stores & Spares.

The financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Corporation as at March 31, 2014;
b) in the case of the Statement of Profit and Loss, of the profit of the Corporation for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows of the Corporation for the year ended on that date.

Report on other Legal & Regulatory Requirements:

1. The Corporation is also governed by The Atomic Energy Act, 1962; the provisions of said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 1956.
2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") (as amended by Notification No. GSR 766(E) dated 25.11.2004) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

3. As required by section 227(3) of the Act, we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. However, in relation to quantitative usage of fuel and heavy water, which as explained to us being sensitive and confidential in nature, are not made available to us for verification, due to secrecy attached as per the Atomic Energy Act,1962. We have relied upon the reconciled expenditure statement, in relation to usage of Fuel/Heavy Water during 2013-14, as confirmed/certified by the duly appointed committee consisting of members from Corporation, Nuclear Fuel Complex (NFC) and Department of Atomic Energy (DAE).
b) In our opinion proper books of account as required by law have been kept by the Corporation so far as appears from our examination of those books. The report on the accounts of the branch offices audited under section 228 by a person other than the Corporation's Auditor has been forwarded to us as required by the clause (c) of the sub- section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the audited returns received from the power stations and projects.
d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
e) Being a Government company, pursuant to Notification No. G.S.R.829(E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, provisions of clause(g) of sub section(1) of Section 274 of the Act are not applicable to the corporation.
f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Corporation.

For VYAS & VYAS
Chartered Accountants
FRN-000590C

Sd/-
(Neetu Gupta)
Partner
M.No. 079006

Place: Mumbai
Date: 12th May 2014

Annexure to the Auditor's Report

The Annexure referred to in paragraph 2 of our Report on other Legal & Regulatory Requirements of even date to the members of NUCLEAR POWER CORPORATION OF INDIA LIMITED on the Financial Statements of the Corporation for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

I. (a) The corporation has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) Although all the fixed assets have not been physically verified by the management during the year, however there is a regular program of verification which in our opinion is reasonable having regard to the size of the corporation and nature of its assets. As informed to us, no material discrepancies have been reported on such physical verification.

(c) As per the information given to us, the Corporation has not disposed off substantial part of fixed asset during the year; hence the going concern status of the corporation is not affected.

II. (a) As explained to us, Inventories have been physically verified during the year by the management at reasonable intervals. Necessary certificates have been generally obtained by the corporation in respect of material lying with the third parties.

(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the corporation and the nature of its business.

(c) The Corporation is maintaining proper records for inventory of stores and spares. No material discrepancy was reported to be noticed on physical verification of inventory of stores and spares by the management as compared to book records.

III. (a) According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured, to companies, firms or other parties covered under the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Corporation.

(b) According to the information and explanations given to us, the Corporation has not taken loans from companies, firms or other parties covered under register maintained under Section 301 of the Companies Act, 1956. Consequently, he provisions of clauses iii(f) & iii(g) are not applicable to the Corporation.

IV In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the corporation and the nature of its business, for the purchase of inventories, fixed assets, equipments and other assets and with regard to sale of electricity and rendering of services. Further on the basis of examination of books and records of the corporation, in according to the information and explanation given to us, neither we have observed nor reported by the branch auditors for any continuing failure to correct any major weaknesses noticed in the Internal control systems.

V. a) According to the information and explanations provided by the management, there are no contracts or arrangements referred to in section 301 of the Act that needs to be entered in the register required to be maintained under that section.

b) In view of the clause V (a) above, this sub clause is not applicable.

VI. According to the information and explanations given to us, the Corporation has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

VII. In our opinion, the internal audit functions carried out during the year by the firm of Chartered Accountants appointed by the Management as Internal Auditors have been commensurate with its size and the nature of its business.

VIII. Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act 1956, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained by the units of the Corporation.

IX (a) The Corporation is generally regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues.

Provident fund dues in respect of employees on deputation from Department of Atomic Energy (DAE), Government of India are credited to the DAE Account in the books of the Corporation and intimated to DAE. As informed, provisions of Employees State Insurance Act, 1948 are not applicable to the Corporation.

According to the information and explanations given to us there were no outstanding aforesaid statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

X. The Corporation has no accumulated losses as at 31st March 2014. The corporation has not incurred cash losses during the financial year covered under audit and in the immediately preceding financial year.

XI. In our opinion and according to the information and explanations given to us, the Corporation has not defaulted in repayment of dues to any financial institutions, banks or bond holders.

XII. According to the information and explanations given to us, the Corporation has not granted

IX (b) The disputed statutory dues, as detailed below, have not been deposited on account of matters pending before appellate authorities:

Statue	Nature of Dues/Matter	Amount (in crore)	Forums where the of Dispute is pending
Income Tax Act, 1961	Additions to Returned Income by AO AY 2011-12 AY 2010-11 AY 2008-09 AY 2007-08	 27.88 28.07 13.85 26.28	CIT (Appeals) Mumbai
Income Tax Act, 1961 (Withholding tax)	AY 2010-11 AY 2009-10 AY 2008-09 AY 2007-08 AY 2005-06 AY 2004-05	31.13 22.21 30.51 50.58 7.96 12.97	ITAT, Mumbai
Income Tax Act 1961	Penalty U/s 271C of I.T. Act 1961 for A.Y. 2010-11 A.Y. 2011-12 A.y. 2012-13	Penalty of .11 was imposed vide order dated 26.09.2013. Station duly Paid .023 against the aforesaid demand	CIT Appeal – II, Surat

Statue	Nature of Dues/Matter	Amount (in crore)	Forums where the of Dispute is pending
Water (Prevention and Control of Pollution) Cess Act, 1977	Water Cess payable to Maharashtra Pollution Control Board	20.79	Cess Appellate Committee of Maharashtra Pollution Control Board
Water (Prevention and Control of Pollution) Cess Act, 1977	Water Cess for the period 01-04-1984 to 12-03-2003 Payable to Rajasthan State Pollution Control Board	5.68	Rajasthan High Court
Rajasthan State Entry Tax Commercial tax Department	Entry Tax for the period 01.04.2008 to 31.03.2013	0.14	Assistant Commissioner CTO
Entry Tax	Entry Tax was paid in earlier years in full under Protest	2.71	Kaiga

any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII. The Corporation is not a chit fund or a nidhi/ mutual benefit/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Corporation.

XIV. According to the information and explanations given to us, the Corporation is not dealing in or trading in the shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Corporation.

XV. According to the information and explanations given to us, the Corporation has not given any guarantee for loans taken by others, from Banks or Financial Institutions.

XVI. In our opinion and related information made available to us, the term loans have been generally applied for the purpose for which they were raised.

XVII. According to the information and explanations given to us and based on overall examination of Balance Sheet of the Corporation, we report that funds raised on short-term basis have not been utilized for long-term investment.

XVIII. According to the information and explanations given to us, the Corporation has not made any preferential allotment of shares during the year.

XIX. According to the information and explanations given to us, Securities have been created by the Corporation in respect of bonds issued.

XX. According to the information and explanations given to us, the Corporation has not raised any money by way of public issue during the year under audit.

XXI. To the best of our knowledge and belief, and according to the information and explanations given, no fraud on or by the Corporation has been noticed or reported during the year.

For **VYAS & VYAS**
Chartered Accountants
FRN-000590C

Sd/-
(Neetu Gupta)
Partner
M.No. 079006

Place: Mumbai
Date: 12th May 2014

Comments of the Comptroller and Auditor General of India and Management Response thereto

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NUCLEAR POWER CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of Nuclear Power Corporation of India Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 12th May 2014.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Nuclear Power Corporation of India Limited for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under

MANAGEMENT REPLY TO THE COMMENT OF THE THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

The previous agreement for water supply entered into in March 1990 with Gujarat Government was effective till March 2010. During the currency of the old agreement, the Government of Gujarat vide its Resolution dated 3rd February, 2007 revised the basis (effective from 1-1-2007) for calculating monthly water charges. Discussions are in progress to arrive at a mutually acceptable solution. In line with the above, the Government of Gujarat was requested to waive the interest claimed, amounting to ₹ 93.31 crore. Thereafter the water agreement will be concluded between the two sides.

It is relevant to mention that the imposition of any penalty unilaterally by the Government of Gujarat and that too in the absence of a legally binding agreement is not tenable. However, the said change i.e. water charges to be levied on drawal basis made by the Government of Gujarat is subject to finalization of the new water agreement on the basis of the new stipulation.

Hence the question of any liability on account of interest will be legally tenable / effective only after the signing of new agreement. Further the liability, if any, on account of interest is contingent upon such provision (as also the effective date) being incorporated in the new agreement.

The Annual Accounts 2013-14 also makes sufficient disclosure of this claim by the Government of Gujarat section 619 (4) of the Companies Act, 1956 which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statement and the related Audit Report.

Statement of Profit and Loss

Expenses

Administration and other Expenses (Note No.28) - ₹ 312.25 crore.

Above does not include an amount of ₹ 93.31 crore being the interest payable by the Company to Irrigation Department, Government of Gujarat on the delayed/ non-payment of water charges during 2010-11 to 2013-14 as per orders of Government of Gujarat dated 03rd February 2007.

This resulted in understatement of provisions for Administration and Other Expenses and overstatement of profit by ₹ 93.31 crore.

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

Sd/-
(Atreyee Das)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place : New Delhi
Date : 10.07.2014

by treating this amount as a contingent liability. This disclosure fulfils the requirement as per the Accounting Standards. Therefore, the presentation made in NPCIL's Annual Accounts for FY 2013-14, treating the interest claim of the Government of Gujarat as a contingent liability is in our opinion an appropriate one, since as on the Balance Sheet date (i.e. as on 31/03/2014), the claim for interest is not legally established.

Directors' Report

Dear Stakeholders,

Your Directors have immense pleasure in presenting the twenty-seventh Annual Report of the Company, together with the Audited Accounts for the year ended 31st March 2014.

Financial Performance Highlights

The financial performance of the company for the year ended 31st March 2014 is summarized below.

(₹ in crore)

Particulars	FY 2013-14	FY 2012-13
Revenue from Operation	8,384	7,962
Other Income	669	676
Total Income	**9,053**	**8,638**
Operating Expenses	4,739	4,501
Finance Costs	482	556
Depreciation and Amortization Expenses	947	963
Total Expenditure	**6,168**	**6,020**
Profit for the year	2,885	2,618
Prior period adjustments	(1)	(3)
Profit Before Tax	2,884	2,615
Provision for Taxation	585	514
Profit After Tax	2,299	2,101
Add: Balance brought forward from previous year	1,870	1,759
Balance available for Appropriations	4,169	3,860
a) Interim Dividend	570	308
b) Tax on Interim Dividend	97	50
c) Proposed Dividend	120	322
d) Tax on proposed Dividend	20	55
e) Transfer to General Reserve	1,000	1,000
f) Transfer to Bond Redemption Reserve	233	255
g) Transfer to Self Insurance Fund	21	-
h) Balance carried to Balance Sheet	2,108	1,870
Earning per Share in ₹ (Equity share having face value of ₹ 1,000/- each)	226	207

The Company has achieved in the FY 2013-14 higher average capacity factor of 83% as against 80% for the previous FY. The use of imported fuel for nuclear reactors under IAEA safeguards and domestic fuel availability for reactors fuelled by domestic uranium resulted in higher capacity utilization. The year under report recorded the highest ever nuclear power generation by the Company. Electricity generation through nuclear energy in FY 2013-14 was 34228 Million KWh (MUs) as against 32863 MUs in FY 2012-13, thus showing an increase of 4.15%. Electricity generation through wind farm with an installed capacity of 10 MW at Kudankulam in FY 2013-14 was 17 MUs as against 19 MUs in FY 2012-13.

The KKNPP Unit-1 was synchronized to grid on 22nd October 2013 and 1106 MUs Electricity was generated in FY 2013-14. The Reactor Power has been raised in stages up to 75% and the various operational tests, in phases, have been completed after obtaining clearance from the Regulatory Authority (i.e. AERB). This is a repetitive commissioning process and has to be continued till the Unit reaches 100% full power level. After the completion of commissioning process, the Unit-1 will be declared to be in Commercial Operation. The electricity generated during the process is being sold to beneficiaries as infirm power and the revenue is being adjusted against the capital cost of the project as per the tariff norms. Accordingly, the results of KKNPP Unit-1 were not included in the results of operation of the Company.

The Company has started collection of Self Insurance Fund (SIF) for Hot Zone Assets of Atomic Power Stations during the year under report, as a part of tariff, based on DAE notification. The purpose of said collection is creation of Self Insurance Corpus to meet out any exigencies of Hot Zone Assets.

The Company has successfully recovered an old outstanding of ₹ 234.72 crore (₹ 77.33 crore as principal and ₹ 157.39 crore as delayed payment charge) towards Delhi Electric Supply Undertaking dues during the current FY through vigorous follow up.

The Company has been able to regulate its operational efficiency and achieve profit before tax (PBT) of ₹ 2,884 crore as against ₹ 2,615 crore in the previous FY. Accordingly, there was an increase in the provision for taxation during the FY 2013-14 (i.e. ₹ 585 crore as compared to ₹ 514 crore in the previous FY). Presently, the Company is being subjected to Minimum Alternate Tax (MAT) @ 20.96% including surcharge and education cess on tax after availing tax holiday benefits and previous MAT credit available under provisions of the Income Tax Act, 1961.

The amounts received towards Decommissioning Levy with interest thereon and interest received on Research & Development Fund and Renovation & Modernization Fund have not been considered as income of the Company. These funds are held by NPCIL on behalf of the DAE and the Decommissioning Levy is being collected from beneficiaries based on a statutory notification issued by the DAE. The Income Tax Appellate Tribunal has decided that the interest earned on these funds be treated as income of the Company. While an appeal has been filed in the Honorable High Court of Maharashtra, Mumbai, the Company has appropriated ₹ 39 crore from these funds towards the income tax during the year, if finally, payable on these levies / funds.

The accumulated deferred tax liability as on 31st March 2014 was ₹ 1,192 crore on account of timing differences between book and tax profits. Out of the deferred tax liability of ₹ 1,192 crore, ₹ 1,174 crore is recoverable from the beneficiaries on account of income from sale of power, since the income tax payable on income from sale of power is recoverable from beneficiaries up to 30th June 2010. The amount of ₹ 1,174 crore of deferred tax is recoverable on becoming a part of the current tax. Therefore, such deferred tax is considered as recoverable and netted from such deferred tax liability / expense.

The Company has been able to achieve in the FY 2013-14 a net profit after tax (PAT) of ₹ 2,299 crore as against ₹ 2,101 crore in the previous FY 2012-13.

CAPITAL

NPCIL is a government company with 100% share holding by the President of India and nominees, through administrative control of Department of Atomic Energy. The Company has only one class of shares having par value of ₹ 1,000/- each with equal rights for Dividend and Vote.

The Company has not drawn any budgetary support from the Government of India since FY 2005-06 onwards. The total equity paid-up capital was ₹ 10,174 crore as on 31st March 2014 against the Authorized Capital of ₹ 15,000 crore.

DIVIDEND

The Board has recommended a final dividend @ 30% of profit after tax (PAT) of the Company. This amounts to ₹ 689.77 crore including the interim dividend of ₹ 570.00 crore. The dividend per share is ₹ 67.80 for the FY 2013-14 as against ₹ 61.95 for the previous FY 2012-13.

RESOURCE MOBILISATION

During the FY 2013-14, the Company has raised ₹ 2,000 crore through Non-Convertible Bonds (NCBs) by way of private placement at the interest rate of 9.18% semi-annualised. The fund mobilized through this issue was utilized for capital expenditure of on-going projects and to maintain the approved Debt - Equity Ratio of on-going projects. The corresponding SDL rate for this period was 9.69% and PLR rate (State Bank of India) was 10.10%.

The Company has redeemed Bonds of ₹ 1,066 crore during the FY 2013-14 as per the terms of their issue. The Company has also repaid Russian Credit (DAE Loans) of ₹ 627 crore during the FY as per the terms of the said loan.

Financial Security for the Civil Liability for Nuclear Damage

As per the provision of the Civil Liability for Nuclear Damages Act, 2010, the company has taken a financial security in the form of Bank Guarantee favoring Government of India for the value of ₹ 1,500 crore.

Operating Performance of the Stations

The performance of all operating units was satisfactory during the year 2013-14 and these generated 34228 MUs of electricity (excluding KK-1 infirm generation), recording the highest generation in the history of NPCIL. Kudankulam unit-1 produced 1106 MUs as infirm power during the year. The overall Capacity Factor was 83% and the weighted average Availability Factor was 88%. In addition, Kudankulam Wind Farm generation during the year was 17 MUs.

Major Highlights

- KKNPP-1 was successfully made critical (start of fission chain reaction) on 13th July 2013 and was synchronized to the southern grid on 22nd October 2013.
- RAPS-5 completed 606 days of continuous reactor operation till 31st March 2014 and was continuining to operate. It has completed 700 days of continuous run on 3rd July 2014.
- Other units which have registered continuous reactor operation for more than 300 days during the financial year are KAPS-2 (451 days), KGS-1 (415 days), KGS-3 (342 days), NAPS-2 (320 days) and MAPS-1 (319 days).
- TAPS-1, RAPS-2, RAPS-3, RAPS-5, MAPS-1, NAPS-1, KAPS-1, KAPS-2, KGS-1, KGS-2 and KGS-3 attained greater than 90% Availability Factor during the year.
- During the year 2013-14 Biennial Shut Downs (BSDs) were completed in seven units viz. TAPS-2, TAPS-3, RAPS-4, RAPS-6, MAPS-2, NAPS-2 and KGS-1.
- As planned, post Fukushima safety upgrades involving provision of hook-up arrangements have been implemented in all the operating units of NPCIL.
- IAEA OSART mission by a 12 member international team for peer review of RAPS Unit-3&4 was carried out from 29th October to 15th November, 2012. The team made 7 recommendations, 7 suggestions and identified 13 good practices. For the follow up mission, a team of 4 members from IAEA visited RAPS-3&4 during 3rd to 7th February 2014 to assess the progress made by the Station in addressing the areas of improvement identified in the original OSART mission. The team noted that 79% of the issues were fully addressed and there was satisfactory progress in the remaining ones.
- International Peer Review by World Association of Nuclear Operators (WANO) was carried out at KAPS during 5th to 19th December 2013.

Highlights of the Operating Performance of the Stations

The commercial generation, the yearly Capacity Factor (CF) and the annual Availability Factor (AF) are summarized in the Table:

Station	Unit No.	Capacity (MW)	Generation(MUs)	CF (PLF) (%)	AF (%)
TAPS	1	160	1322	94	96
	2	160	806	58	58
	3	540	3739	79	81
	4	540	4018	85	88
Station Total		**1400**	**9885**	**81**	**83**
RAPS	2	200	1687	96	95
	3	220	1946	101	99
	4	220	1772	92	89
	5	220	2041	106	100
	6	220	1787	93	88
Station Total		**1080**	**9233**	**98**	**94**
MAPS	1	220	1354	70	93
	2	220	761	40	51
Station Total		**440**	**2115**	**55**	**72**
NAPS	1	220	1490	77	94
	2	220	1214	63	88
Station Total		**440**	**2704**	**70**	**91**
KAPS	1	220	1862	97	94
	2	220	1890	98	100
Station Total		**440**	**3752**	**97**	**97**
KGS	1	220	1587	82	92
	2	220	1740	90	99
	3	220	1758	91	97
	4	220	1454	75	79
Station Total		**880**	**6539**	**85**	**92**
NPCIL TOTAL		**4680**	**34228**	**83**	**88**

Note: KKNPP Unit-1 generated 1106 MUs of Infirm Power during the year 2013-14.

Fuel Availability

The use of imported fuel for reactors placed under IAEA safeguards and the progressive improvement in supply from indigenous sources resulted in operation of reactors at higher capacity factors. The imported fuel was made available for TAPS-1&2, RAPS-2, RAPS-3&4, RAPS-5&6 and KAPS-1&2 reactors placed under IAEA safeguards, in accordance with the Separation Plan. The total capacity of these operating reactors under safeguards during the year is 1840 MW.

Ongoing Projects

Kudankulam Nuclear Power Project (KKNPP)-1&2 (2x1000 MW LWRs)

The Kudankulam Nuclear Power Project, located in Tirunelveli District of Tamilnadu, is being implemented with Technical Co-operation from Russian Federation within the framework of the Inter-Governmental Agreement signed between erstwhile USSR and India. The construction of the project commenced on 31st March 2002 with the First Pour of Concrete (FPC). The power generated from the project (2x1000 MW) shall be fed to Tamilnadu and other beneficiary states namely Kerala, Karnataka and Pudducherry in the southern grid in accordance with the allocation by Ministry of Power.

The Unit-1 of the Project attained criticality on 13th July 2013. Various stipulated tests and experiments post criticality like low power physics experiments were successfully completed. The reactor power was raised in steps subsequently in accordance with stage-wise clearances accorded by Atomic Energy Regulatory Board (AERB) and all the mandatory tests were carried out as stipulated. Unit-1 was synchronized to the southern grid on 22nd October 2013 for the first time. Since then KKNPP Unit-1 has generated 1106 MUs as infirm power till 31st March 2014. The reactor power has been raised up to 75% and the stipulated tests up to 50% power level and up to 75% power level were successfully completed after obtaining clearance from AERB. The consent for proceeding to the next stage of commissioning was obtained from AERB after every phase of commissioning. This is a repetitive process till AERB grants permission for continuous operation of the Unit at 100% full power before declaration of commercial operation date.

KKNPP is the first VVER (PWR) reactor in the country. A number of additional first of its kind passive safety systems are introduced in the design. These passive safety systems enhance the overall safety of the plant. Due to First-of-A-Kind nature of these systems, several tests are required to verify and validate meeting of the design intent and also generation of reference base line data for future reference.

In Unit-2, erection of the equipment and systems has already been completed. Individual commissioning of equipment and systems have also been nearly completed. The reactor is loaded with 'dummy fuel' for carrying out 'hydraulic test' and 'hot run' of the primary and secondary circuits. Diesel Generators (DGs) have been commissioned and safety tests have been completed. The turbine has been put on barring gear. Auxiliary steam header flushing with water has been completed for all the circuits. Commissioning of measurement systems sensors installation on Reactor Pressure Vessel and other areas have been completed. Also, flushing of Passive Heat Removal System circuits and system connected to Steam Generator shell side has been completed. Primary system hydro-test at 3.2 Mega Pascal (MPa) has been successfully completed. Reactor Coolant Pumps motor no-load test has been completed for two pumps. Further, hydro-test at 17.6 MPa and strength tests of the primary circuit at 24.5 MPa is planned. After completion of hydro-test and strength test of the primary circuit, hot run of the reactor systems shall be carried out subject to clearance of AERB.

Kakrapar Atomic Power Project (KAPP)-3&4 (2x700 MW PHWRs)

The administrative approval and financial sanction from the Government of India for setting up 2x700 MW PHWRs for KAPP-3&4 at Kakrapar in Gujarat was received in October 2009. The construction of the project took off by laying the FPC on 22nd November 2010. KAPP-3&4 is India's first pair of 700 MW PHWRs designed by NPCIL.

During the year, significant progress has been achieved on the civil fronts. The construction of several main plant buildings and structures was completed and the remaining buildings are under completion. Critical path milestone 'Release of FM Vault and Calandria Vault for End Shield and Calandria Erection' for Unit-3 has been achieved in October 2013. All pre-erection activities for both the End Shields, viz. Ball Filling, Cover Welding and Non Destructive Testings (NDTs) have also been completed. Erection of End shields and Calandria will commence immediately after accord of Major Equipment Erection Clearance by AERB. In Reactor Building-3 construction of all slabs including Pump Room Slab at El 115 M has been completed and Steam Generator Vault construction is under completion.

Reactor Building-4 has been completed up to El 109 M slab and preparation for last major slab at El 115 M is in progress. In Reactor Building Unit-4 Calandria Vault construction completed and FM Vault construction is under completion.

For the first time in Indian PHWR, Carbon Steel liner is used in Inner Containment (floor, wall and dome) for better leak tightness of Reactor Building in 700 MW projects.

In Balance of Turbine Island Package (BoTIP), construction of raft and Turbine Generator Mat for both the units was completed in a single month and further major construction of Turbine Generator Deck for Unit-3 has been completed.

On completion of civil works, significant area has also been released with finishing and painting to other execution group. The work relating to other Contract Packages are in progress.

Construction works of Induced Draft Cooling Tower (IDCT) is progressing. Natural Draft Cooling Tower (NDCT) package excavation work for all four NDCTs has been completed.

Rajasthan Atomic Power Project (RAPP)-7&8 (2x700 MW PHWRs)

The administrative approval and financial sanction from the Government of India for setting up 2 x 700 MW PHWRs for RAPP-7&8 at Rawatbhata in Rajasthan was also received in October 2009.

The construction of RAPP-7&8 commenced with FPC on 18th July 2011. The Indigenous PHWR of 2x700 MW is progressing steadily with civil construction activities in full swing. Major milestones achieved during the year include completion of Calandria Vault in Unit-7, completion of Nuclear Building-8 raft. A few major equipment like Calandria for Unit-7, Primary Coolant Pumps and Calandria tubes have been received. The remaining equipment are under various stages of manufacturing and delivery.

In Unit-7, the Inner Containment Wall of RB-7 has been concreted upto 111.7m elevation and construction of 1st ring of Outer Containment Wall has been completed till 31st March 2014. Concreting of slab at 105m El in FM Vault has been completed and that of 100m El slab of west area is near completion. Work on peripheral walls and slab at 95m El. of Reactor Auxiliary Building is also under progress.

In Unit-8, concreting of two lifts of RB-8 Calandria Vault Walls has been completed. Inner Containment Wall has also been completed upto 96.7m El. Construction of other structure in both reactor buildings is going on in parallel.

In Control Building, concreting of raft has been completed and concreting of slab at 100m El and 106m El is in progress. 75% raft of Waste Management Plant (WMP) has been completed and 100M slab of Fire Water Pump House (Unit-7 side) has been casted. PCC for Plant Water Pump House raft is under progress. Construction of Tunnels and Hard Stand of station roads is progressing well.

Reinforcement work for Turbine Generator deck is nearing completion in Turbine Building-7. Work for raft of IDCTs is in progress. Excavation work for NDCTs has been taken up. Construction of 220 kV Switchyard is nearing completion.

New Projects

Kudankulam Nuclear Power Project (KKNPP)-3&4 (2x1000 MW LWRs)

The Kudankulam Nuclear Power Project (KKNPP) Unit-3&4 is planned to be set up at existing site where KKNPP Unit-1&2 are already set up in Tirunelveli district of Tamilnadu in technical co-operation of Russian Federation. The Units-3&4 are planned to be set up within the framework of the Inter-Governmental Agreement signed between Russian Federation and Republic of India in December 2008. The administrative approval and financial sanction for setting up of KKNPP

Units-3&4 have been accorded by Government of India on 22nd March 2013. Revised Techno Commercial Offer received from M/s. Atomstroyexport is accepted in March 2014. The General Framework Agreement (GFA) is also finalized with them. AERB clearance for excavation is being pursued.

