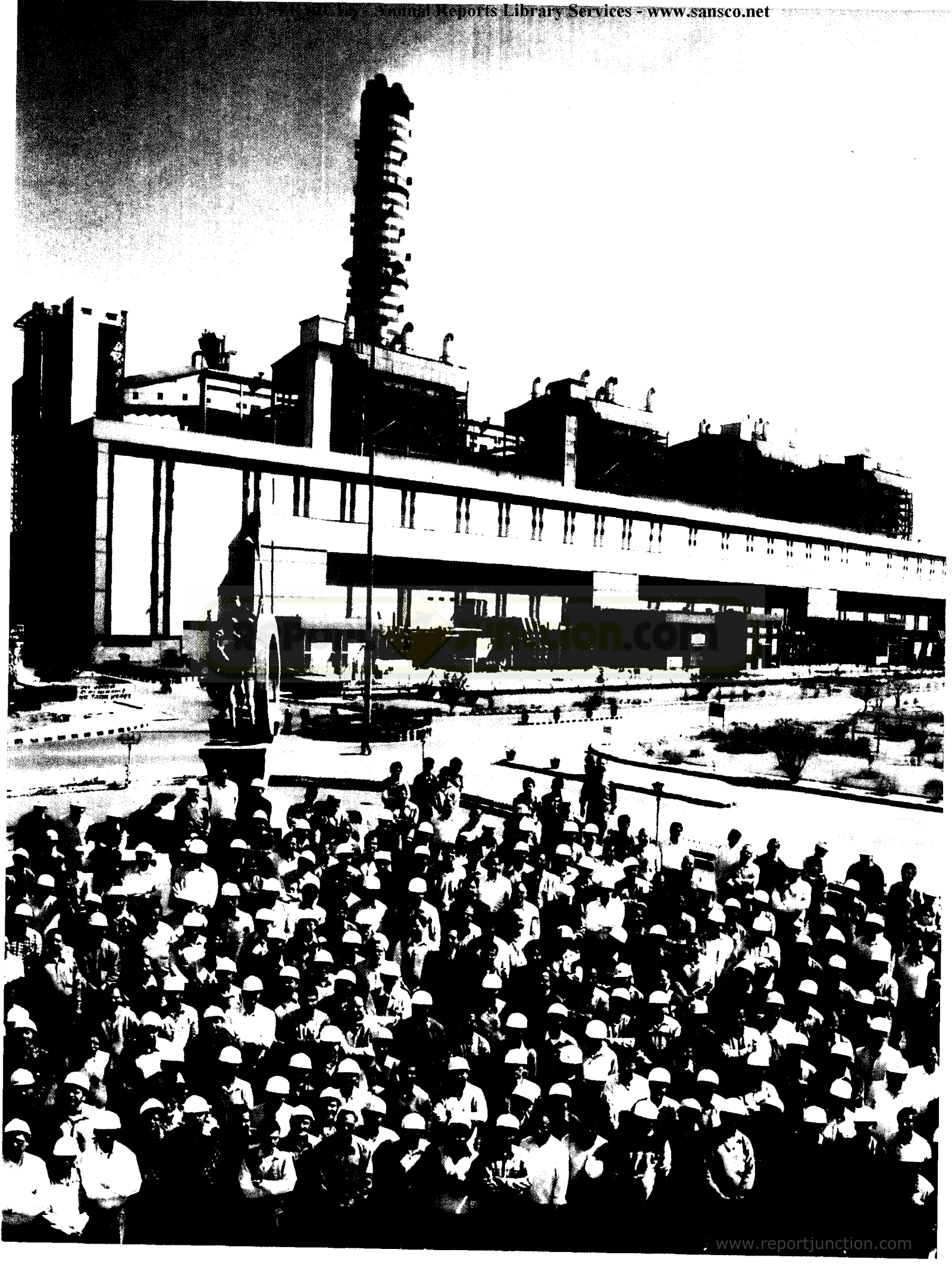


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## **VISION**

*To be one of the world's  
largest and best power utilities,  
powering India's growth.*