Site grading and leveling has already been completed. Phase-I infrastructure works for Plant site and Township like Property fencing, Security fencing, peripheral road, Development of master plan for township and plant site have already been completed. Phase-II Site Infrastructure works like construction of Project office complex, approach road, sub stations, pass section, Sewerage treatment plant are under progress.

The proposed KKNPP Units-3&4 have already received Environmental and Coastal Regulation Zone clearances from the Ministry of Environment and Forests (MoEF), the siting consent from AERB is also obtained. Application for excavation consent, submitted to AERB, is under review. Process for obtaining clearances for establishment under the Air (Prevention & Control of Pollution) Act, 1981 and the Water (Prevention & Control of Pollution) Act 1974 from Tamilnadu Pollution Control Board and construction of hydro technical structures and relocation of mini port from Tamilnadu Maritime Board is under progress.

First priority design activities, for which a contract is already signed with M/s. Atomstroyexport (ASE) Russian Federation, are in progress. The first priority works included design of hydro-technical structures, changes of Units-3&4 with respect to Units-1&2, layout finalization, interface documents, excavation drawings and raft foundation drawings for main plant, etc. which are essential to take up the FPC.

As part of localization process, the basic design and the tender specification includes the cost estimates completed for Balance of Plant and procurement of First priority mechanical equipment and components of Indian scope of supply in Russian design buildings.

Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP)-1&2 (2x700 MW PHWRs), Haryana

In-Principle approval for Gorakhpur, Haryana site was accorded by the Government of India in October 2009. Subsequent to this, pre-project activities comprising of land acquisition, Environmental Impact Assessment (EIA) studies followed by Environment Clearance by the Ministry of Environment & Forests has also been obtained. Government of India accorded administrative approval and financial sanction to the project on 3rd February 2014. Currently, siting consent is under review by AERB. Geo-technical investigations, Bore Hole studies and Seismic studies required for design inputs have been completed. In addition, all other scientific studies/analysis of data as needed by AERB for review have also been submitted.

Jaitapur Nuclear Power Project (JNPP), Ratnagiri, Maharashtra (2x1650 MW LWRs)

The Jaitapur Nuclear Power Project (JNPP) is proposed to be set up in technical collaboration with AREVA, France in phases. Two units are planned in the first phase and the project will have finally six units of 1,650 MW. Government of India has accorded the 'in principle' approval for the site and land is in NPCIL possession. The Environmental and Coastal Regulation Zone clearances have already been accorded by Ministry of Environment & Forests, Government of India in 2010. Various pre-project activities like geo-technical investigation, boundary wall construction, construction power supply, approach road, etc. are completed at site of Main Plant. Revised Techno-commercial offer submitted by AREVA is under negotiation.

Several public awareness activities on the various aspects of Nuclear Power and the project were undertaken to dispel misconceptions among the people from surrounding villages of the project, local and national press and media. An information centre has been set up at Ratnagiri and project site to disseminate information regarding Nuclear Power including JNPP.

Chhaya Mithi Virdi, Bhavnagar, Gujarat (2x1000 * MW LWRs)

The Government of India accorded in-principle approval to the site in Chhaya Mithi Virdi in Bhavnagar district of Gujarat in October 2009. The completion of process of obtaining Environment Clearance is underway with Public hearing and EIA report to MoEF. No objection certificate from Gujarat Coastal Zone Management Authority, as a part of Coastal Regulation Zone Clearance, has been obtained. In respect of land acquisition, the application has been submitted to the State Government. Rehabilitation & Resettlement (R&R) package is under discussion with Gujarat State Government. Currently, other pre-project activities for collecting scientific data and its review are underway. In this context, the report for extreme values analysis and statistical analysis of meteorological data has been finalised. Draft reports on oceanographic studies and seismotectonic studies (upto 50 Km) have been completed. Flood study is in progress.

* Indicative capacity and actual capacity will be in accordance with the LWR technology deployed at site.

Overview of the new Projects at new Green Field Sites

In 2009, the Government of India had accorded 'in-principle' approval for setting up six reactors at each site by exploiting full potential of Sites at Kudankulam in Tamilnadu and Jaitapur in Maharashtra. In addition to this, five new sites - two for indigenous PHWRs and three for LWRs, planned to be set up based on International co-operation, were also approved. The details of the 'in-principle' approval in respect of Green Field Sites are given as under.

	Location	Reactor Type	Capacity (MW)
1.	Gorakhpur, Haryana	Indigenous PHWRs	4 x 700
2.	Chutka, Madhya Pradesh		2 x 700
3.	Kudankulam, Tamilnadu	LWRs based on international co-operation	4 x 1000
4.	Jaitapur, Maharashtra		6 x 1650
5.	Mithi Virdi, Gujarat		6 x 1000 *
6.	Kovvada, Andhra Pradesh		6 x 1000 *
7.	Haripur, West Bengal		6 x 1000 *

* Indicative capacity and actual capacity will be in accordance with the LWR technology deployed at site.

Further, the Government of India, in July 2011, accorded 'in-principle' approval for three more inland sites for setting up 700 MW PHWRs namely, Mahi Banswara (4x700 MW) in Rajasthan, Bhimpur (4x700 MW) in Madhya Pradesh and Kaiga site expansion (2x700 MW) in Karnataka. Launch of the first phase of nuclear power reactors, as indicated above, except Bhimpur Project in Madhya Pradesh and Haripur in West Bengal, is envisaged during the XII Plan period. The sites at Bhimpur in Madhya Pradesh and Haripur in West Bengal are planned for pre-project activities in XII Plan.

Currently, the pre-project activities at new green field sites are in progress. These include opening of the NPCIL offices in nearby towns, EIA for obtaining MoEF clearance, design input for regulatory clearance, steps for obtaining siting consent from the regulator, public awareness programmes and actions for land acquisition to prepare the sites ready for launch of Project.

As regards Chutka Project, section-6 notification under the Land Acquisition Act, 1894 for the land acquisition was issued. The public hearing for Environment clearance was completed in February 2014 and the report on EIA studies submitted to MoEF is under review. Various studies like geological and seismotectonic, design flood analysis, meteorological data and its extreme value analysis, etc. have been completed and are under review.

In respect of Mahi Banswara Project, section-6 notification, under the Land Acquisition Act 1894 for land acquisition is issued. The Rehabilitation & Resettlement (R&R) Plan is currently under preparation in consultation with State Government of Rajasthan. Work of baseline survey of the affected villages is in progress. Terms of Reference (ToR) for taking up EIA studies have been approved by MoEF.

Engineering

NPCIL is making efforts in design and engineering to sustain and improve quality and efficiency. Special emphasis is given to enhance and achieve higher standards of safety.

Design of a compact Nuclear Building on a large raft of size 100 M x 100 M was transformed into reality in Indian nuclear industry for four units of 700 MW, two each currently under construction at KAPP-3&4 and RAPP-7&8.

Metallic liner on the inside face of inner containment structure has been introduced to improve its leak-tightness characteristics. Analysis, design and complete engineering of this lined containment have been carried out in-house. Detailed non-linear analysis of the inner containment structure with metallic liner has been completed in-house for the purpose of evaluation of its ultimate load bearing capacity.

The use of state-of-the-art technique of 3D modeling of systems, structures and components has been used.

Safety, being the prime focus of design, was given the utmost attention during the stage of design and detailed engineering. Based on the review of design and safety analysis for these units, clearance for major equipment erection is granted by AERB.

Timely engineering support to operating stations has helped in minimizing the downtime during biennial shutdown of the units.

A new Directorate of Engineering for Light Water Reactors has been established with the responsibility of design and engineering of light water plants to be built by NPCIL in technical collaboration with foreign vendors.

NPCIL has gained significant experience and confidence in safety assessment of Light Water Reactor plants during commissioning of KKNPP Unit-1. At each stage of commissioning, plant performance parameters were evaluated against the design parameters and documents were submitted to Regulatory body. AERB, after comprehensive review of all design documents and plant performance parameters, has given clearance to proceed to next stage.

NPCIL knowledge base has also been reinforced with experience of testing and commissioning of several First of a Kind systems implemented in KKNPP. This experience will be utilised for smooth commissioning of Unit-2 and subsequent LWR plants.

NPCIL capability of accurate prediction of reactor physics parameters was demonstrated during Initial Fuel Loading (IFL) and First Approach to Criticality (FAC) which are considered as major milestones for plant commissioning.

NPCIL has initiated work on technical assessment of AP 1000 reactor technology developed by Westinghouse, USA. In this context, an India specific Preliminary Safety Analysis Report is being prepared by Westinghouse and reviewed by NPCIL. This technical assessment will establish licensing basis of AP1000 reactors in India and will facilitate its implementation.

The Company has also taken initiative towards development of in-house capability of thermal hydraulic and safety analysis of Light Water Reactors. With adoption of appropriate computer code, modeling of KKNPP Unit-1&2 for major accident analysis were carried out for which Russians analysis results were used as bench mark. Presently, modeling of controls to study the behavior of Nuclear Power Plant under transient is being carried out for complete safety analysis of PWR.

Procurement

NPCIL followed the open tendering process for procurement of all PHWR Project equipment and materials. NPCIL initiatives in vendor development continued and additional indigenous vendors undertook the challenge of manufacturing even critical items like Calandria, Top Hatch Beams, Control Rods, End Fittings and Moderator Canned Motor Pumps to the exacting requirements called for these equipment.

Contracts & Materials Management

NPCIL continued its efforts to enhance opportunity of participation of vendors in tenders through implementation of e-tendering system. More than 10,000 vendors are enrolled on NPCIL e-Tendering portal and the number of e-Public Tenders has increased substantially up till now.

In line with the directives received from the Government of India regarding new Public Procurement Policy for Micro and Small Enterprises (MSEs) under the Micro, Small and Medium Enterprise Act, 2006, NPCIL's target of 10% of total annual procurement of goods and services quoted by MSEs for the year 2013-14 was met.

For the FY 2014-15, the Company has set up a target of 15% of total annual procurement of goods and services quoted by MSEs and 3% sub target within this target of 15% from MSEs owned by SC/ST Entrepreneurs.

Information Technology

NPCIL has implemented IT-enabled major work processes in a progressive manner. Plant Maintenance, Finance, HR including employee performance appraisal, e-tender and Inventory are few of them. Having reaped the benefits of automation, following computerized systems were introduced with in-house efforts.

Quality Management Information System (QMIS)

Technical Directorate at Head Quarter is ISO 9001 certified aiming excellence in engineering design and customer satisfaction. To ensure compliance to the quality management system requirements, IT solution has been implemented covering audits, management meetings, customer feedbacks and complaints, monitoring and performance indicators helping management for continuous process improvement.

Right To Information – Management System (RTI-MS)

For timely response, back-office process of registration, collection of information from various business units and responding to RTI applications/appeals has been automated using IT solution RTI-MS helping the organization to comply with the Act and also get the benefit of digitizing the available information.

Integrated Corrective Action Program (iCAP)

Corrective Action Program is a continuous process at NPCIL stations with the objective of improvements in plant safety and operating performance. As part of this, stations and HQ undergo various reviews/inspections/audits conducted by both internal and external teams. IT solution, iCAP was rolled out automating these review processes to have an integrated system across NPCIL. The system includes delegation of corrective actions to various executing agencies and timely monitoring through Work Management system. Learning from these exercises will enable identifying potential areas of improvements both in systems and business processes.

Health, Safety & Environment

NPCIL accords overriding priority to nuclear safety. For ensuring adequate safety practices at plant sites, various reviews are in place to bring excellence in safety performance such as peer reviews by international agency viz. WANO, OSART mission by IAEA, review of station operation by a team of senior officers from stations and headquarters (Corporate peer review) and Corporate follow up review by station as part of self assessment programme and ongoing oversight review by Health Safety and Environment group.

Nuclear Safety

Safety has always been NPCIL's continuous endeavor. NPCIL has unique mechanism of safety review through Safety Review Committees (SRCs) of the company. In pursuit to safety improvements, it carries out comprehensive and systematic safety assessments by multi-tier, multi-disciplinary review system during design, construction, commissioning and operation of NPPs. The assessments are well documented, subsequently updated (in the light of operating experience & significant new safety information) and reviewed at NPP level & corporate level.

Environmental Safety

NPCIL projects / stations submit regular half yearly compliance reports to the Ministry of Environment & Forests (MoEF) on condenser cooling water discharge limits, ambient air quality, water quality and noise levels, Green belt development, implementation of rainwater harvesting.

Biodiversity Conservation Plan based on the three season studies for terrestrial and inter-tidal region around Jaitapur region was completed and submitted to MoEF in line with the requirements of environmental clearance for Jaitapur Nuclear Power Project (JNPP). Two seasons' marine monitoring studies for development of Special Plan for Fisheries for JNPP were completed.

In addition, Environmental Management System (EMS) as per ISO-14001:2004 and Occupational Health and Safety Management System (OHSMS) as per IS-18001:2007 respectively are maintained by all the operating stations.

Health Physics

Operational Health Physics functions at all operating stations during the year were carried out with a professional approach to radiation safety. The radiation doses to occupational workers were monitored, controlled and ensured below authorized limits as specified by AERB.

In view of the present expansion programme of NPCIL, a batch of twenty one Health Physics discipline executive trainees were selected and inducted to function as radiation safety professionals after completion of the specially designed training programme.

Industrial & Fire Safety

Strengthening of Industrial and Fire Safety at NPCIL plants, projects and HQ was continued in a planned and systematic manner during the year, through multipronged approach such as Safety Surveillance, Safety oversight and dissemination of operating experience.

NPCIL Plants received National and State level Safety Awards in categories from 'Sarvashreshtha Suraksha Puraskar' to 'Prashansh Patra Award' from National Safety Council of India, AERB, Ministry of Labour Employment and State chapter of National Safety Council.

Reactor Safety & Analysis

Carrying out the deterministic and probabilistic safety assessment of Nuclear Power Plants is an on-going process. Some of the achievements of Directorate of Reactor, Safety & Analysis during the year under report are as under:

- In the light of Fukushima accident, the stress tests for all the sites were conducted and safety enhancements were implemented on all nuclear sites to mitigate prolonged SBO conditions.
- Severe Accident Management Guidelines were updated for all sites to mitigate severe accidents containing radiological consequences to the public and environment within acceptable limits.
- The Containment Filtered Venting System was designed based on experiments conducted and is in the process of implementation for TAPS-1&2.
- The Fire Hazard Analysis was updated and the PSA for external events was conducted including Seismic, Fire and Flood PSA (Level-1) subsequent to OSART mission at RAPS-3&4.
- Upgradation of computer codes is a continuous process. In this regard, participated in the IAEA Coordinated International Standard exercise on Heavy Water Reactors for benchmarking of codes.

Quality Assurance

NPCIL, in all its endeavor, is committed towards upgradation and continuous improvement of Quality Management, Quality Assurance / Surveillance and Pre-service Inspection / In-service Inspection. The QA requirements during all phases of NPPs are stated in Corporate Management System (Quality System Requirements) Document (CMSD) which is first tier document of NPCIL.

Strengthening of QA activities has also been undertaken by implementing Quality Management System as per ISO 9001.

Quality Assurance / Surveillance has also been carried out expeditiously during manufacturing of components/equipment for projects and stations by timely and effective QA coverage. Quality Assurance / Surveillance on components and equipment for 700 MW PHWRs KAPP-3&4 and RAPP-7&8 is going on in full swing. Quality Assurance on some of the major equipment/components like Calandria, End Shields, Pressure Tubes, End Fittings, Calandria Tubes, etc. have been successfully completed.

PSI activities of KKNPP unit-2 have been taken up as per approved PSI / ISI document. Developmental activities related to UT-NDE tooling required for performing In-service Inspection of core-belt region of TAPS-1&2 RPV has been undertaken. Review and revision of In-service inspection programme documents of all the Operating Stations has been successfully completed based on

National / International applicable codes / guides / standards and operational feedbacks.

Management self-assessment at all levels is carried out to verify implementation, effectiveness and improvement in their respective areas of work. As a part of independent assessment to verify implementation and effectiveness of Management System programme, audits are conducted at specified intervals within NPCIL. All functional directorates and units under construction are subjected to internal and external audits. Corporate QA reviews are being conducted in planned way for the Operating Stations in line with WANO review. Suppliers and sub-suppliers are also subjected to internal and external audits.

NPCIL continued to provide QA consultancy services to prestigious organizations like Bhabha Atomic Research Centre (BARC), Bharatiya Nabhikiya Vidyut Nigam Limited (BHAVINI), Defence Research and Development Organisation (DRDO), etc.

Human Resource Management

Human Resource Management (HRM) is a strategic and comprehensive approach of managing people and the workplace culture and environment. An effective HRM enables employees to contribute effectively and productively to the overall company direction towards accomplishment of the organization's goals and objectives.

HR initiatives are directed towards fulfilling the NPCIL's mission and vision by attracting, motivating and retaining the right talent and intellect. While developing the strategic and incremental packages for employees, the individual goals and aspirations were encouraged by way of training culminating in achievement of goals of NPCIL. A detailed projection of human resource management is made in the Management Discussion and Analysis which is annexed as Annexure-B to the Report.

Implementation of Reservation Policies

SC/ST/OBC reservation policies are being fully complied with and development of SC/ST personnel is being given paramount importance.

Reservation has also been provided to physically challenged as per rules / policy. Presently, 94 physically challenged persons are on rolls of NPCIL. The following represents the statistical information on reservation and related matters:

Strength of physically challenged persons as on 31st March 2014:

Group	HH	OH	VH	Total
A	01	18	02	**21**
B	03	39	04	**46**
C	0	22	05	**27**
TOTAL	**04**	**79**	**11**	**94**

Representation of reserved categories (Scheduled Castes, Scheduled Tribes and Other Backward Classes) as on 31st March 2014 Group-wise vis-à-vis total strength of the Company:

Group	Total No. of Employees	SC	ST	OBC
A	4789	437	104	**624**
B	4831	812	356	**1100**
C	2128	489	249	**615**
TOTAL	**11748**	**738**	**709**	**2339**

Promotions effected during the year 2013-14:

Group	Total No. of Promotions	SC	ST
A	240	05	**02**
B	709	109	**49**
C	372	71	**57**
TOTAL	**1321**	**185**	**108**

Notes :
1. In NPCIL Scientific and Technical employee / officers are covered under merit promotion scheme and also majority of non-technical employees are covered by upgradation scheme which is not vacancy based.
2. Promotion process for 2013-14 for some of the posts is in progress, hence the number is likely to be increased.

Implementation of Official Language

NPCIL fully complies with the Government of India directives on implementation of Official Language. NPCIL has been relentlessly making all efforts towards continuous improvement in the progressive use of official language among all its units, projects and HQs. NPCIL's efforts in propagation of official language have been receiving commendations and awards at various forums. To encourage the officers/employees of NPCIL to do their official work in Hindi and allay their apprehensions regarding use of the language, 32 workshops were organized during the year 2013-14 and 800 officers/employees were trained in these workshops.

During the period, total 96 Hindi monthly competitions were conducted to promote the use of official language which were attended by more than 1800 participants.

"Hindi Sevi Samman Yojana" and "Rajbhasha Bhushan Puraskar Yojana" are in-force in NPCIL to acknowledge the outstanding contributions of its officers/employees in the field of official language. Two employees were awarded under this scheme during the year under report.

During the year under report, NPCIL was awarded first prize and rolling shield for outstanding work done in the field of Official Language Implementation among Public Sector Enterprises of Government of India by Aashirwad Sansthan.

NPCIL HQ office has been honoured with Rajbhasha Shield of Department of Atomic Energy for the year 2013 for its excellence in implementation of Official Language Policy of the Government of India.

Knowledge Management

Knowledge Management Group of Human Resource Directorate has been entrusted to execute the various interface/coordination activities for Recruitment of fresh and experienced graduate engineers, follow-up with Nuclear Training Centres / Station Training Centres for management and implementation of one-year Orientation Training Programme (OTP), conduct of management development and knowledge dissemination programmes, capturing tacit knowledge, management of Technical Resource Information Centre (TIRC) and such others. The activities for the year 2013-2014 include-

- Continuing the endeavor for the organizational learning culture, the company has successfully integrated 112 fresh and experienced engineers {24 fresh Health Physics Executive Trainees, 79 Experienced Engineers and 9 Engineers from BARC and Indira Gandhi Centre for Atomic Research (IGCAR) Training Schools}.
- Based on the developed curriculum, Phase-I of OTP for 24 Health Physics Executive Trainees (ET-HP-2013) was organized in Mumbai.
- On successful completion of one-year OTP, 195 Executive Trainees of Batch 21 were absorbed on the rolls of NPCIL as Scientific Officer "C" and their placement for licensing programme at various operating stations has been completed.
- In line with identified training needs, various training programmes were organised. 850 person-weeks continual training / management development programmes were organized in which around 950 officials from HQs, stations and construction sites participated.
- Technical Information Resource Centre activities were strengthened.

Corporate Social Responsibility and Sustainability

NPCIL aims to function as responsible corporate entity while discharging its social responsibilities towards all stakeholders including consumers, employees, local communities and society at large. The Corporate Social Responsibility and Sustainability (CSR) programme in the FY 2013-14 has attempted to achieve further milestones on the foundation of good CSR work done in the previous year. The focus was on healthcare, education, infrastructure development and sustainable development. Skill development projects were also initiated under education sector.

At each unit of NPCIL, the area within 16 km radius from the power plant is considered for CSR activities.

During the year 2013-14, fund of ₹ 27 crore was allocated for CSR programme. The total expenditure of about ₹ 17.6 crore was incurred in the year 2013-14 from the CSR funds pertaining to FYs 2011-12 to 2013-14.

The CSR projects of the units are monitored on quarterly basis at HQ. An internal audit is also conducted annually. Independent evaluation of CSR programmes of the company is being planned to be implemented at the earliest. Similarly, comprehensive assessment of the impact the CSR programmes made on the quality of life of the local people is also being planned. The CSR projects have helped in establishing a channel of effective communication with the local population near the units of NPCIL.

The essence of Sustainable Development is being practised in NPCIL to meet the needs of today, without compromising the requirements of tomorrow. Sustainable Development involves an enduring and balanced approach to economic activities, social progress land environment responsibility. NPCIL has been implementing various sustainable development activities while carrying out its business.

Corporate Environmental Responsibility

NPCIL, as a responsible public sector enterprise, is conscious about its Corporate Responsibility towards Environment. The 'Environment Safety' has been prominently included in its Mission Statement and is also reflected in the Health Safety and Environment (HSE) Policy Statement. The stations and projects are pursuing the Environmental Goals and Objectives of NPCIL. Operating Stations have also adopted Environment Management Systems, in line with ISO-14001, and are audited and certified periodically by the accredited agencies. The Environment Management meets are organized to propagate the knowledge and requirements of Environmental Safety and share Good Practices in this regard.

NPCIL functions in conformity with its Corporate Environment Policy adopted in January 2012.

Corporate Image through Communication Management.

NPCIL continued and enhanced its public awareness activities in structured manner using multipronged approach for the dissemination of information on nuclear power and other associated aspects. Different modes of communication to reach out to mass populace have been conceived and implemented. These include use of TV commercials, promos in digital cinema, radio jingles, publications, advertisements, advertorials, street plays in vicinity of nuclear power plants, static and mobile exhibitions and lectures, arranging visit of public members to nuclear power plants. In addition, specialized and specific programmes have been conceived and implemented, namely, Media Students Adaptation Programme, Newspaper-in-Education Programme in association with Press, Farmers Integration Programme in collaboration with Amity University, Noida and Krishi Vigyan Kendras, Haryana.

During the year, over 10 lakh of people were imparted awareness around NPCIL sites and other locations. In view of NPCIL's unique and innovative programme, the Public Relation Society of India (PRSI) conferred Best Public Communication award to NPCIL. In addition, the NPCIL Publication, Nu-Power and Budhiya Comics Series were also adjudged best by PRSI.

The Company's website (www.npcil.nic.in) with the latest information on Company and nuclear power was updated regularly. News article repository system, implemented by NPCIL - a part of media monitoring - was uploaded regularly to the company's intranet.

Vigilance

Vigilance Directorate works to sensitize and alerts the employees against malpractices and corruption to achieve organisational objectives. It also helps to implement such improvements by bringing more transparency to curb malpractices and irregularities. Vigilance awareness is one of the important parameter of good Corporate Governance. The Vigilance Directorate has taken a number of initiatives and adopted innovative methods in spreading awareness and imparting knowledge to employees. Some of the measures taken by the Vigilance are as under:

- The first edition of book on 'Vigilance for All' was published by the Vigilance Directorate and released by CMD on 21st February 2014.
- A number of system improvements with regard to procurement, e-tendering for works and service contracts at all Sites and HQ, guidelines to avoid monopolistic situations and create a competitive

climate while deciding vendors' list for procurement, guidelines for revised Retention period of Quality Surveillance files of projects and stations and guidelines for compliance by contractors were suggested and implemented.

- Vigilance Awareness Week with the theme of 'Promoting Good Governance - Positive Contribution of Vigilance' was observed in NPCIL Headquarters in Mumbai and all the Units located outside Mumbai during the Week from 28th October to 2nd November, 2013. A number of programmes viz. debate competitions, seminars, quiz competitions, etc. were organized during this period. Some of the initiatives taken by the Vigilance Directorate are as follows:
  - A documentary film 'Bhool Gaya Insaan' communicating anti-corruption message, developed and produced by Vigilance Directorate, was released during Vigilance Awareness week.
  - Hindi Song on 'Jagriti' to spread the vigilance message, written by Vigilance Directorate, was also released during Vigilance Awareness week.
  - 'CHETNA' Volume 12 – Annual edition of vigilance magazine was released by the CMD, NPCIL on 30th October 2013.
- As a preventive vigilance measure and to spread vigilance awareness eight Vigilance Awareness Seminars/Workshops and five talks on Works Contract, Supply Contracts, Taxation & other important subjects were organized at Headquarters and Units.
- Fifteen Vigilance Officers of Headquarters and Units were imparted short duration training programmes in reputed institutes to increase their capability and skills.

The Right To Information Act, 2005

An elaborate mechanism exists with 7 Nos. of Central Public Information Officers and 7 Nos. of Assistant Public Information Officers, one at each site, one Central Public Information Officer and an Appellate Authority at Headquarters to deal with the requests received under the RTI Act, 2005.

The mandatory information required under the Act [section 4(1)(b)] has been posted on NPCIL website and the information was updated as required.

Presentations / lectures were organised in NPCIL for creating awareness about the importance and ways to implement the Act.

During the year, 1240 nos. of RTI applications and 230 Nos. of appeals, received under the RTI Act, 2005, were disposed off.

International Co-operation

NPCIL is a member of various international organizations namely World Association of Nuclear Operators (WANO), Candu Owner's Group (COG) and Institute of Nuclear Power Operations (INPO) and like earlier years, this year also it actively participated in various programmes of these organizations with an ultimate goal to enhance the safety and reliability of its nuclear power plants.

NPCIL participated in various activities of International Atomic Energy Agency (IAEA) and Nuclear Energy Agency (NEA). It was involved in the preparation of National Report to the Convention of Nuclear Safety for the second extraordinary meeting and sixth review meeting of the contracting parties. An IAEA OSART (Operational Safety Review Team) Follow-up Review of RAPS-3&4 was carried out in February 2014. In this review, IAEA team reviewed the implementation status of recommendations of OSART review of RAPS-3&4 held in November 2012 and appreciated the efforts taken by the station in resolving the issues.

NPCIL is one of the founding members of WANO and is currently a member of two WANO regional centres at Tokyo and Moscow with NPCIL's governors in the governing boards of WANO Tokyo Centre and WANO Moscow Centre.

During the year, WANO Peer Reviews of KAPS was carried out by teams consisting of experts from several countries representing global nuclear safety standards and sharing best international practices. This review was found useful in bringing international perspective to our plant. WANO organized five Technical Support Missions at HQ and stations to enable them to achieve next higher level of safety and reliability which included challenges in establishing high standards for field performance and its resolution techniques, Emergency preparedness, Emergency response centre and severe accident management, Root Cause Analysis, Safety culture enhancement methodology, Performance monitoring of equipment and system and benchmarking. In addition, WANO organized a Standard Peer Review training programme at HQ in which about 30 participants from stations and various directorates at HQ participated. After this training, NPCIL has a pool of more than 100 middle and senior level trained officers who are gradually being involved in WANO Peer Review and Corporate Peer Review of our stations. WANO Tokyo Centre (TC) organized Operating Experience Caravan of 1 to 1.5 days duration back to back at HQ, KAPS and TMS Site. TC also carried out special SOER review of TAPS-1&2.

NPCIL participated in important meetings, seminars and peer reviews organized by WANO and had the opportunity to discuss various issues related to improvements of plant performance with experts from other countries. Further, a team from our stations had a benchmarking visit of Darlington NPP in Canada for benchmarking on maintenance practices, programme on configuration control and mechanisms to address long standing problems. The purpose of the visit was to know about international programmes and practices in use in other countries for addressing such issues so as to develop suitable programmes or fine tune the existing programmes to address the Peer Review Area for Improvements (AFIs). A team from NPCIL participated in the WANO's Biennial General Meeting held in Moscow in May 2013.

NPCIL continued to participate in COG CANDU Industry Integration Team meetings, which is held through video conference every quarter to discuss various issues emanating from Fukushima accident and develop a common approach for all PHWR plants. NPCIL also regularly participated over video conference in COG's Engineering Manager's Peer Group meeting held once in four months.

Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. that they had prepared the annual accounts on a going concern basis.

Conservation of Energy/Technology Absorption/ Foreign Exchange Earnings and Outgo

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in Annexure-A to this report.

Particulars of Employees

Pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, none of the employees of the company were in receipt of remuneration in excess of limits prescribed under the said rules.

Management Discussion and Analysis

Annexed as Annexure-B to this report.

Corporate Governance

The Department of Public Enterprises (DPE) has laid down guidelines on Corporate Governance for CPSEs. The Department of Atomic Energy (DAE), the administrative ministry of NPCIL, has requested NPCIL to comply with the instructions.

The Board members and senior management have reaffirmed the compliance with the code of conduct.

A compliance report on Corporate Governance is given as Annexure-C.

The Company has obtained a certificate from M/s. Parikh & Associates, a firm of Practicing Company Secretaries regarding compliance of conditions of corporate governance as indicated in the DPE Guidelines. The Compliance Certificate is annexed to this report as Annexure-D.

Subsidiary Companies

The financial statements of subsidiary companies viz. Anushakti Vidhyut Nigam Limited, NPCIL-NALCO Power Company Limited and NPCIL-IndianOil Nuclear Energy Corporation Limited along with respective Auditors' Report and Directors' Report are placed below.

Statement showing holding company's interest pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies is enclosed as Annexure-E.

Statutory Auditors

The Statutory Auditors of your company are appointed by the Comptroller & Auditor General of India. M/s. Vyas & Vyas, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year 2013-14.

Cost Auditors

The Ministry of Corporate Affairs (MCA), Government of India has vide its order F.No.52/26/CAB-2010 dated 2nd May 2011 directed, inter alia, for commencement of Cost Audit of cost records of companies in Electricity Industry under Section 233B of the Companies Act, 1956. NPCIL, being covered in the criteria specified in the said Circular, required to get its cost audit records audited by a Cost Auditor from the FY 2011-12 onwards. M/s. Mani & Co., Cost Accountants, Kolkata were appointed as Cost Auditors for the Financial Year 2013-14 under Sec. 233B of the Companies Act, 1956. The Cost Audit Report for the FY 2013-14 will be filed with the MCA within the stipulated time. The Cost Audit Report for the FY 2012-13 was filed on 24th September 2013 within the stipulated time.

Observations of the Statutory Auditors

There is no observation of Statutory Auditors on the Financial Statements of the Company for FY 2013-14.

Comments of the Comptroller and Auditor General of India

The accounts for the year ended 31st March 2014 were reviewed by the Comptroller and Auditor General (C&AG) of India. Comments of the C&AG on annual accounts and management reply thereto have been provided.

Changes in the Board of Directors

- Shri K.C. Purohit, CMD, NPCIL w.e.f. 25th June 2012; his tenure has been extended for a period of two years with effect from 31st May 2014.
- Shri A.P. Joshi, Special Secretary, DAE was appointed as a part-time Director on the NPCIL Board w.e.f. 11th December 2008. Consequent upon his appointment as Member (Finance), Atomic Energy Commission, Space Commission and Earth Commission, Shri Joshi ceased to be a Director on the NPCIL Board w.e.f. 30th April 2013.
- Dr. Nalini Bhat, Adviser (IA), Ministry of Environment & Forests was appointed as a part-time Director on NPCIL Board w.e.f. 15th July 2010. Dr. Nalini Bhat has retired from Government service on 30th April 2013 and consequently ceased to be a Director w.e.f. 30th April 2013.
- Dr. C.B.S. Venkataramana, Additional Secretary, Department of Atomic Energy has been appointed as a part-time Director on the Board w.e.f. 10th May 2013 vice Shri A.P. Joshi.
- Shri S.G. Ghadge has assumed charge as Director (Technical), NPCIL w.e.f. 1st July 2013.
- Shri R.K. Gargye has assumed charge as Director (Projects), NPCIL w.e.f. 1st July 2013.

- Dr. S.M. Jaamdar has been appointed as Non-official Independent Director on the Board of NPCIL w.e.f. 28th June 2013.
- Shri A.S. Bakshi, Chairperson, Central Electricity Authority was appointed as a Part-time Director on the Board w.e.f. 29th February 2012. Shri Bakshi has retired from Government service on 31st July 2013 and consequently ceased to be a Director with effect from that date.
- Shri V.R. Sadasivam, Joint Secretary (Finance), Department of Atomic Energy was appointed as a Part-time Director on the NPCIL Board w.e.f. 18th July 2007. Shri Sadasivam has retired from Government service on 31st December 2013 and consequently ceased to be a Director with effect from that date.
- Shri I.A. Khan, Adviser (Energy), Planning Commission was appointed as a Part-time Director on the Board w.e.f. 26th September 2012. Shri Khan has retired from Government service on 31st January 2014 and consequently ceased to be a Director with effect from that date.
- Shri S.B. Agarkar, Director (HR), NPCIL has retired from services of NPCIL on 31st March 2014 and consequently ceased to be a Director with effect from that date.
- Shri R.N. Choubey, Additional Secretary, Ministry of Power has been appointed as a Part-time Director on the Board w.e.f 9th June 2014.
- Smt. Neerja Mathur, Chairperson, Central Electricity Authority has been appointed as a Part-time Director on the Board of w.e.f 9th June 2014.
- Dr. Somit Dasgupta, Adviser (Power), Planning Commission has been appointed as a Part-time Director on the Board w.e.f 9th June 2014.

The Board welcomes the appointment of Dr. C.B.S. Venkataramana, Shri S.G. Ghadge, Shri R.K. Gargye, Dr. S.M. Jaamdar, Shri R.N. Choubey, Smt. Neerja Mathur and Dr. Somit Dasgupta and places on record its sincere appreciation of the valuable services rendered by Shri A.P Joshi, Shri V.R. Sadasivam, Shri A.S. Bakshi, Shri I.A. Khan, Shri S.B. Agarkar and Dr. Nalini Bhat during their association with the Company.

Appreciation

The Board would like to express its gratitude to the Department of Atomic Energy, Ministry of Power, Ministry of Programme Implementation & Statistics, Central Electricity Authority, Planning Commission, Ministry of Environment & Forests, other Ministries, Departments of the Government of India, State Governments for their co-operation, banks, financial institutions and other investors who have continued to repose their confidence in the company.

The Board would also like to place on record its appreciation of the services rendered by the auditors for their service and valuable advice.

The Board wishes to express its special appreciation of the hard work put in by each and every employee of the company and the co-operation extended by the Employees' Union, Supervisors' and Officers' Associations.

For and on behalf of the Board of Directors

Sd/-

(K. C. Purohit)

Chairman & Managing Director

Place : Mumbai

Date : 13th August 2014

Annexure 'A' to the Directors' Report

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2014.

CONSERVATION OF ENERGY

A. Energy Conservation measures taken:

Conservation of energy and optimization of resources has been given high priority in all the operating Nuclear Power Stations of NPCIL. Head Quarter Instructions exists to guide all the stations to take necessary measures for the conservation of energy. The following measures were continued to be taken at operating power stations for the conservation of energy:

Energy Conservation Committees existing at each station of NPCIL met periodically to review the consumption of energy, resources and suggested various measures for energy conservation. They also review the new developments in the field of energy conservation and explore the feasibility of implementation of the same.

December 14 was celebrated as National Energy Conservation Day in NPCIL stations to create awareness towards energy conservation among officers, employees and also their families. Various programmes were arranged at stations.

During the year, following specific activities were undertaken by the stations for energy conservation and optimization of resource consumption:

1. Energy conservation efforts were continued by all the stations. These included replacement of old conventional lamps by energy efficient lamps in a phased manner, continuous use of solar water heating systems in canteens, guest houses, switching off the air conditioning systems and lights in office areas and plant areas when not in use.
2. Optimum operation of equipments was carried out at plants especially in northern states taking advantage of seasonal temperature variations resulting in substantial saving of electrical energy.
3. RAPS-2 rectified leaks of air, water, steam and oil, etc. This helped in bringing down heavy water loss to 1.21 Kg/day (32.77% reduction) as compared to previous year loss of 1.8 Kg/day resulting in saving of ₹ 2.41 crore during the year.
4. RAPS-3&4 could reduce downgraded heavy water inventory by 14 tons by using top reject low I.P. heavy water of Upgrading Plant (UGP) in de-deuteration of IX instead of DM water. Further station brought down heavy water loss to 4.35Kg/day as compared to previous year's loss of 4.93Kg/day resulting in a saving of ₹ 22.2 lakh. In addition, station commissioned solar power system for lighting in main plant control room-4 and supplementary control room-4. With various measures taken for saving of electrical energy by optimizing the operation of equipments and resource consumption, the total savings were ₹ 6.13 crore during the year.
5. In TAPS-1&2, 100% implementation of energy audit recommendations was done. Administrative building office rooms lighting renovation was carried out by using 2X9 W CFL type lighting fixture in place of 2X20 W fluorescent tube light fixtures.
6. RAPS-5&6 conserved energy by switching off one chiller during winter, keeping two chilled water circulating pumps for administrative building

off, switching off two IDCT fans, replacement of conventional lighting with LED lighting and optimum use of other equipments.

7. In KGS-1 IDCT fan-1 blade material was changed from GRP (glass reinforced polyester) to hollow FRP (Fibre reinforced polyester) without impacting the system performance. The power consumption in the fan with this modification reduced to 31.8 KW from 45 KW. This has resulted not only in saving of energy by 29% but also the air flow increased from 348 M^3/hr to 408 M^3/hr.

8. At KGS-3&4, focused field visits/Job observations were carried out by management and working committees like zero leak committee, housekeeping committee etc. to identify and rectify and institute long term solutions to various leaks of steam air, oil and water leaks through Low Level Event (LLE) program. This resulted in lowest DM water consumption of 162.82 Te/day among all PHWR stations.

B. Additional investments and proposals for reduction of consumption of energy:

In NPCIL stations' use of solar energy has been initiated and encouraged. In this regard, solar heaters in plant canteen, guest house and solar lights at appropriate plant areas and township are installed and further installation of solar lights/solar street lights is planned. Energy saving lamps are being replaced in place of conventional lighting fixtures in almost all the stations in a phased manner. LP gas is being used in plant canteens and conventional electric heaters have been phased out.

All the stations have targets of their own for next fiscal to bring down energy consumption in terms of reduction in auxiliary consumption, replacement of old equipments with energy efficient ones, replacement of lighting fixtures with energy efficient lamps/LED, replacement of conventional fan regulators with electronic regulators, installation of solar powered lamps, reduction in consumption of consumables and maximizing the thermal cycle efficiency of the plant.

C. Impact of measures at A and B above for reduction of energy consumption:

The measures taken as mentioned above have resulted in substantial energy savings. Total auxiliary consumption of NPCIL stations for the year 2013-14 reduced by 6.762 MU compared to previous year (3295.53 MU in 2013-14 against 3302.292 MU in 2012-13).

D_2O loss per day from NPCIL stations has come down by 8.88% over previous year. The consumption of helium cylinder has reduced by 11.5%, N_2 cylinder consumption by 12.64%, CO_2 cylinder consumption by 8.27%, H_2 cylinder consumption by 3.30% and DM water consumption by 8.22% compared to previous year.

FOREIGN EXCHANGE USED / EARNED

₹ in Crore

		FY 2013-14	FY 2012-13
1	**Foreign Exchange Outgo**		
	A) Value of Import based on CIF basis	701	329
	B) Expenditure - Project Related Payments - Others	 236 5	 260 9
2	**Foreign Exchange Earned**	**-**	**-**

FORM-B

RESEARCH & DEVELOPMENT / TECHNOLOGY DEVELOPMENT

1. Specific areas in which R&D-ES/TD is carried out:

Electronic Systems:

The development activities of R&D-ES are aimed to maximize the indigenization of plant systems in the area of control and instrumentation.

The objectives of R&D-ES are (a) to design and develop Real Time Computer Based Systems (CBS) for safety and safety surveillance, control, information and monitoring applications and hardwired Electronics

Systems for safety applications in indigenous Nuclear Power Plants, (b) to establish in-house capability for support requirement of CBS at operating plants and also to resolve obsolescence of electronics systems and to incorporate changes in the software for meeting the change requirements for improvements, (c) to develop On-line systems for Radiation Monitoring and Personal Contamination Monitoring.

R&D-ES has established and maintaining Hardware, Software Engineering & Prototype Laboratories, which are used for systems development, testing and validation Systems required for the Projects, and provide training to O&M personnel.

Technology Development

The activities of Technology Development Directorate are aimed at achieving continual enhancement of nuclear and radiation safety, reliable operation of Nuclear Power Plants and development of New Reactor Systems.

In order to achieve the objective, following in particular was taken up:

(i) Setting up R&D facilities for carrying out performance testing and verification of new designs of systems and components for NPPs, environmental qualification of components & validation of safety codes.

(ii) Indigenization of equipment, components and materials, wherever required.

(iii) Developing/deploying remote tools for inspection, repair and refurbishment of reactor core components and primary system equipment.

(iv) Development/deployment of latest available technology for construction time minimization of new projects.

2. Benefits derived as a result of the above R&D-ES/TD:

(i) R&D-ES:

a) Development of Software for Digital I&C Systems (DI&CS) for 700 MW.

b) Development of Safety I&C Systems Modules for 700 MW.

c) Renovation and Modernization of Electrical SCADA has been done in KGS-1&2 during respective BSDs.

d) Up-gradation of KGS-1 DCHS-Reactor Regulating System (RRS) during its BSD.

e) Software modification to meet EAR requirements, revision of all relevant documents, IV&V and deployment of software at TAPS-3&4 ECCS Test Facility (ETF).

f) In-house development of IR based H_2O Leak Detection System for MSLB applications is in advanced stage of completion.

ii) R&D-TDG

During the financial year 2013-14, significant achievements & salient ongoing activities of Directorate of Technology Development under the four verticals of R&D Facilities, Remote Tooling, Indigenization and Construction time minimization has been as follows:

- **Pre formed Ring Liner (PRL) implementation at KAPP-3&4:**

  Implementation of PRL installation for Reactor Building inner containment metal liner was carried at KAPP-3 for the first time in the country on 31st December 2013 after multi stage evaluation of design & feasibility along with project contractor. The experience feedback of this methodology indicates significant saving in civil construction time on critical path for all the future projects.

- **Pump Room Floor Module:**

  The concept of assembling large composite beam floor module along with Primary system headers at the ground and lifting into place to ease construction/erection process was partially implemented at KAPP-3 without the headers. Two such modules for north and south pump room floors constitute significant modularization.

- **Containment Filtered Venting System (CFVS):**

  Full size CFVS tank and internal design completed and fabrication orders under progress. This system is designed for depressurization of primary containment in the event of beyond design basis accident (BDBA) scenario. Iodine scrubbing in venturi scrubber in Phase-I and flow characterization of venturi Nozzle in Phase-II at IIT-Mumbai are completed. Full scale prototype test facility at TAPS-3&4 is being set up for qualification / validation (Phase-III) of the design.

- **Proving Advanced Reactor Thermal Hydraulics (PARTH) inauguration:**

  Advanced Heavy Water Reactor (AHWR) Thermal Hydraulic Test Facility (ATTF), one of the constituent loops of Integrated Test Facility, Tarapur (ITFT) for which construction responsibility was NPCIL's, was completed and inaugurated by President of India in November 2013. This has been rechristened as PARTH. Balance erection/commissioning work for NPCIL Thermo-Hydraulic Test Facility (NTTF) is in advanced state of progress.

- **Hydrogen Recombiner Test Facility (HRTF):**

  A number of tests of Passive Recombiner Devices (PARs) in HRTF have demonstrated Hydrogen recombining process. Further, an alternate design of these devices has also been tested during the period at the facility, which has also shown expected results. Presently the facility is being upgraded to take up tests with steam injection and monitoring of H_2 concentration through Online Mass Spectrometer.

- **700 MW Fuelling Machine Test Facility (FMTF):**

  Erected with FM test carriage, support structure, control room with control Panels / Consoles. Erection & Commissioning of balance equipment & channel components is in progress. This facility will be used for 700 MW FM design verification and calibration of Fuelling Machines.

- **Electrical Penetration Assemblies (EPAs):**

  Development of different types of EPAs with enhanced leak-tightness has been completed and is being implemented in on-going 700 MW PHWR projects.

- **Self Powered Neutron Detectors (SPNDs):**

  Factory Qualification of 3-Pitch Platinum clad Inconel SPNDs is completed and planned to be installed in TAPS-3&4 for in-core performance evaluation during the coming BSD. Earlier developed SPNDs are continuing their in-pile tests at TAPS-3&4 with satisfactory performance.

- **Cobalt Adjuster Rods (Co AR):**

  Design of Co AR for production of Co60 with high specific activity in 700 MW reactors as required by BRIT to meet country's industrial and medical application requirements has been completed. Fabrication of first mock-up Co AR assembly was completed by Nuclear Fuel Complex, Hyderabad. This mock-up Co AR assembly has undergone testing for assurance of wetting under flow condition in a Full scale test facility set up for the same in the ITFT structural tower building. Full mock-up of handling of these highly active rods to be for 700MW units is also part of the development process.

- **Electronic Pressure and Differential Pressure Transmitters (PT/DPT):**

  PT/DPT for nuclear application have been developed through participation of two vendors and functional tests and radiation qualification up to 1.0 MRad, LOCA/MSLB qualification for V_2 area has been successfully completed. Balance type tests are being taken up at NABL approved labs.

- **Indigenous Development of Critical Heavy Steam Generator Forgings:**

  One set of SG forgings comprising of 7 nos. Steam Generator components viz. the cylindrical Shells I, II for bottom portion, shells IV & V for drum portion, conical Shell III and top and bottom heads are under advanced stage of development at the NPCIL Joint Venture named LTSSHF, Hazira. The cylindrical shells have been forged and are undergoing heat treatment, final machining, mechanical testing and NDT activities.

- **Remote Tooling Related:**

  (i) Triangular Block Cutting Laser Tool for RAPS-3 developed and tested at R&D Centre mock up facility, (ii) Carrier tube assembly removal concept for 540 MW finalized, design detailing is in progress, (iii) Laser based technique for window cutting & slitting developed for steam generator inspection / ease of tubes removal, (iv) BARCIS channel inspection training and coordination done for TAPS-3 and K-04 at Kaiga-1, (v) Various types of Steam Generator inspections/debris removal procedures carried out for a total of 17 SGs at 5 operating units, (vi) Support provided for mock-up testing of Tool Delivery System (TDS) at R&D Centre.

- **Automated Narrow Gap TIG welding:**

  Once fully established with field trials, adoption of this technique is expected to provide high and consistent radiographic quality weld joints and help minimize construction time. With a view to adopting such a technology in the field welding of large size and thick primary main system piping and steam lines Automated Narrow Gap TIG welding of large size piping has been shop demonstrated utilizing the machine available at BARC.

- **Cable Tray implementation at 700 MW projects:**

  The relatively simpler cable tray design concept which was tested at R&D Centre and also implemented in ITFT has seen implementation in KAPP-3&4 project. This has eased the construction/erection process.

- **Environmental Qualification (EQ) activities:**

  Utilizing the Radiation chamber, thermal chambers and "Loss of Coolant Accident" (LOCA) Test Facility a large number of EQ tests have been carried out for assessment performance under severe environment, determining residual life for operating units' components and equipment and also under indigenous development items.

- **Fuelling Machine Heavy Duty Bearings:**

  These have been indigenously developed to a high level of precision machining.

- **Indigenous vendor base broadening**:

  For several major equipments such as Primary Coolant Pump (PCP) motors, Shut Down cooling pumps and Fuelling Machine (FM) pumps actions are under progress for alternate vendor development to strengthen the supply chain.

2. Expenditure on R&D-ES/TD:

(₹ in crore)

a.	Capital Expenditure	67.00
b.	Revenue	12.00
c.	**Total**	**79.00**
d.	Total Expenditure as % of total turnover	0.94%

B. Technology Absorption, Adaptation & Innovation

Technology Development (TD):

Technology Development Activities in NPCIL are focused on (i) Setting up R&D facilities for carrying out performance testing and verification of new designs of systems and components for NPPs, environmental qualification of components & validation of safety studies codes, (ii) Indigenization of hitherto imported equipment, components and materials, (iii) Developing / deploying remote tools for inspection, repair and refurbishment of reactor core components and primary system equipment, (iv) Development / deployment of latest available technology for construction time minimization of new projects.

These activities are aimed at achieving continual enhancement of nuclear & radiation safety, reliable operation and development of new Reactor Systems.

Research & Development-Electronics Systems (R&D-ES)

The role of R&D-Electronics Systems Group is to put greater thrust on development of all safety, safety related C&I systems with the goals of higher reliability, availability and cost reduction and to fulfill plant requirements, indigenization of radiation monitoring and leak detection instruments and providing prompt solution and long term support to sites. Realization of deployment of in-house developed CBS for C&I purposes and ensuring their security are some of the results of in-house development of state-of-art hardware modules for computer based systems and system software. The in-house development also addresses the issue of qualification and supply of "Commercial off the Shelf (COTS)" systems for safety and safety related C&I applications.

Annexure 'B' to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

POWER SECTOR SCENARIO IN THE COUNTRY

The total installed capacity in the country, as on 31st March 2014, is as under:

Fuel	Installed Capacity as on 31st March 2014	
	(MW)	% Share
Thermal (Coal/Gas/Diesel)	168255	69
• Coal	**145273**	**60**
• Gas	**21782**	**9**
• Diesel	**1200**	**0.5**
Hydro (Renewable)	40531	17
Nuclear	4780	2
Renewable Energy Sources	29463	12
Total	**243029**	**100**
[Source: Central Electricity Authority (CEA) data for the month of March 2014]		

The total electricity generation in the country during the financial year 2013-14 was 967 Billion Units (including import of 5.6 BUs from Bhutan) as compared to 912 BUs during previous fiscal, registering a growth of 9%. The nuclear power contributed about 3.5% of total electricity generation in the country in 2013-14.

The per capita electricity consumption in India is still among the lowest in the world at 917 kWh in 2012-13. The persistent shortages of electricity, both for peak power and energy, indicate the need for improving performance of the power sector as well as accelerating addition of generating capacity in the country. In this context, the Integrated Policy (2006) of India projects an installed capacity of about 800 GW by the year 2032.

During the year 2013-14, demand for electricity in India outstripped availability both in terms of energy and peak availability. According to Central Electricity Authority of India, the energy requirement during the year 2013-14 was 1002045 MUs against availability of 959614 MUs, showing a deficit of 4.5% and Peak load demand was 135918 MW as against availability of 129815 GW, with a shortfall of 4.5%.

Role of Nuclear Power in India

Nuclear energy could play a critical role in addressing India's energy challenges, meeting massive energy demand, mitigating carbon emissions and enhancing energy security. India has the capability to achieve the complete fuel cycle – from uranium exploration, mining, fuel fabrication and electricity generation, to reprocessing and waste management. India has modest reserves of uranium and vast reserves of thorium and thus the three stage nuclear power programme is designed to achieve self-reliance by exploiting India's thorium resources and providing long-term energy security to the country.

India's nuclear power programme comprises of three stages essentially to utilise modest uranium and large thorium reserves in the country for electricity generation. The first stage is based on Pressurised Heavy Water Reactors (PHWRs), using natural uranium as fuel. This stage generates electricity and produces plutonium, a significant component of fuel for second stage of Fast Breeder Reactors (FBRs), which generates more plutonium and an isotope of uranium from thorium used as blanket with plutonium-uranium fuel. In the third stage, advanced power reactors, based on uranium-thorium cycle, are envisaged for deployment.

The fossil fuels used in the energy sector are a major source of Green House Gas (GHG) emissions, in particular CO_2. GHG emission from nuclear power plants is very negligible even on a life cycle basis (from mining of ore to waste disposal). Growing awareness and concern on climate change has made nuclear power a preferred option.

COMPANY OVERVIEW

Role of NPCIL

With the formation of Nuclear Power Corporation of India Limited in 1987 as a Central Public Sector Enterprise under the aegis of Department of Atomic Energy in India, the nuclear power generation moved to the commercial domain. The Company is operating the atomic power stations and implementing the atomic power projects for generation of electricity in pursuance of the schemes and programmes of the Government of India.

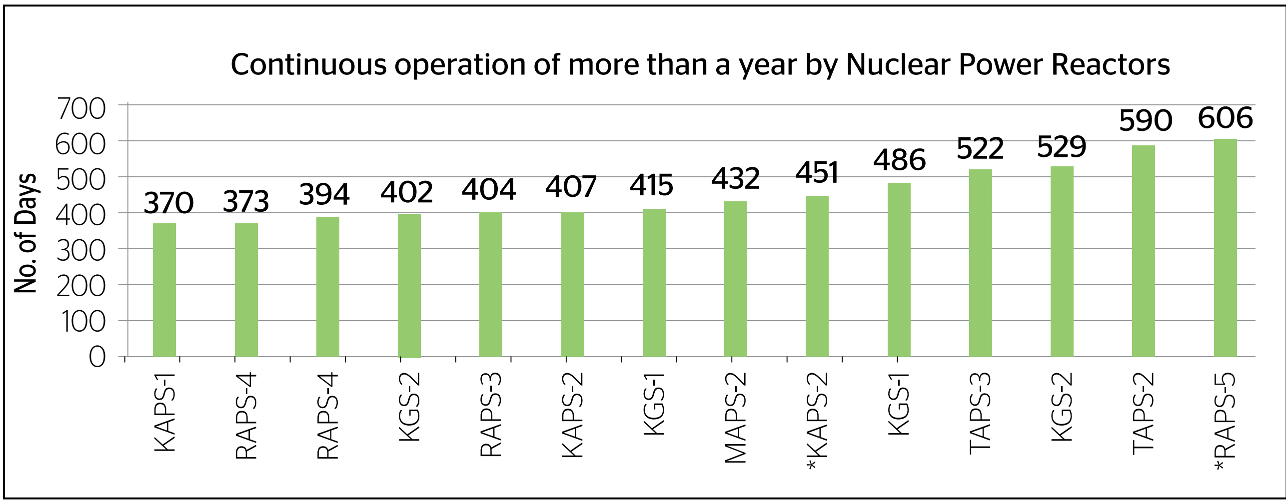
NPCIL has attained maturity in implementation of the first stage of three stage nuclear power programme, with comprehensive capacity in the various facets of nuclear technology viz. siting, design, construction, commissioning, operation & maintenance, upgradation and life extension of Nuclear Power Plants.

At present, NPCIL operates 19 Nuclear Power Plants with an installed capacity of 4680 MW.

Generation Performance

Over the years, NPCIL performance has been improving at par with Global nuclear power industry. During the year 2013-14, the Company recorded the highest ever electricity generation of 34228 MUs (excluding 1106 MUs from KKNPP-1) which was higher by 4.15% compared to the previous year generation of 32863 MUs. The Capacity Factor (Plant Load Factor) during the year under report was 83.49% as against 80.06% in the last year. During the year KGS-1 (415 days) and RAPS-5 (606 days) achieved continuous run of more than a year. So far, continuous operation of more than a year has been achieved 14 times by various reactors of NPCIL. KGS-3 also registered about one year of continuous run (342 days) during this financial year.

Nine reactors viz. TAPS-1&2, RAPS-2, RAPS-3&4, RAPS-5&6 and KAPS-1&2 with installed capacity of 1840 MW are placed under IAEA safeguards in accordance with the Separation Plan and operating with imported fuel. Ten reactors with installed capacity of 2840 MW are under AERB safeguards and operating with domestic fuel. PHWRs on domestic fuel continued to operate at power level matching fuel supply. Reactors operating with imported fuel registered an overall Plant Load Factor of 94% and those operating with domestic fuel of 77% during the year under report.



* As on 31st March 2014, still running.

Safety Performance

Nuclear Power Plants of the Company have registered more than 394 reactor years of safe, reliable and accident-free operation upto 31st March 2014.

Project under Commissioning

KKNPP-1&2 (2x1000 MW LWRs)

KKNPP Unit-1 was made critical on 13th July 2013 and connected to the Southern grid on 22nd October 2013. Since synchronization, the unit has been generating infirm power and its power level was gradually raised in steps in accordance with the regulatory clearances. KKNPP Unit-1 attained its rated power of 1000 MW on 7th June 2014. Unit-2 is also in the advanced stage of commissioning.

Progress on Ongoing Projects

KAPP-3&4 (2x700 PHWRs)

The construction activities of KAPP-3&4 continued with civil works taken up on all fronts. The construction of Calandria Vaults of both units has been completed. The physical progress of Unit-3 and Unit-4 was 61% and 48% respectively as on March 2014.

RAPP-7&8 (2x700 MW PHWRs)

Civil works on various fronts are in progress. In Unit-7, milestone 'Release of Calandria Vault for End-shield erection' was achieved on 9th September 2013. In Unit-8, concreting of 2 lifts of Calandria Vault has been completed. Various equipment and components have been delivered at site. The physical progress of Unit-7 and Unit-8 was 43% and 33% respectively as on March 2014.

Capacity Addition during XII Plan period

During the XII Plan, eight new projects with cumulative capacity of 16100 MW have been proposed for launch. These comprise of four projects (5600 MW) of twin units of 700 MW indigenous PHWRs and four LWR projects (10500 MW) of twin units of 1000 MW or higher unit sizes based on international cooperation. The details of the new projects are:

LOCATION	REACTOR TYPE	CAPACITY (MW)
PROJECTS PROPOSED FOR LAUNCH IN XII FIVE YEAR PLAN		
Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP Unit-1&2)	Indigenous PHWRs	2 x 700
Chutka, Madhya Pradesh Unit-1&2		2 x 700
Mahi Banswara, Rajasthan Unit-1&2		2 x 700
Kaiga-5&6, Karnataka		2 x 700
Kudankulam-3&4, Tamil Nadu	LWRs based on international co-operation	2 x 1000
Jaitapur-1&2, Maharashtra		2 x 1650
Mithi Virdi Unit-1&2, Gujarat		2 x 1100
Kovvada Unit-1&2, Andhra Pradesh		2 x 1500

In respect of one PHWR project i.e. GHAVP-1&2 (2x700 MW) and one LWR project i.e. KKNPP-3&4 (2x1000 MW), administrative approval and financial sanction from the Government of India have been obtained. These projects are expected to be launched in 2014-15.

Launches of other PHWRs are subject to completion of land acquisition, availability of statutory clearances and administrative and financial sanction of the Government. The actual start of construction on new LWRs with international co-operation will depend, in addition, on successful evolution of cost-effective business models / technical and commercial offers and completion of required national and international pre-requisites.

a) Status on new Projects

KKNPP-3&4 (2x1000 MW LWRs)

Administrative approval and financial sanction for Kudankulam Nuclear Power Project (KKNPP-3&4, 2x1000 MW LWRs) from the Government was obtained during the year 2013. Site has been made ready for start of construction. Statutory clearances like Environmental Clearance, Coastal Regulation Zone (CRZ) and Regulatory Clearance for siting have been obtained.

Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP-1&2, 2x700 MW PHWRs)

In respect of GHAVP, the land acquisition for the project was completed and environmental clearance from Ministry of Environment and Forests (MoEF) has been obtained. Hon'ble Prime Minister of India laid the foundation stone for the project on 13th January 2014. Administrative approval and financial sanction for GHAVP-1&2 was obtained on 3rd February 2014. All pre-project activities to launch the project in 2015 are in progress. Procurement activities for long delivery equipments like End-shield, Calandria, Steam Generator and other equipments have been initiated. Specialized studies like meteorological studies, seismotectonic studies, flood studies, etc. were completed and reports submitted during the year for AERB siting consent. Geo-technical investigations are under advanced stage of completion.

Jaitapur Nuclear Power Project (JNPP-1&2, 2x1650 MW LWRs)

As regards JNPP, the land is in NPCIL's possession. Environmental and CRZ clearances from the MoEF have been obtained. An application for siting consent is submitted to AERB and is under review. The reactors proposed to be set up are Evolutionary Pressurized Water Reactors (EPRs) in technical co-operation with AREVA of France in phases of 2x1650 MW. Techno-commercial negotiations to evolve an appropriate business model for implementation of the project are currently under progress.

b) New Sites

The pre-project activities at new sites are in progress. These include Environmental Impact Assessment for MoEF clearance, design input for AERB clearance, steps for obtaining siting consent from the regulator, public awareness programmes and actions for land acquisition to prepare the sites for project construction with shortest time.

In respect of Mahi Banswara, Rajasthan, sections 4 and 6 notifications; for Chutka, Madhya Pradesh, sections 4, 6 and 9 notifications; for Kovvada, Andhra Pradesh section 4 notification under Land Acquisition Act, 1894 for land acquisition by the respective State authorities have been issued. As regards Chutka site in Madhya Pradesh, the public hearing for MoEF clearance after completion of EIA studies was completed in February 2014. Meteorological and flood studies have been completed. Geo-technical investigation work and seismotectonic studies are at various stages of progress.

A preliminary contract was signed with M/s Westinghouse Electric Company for sharing technological details for the reactors to be set up at Chhaya Mithi Virdi site in Gujarat.

SWOT Analysis

NPCIL possesses sound domain knowledge in all facets of Nuclear Power – siting, design, construction, operation and waste management. Comprehensive capability of industry in the country exists for manufacturing of exacting standard equipments. Qualified manpower is available to accelerate the growth of the company. 'AAA' rating for NPCIL Bonds indicating safety is one of the strengths of the Company. However, limited manufacturing capability in the country for expanding nuclear power programme seems to be weakness. This is being taken care of by developing industries for supply-chain. International civil nuclear cooperation has provided opportunities for augmentation of fuel supply in addition to setting up of large capacity imported reactors, for faster capacity addition, as an additionality to India's three stage nuclear power programme. Efforts are on by the Government to augment fuel supply from domestic sources as well. Growing energy demand and global environmental concerns in managing the Carbon footprints has further necessitated the enhanced role of nuclear power. Land acquisition for new launches may pose challenges. Public apprehension about radiation and safety aspects of nuclear power are another challenge. These challenges are being met by innovative and enhanced outreach and CSR programmes.

Outlook

Nuclear power is safe, economically viable and environmentally benign source of energy. It can provide long term energy security to the country in a sustainable manner. With these merits, coupled with growing power demand in the country, the outlook is very bright. However, the public apprehension about nuclear power post Fukushima has generated a new challenge for the growth of nuclear power. Authentic information about safety features of NPPs and radiation aspect are being provided to various sections of society through enhanced outreach programmes to meet these challenges.

Public Outreach Activities

NPCIL has been carrying out a gamut of public outreach activities conveying the facts on nuclear power in a simple transparent and credible manner and addressing apprehensions and concerns of people. An action plan has been implemented with clear set of objectives and timelines including a review and monitoring mechanism. Several innovative public awareness programmes have been conceived and implemented for communities around the Indian nuclear power plant sites as well as at several other locations across the nation in this regard.

MoU Performance

Based on overall performance, the Company has been awarded 'Excellent' MoU rating by the Department of Public Enterprises for the year 2012-13. The expected MoU rating for the year 2013-14 is also in 'Excellent' category.

HUMAN RESOURCE MANAGEMENT

Human Resource plays a vital role in building a good team of working professionals. NPCIL has strong and dedicated workforce of 11748 employees consisting of 3697 Engineers and Scientists, 6003 technicians and supervisors, 1623 non-technical executives and staff and 425 Auxiliary support staff who spearhead the activities of the organization.

The group-wise staff strength consists of 4789 in Group A, 4831 in Group B and 2128 in Group C categories of employees.

Manpower Optimization

NPCIL carrying out special nature of business, thus strategic dimensions of its business and the operational flexibility needs to be maintained in every aspect. The trained manpower is an asset of NPCIL. Hence, optimization of manpower is an important strategy towards best utilization of human resource. Accurate and comprehensive manpower optimization models for Projects, Stations and Headquarters, including multi-Unit Sites are developed separately in NPCIL. Staffing has been done strictly in accordance with these models in NPCIL.

During the year, as a part of annual induction program for inducting young talent to the Organisation, 3 Medical professionals, 71 direct recruits in Scientific categories and 33 direct recruits in the non-technical categories (Groups A&B) were recruited through centralized recruitment process. In the career progression front, during the year, 700 employees in Scientific and Technical categories, 162 (129 executives and 33 non-executives in non-technical categories were elevated to the next higher grade.

Training and Development

Training and Development activities have been organized to meet the organizational objective of developing manpower at all levels across hierarchies. This objective of enhancing the skill and potential has been achieved by a series of training programmes/ workshops organized for different target groups on subjects of organizational importance covering a wide spectrum of core functional areas/topics including recent developments such as right to information, reservation policy, disciplinary rules and procedures, corporate social responsibility, coaching and mentoring, etc. Employees have also been nominated to external training programmes including induction programmes for newly recruited talent for acclimatization and smooth induction into the organization. With this activity of training and development, 2859 man-days of training was imparted during the year, 13 employees were also sponsored for acquiring higher education in Technology, Medical, Safety, Fire Services, etc. Also, as part of industry-academia interface, 79 students of reputed colleges were imparted practical training in different engineering and management disciplines to meet their curriculum requirements.

NPCIL (High Performers Annual Award) Scheme

566 High Performers were felicitated under NPCIL (High Performers Annual Award) Scheme, 2007 for the year 2012 as under:

(a)	Life Time Achievement Award	-	01
(b)	Young Executive Award	-	35
(c)	Special Contribution Award	-	27
(d)	Excellence Award	-	08
(e)	Group Achievement	-	*445
(f)	Unit Recognition Award	-	50

* 27 Groups consisting of 445 employees

Grievance Handling Procedure

A structured mechanism exists for redressal of grievances which is sensitive and attentive to employee grievances at all levels. Further grievances are now being heard and resolved through online Grievance Redressal and Monitoring System (GRAMS).

Employee Relations

Harmonious Employee Relations prevailed in all the stations, Projects and Headquarters. Regular and structured meetings were held with the recognized Unions at Station/Project levels and with the Joint Consultative Council at the apex level to discuss and resolve the various employees' related issues. The harmonious employee relations are a result of sound and constructive participative approach adopted by Management in decision making in matters affecting the general welfare and service conditions and conflict resolutions based on mutual understanding, which resulted in increased production and productivity.

Achievement by Stations

(1) TAPS-3&4, RAPS-1&2, RAPS-3&4, RAPS-5&6, NAPS, KAPS-1&2, KGS-1&2 and KGS-3&4 qualified as Excellent Performing Stations during the year and a reward of ₹ 2,000/- was sanctioned to each employee of the above Stations.

(2) Special reward of ₹ 4000/- was earned by the employees of KGS-1&2 and a reward of ₹ 3000/- was earned by the employees of KGS-1&2, TAPS-1&2, NAPS and KGS-3&4 for longest continuous operation of NPCIL unit beyond 300 days.

(3) A reward of ₹ 1000/- for each employee towards Industrial Accident Free Period was achieved by TAPS-1&2, TAPS-3&4, RAPS-1&2, RAPS-3&4, RAPS-5&6, KAPP-3&4, KGS-1&2 and KGS-3&4 and the employees were given a memento.

FINANCIAL REVIEW

Results of Operations (Statement of Profit and Loss Analysis)

A detailed financial analysis of results of operations of the Financial Statements of the company is furnished below. Reference to the Note in the following paragraphs refers to the Notes to the Financial Statements of the FY 2013-14 placed elsewhere in this Annual Report. Figures of the previous FY has been regrouped / rearranged, wherever necessary.

Total Income

The total income mainly comprises of income from sale of power (i.e. electricity), consultancy services, interest income from bonds issued by electricity beneficiaries under settlement scheme, income from investments i.e. deposits with banks, mutual funds & others and miscellaneous income. The total income for the FY 2013-14 was ₹ 9,053 crore (i.e. Sale of Power ₹ 8,384 crore + Other Income ₹ 669 crore) as compared to ₹ 8,638 crore (i.e. Sale of Power ₹ 7,962 crore + Other Income ₹ 676 crore) for the previous FY 2012-13, thus showing an increase of ₹ 415 crore.

Revenue from Sale of Power (Note-22)

The Company's bulk customers are electricity utilities mostly owned / controlled by State Governments and Union Territories. Revenue from sale of power has been recognized net of levies.

The revenue generated from sale of power was ₹ 8,384 crore for the FY 2013-14 as compared to ₹ 7,962 crore for the previous FY 2012-13 i.e. an increase of ₹ 422 crore. The revenue generated from sale of power included revenue from wind farm power during the FY 2013-14, ₹ 4.86 crore as against ₹ 4.99 crore for the previous year.

The revenue generated during the FY 2013-14 included the collection of Self Insurance Fund (SIF) amounting to ₹ 41 crore at the rate of 1.5 paise / kWh as a part of tariff.

Operating Performance of the Stations (Note-44(ii)

- The power generated through nuclear energy during the FY 2013-14 was 34228 Million kWh as against 32863 Million kWh during the previous FY 2012-13, thus showing an increase of 4.15 percent.
- The net export of electricity during the FY 2013-14 is 30896 Million kWh as against 29541 Million kWh during the previous FY 2012-13, thus showing an increase of 4.59 percent.
- The capacity utilization factor increased to 83.49% during the FY 2013-14 as compared to 80.06% during the previous FY 2012-13.

The average tariff of NPCIL stations was ₹ 2.71/kWh for the FY 2013-14 as against ₹ 2.69/kWh for the previous FY 2012-13. The increase in average tariff is due to collection of Self Insurance Fund at the rate of 1.5 paise/kWh as a part of tariff.

Other Income (Note-23)

The "Other Income" for the FY 2013-14 was ₹ 669 crore, which was marginally lower as compared to ₹ 676 crore for the previous FY 2012-13. This was primarily due to deployment of internal surplus for project requirements and repayment of Russian Credit.

The redemption of Bonds (₹ 1,066 crore) and prudent restructuring of loans had resulted in reduction of Finance Costs (Note-27) by ₹ 74 crore (i.e. ₹ 556 crore – ₹ 482 crore).

Total Expenditure (Statement of Profit & Loss)

Total expenditure of the Company consisting of Operating Expenses, Finance Costs and Depreciation was ₹ 6,168 crore for the FY 2013-14 as against ₹ 6,020 crore in the previous FY 2012-13, thereby registering an increase of ₹ 148 crore (2.46%). The details of the total expenditure are as under:

(₹ in crore)

Particulars	FY 2013-14	FY 2012-13
Operating Expenses:		
- Fuel & Heavy Water Charges	2,734	2,631
- Operation & Maintenance Expenses	656	621
- Employee Benefit Expenses	1,037	995
- Administrative & Other Expenses	312	254
Total Operating Expenses	**4,739**	**4,501**
Finance Costs	**482**	**556**
Depreciation & Amortization	**947**	**963**
Total Expenditure	**6,168**	**6,020**

Operating Expenses (Notes - 24, 25, 26 & 28)

The expenditure incurred on Fuel & Heavy Water Charges, Operation & Maintenance Expenses, Employees' Benefits Expenses and Administration & Other Expenses for the FY 2013-14 were ₹ 4,739 crore as compared to ₹ 4,501 crore for the previous FY 2012-13 i.e. an increase of ₹ 238 crore (5.29%). The Fuel and Heavy Water charges for the FY 2013-14 were ₹ 2,734 crore as compared to ₹ 2,631 crore for the previous FY 2012-13 i.e. an increase of ₹ 103 crore (3.91%). This increase was mainly due to increase in gross generation of energy. The Operation & Maintenance expenses for the FY 2013-14 were ₹ 656 crore as compared to ₹ 621 crore for the previous FY 2012-13 i.e. an increase of ₹ 35 crore (5.64%). The increase in Operation & Maintenance expenses was mainly on account of increase in prices. The Employees' Benefits expenses for the FY 2013-14 were ₹ 1,037 crore as compared to ₹ 995 crore for the previous FY 2012-13 i.e. an increase of ₹ 42 crore (4.22%). The increase in Employees' Benefits expenses was mainly due to annual increment and higher dearness allowance. The Administration & Other Expenses for the FY 2013-14 were ₹ 312 crore as compared to ₹ 254 crore for the previous FY 2012-13 i.e. an increase of ₹ 58 crore (22.83%). The increase in Administration & Other Expenses was mainly due to availment of rebate (i.e. an increase of ₹ 37 crore) by State Electricity Beneficiaries as per the rebate scheme to ensure the prompt and early payment.

Finance Costs (Note-27)

Finance Costs (excluding interest during construction period) consist of interest amount on long term borrowings. Finance Costs stand at ₹ 482 crore for the FY 2013-14 as compared to ₹ 556 crore for the previous FY 2012-13. The decrease in Finance Costs is on account of redemption of Bonds and restructuring of term loans amounting to ₹ 4,500 crore to gain / achieve the interest reduction. This said restructuring will result in a net saving of Finance Costs to the tune of about ₹ 65 crore over the balance period of loans.

Depreciation and Amortization Expenses (Note-11)

As per the accounting policy of the Company, depreciation is provided on straight line method on the capitalized cost at the rates specified in Schedule XIV of the Companies Act, 1956 to the extent of 95% except for computers and peripherals where depreciation is charged @ 19% and for software where depreciation is charged @ 20%. Cost of computers and peripherals are depreciated on straight line method over a period of 5 years to the extent of 95% and software to the extent of cent percent. The depreciation charge was ₹ 947 crore in the FY 2013-14 as compared to ₹ 963 crore for the previous FY 2012-13.

Profit before Tax, Provisions and Prior Period Adjustments

The profit of the Company before tax provisions and prior period adjustments for the FY 2013-14 was ₹ 2,885 crore as compared to ₹ 2,618 crore for the previous FY 2012-13 and showing an increase of 10.20%.

Prior Period Adjustments (Note-29)

Prior period items are incomes or expenses which arise in the current period as a result of 'errors' or 'omissions' in the financial statements prepared in earlier years. Effects of changes in estimates are not treated as omission or error. The prior period items were ₹ 1 crore in the FY 2013-14 as compared to ₹ 3 crore for the previous FY 2012-13.

Provision for Taxation (Note-30)

An amount of ₹ 585 crore (PY ₹ 514 crore) has been provided towards current Income tax under Minimum Alternate Tax provisions and deferred tax.

Profit after Tax

The Company has earned a profit after tax of ₹ 2,299 crore during FY 2013-14 as compared to ₹ 2,101 crore for the previous FY 2012-13, thus showing an increase of 9.42%. The increase in profit is mainly due to higher capacity utilization resulting in increased generation of electricity and also decrease in finance costs.

Financial Position (Balance Sheet Analysis)

Net worth (Notes-1&2)

The net worth comprising of paid up share capital and revenue reserves / funds created out of Surplus account of the Company at the end of FY 2013-14 increased to ₹ 26,292 crore from ₹ 24,800 crore at the end of FY 2012-13, thereby registering an increase of 6.02% mainly due to increase in retained earnings. Correspondingly, the Book Value per share also increased to ₹ 2,584 from ₹ 2,438.

Loan Funds / Borrowings (Notes-3&9)

The loans including the current maturities payable within a period of 12 months from the Balance Sheet date as on 31st March 2014 was ₹ 17,785 crore in comparison to ₹ 16,769 crore as on 31st March 2013, thereby registering an increase of 6.06%. Summary of the loans outstanding is given below:

(₹ in crore)

Details	As on 31st March 2014	As on 31st March 2013
Secured Loans		
Bonds	5,152	4,219
Term Loans from Banks	5,786	5,786
Sub-Total	10,938	10,005
Unsecured Loans		
Loans from Government of India	5,335	5,394
External Commercial Borrowings	1,512	1,370
Sub-Total	6,847	6,764
Total	**17,785**	**16,769**

During the FY 2013-14, the Company has raised ₹ 2,000 crore through Non-Convertible Bonds (NCBs) by way of private placement at the interest rate of 9.18% semi-annualised. The fund mobilized through this issue was utilized for capital expenditure of on-going projects and to maintain the approved Debt – Equity Ratio of on-going projects. The corresponding SDL rate for this period was 9.69% and PLR rate (State Bank of India) was 10.10%.

During the FY 2013-14, the Company has redeemed Bonds amounting to ₹ 1,066 crore as per the terms of their issue. Further, the Company has also repaid ₹ 627 crore to the Department of Atomic Energy, Government of India, as per the Inter Governmental Agreement towards the loan (Russian Credit) availed from the former. The final balance of Unsecured Loan on account of Russian Credit as on 31st March 2014 was ₹ 5,335 crore including the exchange rate variation.

DAE loan (Russian credit) represents funds provided by DAE to NPCIL on account of credit extended by Government of Russian Federation to Government of India (GOI). The applicable rate of interest is 4% p.a. and exchange fluctuation on repayment of loan shall be borne by NPCIL. The loan was utilized to pay for supplies / erection / assistance in terms of various contracts entered into with M/s. Atomstroyexport for setting up two units of 1000 MW each at Kudankulam (KK). As per the repayment procedure, funds are deposited by the Corporation with Controller of Aid Accounts & Audit (CAA&A) / DAE for repayment of Russian Credit.

Tangible & Intangible Assets (Note-11)

The Company's gross block as on 31st March 2014 increased to ₹ 21,982 crore from ₹ 21,715 crore as on 31st March 2013, representing a growth of 1.22%.

Capital Work in Progress (Note-12)

The Company's capital work in progress as on 31st March 2014 increased to ₹ 26,085 crore from ₹ 21,232 crore as on 31st March 2013, representing growth of 22.86%.

Investments (Notes-13&16)

The investments consist mainly of power bonds and equity participation in joint venture, subsidiary companies and other Company. The equity participation in joint venture consists of investment in M/s. L&T Special Steels & Heavy Forgings Pvt. Ltd. to produce special steels and ultra heavy forgings. The equity participation in subsidiary companies consists of investment in M/s. Anushakti Vidhyut Nigam Limited, M/s. NPCIL-Indian Oil Nuclear Energy Corporation Limited & M/s. NPCIL

NALCO Power Company Limited to establish nuclear power stations to generate electricity with nuclear fuel. The equity participation in other Company consists of investment in Bharatiya Nabhikiya Vidyut Nigam Ltd., a Public Sector Undertaking under the same administrative ministry. The company has also invested in NPCIL Employees' Group Leave Encashment Scheme with (a) LIC of India, (b) SBI Life Insurance Co. Ltd., (c) ICICI Prudential Life Insurance Co. Ltd., (d) India First Life Insurance and NPCIL Employees' Gratuity Schemes with (a) LIC of India, (b) SBI Life Insurance Co. Ltd., (c) ICICI Prudential Life Insurance Co. Ltd., (d) Reliance Life Insurance Co.

Total investments including the current maturity due within a period of 12 months from the Balance Sheet date stood at ₹ 2,312 crore as on 31st March 2014 as against ₹ 1,863 crore as on 31st March 2013, representing growth of 24.10%.

Working Capital (Notes-16 to 21 & 7 to 10)

Current Assets after netting off current liability i.e. net working capital stood at ₹ 2,036 crore as on 31st March 2014 as against ₹ 4,909 crore as on 31st March 2013. The decrease in net working capital was mainly due to decrease in Cash & Bank Balances due to deployment of funds for on-going projects and also decrease in trade receivables.

Credit Rating

The Company's Bonds have been accredited with a 'AAA' rating indicating highest safety from both CRISIL and CARE since FY 2001-02 onwards.

Risk Management

Enterprise Risk Management Policy has been formed for identification of key risk areas and formulate appropriate risk mitigation plans for taking corrective action in a time bound manner.

Internal Control System and their adequacy

The Company has adequate internal control system commensurate with the nature and size of business which meets the objectives of efficient use and safeguarding of resources, compliance with statutes, policies and procedures and maintaining accuracy of recording of transaction and reporting the same promptly. The scope of internal audit involves examination and evaluation of the adequacy and effectiveness of the system of internal accounting, system and procedures and other operational areas. Independent firms of Chartered Accountants who are appointed with the approval of the Audit Committee carry out the internal audit. The observations raised out of the audit are subject to periodic review and compliance monitoring by Audit Committee.

Financials at a Glance

The financial performance of NPCIL for the last 10 years along with the key financial ratios is summarized as "Financials at a Glance".

FINANCIALS AT A GLANCE*

Particulars	2013-14	2012-13	2011-12
For the year			
Revenue and Other Income	9,053	8,638	8,709
Total Expenditure	**4,739**	**4,501**	**4,681**
Finance Costs (i.e. Interest)	482	556	672
Depreciation	947	963	961
Profit for the year	2,885	2,618	2,395
Profit before Tax	**2,884**	**2,615**	**2,382**
Profit after Tax	**2,299**	**2,101**	**1,906**
Dividend	690	630	572
At the end of year			
Gross Block	21,982	21,715	21,447
Net Block	11,367	12,072	12,791
Total Fixed Assets including CWIP	37,452	33,305	30,388
Investments	1,639	1,691	1,994
Other Non Current Asset	3,328	3,050	2,316
Current Assets	6,676	8,377	8,929
Total Assets	**49,095**	**46,423**	**43,627**
Inventories	505	485	452
Sundry Debtors	1,827	1,973	2,235
Net Current Assets	2,036	4,908	5,802
Share Capital	10,174	10,174	10,174
Revenue Reserves	16,118	14,626	13,260
Net Worth	26,292	24,800	23,434
Capital Reserve and DAE's Funds	2,261	2,130	1,994
Long Term Borrowings	14,901	15,160	14,454
Other Non-Current Liabilities	1,001	864	618
Current Liabilities	4,640	3,469	3,127
Total Liabilities	**49,095**	**46,423**	**43,627**
Total No. of Shares (Weighted average)	101,743,327	101,743,327	101,601,496
Generation (MUs)	34,228	32,863	32,451
Capacity Factors (%)	83	80	79
KEY RATIOS*			
For the Financial Year			
Liquidity			
Current Ratio	1.44	2.41	2.86
Quick Ratio	1.33	2.28	2.71
Solvency			
Debt to Net Worth (i.e. Equity)	0.57	0.61	0.62
Debt to Total Assets	0.30	0.33	0.33
Interest Cover	3.63	3.71	2.60
Profitability			
Return on Total Income	25%	24%	22%
Return on Net Worth (i.e. Equity)	9%	8%	8%
Return on Total Assets	5%	5%	4%
Gross Profit Margin (Total Income)	48%	48%	46%
Profit Before Interest & Tax Margin	37%	37%	35%
Efficiency			
Fixed Asset Turnover (Total Income)	24%	26%	29%
Total Asset Turnover (Total Income)	18%	19%	20%
Debtors Turnover Ratio (Total Income)	4.96	4.38	3.90
Average Collection Period (days)	74	83	94
Earnings per share (Rs.)	226	207	188
Book Value per share (Rs.)	2,584	2,438	2,306
Dividend per share (Rs.)	67.80	61.95	56.28

*The Performance and Key ratio has been prepared based on the new Revised Schedule VI reporting applicable from the Financial Year 2010-11.

₹ in Crore

2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
6,886	4,479	3,782	4,266	4,654	4,186	3,967
3,670	**2,629**	**2,190**	**1,874**	**1,915**	**1,793**	**1,563**
661	441	489	455	343	235	279
868	721	706	734	664	361	283
1,687	688	397	1,203	1,733	1,797	1,843
1,686	**474**	**481**	**1,205**	**1,726**	**1,776**	**1,838**
1,376	**416**	**441**	**1,079**	**1,571**	**1,713**	**1,705**
413	150	132	324	471	514	342
21,337	19,231	16,759	16,595	15,060	12,662	9,197
13,658	12,427	10,718	11,221	10,454	8,739	5,673
28,562	28,539	28,078	25,067	24,229	21,875	18,410
1,994	2,413	2,733	2,993	2,936	3,094	3,023
1,461	-	-	-	-	-	-
12,802	9,333	6,908	7,153	7,389	4,405	5,804
44,819	**38,448**	**36,663**	**34,269**	**33,196**	**28,105**	**25,960**
393	389	378	361	356	268	216
1,144	503	507	429	585	373	496
6,355	7,084	5,669	6,110	6,031	3,136	4,528
10,145	10,145	10,145	10,145	10,145	10,145	10,145
12,017	11,122	10,881	10,595	9,895	8,867	7,743
22,162	21,268	21,027	20,740	20,040	19,012	17,889
1,822	1,718	1,617	1,446	1,396	1,313	1,224
13,844	15,462	14,019	12,083	11,761	7,780	6,848
544	-	-	-	-	-	-
6,447	2,249	1,238	1,043	1,358	1,269	1,276
44,819	**38,448**	**36,663**	**34,269**	**33,196**	**28,105**	**25,960**
101,453,327	101,453,327	101,453,327	101,453,327	101,453,327	101,453,327	101,453,327
26,469	18,798	14,921	16,964	18,785	17,354	16,709
71	61	50	54	63	74	76
1.99	4.15	5.58	6.86	5.44	3.47	4.55
1.92	3.98	5.27	6.51	5.18	3.26	4.38
0.62	0.73	0.67	0.58	0.59	0.41	0.38
0.31	0.40	0.38	0.35	0.35	0.28	0.26
3.05	2.63	1.99	3.61	5.08	5.78	5.81
20%	9%	12%	25%	34%	41%	43%
6%	2%	2%	5%	8%	9%	10%
3%	1%	1%	3%	5%	6%	7%
47%	41%	42%	56%	59%	57%	61%
34%	25%	23%	39%	45%	49%	53%
24%	16%	13%	17%	19%	19%	22%
15%	12%	10%	12%	14%	15%	15%
6.03	8.90	7.47	9.94	7.95	11.23	7.99
61	41	49	37	46	32	46
136	44	44	106	155	169	180
2,185	2,096	2,073	2,044	1,975	1,874	1,763
40.70	14.79	13.05	31.89	46.45	50.70	36.00

Annexure 'C' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The NPCIL's business philosophy appreciates the need of upholding the highest standard of corporate governance in its operations. The management of the Company believes that strong and sound corporate governance is an important instrument of protection of stakeholders and good corporate governance practices would enable it to face the challenges of growth effectively and successfully. The Company has strong legacy of fair, transparent and ethical Government practices.

2. BOARD OF DIRECTORS:

Composition of the Board

The Board comprises of six (6) whole time directors, including Chairman & Managing Director and three (3) Non-Executive Directors as on 31st March 2014, out of which two (2) are Independent Directors.

All directors, including non-executive directors, are professionals and have wide experience in their respective fields. A brief resume of all the directors is given in this annual report elsewhere.

The Board functions either as a full board or through committees constituted by it. The Board of Directors and its committees meet at regular intervals. A table showing present composition of the Board and attendance of the members of the Board at board meetings held during the year is given below.

Year 2013-14

Seven meetings of the Board of Directors were held during the year on 27.05.2013, 05.07.2013, 06.09.2013, 01.11.2013, 13.12.2013, 07.03.2014 (adjourned to 08.03.2014) and 26.03.2014. The maximum time gap between any two consecutive Board Meetings did not exceed three months. The attendance of directors was as follows:

Name of Board Member	Board meetings attended during the year	Attendance at last AGM (held on 5th July 2013)	No. of other Directorships	No. of Committees on which Chairman/ Member apart from NPCIL
Chairman & Managing Director				
Shri K.C. Purohit	Seven	Yes	-	Nil
Executive Non-Independent Directors (Whole Time Directors)				
Shri Preman Dinaraj	Seven	Yes	(Two) 1. Chairman, NPCIL-NALCO Power Company Ltd. 2. Director, L&T Special Steels and Heavy Forgings Private Ltd.	(One) Chairman, Audit Committee of L&T Special Steels and Heavy Forgings Private Ltd.

Shri G. Nageswara Rao	Six	Not Attended	(One) Chairman, NPCIL-IndianOil Nuclear Energy Corporation Ltd.	Nil
Shri S.B. Agarkar (ceased to be a director w.e.f. 01.04.2014)	Six	Yes	(One) Chairman, Anushakti Vidhyut Nigam Ltd.	Nil
Shri R.K. Gargye (appointed w.e.f. 01.07.2013)	Five	Yes	(One) Director, NPCIL-NALCO Power Company Ltd.	Nil
Shri S.G. Ghadge (appointed w.e.f. 01.07.2013)	Five	Yes	Nil	Nil
Non-executive (Part-time) Non-Independent Directors (Government Directors)				
Shri A.P. Joshi (ceased to be Director w.e.f. 30.04.2013)	Nil	Not Applicable	(One) Director, BHAVINI	Nil
Dr. C.B.S. Venkataramana (appointed w.e.f. 10.05.2013)	Six	Yes	(One) Director, BHAVINI	
Shri V.R. Sadasivam (ceased to be Director w.e.f. 31.12.2013)	Four	Yes	(Four) Director of: 1. BHAVINI 2. Electronics Corporation of India Ltd. (ECIL) 3. Indian Rare Earths Ltd. (IREL) 4. Uranium Corporation of India Ltd. (UCIL)	(Two) As Member, Audit Committee 1. IREL 2. BHAVINI
Non-executive (Part-time) Independent Directors				
Shri Sekhar Basu	Five	Not attended	(One) Director, BHAVINI	Nil
Dr. Nalini Bhat (ceased to be Director w.e.f 30.04.2013)	Nil	Not Applicable	Nil	Nil
Shri A.S. Bakshi (ceased to be Director w.e.f 01.08.2013)	One	Yes	(One) Director, NHPC Ltd.	Nil
Shri I.A. Khan (ceased to be Director w.e.f. 31.01.2014)	Five	Yes	(One) Director, BHAVINI	Nil
Dr. S.M. Jaamdar (appointed w.e.f. 28.06.2013)	Three	Not Attended	Nil	Nil

Notes:

1. For the purpose of reckoning chairmanship / membership of the Committees, only Audit Committee and the Shareholders' Grievance Committee have been considered.
2. All the Directors have made necessary disclosures about their Committee positions they occupy in other companies.
3. None of the above non-executive directors has any material pecuniary relationship or transactions with the company, its management, which in the judgment of the board may affect independence of judgment of the director.
4. None of the Directors are related to each other.
5. In respect of Non-executive (Part-time) Independent Directors, they are treated as Independent Directors. Clause 1.3(c) of the Atomic Energy Commission Guidelines for NPCIL issued in 2008 provides for appointment of two Non-official Independent Directors on the Board. The steps are being initiated to fill the vacancies.
6. The details of directorship of directors who ceased to be directors during the year are based on the disclosures received in the last year.
7. Shri S.B. Agarkar, Director (HR) has retired from service of NPCIL on 31.03.2014 and as per the terms of his appointment on the Board of NPCIL he ceased to be a Director.

   The Company has a process to provide the information to the Board as required under Annexure IV of the Guidelines on Corporate Governance CPSEs, 2010 (Guidelines) issued by the Department of Public Enterprises (DPE) which was followed.

   Compliance of all laws, rules and regulations is ongoing process. The steps would be taken to review the same periodically.

Code of Conduct

The Board of Directors has laid down Code of Conduct for the Board members and senior management personnel of the Company. A copy of the Code is available on the website of the Company.

All the members of the Board and Senior Management Personnel have affirmed compliance of respective Code of Conduct during the financial year ended on 31st March 2014.

The following are the sub-committees of the Board:

1. Board Sub-Committee on Contracts & Purchases.
2. Board Sub-Committee on Resource Mobilisation.
3. Audit Committee.
4. Bonds Allotment / Transfer Committee.
5. Shares Allotment / Transfer Committee.
6. Investors' Grievance Redressal Committee.
7. Board Sub-Committee on Corporate Social Responsibility and Sustainability.

3. AUDIT COMMITTEE:

Composition

Consequent to many changes in the Board of Directors of the Company, as shown in the table below, the audit committee was reconstituted on various occasions. As on 31st March 2014, the Audit Committee consisted of three members, two of whom are Non-Executive Independent Directors. The members of Audit Committee are experienced and have fair knowledge of project finance, accounts and corporate laws. The Director (Finance) is the Permanent Invitee at the meetings and the Statutory Auditors attend as Special Invitees. The Cost Auditor and Internal Auditors are also invited, on rotation basis (unit-wise), at Audit Committee meetings for participation in discussions.

Number of meetings held and the dates on which they were held.

Five meetings of the Audit Committee were held during the year 2013-14. The meetings were held on 23.05.2013, 29.06.2013, 19.09.2013, 01.11.2013 and 26.02.2014. The maximum time gap between any two audit committee meetings did not exceed four months. The composition of the Audit Committee is given below:

Name of the Member	Category	Number of meetings attended
Shri A.S. Bakshi, Chairperson, Central Electricity Authority (ceased to be Director w.e.f. 01.08.2013 and thus ceased to be Chairman, Audit Committee from that date).	Chairman	Two
Dr. C.B.S. Venkataramana, Additional Secretary, DAE (adopted as Member w.e.f. 06.09.2013)	Member	Three
Dr. Nalini Bhat, Adviser(IA), Ministry of Environment & Forests (ceased to be Director w.e.f. 30.04.2013 and thus ceased to be Member, Audit Committee from that date).	Member	Nil
Shri Sekhar Basu, Director, BARC	Member	Two
Shri I.A. Khan, Adviser(Energy), Planning Commission (ceased to be Director w.e.f. 31.01.2014 and thus, ceased to be Member, Audit Committee)	Member	Four
Dr. S.M. Jaamdar, Director (adopted as member w.e.f. 01.11.2013)	Member	Nil

Shri Preman Dinaraj, Director (Finance), NPCIL is the Permanent Invitee to the meetings of the Audit Committee.

Role of Audit Committee

The terms of reference of the Committee are spelt out in Section 292A of the Companies Act, 1956 and Guidelines on Corporate Governance for CPSEs 2010.

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the fixation of audit fee of external auditors and also approval for payment for any other services.
3. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report.

4. Reviewing, with the management, the financial statements before submission to the Board for approval.
5. Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors and / or statutory auditors any significant findings and any follow up thereon.
8. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
11. Reviewing the follow up action on the audit observations of the C&AG audit.
12. Reviewing the functioning of whistle blower mechanism.
13. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
14. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
15. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
16. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
17. Consider and review the following with the independent auditor and the management:
    - The adequacy of internal controls including computerized information system controls and security, and
    - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
18. Consider and review the following with the management, internal auditor and the independent auditor:
    - Significant findings during the year, including the status of previous audit recommendations,
    - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Powers of Audit Committee

(i) To investigate any activity within its terms of reference.
(ii) To seek information on and from any employee.
(iii) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
(iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
(v) To protect whistle blowers.

The Company Secretary acts as the Secretary of the Audit Committee.

4. REMUNERATION COMMITTEE:

The Company follows Government of India pattern of pay scales and Dearness Allowance for its employees. The perks available to the employees are broadly based on the pattern followed by the Government of India for its employees or as available to the employees of other PSEs of the Government of India. The same principle is applicable in case of remuneration and perquisites of whole time directors: Non-official part-time independent Directors are paid only sitting fees at the rate approved by the Government for attending the Board Meetings as well as Sub-Committee Meetings. Hence, no remuneration committee has been constituted. *However, the formation of Remuneration Committee under the guidelines on corporate governance will be reviewed.*

Details of remuneration paid to the Chairman & Managing Director and other Directors are given below: (In ₹)

Sl. No.	Name of Director	All elements of remuneration of the Directors i.e. Salary, Bonus, LTC, Employers' PF Contribution, Pension Contribution, wherever applicable, benefits, etc.
1.	Shri K.C. Purohit, CMD	33,71,060
2.	Shri Preman Dinaraj	26,62,434
3.	Shri G. Nageswara Rao	28,05,280
4.	Shri S.B. Agarkar	48,05,300
5.	Shri S.G. Ghadge	18,52,913
6.	Shri R.K. Gargye	21,05,944
	Total	**1,76,02,931**

5. BOARD SUB-COMMITTEE ON CONTRACTS & PURCHASES:

This Sub-Committee is entrusted with the responsibility of implementing the decisions of the Board relating to Contracts & Purchases for the Company. The Committee has financial powers upto a limit of ₹ 100 crore. Further, the Sub-Committee has powers upto a limit of ₹ 300 crore to approve contract on Public / Limited tender basis and for single / nomination basis upto a limit of ₹ 100 crore. The Committee meets from time to time depending upon the requirements of the business.

Composition of the Committee		
1.	Shri K.C. Purohit, CMD	Chairman
2.	Shri Preman Dinaraj, Director (Finance)	Member
3.	Shri S.G. Ghadge, Director (Technical)	Member
4.	Dr. C.B.S. Venkataramana, Additional Secretary, DAE	Member

6. BOARD SUB-COMMITTEE ON RESOURCE MOBILISATION:

This Sub-Committee considers the requirements of funds raising from the market for the Ongoing Projects of the Company as per the approval received from the Government of India and decides various modalities for the same. This Committee has also been assigned the additional responsibility of considering disposal of Bonds in the market received from the SEBs against the outstanding dues in accordance with the recommendations of the Ahluwalia Committee.

Composition		
1.	Shri K.C. Purohit, CMD	Chairman
2.	Shri Preman Dinaraj, Director (Finance)	Member
3.	Dr. C.B.S. Venkataramana, Additional Secretary, DAE	Member

7. SHARES ALLOTMENT/TRANSFER COMMITTEE:

This Committee considers the allotment and transfer of Shares and issuance of share certificates and other matters incidental thereto.

Composition		
1.	Shri K.C. Purohit, CMD	Chairman
2.	Shri Preman Dinaraj, Director (Finance)	Member
3.	Dr. C.B.S. Venkataramana, Additional Secretary, DAE	Member

8. BONDS ALLOTMENT/TRANSFER COMMITTEE:

The Committee considers the allotment of Bonds to the applicants and subsequent transfers of holdings, issuance of bond certificates and other matters incidental thereto.

Composition		
1.	Shri K.C. Purohit, CMD	Chairman
2.	Shri Preman Dinaraj, Director (Finance)	Member

9. INVESTORS' GRIEVANCE REDRESSAL COMMITTEE:

Composition		
1.	Dr. C.B.S. Venkataramana, Additional Secretary, DAE	Chairman
2.	Shri Preman Dinaraj, Director (Finance)	Member

Dr. C.B.S. Venkataramana was adopted as Chairman of the Committee in 144th Board Meeting held on 27th May 2013. Shri I.A. Khan ceased to be Director w.e.f. 31.01.2014 and consequently ceased to be Member of the Committee.

The Committee is vested with the following powers:

a) To look into / monitor investors' complaints like transfer of bonds/ debentures / securities, non-receipt of interest, redemption proceeds, etc.

b) To investigate any activity within its terms of reference.

c) To seek information from any employee.

d) To obtain outside legal or other professional advice.

e) To secure attendance of outsiders with relevant expertise, if it considers necessary.

f) To advise on the matters relating to rendering of services to the Investors.

The Company Secretary acts as the Secretary to the Committee.

One meeting of the Committee was held during the year on 7th March 2014. The following were present at the meeting:

1. Dr. C.B.S. Venkataramana
2. Shri Preman Dinaraj

Name, address, telephone no. of Company Secretary:

Shri Srikar R. Pai, Company Secretary, 16th Floor, Centre-1, World Trade Centre, Cuffe Parade, Mumbai-400 005.

Tel. No.(Office) 022-22180281 (Fax) 022-2218 5464.

Details of the bondholders' grievances received during the year:

Queries received from the bondholders were replied to promptly. As on 31st March 2014, no complaints were pending.

10. BOARD SUB-COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY.

The Department of Public Enterprises has laid down the Guidelines on Corporate Social Responsibility and Sustainability for CPSEs. The Guidelines inter alia stipulate for formation of a Board level committee headed by either the CMD or an Independent Director to oversee the implementation of CSR and Sustainability policies of the Company and to assist the Board of Directors to formulate suitable policies and strategies to take the CSR and Sustainability agenda of the Company forward in the desired direction.

The Board of Directors of NPCIL constituted the Board Sub-Committee for Corporate Social Responsibility and Sustainability in 147th meeting held on 1st November 2013. The present composition of the Committee is as follows:

Composition		
1	Dr. S.M. Jaamdar, Non-official independent Director	Chairman
2	Shri Preman Dinaraj, Director (Finance), NPCIL	Member
3	Shri R.K. Gargye, Director (Projects), NPCIL	Member
4	Shri I.A. Khan, Adviser(Energy), Planning Commission (ceased to be Director w.e.f. 31.01.2014 and thus, ceased to be Member of the Committee)	Member

Two meetings of the Committee were held during the period i.e. 1st Meeting on 3rd December 2013 and 2nd Meeting on 26th March 2014.

11. MEETING(S) OF NON-OFFICIAL DIRECTORS:

The Department of Atomic Energy, Administrative Ministry, vide letter dated 29th January 2013 and 26th July 2013 forwarded the copy of OM dated 28th December 2012 and 20th June 2013 issued by the Department of Public Enterprises (DPE) regarding the Model Role and Responsibilities of non-official Directors of CPSEs. The aforesaid communication was placed in the 143rd Meeting of the Board of Directors of NPCIL held on 22nd March 2013 and the Board noted the same for compliance in NPCIL.

The above communication inter alia stipulates at least one meeting in a year without the attendance of functional and Government Directors and members of management. Meeting shall assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for Board to effectively and reasonably perform their duties. Accordingly, two meetings of non-official directors of NPCIL were held on 27th April 2013 (for the FY 2012-13) and 11th January 2014 (for FY 2013-14).

12. DISCLOSURES:

1. During the year, there were no transactions of material nature with the directors or their relatives or the management that had potential conflict with the interest of the Company.

2. A statement of related party transactions during the year as per AS18 is given in notes forming part of Annual Accounts of the Company for the year 2013-14. *As such, no statement was placed before the Audit Committee.*
3. There were no instances of non-compliance on any matter related to any guidelines issued by the Government during the last three years.
4. The Company has complied with the 'Corporate Governance Guidelines for CPSEs' issued by the Department of Public Enterprises as directed by the DAE and quarterly compliance reports have been regularly submitted to the DAE.
5. In NPCIL, risk management is a part of management system based on a Safety conscious approach. A policy on Risk Management has been approved by Board of Directors in its meeting held on 28th November 2009 and is being implemented in accordance with the Guidelines on Corporate Governance.
6. The Company being PSU, Central Vigilance Commission Guidelines are applicable, which provide adequate safeguard against victimization of employees. No person has been denied access to the Audit Committee.
7. CEO / CFO Certificate was placed before the Board at its meeting held on 13th August 2014 and is being provided in the Annual Report.

13. MEANS OF COMMUNICATION:

1. Half yearly financial results of the Company for the half year ended on 30th September 2013 were published in all editions of The Economics Times (English) and Navbharat Times (Hindi), Mumbai edition on 2nd November 2013. The financial results for the year ended 31st March 2014 were published in all editions of The Economics Times (English) and The Navbharat Times (Hindi) Mumbai edition on 14th May 2014.
2. The Company's website (http://www.npcil.nic.in) provides a variety of information on the Company like profile, organisation, plant performance statistics, financial performance, FAQ, reference articles, etc. The hit-rate of the web site is significant.
3. The Company participates in important exhibitions as an exercise towards public awareness on nuclear power and informative booklets/pamphlets are distributed to the visitors.
4. Matters of interest to employees are circulated internally in the form of Notices, Office Orders and Instructions.
5. Management's Discussion & Analysis forms part of the annual report.

14. GENERAL SHARE HOLDERS INFORMATION:

The total share holding of the Company is by the Government of India through its nominees.

General Body Meetings

The last three Annual General Meetings were held as under:

Financial year	Date & Time	Venue
2012-2013	5th July 2013 2.00 p.m.	Registered Office, 16th Floor, Centre-1, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400 005.
2011-2012	13th August 2012 2.30 p.m.	Same as above
2010-2011	7th September 2011 2.30 p.m.	Same as above

Special resolutions were passed in the 25th Annual General Meeting held on 13th August 2012 for alteration of the Articles of Association.

Postal Ballot

At the ensuing Annual General Meeting, there is no resolution proposed to be passed by Postal Ballot. However, the Company will extend the facility of voting by postal ballot, as and when decisions of shareholders/investors will be sought (on matters of critical nature and notified by the Government of India).

Annual General Meeting

27th Annual General Meeting for the financial year 2013-14 will be held at 2.00 p.m. on 13th August 2014 at the Registered Office of the Company in Mumbai.

Market Price Data

The shares of the Company are not listed on any Stock Exchange. However, bonds issued by the Company are listed with the National Stock Exchange of India since December 1996. The Bonds are traded on the Wholesale Debt Market Segment of the NSE. Trading of the bonds does occasionally take place, however, market value of the bonds does not fluctuate much; therefore, information relating to market price movements of bonds, being of no significance, is not given.

Financial Calendar

From April 2014 to March 2015

Key Financial reporting dates for the financial year:

- Financial Results for the half year ending 30th September 2014 will be published on or before 14th November 2014;
- Financial Results for the year ending 31st March 2015 will be published on or before 30th May 2015.

The Financial Results will be simultaneously hosted on the website (www.npcil.nic.in) of the Company.

Since 100% shares are owned by the Government of India, information regarding date of payment of Dividend and book closure is not given here.

Distribution of Bonds Holding

During the year under review, the Company issued 9.18% Redeemable Bonds worth ₹2000 crore. The bonds are issued by private placement.

All Bonds are listed on Wholesale Debt Market Segment of National Stock Exchange of India Ltd. The bonds are mostly held by the Banks, Financial Institutions and Employees Gratuity / Provident / Death Relief Funds of various organisations.

Dematerialisation

The Company has entered into agreements with The National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dematerialisation facility. All bonds issued so far are admitted to depository systems of the NSDL and CDSL.

Registrars and Transfer Agents appointed for servicing of the Bonds issued by the Company

1. TSR Darashaw Private Limited, 6-10, Haji Moosa Patravala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
   Telephone No.022-66568484, Fax 022-66568494, Email:csg-unit@tsrdarashaw.com,
   Website: www.tsrdarashaw.com

2. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Data Harsukhdas Mandir, New Delhi-110 062.
   Telephone Nos. 011-29961281/282, Fax-011-29961284,
   Email:beetal@beetalfinancial.com Website:www.beetalfinancial.com

Subsidiary Companies

As on date, the Company has three subsidiary companies viz.

a. Anushakti Vidhyut Nigam Limited (incorporated on 27th January 2011)

b. NPCIL – IndianOil Nuclear Energy Corporation Limited (incorporated on 6th April 2011)

c. NPCIL – NALCO Power Company Ltd. (incorporated on 2nd March 2012)

None of the above subsidiaries are covered within the criteria laid down in the Guidelines. However, minutes of the Board Meetings of the subsidiaries are placed before the Board Meetings of the Company for information.

Plant Locations:

The details of the plant locations of the Company are available elsewhere in the Annual Report.

Address for Correspondence

1. Registered Office:
   16th Floor, Centre-1, World Trade Centre, Cuffe Parade, Mumbai - 400 005.

2. Corporate Office:
   Nabhikiya Urja Bhavan, Anushaktinagar, Mumbai - 400 094.

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by Chairman & Managing Director is given below:

All the members of the Board and Senior Management Personnel have affirmed compliance of respective Code of Conduct for the Financial Year ended on 31st March 2014.

Sd/-

(K.C. Purohit)
Chairman & Managing Director

Annexure 'D' to the Directors' Report

Certificate of the Practising Company Secretary on Corporate Governance

To
The Members of
Nuclear Power Corporation of India Limited
World Trade Centre
Mumbai- 400 005.

We have examined the compliance of the conditions of corporate governance by Nuclear Power Corporation of India Limited, for the year ended on 31st March 2014, as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, which were forwarded by the Department of Atomic Energy (DAE), the Administrative Ministry of NPCIL, for compliance with the instructions contained therein.

The Corporate Governance requirements specified in the said guidelines on Corporate Governance for Central Public Sector Enterprises are mandatory. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the management, we certify that the Company has, subject to the statements made in the report in italics, generally complied with the conditions of Corporate Governance to the extent possible as stipulated in the said guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates

Practising Company Secretaries

Sd/-

Place: Mumbai
Date: August 13, 2014

P.N. Parikh
FCS:327 CP:1228

Annexure 'E' to the Director's Report

Statement showing holding company's interest U/s 212 of the Companies Act, 1956

1. Name of the Subsidiary - Anushakti Vidhyut Nigam Limited

(₹ in Crore)

Particulars	Financial Year 2013-14	Previous Year 2012-13
1. Extent of the Holding Company Interest in the subsidiary at the end of year	51 percent	51 percent
2. The net aggregate amount of subsidiary's Profits / (Losses), so far as it concerns members of the holding company and is not dealt with in the holding company's account:-		
i) for the financial year	(0.01)	-
ii) for the previous financial years since it became the holding company's subsidiary	(0.03)	(0.03)
3. The net aggregate amount of subsidiary's Profits / (Losses), so far as those are dealt with in the holding company's account:-		
i) for the financial year	-	-
ii) for the previous financial years since it became the holding company's subsidiary	-	-

2. Name of the Subsidiary - NPCIL-Indianoil Nuclear Energy Corporation Limited

(₹ in Crore)

Particulars	Financial Year 2013-14	Previous Year 2012-13
1. Extent of the Holding Company Interest in the subsidiary at the end of year	74 percent	74 percent
2. The net aggregate amount of subsidiary's Profits / (Losses), so far as it concerns members of the holding company and is not dealt with in the holding company's account:-		
i) for the financial year	0.04	0.04
ii) for the previous financial years since it became the holding company's subsidiary	(0.05)	(0.09)
3. The net aggregate amount of subsidiary's Profits / (Losses), so far as those are dealt with in the holding company's account:-		
i) for the financial year	-	-
iI) for the previous financial years since it became the holding company's subsidiary	-	-

3. Name of the Subsidiary - NPCIL – NALCO Power Company Limited

(₹ in Crore)

Particulars	Financial Year 2013-14	Previous Year 2012-13
1. Extent of the Holding Company Interest in the subsidiary at the end of year	74 percent	74 percent
2. The net aggregate amount of subsidiary's Profits / (Losses), so far as it concerns members of the holding company and is not dealt with in the holding company's account:-		
i) for the financial year	-	(0.03)
ii) for the previous financial years since it became the holding company's subsidiary	(0.03)	-
3. The net aggregate amount of subsidiary's Profits / (Losses), so far as those are dealt with in the holding company's account:-		
i) for the financial year	-	-
iI) for the previous financial years since it became the holding company's subsidiary	-	-

For and on behalf of
Nuclear Power Corporation of India Ltd.

Sd/-	Sd/-	Sd/-
(SRIKAR R. PAI)	**(PREMAN DINARAJ)**	**(K. C. PUROHIT)**
Company Secretary	Director (Finance)	Chairman and Managing Director

Together, We Grow

NPCIL CSR Report 2013-14

Computer Lab at Parameswaramangalam School near Kalpakkam in Tamil Nadu

Villager being treated at Mallapur Health Centre near Kaiga in Karnataka

NPCIL is committed to function as a responsible corporate entity while discharging its social responsibilities towards all stakeholders including consumers, employees, local communities and society at large. NPCIL is committed to economic and social development of the local community near all its units. There are four major areas namely - education, healthcare, infrastructure and sustainable development - in which CSR work has been undertaken. Skill development projects were also initiated under education area. Building on the foundation of good CSR work done in the previous year FY 2012-13, the CSR programme in the FY 2013-14 has attempted to achieve further milestones. At each unit of NPCIL, an area within 16 km radius from the power plant is considered for CSR activities.

Various projects like construction of school buildings, assistance to schools, scholarships to students and sponsorship for higher education, development of aaganwadis etc. are taken up under education.

Skill development initiatives were also undertaken to ensure income generation by unemployed adults. Skills in computer operation and tailoring etc. were focussed during the year.

Construction of water tank in Radhapuram near Kudankulam in Tamil Nadu

Under healthcare the projects include running of primary health centers at Tarapur and Kaiga, providing mobile medical van services at Rawatbhata, Tarapur and Kaiga; organising medical camps at Rawatbhata, Narora and Kaiga; providing medical treatment and medicines (OPD services) for villagers at Rawatbhata, Narora and Kakrapar; funding extension of hospitals, running holistic school health programme at Tarapur, etc. A special project for helping the patients suffering from Handigodu disease was also taken up at Shimoga in Karnataka. This project is continued for the next financial year also.

Under infrastructure development, the projects like laying of approach roads, development of drinking water facility, construction of community hall, installation of street lights, providing fishing facility etc. have been planned and implemented.

In the FY 2013-14, ₹ 27 Crore was allocated for CSR programme. A total expenditure of about ₹ 15.17 Crore was incurred in the FY 2013-14 from the CSR funds pertaining to FYs 2011-12 to 2013-14. The following represent the break-up of the expenditure incurred during the FY 2013-14 on the CSR projects pertaining to different years.

₹ in Lakhs

Sr. No.	Year of Sanction of CSR Project	Expenditure
1	2011-12	48.03
2	2012-13	564.90
3	2012-14	527.62
4	2013-14	377.05
	Total	**1,517.60**

Dr. Homi Bhaha Chatralaya at Ashram Shala-Vazrada near Kakrapar in Gujarat

Awards & Recognitions

Tarapur Maharashtra Site (TMS)

- TAPS-1&2 received the Runner up award of NPCIL Industrial Safety among the operating units for the year 2012-13.
- TAPS-1&2 was appreciated by Ministry of Labour, Govt. of India for appreciable achievements in occupational safety & health during the assessment period of three years 2009-11.
- TAPS-1&2 was appreciated by AERB for achieving high performance in industrial safety aspects for the calendar year 2012.
- TAPS-1&2 was given the AERB Industrial Safety Award for the year 2013.
- TAPS-3&4 received AERB safety award for the year 2012.
- TAPS-3&4 received Sarvashreshtha Puraskar (Golden trophy) in Power Sector by National Safety Council of India for the year 2012.
- TAPS-3&4 was the winner of National Safety Council-Maharashtra Chapter (Maharashtra Safety Award Competition-2012) Certificate of Excellence for winning the Safety Awards consecutively for the three years period (2009, 2010, 2011)
- National award "Certificate of Merit to Tarapur Atomic Power Station (1400 MW) for performance of Nuclear Power Stations" for meritorious performance in Power Sector in recognition of outstanding performance during the year 2011-12 and 2012-13 by Ministry of Power, Government of India.

Rawatbhata Rajasthan Site (RR Site)

- RAPS-1&2 received NSCI Shrestha Suraksha Puraskar, silver Trophy (2nd Level award) for the year 2012 from National Safety Council at New Delhi.
- RAPS-1&2 received Special reward for excellent performing station of NPCIL for the year 2012-13.
- RAPS-1&2 for the first time received Rajasthan Energy Conservation Recognition Award for year 2012 from Rajasthan Renewable Energy Corporation Limited (RRECL).
- RAPS-3&4 was awarded Bronze shield in Suraksha Puraskar by "National Safety Council of India" on 26th June 2013 under category-C "Manufacture Sector of Power Generation" for year 2012.
- RAPS-5&6 received certificate of Appreciation from "National Safety Council of India" for the year 2013 for Industrial & Fire Safety.

Madras Atomic Power Station (MAPS)

- MAPS received Second Prize from Town Official Language Implementation Committee (TOLIC), Chennai for the excellent implementation in Official Language for the year 2012–13.

Kakrapar Atomic Power Station (KAPS)

The Station received:

- "National Safety Award" from Director General, Factory Advice Service & Labour Institutes (Ministry of Labour and Employment, Government of India) for the performance year 2011.
- "Gujarat State Safety Award - 2011" and Certificate of honour for Lowest Injury amongst Category-V Group-A of Industries in Gujarat state - for Outstanding Safety Performance during the year 2010.
- "Powerline Award - 2013" in the category of "Best Performing Nuclear Power Station" in India.
- "AERB Fire Safety Award for the year 2012" in the Category-I Units, jointly with Heavy Water Plant, Kota.
- "Safety Man of the Year Award 2013" from Gujarat Safety Council to Shri Chavda, Head (Industrial Safety and Fire), KAPS-1&2.

Kaiga Generating Station (KGS)

- KGS-1&2 has bagged Shreshtha Suraksha Puraskar from National Safety Council of India.
- KGS-1&2 has bagged the Unnatha Suraksha Puraskara Award from National Safety Council, Karnataka Chapter, Bangalore for the year 2013.
- KGS-3&4 bagged "Suraksha Puraskar 2012" award of National Safety Council.
- KGS-3&4 bagged Industrial Safety Award (Runner Up) from Directorate General Factory Advice Services & Labour Institutes (DGFASLI), Ministry of Labour, Govt. of India for Accident Free Year and for Lowest Frequency Rate.
- KGS-3&4 bagged "Uthama Suraksha Puraskara 2013" award of National Safety Council.

Subsidiary Companies

ANUSHAKTI VIDHYUT NIGAM LIMITED

137 – 154

NPCIL – INDIANOIL NUCLEAR ENERGY CORPORATION LIMITED

155 – 172

NPCIL – NALCO POWER COMPANY LIMITED

173 – 190

ANUSHAKTI VIDHYUT NIGAM LIMITED

Balance Sheet as at 31St March 2014

(in ₹)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	10,00,000	10,00,000
b) Reserves and Surplus	2	(6,96,688)	(6,62,604)
2. Share Application Money pending allotment		-	-
3. Non Current Liabilities		-	-
4. Current Liabilities			
a) Other Current Liabilities	3	27,745	7,01,795
b) Short Term Provisions	4	35,310	26,495
TOTAL		**3,66,367**	**10,65,686**
II. ASSETS			
1. Non Current Assets		-	-
2. Current Assets			
a) Cash & Cash Equivalents	5	3,08,841	9,64,079
b) Short Term Loans and Advances	6	34,579	26,495
c) Other Current Assets	7	22,947	75,112
TOTAL		**3,66,367**	**10,65,686**

The Significant Accounting Policies (I) and Notes (II) are an integral part of this Financial Statements.

As per our Audit Report of even date attached

For K.U.KOTHARI & CO
CHARTERED ACCOUNTANTS
FRN. 105310W

Sd/-
(PRAKASH CHECHANI)
Partner
M. No. 104203

Place : MUMBAI
Date : 28.04.2014

For and on behalf of
ANUSHAKTI VIDHYUT NIGAM LIMITED

Sd/-	Sd/-
(S.ALAGUVEL)	**(A.K.JHA)**
Director	Director
Sd/-	Sd/-
(SUDHIR ARYA)	**(U.C.MUKTIBODH)**
Director	Director

Statement of Profit and Loss for the year ended as at 31St March 2014

(in ₹)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I INCOME/REVENUE			
Revenue from operations		-	-
Other Income	8	28,526	83,458
TOTAL REVENUE		**28,526**	**83,458**
II EXPENSES			
Administration and Other expenses	9	53,795	70,580
TOTAL EXPENSES		**53,795**	**70,580**
III Profit before exceptional and extraordinary items and tax (I - II)		(25,269)	12,878
IV Exceptional items		-	-
V Profit before extraordinary items and tax (III - IV)		(25,269)	12,878
VI Extraordinary Items		-	-
VII Profit / (Loss) before tax (V - VI)		(25,269)	12,878
VIII Tax Expenses			
Current tax		8,815	26,495
Deferred tax		-	-
IX PROFIT/(LOSS) FOR THE PERIOD (VII - VIII)		(34,084)	(13,617)
X EARNING PER EQUITY SHARE (Face value ₹ 10/- each)			
Basic & Diluted		-0.34	-0.14

The Significant Accounting Policies (I) and Notes (II) are an integral part of this Financial Statements.

As per our Audit Report of even date attached
For K.U.KOTHARI & CO
CHARTERED ACCOUNTANTS
FRN. 105310W

Sd/-
(PRAKASH CHECHANI)
Partner
M. No. 104203

Place : MUMBAI
Date : 28.04.2014

For and on behalf of
ANUSHAKTI VIDHYUT NIGAM LIMITED

Sd/-
(S.ALAGUVEL)
Director

Sd/-
(A.K.JHA)
Director

Sd/-
(SUDHIR ARYA)
Director

Sd/-
(U.C.MUKTIBODH)
Director

Cash Flow Statement for the year ended 31St March 2014

(in ₹)

	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax and extraordinary items	(25,269)	12,878
	Adjustments for :		
	Increase/(Decrease) in Current liabilities	(6,74,050)	79,303
	(Increase)/Decrease in Current Assets	44,081	(1,01,607)
	CASH FROM OPERATING ACTIVITIES	**(6,55,238)**	**(9,426)**
	Less : Taxes Paid		26,495
	NET CASH FROM OPERATING ACTIVITIES	**(6,55,238)**	**(35,921)**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES	-	-
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Equity share capital	-	-
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES	**-**	**-**
	Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(6,55,238)	(35,921)
	Cash & Cash equivalents as at the commencement of the period	9,64,079	10,00,000
	Cash & Cash equivalents as at the close of the period	**3,08,841**	**9,64,079**

As per our Audit Report of even date attached

For K.U.KOTHARI & CO
CHARTERED ACCOUNTANTS
FRN. 105310W

Sd/-
(PRAKASH CHECHANI)
Partner
M. No. 104203

Place : MUMBAI
Date : 28.04.2014

For and on behalf of
ANUSHAKTI VIDHYUT NIGAM LIMITED

Sd/-
(S.ALAGUVEL)
Director

Sd/-
(A.K.JHA)
Director

Sd/-
(SUDHIR ARYA)
Director

Sd/-
(U.C.MUKTIBODH)
Director

Significant Accounting Policies

and Notes On Accounts For The Year Ended 31St March, 2014.

Company Overview

The Company Anushakti Vidhyut Nigam Limited is a Public Limited Company having an Authorised Share Capital of ₹ 5,00,00,000/- incorporated on 27.01.2011 having its registered office in Mumbai, Maharashtra.

The business activity of the Company is Development of Nuclear Power, Protection of Environment, Manufacturing of Nuclear Components and Trading of Electricity. The commencement of business certificate is dated 4th April 2011. The Company has not yet commenced its business activities.

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING & PREPARATION OF FINANACIAL STATEMENTS

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) & the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates & assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) and the reported income & expenses during the period. The Management believes that the estimates used in the preparation of financial statements are prudent & reasonable. Future results could differ due to these estimates and the differences between the actual results & the estimates are recognized in the periods in which the results are known/materialise.

C. CASH & CASH EQUIVALENTS

Cash comprises of cash in current account and term deposit with bank.

D. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items & tax is adjusted for the effects of transactions of non-cash nature & any deferrals or accruals of past or future cash receipts & payments. The cash flows from operating, investing & financing activities of the Company are segregated based on available information.

E. DEFERRED TAX

Deferred Tax Assets on carried forward losses are recognized & carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

II. Notes to the Financial Statements

for the year ended 31st March, 2014.

1 Share Capital

(i) Details of Authorised, Issued, Subscribed and Paid up Share Capital:

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital		
50,00,000 Equity shares of ₹ 10/- each	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid up Share Capital		
1,00,000 Equity Shares of ₹ 10/- each fully paid up	10,00,000	10,00,000
TOTAL	**10,00,000**	**10,00,000**

(ii) The Company is a public limited company with 51% share holding by the Nuclear Power Corporation of India Limited (NPCIL) and its nominees and 49% share holding by the National Thermal Power Corporation of India Ltd (NTPC) and its nominees. All the Shares are general equity shares having equal rights and are issued at par for value ₹ 10/- each. The shares are not listed in any of the Stock Exchange within India or outside the country as at 31.03.2014.

(iii) Reconciliation of number of Shares Outstanding at the beginning & end of the reporting period.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Equity Share at the beginning of the period (in Numbers)	1,00,000	1,00,000
Equity Share Allotted during the period (in Numbers)	-	-
Equity Share at the end of the period (in Numbers)	**1,00,000**	**1,00,000**

(iv) Reconciliation of money received pending allotment of Equity Shares at the beginning & end of the reporting period.

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Money received pending allotment of Shares at the beginning of the period	-	-
Add: Money received for issue of Shares during the period	-	-
Less: Money utilised for issue of Equity Share during the period	-	-
Money received pending allotment of Shares at the end of the period	-	-

2 Reserves and Surplus

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Balance	(6,62,604)	(6,48,987)
Add : Net Profit/(Net Loss) for the current period	(34,084)	(13,617)
Closing Balance	**(6,96,688)**	**(6,62,604)**

II. Notes to the Financial Statements

for the year ended 31st March, 2014.

3 Other Current Liabilities

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Outstanding Expenses payable to NPCIL	16,009	6,88,237
Outstanding Expenses payable to Others	-	2,322
Audit Fee payable	11,736	11,236
TOTAL	27,745	7,01,795

4 Short Term Provisions

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Income Tax	35,310	26,495
TOTAL	35,310	26,495

5 Cash & Cash Equivalents

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with Scheduled Banks :		
Current Accounts' Balance	8,841	64,079
Deposit Accounts' Balance (See description note (i))	3,00,000	9,00,000
TOTAL	3,08,841	9,64,079

(i) Term Deposit with Bank for 3 Years placed on 18.04.2013 @ 8.75% per annum, Maturity Date 18.04.2016, Maturity Value ₹ 3,88,951.

6 Short Term Loans and Advances

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advance Income Tax	23,379	18,149
TDS Receivable	11,200	8,346
TOTAL	34,579	26,495

7 Other Current Assets

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued But not Due on Deposit	22,947	75,112
TOTAL	22,947	75,112

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

8 Other Income

(in ₹)

Particulars	Year ended 31st March, 2014	Period ended 31st March, 2013
Interest Income		
i) on deposits with Nationalised Banks	28,526	83,458
TOTAL	28,526	83,458

9 Administrative and Other Expenditure

(in ₹)

Particulars	Description Note No.	Year ended 31st March, 2014	Period ended 31st March, 2013
Preliminary Expensess	9 (i)	-	-
Audit Fees	9 (ii)	11,736	11,236
Consultancy Charges		10,779	32,337
Filing Fees		30,730	26,457
Bank Charges		550	550
TOTAL		53,795	70,580

9 (i) Details of Preliminary Expenses are given below :

(in ₹)

Particulars	Year ended 31st March, 2014	Period ended 31st March, 2013
Stamp Duty	-	-
Registration and ROC filing fees	-	-
Legal & Professional fees	-	-
TOTAL	-	-

9 (ii)Details of Audit Fees are given below

(in ₹)

Particulars	Year ended 31st March, 2014	Period ended 31st March, 2013
Statutory Audit Fees	11,736	11,236
TOTAL	11,736	11,236

10. No deferred tax was recognized on the grounds of prudence.

11. There is no Contingent Liability as at the Balance Sheet date.

12. Previous year figures have been regrouped/rearranged, wherever found necessary.

As per our Audit Report of even date attached

For K.U.KOTHARI & CO
CHARTERED ACCOUNTANTS
FRN. 105310W

Sd/-
(PRAKASH CHECHANI)
Partner
M. No. 104203

Place : MUMBAI
Date : 28.04.2014

For and on behalf of
ANUSHAKTI VIDHYUT NIGAM LIMITED

Sd/-	Sd/-
(S.ALAGUVEL)	**(A.K.JHA)**
Director	Director
Sd/-	Sd/-
(SUDHIR ARYA)	**(U.C.MUKTIBODH)**
Director	Director

Independent Auditor's Report

To the Members of

ANUSHAKTI VIDHYUT NIGAM LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of ANUSHAKTI VIDHYUT NIGAM LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal & Regulatory Requirements:

1. The Company is also governed by The Atomic Energy Act, 1962; the provisions of the said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
3. As required by section 227(3) of the Act, we report that:
    a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
    e) Being a Government Company, pursuant to Notification No. G.S.R. 829 (E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.

For K. U. KOTHARI & CO.
CHARTERED ACCOUNTANTS
FRN. 105310W
Sd/-
(PRAKASH CHECHANI)
PARTNER
M.NO. 104203

Place: Mumbai
Date: 28.04.2014

Annexure to the Independent Auditor's Report

Statement referred to in paragraph 2 of our report on Other Legal & Regulatory Requirements of even date on the accounts of ANUSHAKTI VIDHYUT NIGAM LIMITED for the year ended 31st March 2014.

(i) There are no fixed assets, hence the question of maintaining proper records, its physical verification by the management or disposal of its substantial part does not arise.

(ii) There is no inventory, hence the clause of physical verification, its procedures and maintaining proper records of inventory is not applicable.

(iii) The Company has not granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, hence this clause is not applicable.

(iv) The Company has not started any commercial activities, hence the clause of adequate internal control system being commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets & sale of goods and services is not applicable.

(v) According to information and explanations provided to us, there are no contracts or arrangements referred to in section 301 of the Companies Act.

(vi) The Company has not accepted any deposits from the public.

(vii) As informed to us, the Company does not have internal audit system.

(viii) According to the information & explanations given to us, the Central Government has prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Companies Act, 1956. However, the Company has not started operations during the year, hence no accounts or records have been made and maintained by the Company.

(ix) As there are no statutory dues, this clause is not applicable.

(x) The Company has been in existence for a period of less than five years, hence the clause of accumulated losses and cash losses is not applicable.

(xi) The Company has not taken any loan from financial institution or bank, hence the clause of default in repayment of dues to the said parties is not applicable.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit/nidhi/mutual benefit fund/society, hence this clause is not applicable.

(xiv) The Company is not dealing or trading in shares, securities, debentures & other investments.

(xv) Based on the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.

(xvi) The Company has not raised term loans during the year.

(xvii) The Company has not raised any funds on short term basis, hence this clause is not applicable.

(xviii) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised money by public issues during the year.

(xxi) Based on the audit procedure performed and information and explanation given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

For K. U. KOTHARI & CO.
CHARTERED ACCOUNTANTS
FRN. 105310W
Sd/-
(PRAKASH CHECHANI)
PARTNER
M.NO. 104203

PLACE: MUMBAI
DATE: 28.04.2014

Comments of the Comptroller and Auditor General of India

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF ANUSHAKTI VIDHYUT NIGAM LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of Anushakti Vidhyut Nigam Limited for the year ended 31st March 2014, in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28.4.2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the accounts of Anushakti Vidhyut Nigam Limited, for the year ended 31st March 2014 and as such, have no comments to make under section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India
Sd/-
(Atreyee Das)
Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place : New Delhi
Date : 10.6.2014

Directors' Report

Your Directors have immense pleasure in presenting the 3rd Annual Report of the Company, together with Audited Financial Statements for the year ended 31st March 2014.

Financial Results

The Company has not yet commenced its commercial operations.

(In ₹)

Financial results	FY 2013-14
Total Income (Other Income)	28,526
Expenses	53,795
Profit / (Loss) before Tax	(25,269)
Less :Current Tax	8,815
Profit / (Loss) after Tax	(34,084)

Deposits

During the year under review, the Company has not accepted any deposit from the Public.

Capital Expenditure

The Company has not made any capital expenditure.

Share Capital and Finance

The initial Authorized Share Capital of the Company is ₹ 5,00,00,000 (Rupees Five Crore)

The total equity Paid-up Share Capital of the Company is ₹ 10,00,000 (Rupees Ten Lakh) as on 31st March 2014.

Project Identification:

The discussions were held between NPCIL and NTPC Ltd., the promoters of the company, for identification of the Project Site and technology route to be taken up by the Company. It was decided that the Company may take up 2 x 700 MWe PHWR units at Gorakhpur, Haryana.

The Board of Directors of the Company has been kept updated by NPCIL about the status of various pre-project activities including land acquisition undertaken in respect of the project. Formal allotment of project to the Company by the Government is awaited.

Disclosure of Particulars

The Company did not carry out business acitivities and hence there are no particulars to be disclosed as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Particulars of Employees U/S 217 (2A)

There are no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors confirm :

I. that in the preparation of the annual accounts, the accounting standards have been followed to the extent applicable and there has been no material departure;

II. that the selected accounting policies were applied consistently and the Directors made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of afffairs of the Company as on March 31, 2014 and of the profit or loss of the Company for that period;

III. that proper and sufficient care has been taken for the maintanance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregulaties;

IV. that the annual accounts have been prepared on a going concern basis.

Directors

The current Directors of the Company are :

1. Shri U.C. Muktibodh
2. Shri S. Alaguvel
3. Shri A.K. Jha
4. Shri Sudhir Arya

Changes in the Board of Directors during the year

1. Shri S.B. Agarkar, Director(HR), NPCIL was nominated as Chairman on the Board of Anushakti Vidhyut Nigam Ltd. Vide NPCIL's Letter dated March 6, 2013. Shri Agarkar has retired from services of NPCIL w.e.f. 31st January 2014 and therefore, tendered resignation from the Directorship of Anushakti Vidhyut Nigam Ltd.
2. Shri A.K. Singhal, Director(Finance), NTPC Ltd. and Director, Anushakti Vidhyut Nigam Ltd. relinquished the charge of the post of Director (Finance) of NTPC Ltd. w.e.f. 8th October 2013 and therefore, tendered resignation from the Directorship of Anushakti Vidhyut Nigam Ltd. on the same day.
3. NTPC Ltd. nominated Shri Sudhir Arya, Executive Director(Finance), NTPC Limited in place of Shri A.K. Singhal as Director on the Board of AVNL w.e.f. 14th October 2013 till further orders.

The Board welcomes appointment of Shri Sudhir Arya and places on record its sincere appreciation of the valuable services rendered by Shri S.B. Agarkar and Shri A.K. Singhal during their association with the Company.

Audit Committee

The Audit Committee has not been consituted as the formation of the Audit Committee as per the Companies Act, 1956 is mandatory for the Companies having Paid-up Share Capital more than ₹ 5 crores.

Secretarial Compliance Certificate

The Company has obtained a Compliance Certificate pursuant to the provisions of Section 383A of the Companies Act, 1956 from M/s. K.M. Jhaveri & Co. a firm of Practising Company Secretaries. The Compliance Certificate is annexed to this Report.

Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s K. U. Kothari & Co., Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year ended on 31st March, 2014.

Observations of the Statutory Auditors

The Auditors' Report to the Shareholders does not contain any qualifications.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments of Directors.

Comments of the Comptroller and Auditor General of India

The Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the Accounts of Anushakti Vidhyut Nigam Limited for the year ended 31st March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

Acknowledgements

The Directors acknowledge the invaluable support extended to the Company by the employees and management of the parent companies.

For and on behalf of the Board

Sd/-	Sd/-
(S.Alaguvel)	**(U.C. Muktibodh)**
Director	Director

Place : Mumbai
Date : 24th July 2014

Compliance Certificate

(Under sub-section (1) of section 383A of the Companies Act, 1956)

CIN of the Company: U40300MH2011GOI212727
Nominal Capital: ₹ 5,00,00,000/-
Paid up Capital: ₹ 10,00,000/-

To,
The Members
ANUSHAKTI VIDHYUT NIGAM LIMITED
16th Floor, Centre 1, World Trade Centre,
Cuffe Parade,
Mumbai- 400 005

We have examined the registers, records, books and papers of ANUSHAKTI VIDHYUT NIGAM LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act, the rules made thereunder, and all entries therein have been generally recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors met 4 (Four) times respectively on 6th May,2013, 28th September, 2013, 12th December, 2013 and 19th March, 2014 in respect of which meetings generally notices were given and the proceedings were recorded. There was no Circular resolution passed during the period.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st March 2013 was held on 28th June,2013 after giving due notice to the members of the Company and the resolutions passed thereat were generally recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors, persons, firms, or companies referred in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the preview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
    (i) has not allotted/transferred/transmitted securities during the financial year.
    (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the year under report.
    (iii) was not required to posts warrants to any member of the Company as no dividend declared during the year under report.
    (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education Protection Fund.
    (v) has generally complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was appointment of director during the financial year based on Joint Venture Agreement, which is part of Articles of Association. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18 The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/ debentures/ other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference shares or debentures, therefore comments in respect of redemption of preference shares or debentures are not applicable.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made borrowings during the financial year ended on 31st March, 2014.
25. The Company has not made loans and investment or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. As informed to us the Company does not have any employee during the financial year. Hence, receipt of any money as security from its employees during the financial year does not arise.
33. As informed to us, the Company does not have any employee during the financial year. Hence, constituting a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act does not arise.

Sd/-
Kaushik M. Jhaveri & Co.
Practising Company Secretary
C.P. No. : 2592

Place: Mumbai
Date : 28th April, 2014

Annexure: A

Registers as maintained by the Company: -

1.	Register of Members and Share Ledger	u/s. 150
2.	Register of Share Transfer	
3.	Minutes Book of Proceedings of Board Meeting	u/s. 193
4.	Minutes Book of Proceedings of General Meeting	u/s. 193
5.	Register of Directors, Managing Directors, Managers and Secretary	u/s. 303
6.	Registers of Contracts	u/s. 301
7.	Register of Directors' Shareholdings	u/s. 307

Annexure: B

The Company has filed following forms and returns with Registrar of Companies, Maharashtra during the financial year ending 31st March, 2014

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Annual Report (Form 23AC & 23ACA)	u/s 220	For the year ended 31st March, 2013	27/07/2013	Yes	N.A.
2.	Annual Return (Form 20B)	u/s 159	Annual General Meeting held on 28th June, 2013	23/08/2013	Yes	N.A.
3	Compliance Certificate (Form 66)	u/s 383A	For the year ended 31st March, 2013	11/07/2013	Yes	N.A.
4.	Form 32	u/s 303 (2)	Cessation of Mr. Shiv Abhilash Bhardwaj w.e.f 31/03/2013	14/06/2013	No	Yes
5.	Form 32	u/s 303 (2)	Cessation of Mr. M. K. Kannan w.e.f 30/11/2012	14/06/2013	No	Yes
6.	Form 32	u/s 303 (2)	Appointment of Mr. Udaymitra Muktibodh w.e.f 06/03/2013	15/06/2013	No	Yes
7.	Form 32	u/s 303 (2)	Cessation of Mr Ashok K. Singhal as director w.e.f 08/10/2013 Appointment of Mr. Sudhir Arya as director w.e.f 14/10/2013	07/11/2013	Yes	N.A.

Kaushik M. Jhaveri & Co.
Practising Company Secretary
C.P. No. : 2592

Place: Mumbai
Date: 28th April, 2014

NPCIL – INDIANOIL NUCLEAR ENERGY CORPORATION LIMITED

Balance Sheet as at 31St March 2014

(in ₹)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	1,00,00,000	1,00,00,000
b) Reserves and Surplus	2	(1,86,418)	(7,10,853)
2. Share Application Money pending allotment		-	-
3. Non Current Liabilities		-	-
4. Current Liabilities			
a) Other Current Liabilities	3	1,83,146	5,79,091
b) Short Term Provisions	4	2,54,417	2,64,950
TOTAL		**1,02,51,145**	**1,01,33,188**
II. ASSETS			
1. Non Current Assets		-	-
2. Current Assets			
a) Cash & Cash Equivalents	5	92,96,051	91,17,114
b) Short Term Loans and Advances	6	2,42,980	2,64,950
c) Other Current Assets	7	7,12,114	7,51,124
TOTAL		**1,02,51,145**	**1,01,33,188**

The Significant Accounting Policies (I) and Notes (II) are an integral part of this Financial Statements.

As per our Audit Report of even date attached

For Porwal & Porwal
CHARTERED ACCOUNTANTS
FRN. 118727W

Sd/-
N.N.Porwal
Partner
M. No. 049610

Place : MUMBAI
Date : 25.04.2014

For and on behalf of
NPCIL - INDIANOIL NUCLEAR ENERGY CORPORATION LIMITED

Sd/-
(M. K. Dass)
Director

Sd/-
(M. K. Balaji)
Director

Sd/-
(B.B. Choudhary)
Director

Sd/-
(G. Nageswara Rao)
Chairman

Statement of Profit and Loss for the year ended as at 31St March 2014

(in ₹)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I INCOME/REVENUE			
Revenue from operations		-	-
Other Income	8	8,18,480	8,34,582
TOTAL REVENUE		**8,18,480**	**8,34,582**
II EXPENSES			
Administration and Other expenses	9	39,628	89,106
TOTAL EXPENSES		**39,628**	**89,106**
III Profit before exceptional and extraordinary items and tax (I - II)		7,78,852	7,45,476
IV Exceptional items		-	-
V Profit before extraordinary items and tax (III - IV)		7,78,852	7,45,476
VI Extraordinary Items		-	-
VII Profit before tax (V - VI)		7,78,852	7,45,476
VIII Tax Expenses			
Current tax		2,54,417	2,64,950
Deferred tax		-	-
IX PROFIT/(LOSS) FOR THE PERIOD (VII - VIII)		5,24,435	4,80,526
X EARNING PER EQUITY SHARE (Face value ₹ 10/- each)			
Basic & Diluted		0.52	0.48

The Significant Accounting Policies (I) and Notes (II) are an integral part of this Financial Statements.

As per our Audit Report of even date attached
For Porwal & Porwal
CHARTERED ACCOUNTANTS
FRN. 118727W

Sd/-
N.N.Porwal
Partner
M. No. 049610

Place : MUMBAI
Date : 25.04.2014

For and on behalf of
NPCIL - INDIANOIL NUCLEAR ENERGY CORPORATION LIMITED

Sd/-
(M. K. Dass)
Director

Sd/-
(M. K. Balaji)
Director

Sd/-
(B.B. Choudhary)
Director

Sd/-
(G. Nageswara Rao)
Chairman

Cash Flow Statement for the year ended 31St March 2014

(in ₹)

	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before tax and extraordinary items	7,78,852	7,45,476
	Adjustments for :		
	Increase/(Decrease) in Current liabilities	(4,06,478)	1,96,012
	(Increase)/Decrease in Current Assets	60,980	(7,51,124)
	CASH FROM OPERATING ACTIVITIES	**4,33,354**	**1,90,364**
	Less : Taxes Paid	2,54,417	2,64,950
	NET CASH FROM OPERATING ACTIVITIES	**1,78,937**	**(74,586)**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES	-	-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Equity share capital	-	-
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES	-	-
	Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	1,78,937	(74,586)
	Cash & Cash equivalents as at the commencement of the period	91,17,114	91,91,700
	Cash & Cash equivalents as at the close of the period	**92,96,051**	**91,17,114**

As per our Audit Report of even date attached

For Porwal & Porwal
CHARTERED ACCOUNTANTS
FRN. 118727W

Sd/-
N.N.Porwal
Partner
M. No. 049610

Place : MUMBAI
Date : 25.04.2014

For and on behalf of
NPCIL - INDIANOIL NUCLEAR ENERGY CORPORATION LIMITED

Sd/-
(M. K. Dass)
Director

Sd/-
(M. K. Balaji)
Director

Sd/-
(B.B. Choudhary)
Director

Sd/-
(G. Nageswara Rao)
Chairman

Significant Accounting Policies

and Notes to Accounts For The Year Ended 31St March, 2014.

Company Overview

The Company NPCIL- Indian Oil Nuclear Energy Corporation Limited is a Public Limited Company having an Authorised Share Capital of ₹ 10,00,00,000/- incorporated on 06.04.2011 having its registered office in Mumbai, Maharashtra.

The business activity of the Company is Development of Nuclear Power, Protection of Environment, Manufacturing of Nuclear Components and Trading of Electricity. The commencement of business certificate is dated 26th May 2011. The Company has not yet commenced its business activities.

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING & PREPARATION OF FINANACIAL STATEMENTS

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) & the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates & assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) and the reported income & expenses during the period. The Management believes that the estimates used in the preparation of financial statements are prudent & reasonable. Future results could differ due to these estimates and the differences between the actual results & the estimates are recognized in the periods in which the results are known/materialise.

C. CASH & CASH EQUIVALENTS

Cash comprises of cash in current account and term deposit with bank.

D. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items & tax is adjusted for the effects of transactions of non-cash nature & any deferrals or accruals of past or future cash receipts & payments. The cash flows from operating, investing & financing activities of the Company are segregated based on available information.

E. DEFERRED TAX

Deferred Tax Assets on carried forward losses are recognized & carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

1 Share Capital

(i) Details of Authorised, Issued, Subscribed and Paid up Share Capital:

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital		
1,00,00,000 Equity shares of ₹ 10/- each	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid up Share Capital		
10,00,000 Equity Shares of ₹ 10/- each fully paid up	1,00,00,000	1,00,00,000
TOTAL	**1,00,00,000**	**1,00,00,000**

(ii) The Company is a public limited company with 74% share holding by the Nuclear Power Corporation of India Limited (NPCIL) and its nominees and 26% share holding by the Indian Oil Corporation Limited (IOCL) and its nominees. All the Shares are general equity shares having equal rights and are issued at par for value ₹ 10/- each. The shares are not listed in any of the Stock Exchange within India or outside the country as at 31.03.2014.

(iii) Reconciliation of number of Shares Outstanding at the beginning & end of the reporting period.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Equity Share at the beginning of the period (in Numbers)	10,00,000	10,00,000
Equity Share Allotted during the period (in Numbers)	-	-
Equity Share at the end of the period (in Numbers)	**10,00,000**	**10,00,000**

(iv) Reconciliation of money received pending allotment of Equity Shares at the beginning & end of the reporting period.

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Money received pending allotment of Shares at the beginning of the period	-	-
Add: Money received for issue of Shares during the period	-	-
Less: Money utilised for issue of Equity Share during the period	-	-
Money received pending allotment of Shares at the end of the period	-	-

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

2 Reserves and Surplus

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Balance	(7,10,853)	(11,91,379)
Add : Net Profit/(Net Loss) for the current period	5,24,435	4,80,526
Closing Balance	**(1,86,418)**	**(7,10,853)**

3 Other Current Liabilities

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Outstanding Expenses payable to NPCIL	1,71,910	5,49,872
Outstanding Expenses payable to Others	-	17,983
Audit Fee payable	11,236	11,236
TOTAL	1,83,146	5,79,091

4 Short Term Provisions

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Income Tax	2,54,417	2,64,950
TOTAL	**2,54,417**	**2,64,950**

5 Cash & Cash Equivalents

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with Scheduled Banks :		
Current Accounts' Balance	96,051	1,17,114
Deposit Accounts' Balance (See description note (i))	92,00,000	90,00,000
TOTAL	**92,96,051**	**91,17,114**

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

(i) Term Deposit with Bank for 3 Years placed on 18.04.2013 @ 8.75% per annum, Maturity Date 18.04.2016, Maturity Value ₹ 1,19,27,821.

6 Short Term Loans and Advances

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advance Income Tax	1,61,131	1,81,492
TDS Receivable	81,849	83,458
TOTAL	**2,42,980**	**2,64,950**

7 Other Current Assets

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued But not Due on Deposit	7,12,114	7,51,124
TOTAL	**7,12,114**	**7,51,124**

8 Other Income

(in ₹)

Particulars	Year ended 31st March, 2014	Period ended 31st March, 2013
Interest Income		
i) on deposits with Nationalised Banks	8,18,480	8,34,582
TOTAL	**8,18,480**	**8,34,582**

9 Administrative and Other Expenditure

(in ₹)

Particulars	Description Note No.	Year ended 31st March, 2014	Period ended 31st March, 2013
Preliminary Expensess	9 (i)	-	-
Audit Fees	9 (ii)	11,236	11,236
Consultancy Charges		20,696	32,337
Filing Fees		7,146	39,983
Miscellaneous Expenditure		-	5,000
Bank Charges		550	550
TOTAL		**39,628**	**89,106**

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

9 (ii)Details of Audit Fees are given below

(in ₹)

Particulars	Year ended 31st March, 2014	Period ended 31st March, 2013
Statutory Audit Fees	11,236	11,236
TOTAL	**11,236**	**11,236**

10. Preliminary expenses prior to incorporation of the company are charged to Profit & Loss Account.
11. No deferred tax was recognized on the grounds of prudence.
12. There is no Contingent Liability as at the Balance Sheet date.
13. Previous year figures have been regrouped/rearranged, wherever found necessary.

As per our Audit Report of even date attached

For Porwal & Porwal
CHARTERED ACCOUNTANTS
FRN. 118727W

Sd/-
N.N.Porwal
Partner
M. No. 049610

Place : MUMBAI
Date : 25.04.2014

For and on behalf of
NPCIL - INDIANOIL NUCLEAR ENERGY CORPORATION LIMITED

Sd/-	Sd/-
(M. K. Dass)	**(M. K. Balaji)**
Director	Director
Sd/-	Sd/-
(B.B. Choudhary)	**(G. Nageswara Rao)**
Director	Chairman

Independent Auditor's Report

To the Members of

NPCIL-INDIANOIL NUCLEAR ENERGY CORPORATION LTD.

Report on the Financial Statements:

We have audited the accompanying financial statements of **NPCIL-INDIANOIL NUCLEAR ENERGY CORPORATION LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal & Regulatory Requirements:

1. The Company is also governed by The Atomic Energy Act, 1962; the provisions of the said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

3. As required by section 227(3) of the Act, we report that:

    a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

    e) Being a Government Company, pursuant to Notification No. G.S.R. 829 (E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.

For PORWAL & PORWAL
CHARTERED ACCOUNTANTS
FRN. 118727W

Sd/-
(N.N. PORWAL)
PARTNER
M.No. 049610

Place: Mmbai
Date: 25.04.2014

Annexure to the Independent Auditor's Report

Statement referred to in paragraph 2 of our report on Other Legal & Regulatory Requirements of even date on the accounts of NPCIL-INDIANOIL NUCLEAR ENERGY CORPORATION LTD. for the year ended 31st March 2014.

(i) There are no fixed assets, hence the question of maintaining proper records, its physical verification by the management or disposal of its substantial part does not arise.

(ii) There is no inventory, hence the clause of physical verification, its procedures and maintaining proper records of inventory is not applicable.

(iii) The Company has not granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, hence this clause is not applicable.

(iv) The Company has not started any commercial activities, hence the clause of adequate internal control system being commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets & sale of goods and services is not applicable.

(v) According to information and explanations provided to us, there are no contracts or arrangements referred to in section 301 of the Companies Act.

(vi) The Company has not accepted any deposits from the public.

(vii) As informed to us, the Company does not have internal audit system.

(viii) According to the information & explanations given to us, the Central Government has prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Companies Act, 1956. However, the Company has not started operations during the year, hence no accounts or records have been made and maintained by the Company.

(ix) As there are no statutory dues, this clause is not applicable.

(x) The Company has been in existence for a period of less than five years, hence the clause of accumulated losses and cash losses is not applicable.

(xi) The Company has not taken any loan from financial institution or bank, hence the clause of default in repayment of dues to the said parties is not applicable.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit/nidhi/mutual benefit fund/society, hence this clause is not applicable.

(xiv) The Company is not dealing or trading in shares, securities, debentures & other investments.

(xv) Based on the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.

(xvi) The Company has not raised term loans during the year.

(xvii) The Company has not raised any funds on short term basis, hence this clause is not applicable.

(xviii) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised money by public issues during the year.

(xxi) Based on the audit procedure performed and information and explanation given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

For PORWAL & PORWAL
CHARTERED ACCOUNTANTS
FRN. 118727W
Sd/-
(N.N. PORWAL)
PARTNER
M.No. 049610

PLACE: MUMBAI
DATE: 25.04.2014

Comments of the Comptroller and Auditor General of India

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NPCIL – INDIAN OIL NUCLEAR ENERGY CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of NPCIL – Indian Oil Nuclear Energy Corporation Limited, for the year ended 31st March 2014, in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **25.4.2014.**

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the accounts of NPCIL – Indian Oil Nuclear Energy Corporation Limited, for the year ended 31st March 2014 and as such, have no comments to make under section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India
Sd/-
(Atreyee Das)
Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place : New Delhi
Date : 10.6.2014

Directors' Report

Your Directors have immense pleasure in presenting the 3rd Annual Report of the Company, together with Audited Financial Statements for the year ended 31st March 2014.

Financial Results

The Company has not yet commenced its commercial operations.

(in ₹)

Financial results	FY 2013-14
Total Income (Other Income)	8,18,480
Profit / (Loss) before Tax	7,78,852
Less : Current Tax	2,54,417
Profit / (Loss) after Tax	5,24,435

Deposits

During the year under review, the Company has not accepted any deposit from the Public.

Capital Expenditure

The Company has not made any capital expenditure.

Share Capital and Finance

The initial Authorized Share Capital of the Company is ₹ 10,00,00,000 (Rupees Ten Crore).

The total equity Paid-up Share Capital of the Company is ₹ 1,00,00,000 (Rupees One Crore) as on 31st March 2014.

Project Identification:

The discussions were held between NPCIL and IOCL, the promoters of the company, for identification of the Project Site and technology route to be taken up by the Company. It was indicated that the Company may take up 2 x 700 MW PHWR units at Rawatbhata, Rajasthan. The Board of Directors of the Company has been kept updated by NPCIL about the status of progress of project activities in respect of the project. Formal allotment of project to the Company by the Government is awaited.

Disclosure of Particulars

The Company did not carry out business acitivities and hence there are no particulars to be disclosed as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Particulars of Employees U/S 217 (2A)

There are no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

I. that in the preparation of the annual accounts, the accounting standards have been followed to the extent applicable and there has been no material departure;

II. that the selected accounting policies were applied consistently and the Directors made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of afffairs of the Company as on March 31, 2014 and of the Profit or Loss of the Company for that period;

III. that proper and sufficient care has been taken for the maintanance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. that the annual accounts have been prepared on a going concern basis.

Directors

The current Directors of the Company are :

1. Shri G. Nageswara Rao
2. Shri B. B. Choudhary
3. Shri M. K. Dass

Shri M.K. Balaji, ED(O-LWR), NPCIL has retired from services of NPCIL w.e.f. 31st May 2014 and has submitted his resignation from Directorship of the Company.

The Board of Directors put their appreciation on record for the services rendered by Shri M.K. Balaji during his tenure as Director of the Company.

Audit Committee

The Audit Committee has not been constituted as the formation of the Audit Committee as per Companies Act, 1956 is mandatory for the Companies having Paid-up Share Capital more than ₹ 5 crores.

Secretarial Compliance Certificate

The Company has obtained a Compliance Certificate pursuant to the provisions of Section 383A of the Companies Act, 1956 from M/s. K.M. Jhaveri & Co. a firm of Practising Company Secretaries. The Compliance Certificate is annexed to this Report.

Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s Porwal & Porwal, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year ended on 31st March, 2014.

Observations of the Statutory Auditors

The Auditors' Report to the Shareholders does not contain any qualifications.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments of Directors.

Comments of the Comptroller and Auditor General of India

The Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the Accounts of NPCIL-IndiaOil Nuclear Energy Corporation Limited for the year ended 31st March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

Acknowledgements

The Directors acknowledge the invaluable support extended to the Company by the employees and management of the parent companies.

For and on behalf of the Board

Sd/-

(G. Nageswara Rao)

Chairman

Place : Mumbai

Date : 28th July 2014

Compliance Certificate

(Under sub-section (1) of section 383A of the Companies Act, 1956)

CIN of the Company: U40104MH2011GOI215870

Nominal Capital: ₹ 10,00,00,000/-

Paid up Capital: ₹ 1,00,00,000/-

To,

The Members

NPCIL – Indianoil Nuclear Energy Corporation Limited

16th Floor, Centre 1, World Trade Centre,

Cuffe Parade, Colaba

Mumbai- 400 005

We have examined the registers, records, books and papers of NPCIL - Indianoil Nuclear Energy Corporation Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been generally recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra under the Act and the rules made thereunder.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors met Four (4) times respectively on 7th May, 2013; 25th September, 2013; 12th December,2013 and 27th March, 2014 in respect of which meetings generally notices were given and the proceedings were generally recorded and signed in the Minutes Book maintained for the purpose. There were no circular resolutions passed.
5. The Company was not required to close its Registers of Member during the financial year.
6. The Annual General Meeting for the financial year ended 31st March 2013 was held on 27th June , 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. Based on the information and explanation provided, the company has not advanced any loans to its directors or persons or firms or companies referred in Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:

(i) has not allotted/transferred/transmitted securities during the financial year.

(ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the year under report.

(iii) was not required to posts warrants to any member of the Company as no dividend declared during the year under report.

(iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education Protection Fund.

(v) has generally complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.

15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.

16. The Company has not appointed any sole selling agents during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities as may be prescribed under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares/ debentures/ other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. The Company has no preference shares or debentures, therefore comments in respect of redemption of preference shares or debentures are not applicable.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.

24. The Company has not made borrowings during the financial year ended on 31st March, 2014.

25. The Company has not made loans and investment or given guarantees or provided securities to other bodies corporate.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.

30. The Company has not altered its Articles of Association during the financial year.

31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.

32. As informed to us, the Company does not have any employee during the financial year. Hence, receipt of any money as security from its employees during the financial year does not arise.

33. As informed to us, the Company does not have any employee during the financial year. Hence, constituting a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act does not arise.

Sd/-
Kaushik M. Jhaveri & Co.
Practising Company Secretary
C.P. No. : 2592

Place : Mumbai
Date : 25th April, 2014

Annexure: A

Registers as maintained by the Company: -

1.	Register of Members and Share Ledger	u/s 150
2.	Register of Share Transfer	
3.	Minutes Book of Proceedings of Board Meeting	u/s 193
4.	Minutes Book of Proceedings of General Meeting	u/s 193
5.	Register of Directors, Managing Directors, Managers and Secretary	u/s 303
6.	Register of Directors' Shareholdings	u/s 307
7.	Register of Disclosure	u/s 301 (3)

Annexure: B

The Company has filed following forms and returns with Registrar of Companies, Maharashtra during the financial year ending 31st March, 2014

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Annual Report (Form 23AC & 23ACA)	u/s 220	For the year ended 31st March, 2013	26/07/2013	Yes	N.A.
2.	Annual Return (Form 20B)	u/s 159	For the Annual General Meeting held on 27th June,2013	23/08/2013	Yes	N.A.
3	Compliance Certificate (Form 66)	u/s 383A	For the year ended 31st March, 2013	11/07/2013	Yes	N.A.
4.	Form 32	u/s 303 (2)	Resignation of Mr. M.K Kannan w.e.f 30.11.2012	05/06/2013	No	Yes

Kaushik M. Jhaveri & Co.
Practising Company Secretary
C.P. No. : 2592

Place: Mumbai
Date: 25th April, 2014

NPCIL – NALCO POWER COMPANY LIMITED

Balance Sheet as at 31St March 2014

(in ₹)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	10,00,000	10,00,000
b) Reserves and Surplus	2	(4,45,364)	(4,37,179)
2. Share Application Money pending allotment		-	-
3. Non Current Liabilities		-	-
4. Current Liabilities			
a) Other Current Liabilities	3	31,233	4,37,179
b) Short Term Provisions	4	13,288	
TOTAL		**5,99,157**	**10,00,000**
II. ASSETS			
1. Non Current Assets		-	-
2. Current Assets			
a) Cash & Cash Equivalents	5	5,47,437	10,00,000
b) Short Term Loans and Advances	6	13,019	
c) Other Current Assets	7	38,701	
TOTAL		**5,99,157**	**10,00,000**

The Significant Accounting Policies (I) and Notes (II) are an integral part of this Financial Statements.

As per our Audit Report of even date attached
For K K NAULAKHA & CO.
CHARTERED ACCOUNTANTS
FRN. 314049E

Sd/-
(K K NAULAKHA)
Partner
M. No. 051529

Place : MUMBAI
Date : 23.04.2014

For and on behalf of
NPCIL – NALCO POWER COMPANY LIMITED

Sd/-
(L.K.Jain)
Director

Sd/-
(R. K. Gargye)
Director

Sd/-
(K.C.Samal)
Director

Sd/-
(Preman Dinaraj)
Chairman

Statement of Profit and Loss for the year ended as at 31St March 2014

(in ₹)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I INCOME/REVENUE			
Revenue from operations		-	-
Other Income	8	43,002	-
TOTAL REVENUE		**43,002**	**-**
II EXPENSES			
Administration and Other expenses	9	37,899	4,37,179
TOTAL EXPENSES		**37,899**	**4,37,179**
III Profit before exceptional and extraordinary items and tax (I - II)		5,103	(4,37,179)
IV Exceptional items		-	-
V Profit before extraordinary items and tax (III - IV)		5,103	(4,37,179)
VI Extraordinary Items		-	-
VII Profit before tax (V - VI)		5,103	(4,37,179)
VIII Tax Expenses			
Current tax		13,288	-
Deferred tax		-	-
IX PROFIT/(LOSS) FOR THE PERIOD (VII - VIII)		(8,185)	(4,37,179)
X EARNING PER EQUITY SHARE (Face value ₹ 10/- each)			
Basic & Diluted		-0.08	-4.37

The Significant Accounting Policies (I) and Notes (II) are an integral part of this Financial Statements.

As per our Audit Report of even date attached
For K K NAULAKHA & CO.
CHARTERED ACCOUNTANTS
FRN. 314049E

Sd/-
(K K NAULAKHA)
Partner
M. No. 051529

Place : MUMBAI
Date : 23.04.2014

For and on behalf of
NPCIL – NALCO POWER COMPANY LIMITED

Sd/-
(L.K.Jain)
Director

Sd/-
(R. K. Gargye)
Director

Sd/-
(K.C.Samal)
Director

Sd/-
(Preman Dinaraj)
Chairman

Cash Flow Statement for the year ended 31St March 2014

(in ₹)

	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before tax and extraordinary items	5,103	(4,37,179)
	Adjustments for :		
	Increase/(Decrease) in Current liabilities	(4,05,946)	4,37,179
	(Increase)/Decrease in Current Assets	(51,720)	
	NET CASH FROM OPERATING ACTIVITIES	**(4,52,563)**	**-**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES	-	-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Equity share capital	-	10,00,000
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES	**-**	**10,00,000**
	Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(4,52,563)	10,00,000
	Cash & Cash equivalents as at the commencement of the period	10,00,000	-
	Cash & Cash equivalents as at the close of the period	**5,47,437**	**10,00,000**

As per our Audit Report of even date attached

For K K NAULAKHA & CO.
CHARTERED ACCOUNTANTS
FRN. 314049E

Sd/-
(K K NAULAKHA)
Partner
M. No. 051529

Place : MUMBAI
Date : 23.04.2014

For and on behalf of
NPCIL – NALCO POWER COMPANY LIMITED

Sd/-
(L.K.Jain)
Director

Sd/-
(R. K. Gargye)
Director

Sd/-
(K.C.Samal)
Director

Sd/-
(Preman Dinaraj)
Chairman

Significant Accounting Policies

And Notes To Accounts For The Year Ended 31St March, 2014.

COMPANY OVERVIEW

The Company NPCIL – NALCO POWER COMPANY LIMITED is a Public Limited Company having an Authorised Share Capital of ₹ 1,00,00,000/- incorporated on 02.03.2012 having its registered office in Mumbai, Maharashtra.

The business activity of the Company is Development of Nuclear Power, Protection of Environment, Manufacturing of Nuclear Components and Trading of Electricity. The commencement of business certificate is dated 09th May 2012. The Company has not yet commenced its business activities.

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING & PREPARATION OF FINANACIAL STATEMENTS

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) & the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates & assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) and the reported income & expenses during the period. The Management believes that the estimates used in the preparation of financial statements are prudent & reasonable. Future results could differ due to these estimates and the differences between the actual results & the estimates are recognized in the periods in which the results are known/materialise.

C. CASH & CASH EQUIVALENTS

Cash comprises of cash in current account.

D. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items & tax is adjusted for the effects of transactions of non-cash nature & any deferrals or accruals of past or future cash receipts & payments. The cash flows from operating, investing & financing activities of the Company are segregated based on available information.

E. DEFERRED TAX

Deferred Tax Assets on carried forward losses are recognized & carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

1 Share Capital

(i) Details of Authorised, Issued, Subscribed and Paid up Share Capital as at 31.03.2014 are given below :

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital		
10,00,000 Equity shares of ₹ 10/- each	1,00,00,000	1,00,00,000
Issued, Subscribed and Paid up Share Capital	10,00,000	10,00,000
1,00,000 Equity Shares of ₹ 10/- fully paid up		
Total	**10,00,000**	**10,00,000**

(ii) The Company is a public limited company with 74% share holding by Nuclear Power Corporation of India Limited (NPCIL) and its nominees and 26% share holding by National Aluminium Company Limited (NALCO) and its nominee. All the Shares are general equity shares having equal rights and are issued at par for value ` 10/- each. The shares are not listed in any of the Stock Exchange within India or outside the country as at 31.03.2014.

(iii) Reconciliation of number of Shares Outstanding at the beginning & end of the reporting period.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Equity Shares at the beginning of the period (in Numbers)	1,00,000	
Equity Shares Allotted during the period (in Numbers)	-	1,00,000
Equity Shares at the end of the period (in Numbers)	**1,00,000**	**1,00,000**

(iv) Reconciliation of money received pending allotment of Equity Shares at the beginning & end of the reporting period.

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Money received pending allotment of Shares at the beginning of the period	-	-
Add: Money received for issue of Shares during the period	-	1,000,000
Less: Money utilised for Issue of Equity Share during the period	-	1,000,000
Money received pending allotment of Shares at the end of the period	**-**	**-**

II. Notes to the Financial Statements
for the year ended 31st March, 2014.

2 Reserve and Surplus

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Balance	(4,37,179)	-
Add : Net Profit/(Net Loss) for the current period	(8,185)	(4,37,179)
Closing Balance	**(4,45,364)**	**(4,37,179)**

3 Other Current Liabilities

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Outstanding Expenses payable to NPCIL	19,497	4,25,943
Audit Fee payable	11,736	11,236
TOTAL	**31,233**	**4,37,179**

4 Short Term Provision

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Income Tax	13,288	-
TOTAL	**13,288**	**-**

5 Cash & Cash Equivalents

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with Scheduled Banks :		
Current Account Balance	47,437	10,00,000
Deposit Account's Balance (See description note(i))	5,00,000	-
TOTAL	**5,47,437**	**10,00,000**

(i) Term Deposit with Bank for 3 Years placed on 18.04.2013 @ 8.75% p.a. Maturiy date 18.04.2016 Maturity value ₹ 6,48,251/-

II. Notes to the Financial Statements

for the year ended 31st March, 2014.

6 Short Term Loans and Advances

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advance Income Tax (FY2013-14)	8,718	-
TDS Receivables(FY 2013-14)	4,301	-
TOTAL	**13,019**	**-**

7 Other Current Assets

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued But not Due on Deposit	38,701	-
TOTAL	**38,701**	**-**

8 Other Income

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Income		
(i) on deposits with nationalised Banks	43,002	-
TOTAL	**43,002**	**-**

9 Administrative and Other Expenditure

(in ₹)

Particulars	Description Note No.	As at 31st March, 2014	As at 31st March, 2013
Preliminary Expensess	9 (i)	15,284	393,606
Audit Fees	9 (ii)	11,736	11,236
Consultancy Charges		10,779	32,337
Bank Charges		100	-
Total		**37,899**	**437,179**

9 (i): Details of Preliminary Expenses are given below :

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Stamp Duty	1,075	20,300
Registration Charges and ROC filing fees	12,949	1,60,100
Share Certificate Printing Charges	1,260	-
Legal & Professional fees	-	2,13,206
Total	**15,284**	**3,93,606**

9 (ii) : Details of Audit Fees are given below :

(in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Statutory Audit Fees	11,736	11,236
Total	**11,736**	**11,236**

10. Preliminary expenses prior to incorporation of the company are charged to Profit & Loss Account.

11. No deferred tax was recognized on the grounds of prudence.

12. There is no Contingent Liability as at the Balance Sheet date.

As per our Audit Report of even date attached
For K K NAULAKHA & CO.
CHARTERED ACCOUNTANTS
FRN. 314049E

Sd/-
(K K NAULAKHA)
Partner
M. No. 051529

Place : MUMBAI
Date : 23.04.2014

For and on behalf of
NPCIL – NALCO POWER COMPANY LIMITED

Sd/-
(L.K.Jain)
Director

Sd/-
(R. K. Gargye)
Director

Sd/-
(K.C.Samal)
Director

Sd/-
(Preman Dinaraj)
Chairman

Independent Auditor's Report

To the Members of

NPCIL - NALCO POWER COMPANY LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **NPCIL – NALCO POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

b) in the case of the Statement of Profit and Loss, of the loss of the Company for the period ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal & Regulatory Requirements:

1. The Company is also governed by The Atomic Energy Act, 1962; the provisions of the

said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

3. As required by section 227(3) of the Act, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

e) Being a Government Company, pursuant to Notification No. G.S.R. 829 (E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.

For K K NAULAKHA & Co.
Chartered Accountants
Firm Regn. No. 314049E

Sd/-
K K NAULAKHA
Partner
Membership No. 051529

Place: Mumbai
Date: 23.04.2014

Annexure to the Independent Auditor's Report

Statement referred to in paragraph 2 of our report on Other Legal & Regulatory Requirements of even date on the accounts of NPCIL – NALCO POWER COMPANY LIMITED for the period ended 31st March 2014.

(i) There are no fixed assets, hence the question of maintaining proper records, its physical verification by the management or disposal of its substantial part does not arise.

(ii) There is no inventory, hence the clause of physical verification, its procedures and maintaining proper records of inventory is not applicable.

(iii) The Company has not granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, hence this clause is not applicable.

(iv) The Company has not started any commercial activities, hence the clause of adequate internal control system being commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets & sale of goods and services is not applicable.

(v) According to information and explanations provided to us, there are no contracts or arrangements referred to in section 301 of the Companies Act.

(vi) The Company has not accepted any deposits from the public.

(vii) As informed to us, the Company does not have internal audit system.

(viii) According to the information & explanations given to us, the Central Government has prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Companies Act, 1956. However, the Company has not started operations during the period, hence no accounts or records have been made and maintained by the Company.

(ix) As there are no statutory dues, this clause is not applicable.

(x) The Company has been in existence for a period of less than five years, hence the clause of accumulated losses and cash losses is not applicable.

(xi) The Company has not taken any loan from financial institution or bank, hence the clause of default in repayment of dues to the said parties is not applicable.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit/nidhi/mutual benefit fund/society, hence this clause is not applicable.

(xiv) The Company is not dealing or trading in shares, securities, debentures & other investments.

(xv) Based on the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.

(xvi) The Company has not raised term loans during the period.

(xvii) The Company has not raised any funds on short term basis, hence this clause is not applicable.

(xviii) During the period the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures during the period.

(xx) The Company has not raised money by public issues during the period.

(xxi) Based on the audit procedure performed and information and explanation given to us by the management, no fraud on or by the Company has been noticed or reported during the period.

For K K NAULAKHA & Co.
Chartered Accountants
Firm Regn. No. 314049E

Sd/-
K K NAULAKHA
Partner
Membership No. 051529

Place: Mumbai
Date: 23.04.2014

Comments of the Comptroller and Auditor General of India

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NPCIL – NALCO POWER COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of NPCIL – NALCO Power Company Limited for the year ended 31st March 2014, in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **23.4.2014.**

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the accounts of NPCIL – NALCO Power Company Limited, for the year ended 31st March 2014 and as such, have no comments to make under section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India
Sd/-
(Atreyee Das)
Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place : New Delhi
Date : 10.6.2014

Directors' Report

Your Directors have immense pleasure in presenting the 2nd Annual Report of the Company, together with Audited Financial Statements for the year ended 31st March 2014.

Financial Results

The Company has not yet commenced its commercial operations.

(in ₹)

Financial results	FY 2013-14
Total Income (Other Income)	43,002
Expenses	37,899
Profit / (Loss) before Tax	5,103
Less : Current Tax	13, 288
Profit / (Loss) after Tax	(8,185)

Deposits

During the year under review, the Company has not accepted any deposit from the Public.

Capital Expenditure

The Company has not made any capital expenditure.

Share Capital and Finance

The initial Authorized Share Capital of the Company is ₹ 1,00,00,000 (Rupees One crore).

The total equity Paid-up Share Capital of the Company is ₹ 10, 00, 000 (Rupees Ten Lakh) as on 31st March 2014.

Project Identification:

The discussions were held between NPCIL and NALCO, the promoters of the Company, for identification of the Project Site and technology route to be taken up by the Company. It was decided that the Company may take up 2x700 MW PHWR units at Kakrapar, Gujarat.

The Board of NNPCL has been kept updated by NPCIL about the progress of various project activities. Formal allotment of project to the Company by the Government is awaited.

Disclosure of Particulars

The Company did not carry out any business acitivities and hence there are no particulars to be disclosed as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Particulars of Employees U/S 217 (2A)

There are no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors confirm :

I. that in the preparation of the annual accounts, the accounting standards have been followed to the extent applicable and there has been no material departure;

II. that the selected accounting policies were applied consistently and the Directors made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of afffairs of the Company as on March 31, 2014 and of the profit or loss of the Company for that period;

III. that proper and sufficient care has been taken for the maintanance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregulaties;

IV. that the annual accounts have been prepared on a going concern basis.

Directors

The current Directors of the Company are :

1. Shri Preman Dinaraj
2. Shri R. K. Gargye
3. Shri L.K. Jain

4. Shri Ashok Chauhan
5. Shri S.K. Dash

Changes in the Board of Directors

NALCO, vide its letter dated 28th June 2014, has nominated Shri S.K. Dash, Executive Director (P&T), NALCO as Director on the Board of the Company in place of Shri K.C. Samal, Director. The Board of Directors appointed Shri S.K. Dash as Additional Director and he shall hold office upto the Annual General Meeting scheduled to be held on 31st July 2014. The Board has also recommended the appointment of Shri Dash, Additional Director as Director in the AGM of the Company. Shri Dash shall hold the office for such a duration as determined by NALCO.

The Board welcomes appointment of Shri Dash and places on record its sincere appreciation of the valuable services rendered by Shri K.C. Samal during his association with the Company.

Audit Committee

The Audit Committee has not been constituted as the formation of the Audit Committee as per Companies Act, 1956 is mandatory for the Companies having Paid-up Share Capital more than ₹ 5 crores.

Secretarial Compliance Certificate

The Company has obtained a Compliance Certificate pursuant to the provisions of Section 383A of the Companies Act, 1956 from M/s. K.M. Jhaveri & Co. a firm of Practising Company Secretaries. The Compliance Certificate is annexed to this Report.

Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s. K.K. Naulakha & Co., Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year ended on 31st March, 2014.

Observations of the Statutory Auditors

The Auditors' Report to the Shareholders does not contain any qualifications. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments of Directors.

Comments of the Comptroller and Auditor General of India

The Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the Accounts of NPCIL-NALCO Power Company Ltd. for the year ended 31st March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

Acknowledgements

The Directors acknowledge the invaluable support extended to the Company by the employees and management of the parent companies.

For and on behalf of the Board
Sd/-
(Preman Dinaraj)
Chairman

Place : Mumbai
Date : 31st July 2014

Compliance Certificate

(Under sub-section (1) of section 383A of the Companies Act, 1956)

CIN of the Company: U40300MH2012GOI227632

Nominal Capital: ₹ 1, 00, 00,000/-

Paid up Capital: ₹ 10, 00,000/-

To,

The Members

NPCIL – NALCO Power Company Limited

16th Floor, Centre 1, World Trade Centre,

Cuffe Parade, Colaba

Mumbai- 400 005

We have examined the registers, records, books and papers of NPCIL - NALCO Power Company Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been generally recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra under the Act and the rules made thereunder.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors met Four (4) times respectively on 22nd May 2013, 20th September 2013, 16th December 2013 and 24th March, 2014, in respect of which meetings generally notices were given and the proceedings were generally recorded and signed in the Minutes Book maintained for the purpose. There were no circular resolutions passed.
5. The Company was not required to close its Registers of Member during the period.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 27th June, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were generally recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the period.
8. The company has not advanced any loans to its directors or persons or firms or companies referred in Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the period.
13. The Company:
    (i) has not made any allotment/ transfer / transmission of shares during the financial year.
    (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
    (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year
    (iv) was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured Debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

(v) has generally complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was an appointment of director during the period based on Joint Venture Agreement which is part of Articles of Association. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the period.

15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the period.

16. The Company has not appointed any sole selling agents during the period.

17. The Company was not required to obtain any approval of Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities as may be prescribed under the various provisions of the Act.

18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares/ debentures/ other securities during the period.

20. The Company has not bought back any shares during the period.

21. The Company has no preference shares or debentures, therefore comments in respect of redemption of preference shares or debentures are not applicable.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.

24. The Company has not made borrowings during the period ended on 31st March, 2014.

25. The Company has not made loans and investment or given guarantees or provided securities to other bodies corporate.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the period under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the period under scrutiny.

30. The Company has not altered its Articles of Association during the period.

31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the period, for offences under the Act.

32. As informed to us, the Company does not have any employee during the period. Hence, receipt of any money as security from its employees during the period does not arise.

33. As informed to us, the Company does not have any employee during the period. Hence, receipt of any money as security from its employees during the period does not arise.

Sd/-

Kaushik M. Jhaveri & Co.

Practising Company Secretary

C.P. No. : 2592

Place : Mumbai

Date : 23rd April, 2014

Annexure: A

Registers as maintained by the Company: -

1. Register of Members and Share Ledger u/s 150
2. Register of Share Transfer
3. Minutes Book of Proceedings of Board Meeting u/s 193
4. Minutes Book of Proceedings of General Meeting u/s 193
5. Register of Directors, Managing Directors, Managers and Secretary u/s 303
6. Register of Directors' Shareholdings u/s 307
7. Register of Disclosure u/s 301 (3)

Annexure: B

The Company has filed following forms and returns with Registrar of Companies, Maharashtra during the financial year ending 31st March, 2014

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Annual Report (Form 23AC & 23ACA)	u/s 220	For the year ended 31st March, 2013	26/07/2013	Yes	N.A.
2.	Compliance Certificate (Form 66)	u/s 383A	For the Year ended on 31/03/2013	11/07/2013	Yes	N.A.
3	Annual Return (Form 20B)	u/s 159	Annual General Meeting held on 27th June, 2013	23/08/2013	Yes	N.A.
4.	Form 32	u/s 303 (2)	Appointment of Mr. Ashok Chauhan as Director w.e.f 25/03/2013	23/04/2013	Yes	N.A.
5.	Form 32	u/s 303 (2)	Appointment of Mr. Krushna Chandra Samal as Director w.e.f. 09/05/2013 and Cessation of Mr. Bajrang Lal Bagra as director w.e.f. 30/05/2013	30/05/2013	Yes	N.A.

Kaushik M. Jhaveri & Co.
Practising Company Secretary
C.P. No. : 2592

Place : Mumbai
Date : 23rd April, 2014

Mission and Objectives of NPCIL

Mission

'To develop nuclear power technology and to produce nuclear power as a safe, environmentally benign and economically viable source of electrical energy to meet the increasing electricity needs of the country'.

Objectives

The objectives of the company are:

01

To maximise the power generation and profitability from nuclear power stations with a motto 'safety first and production next'.

02

To increase nuclear power generation capacity in the country, consistent with available resources in a safe, economical and rapid manner in keeping with the growth of energy demand in the country.

03

To continue and strengthen QA activities relating to nuclear power programme within the organisation and those associated with it.

04

To develop personnel at all levels through an appropriate Human Resources Development (HRD) programme in the organisation with a view to further improve their skills and performance consistent with the high technology.

05

To continue and strengthen the environmental protection measures relating to nuclear power generation.

06

To continue and strengthen the neighbourhood welfare programme/CSR activities for achieving inclusive growth of surrounding population.

07

To share appropriate technological skills and expertise at national and international levels.

08

To bring about modernisation and technological innovation in activities.

09

To coordinate and endeavour to keep the sustained association with the other units of DAE.

Our Plants, Projects and Locations

Plants

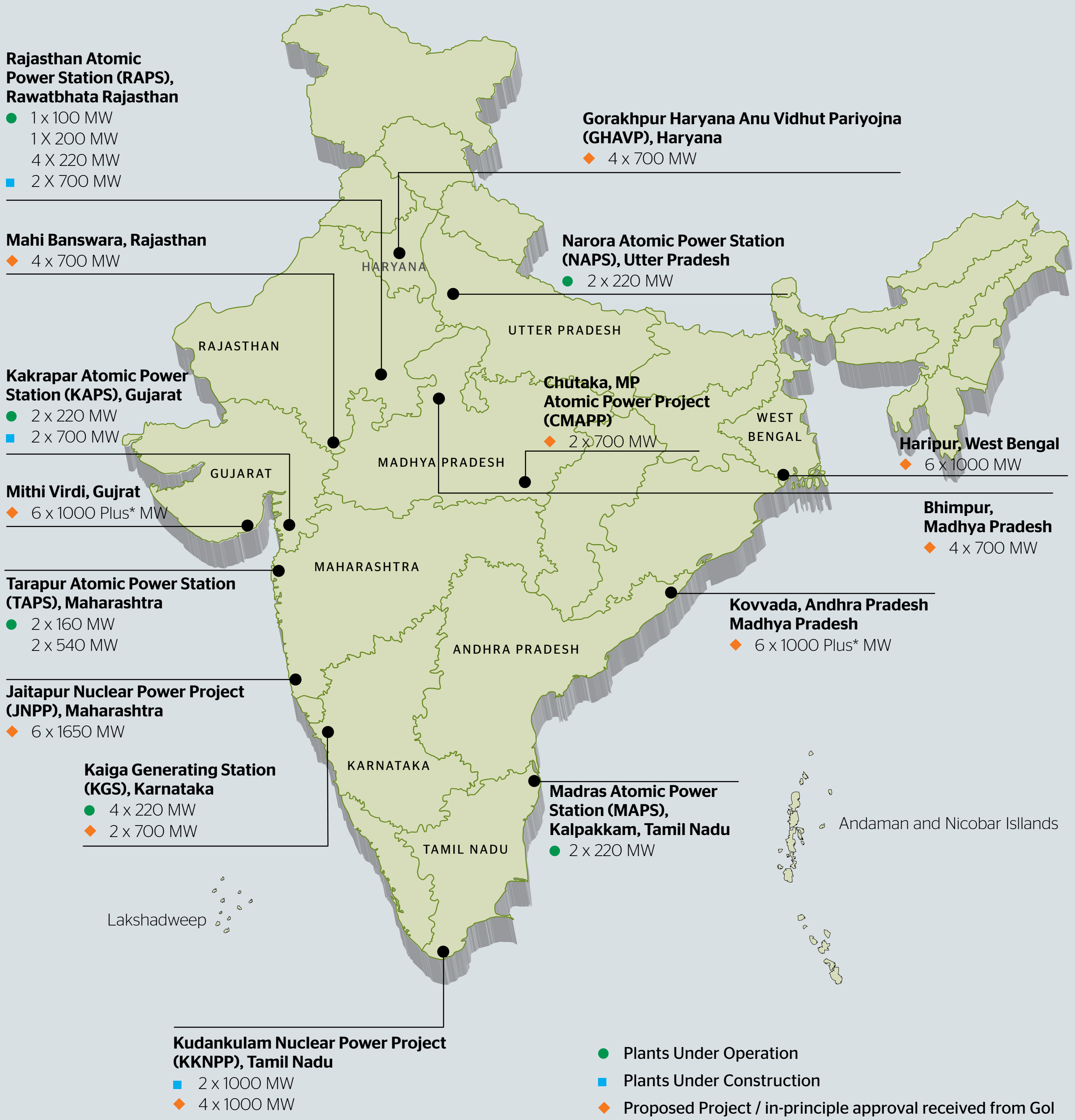
Plant	Unit	Type	Capacity in MW	Date of commercial operation
Tarapur Atomic Power Station (TAPS), Tarapur, Maharashtra	1	BWR	160	28th October 1969
	2	BWR	160	28th October 1969
	3	PHWR	540	18th August 2006
	4	PHWR	540	12th September 2005
Rajasthan Atomic Power Station (RAPS), Rawatbhata, Rajasthan	1*	PHWR	100	16th December 1973
	2	PHWR	200	1st April 1981
	3	PHWR	220	1st June 2000
	4	PHWR	220	23rd December 2000
	5	PHWR	220	4th February 2010
	6	PHWR	220	31st March 2010
Madras Atomic Power Station (MAPS), Kalpakkam, Tamil Nadu	1	PHWR	220	27th January 1984
	2	PHWR	220	21st March 1986
Kaiga Generating Station (KGS), Kaiga, Karnataka	1	PHWR	220	16th November 2000
	2	PHWR	220	16th March 2000
	3	PHWR	220	6th May 2007
	4	PHWR	220	20th January 2011
Narora Atomic Power Station (NAPS), Narora, Uttar Pradesh	1	PHWR	220	1st January 1991
	2	PHWR	220	1st July 1992
Kakrapar Atomic Power Station (KAPS) Kakrapar, Gujarat	1	PHWR	220	6th May 1993
	2	PHWR	220	1st September 1995

*Owned by DAE, Government of India and managed by NPCIL

Projects

Plants under Different Stages of Construction / Commissioning	Capacity (MW)	Type
Kudankulam Nuclear Power Project, Tamil Nadu (Unit 1 & 2)	2 x 1000	LWR
Kakrapar Atomic Power Project, Gujarat (Unit 3 & 4)	2 x 700	PHWR
Rajasthan Atomic Power Project, Rajasthan (Unit 7 & 8)	2 x 700	PHWR

Our Presence



- Plants Under Operation
- Plants Under Construction
- Proposed Project / in-principle approval received from GoI

* *Indicative Capacity*

Map for representation only, Not to scale

Nuclear Power Corporation of India Limited
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