## **CORE VALUES (COMIT)**

*Customer Focus*

*Organisational Pride*

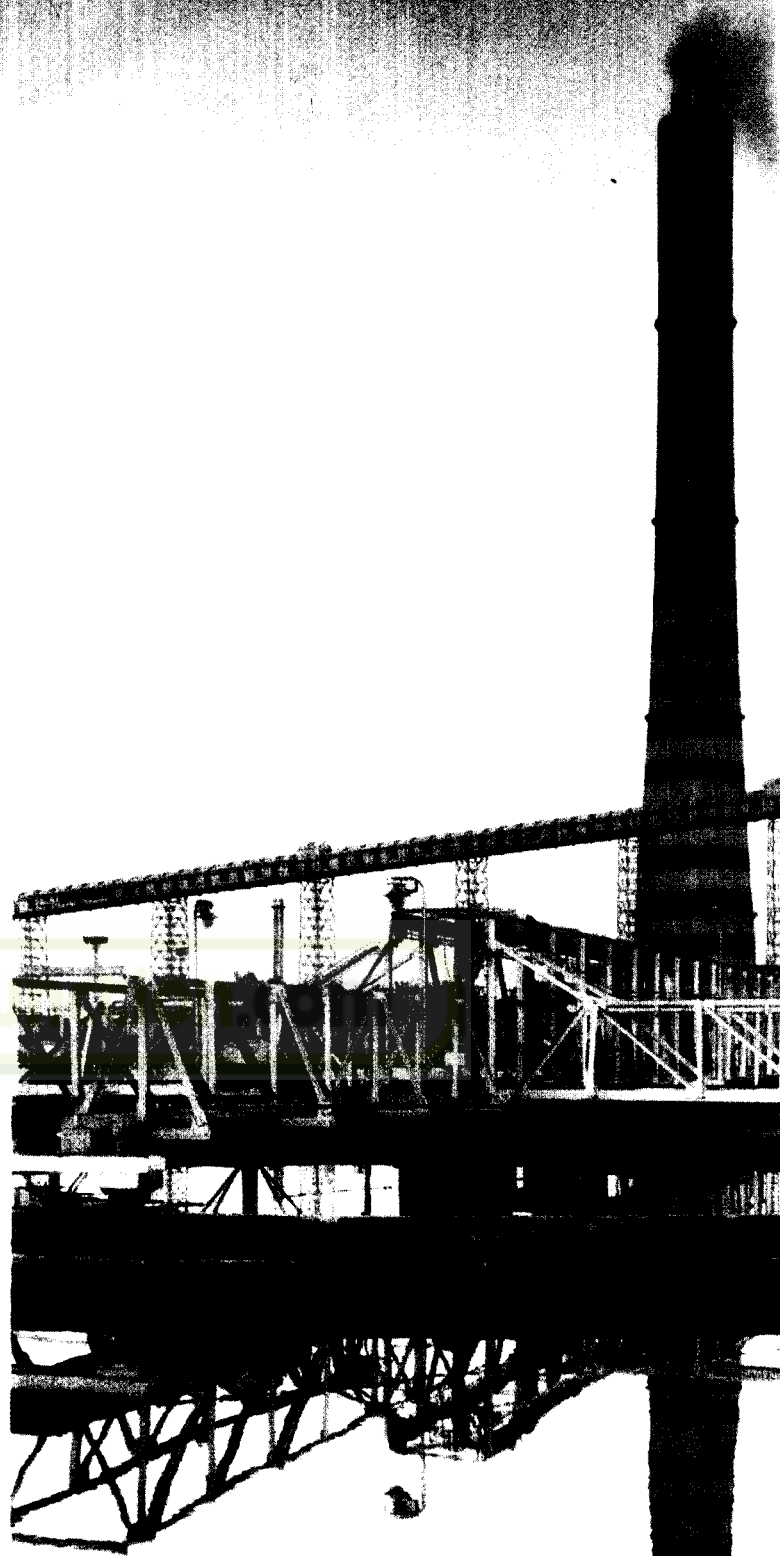
*Mutual Respect and Trust*

*Initiative and Speed*

*Total Quality*



- Make available reliable and quality power in increasingly large quantities at competitive prices and ensure timely realisation of revenues.
- Adopt a broad based capacity portfolio including hydro power, LNG, nuclear power, and non-conventional and eco-friendly fuels.
- Plan and speedily implement power projects using state-of-the-art technologies.
- Be an integrated utility by implementing strategic diversifications in areas such as power trading, distribution, transmission, coal mining, coal beneficiation etc.
- Develop a strong portfolio of profitable businesses in overseas markets including technical services, generation assets etc.
- Continuously attract and develop competent and committed human resources to match world standards.
- Lead fundamental and applied research for adoption of state-of-the-art technologies, breakthrough efficiency improvements and new fuels.
- Lead developmental efforts in the Indian power sector including assisting state utility reform, policy advocacy etc.
- Be a socially responsible corporate entity with thrust on environment protection, ash utilisation, community development, and energy conservation.





नेशनल थर्मल पावर कारपोरेशन लिमिटेड

(भारत सरकार का उद्यम)

**National Thermal Power Corporation Ltd.**

(A Government of India Enterprise)

केन्द्रीय कार्यालय  
CORPORATE CENTREचन्द्र प्रकाश जैन  
अध्यक्ष एवं प्रबन्ध निदेशक

C. P. JAIN

Chairman &amp; Managing Director

January 07, 2004

MR S RAVINDRAN  
SPECIAL CORRESPONDENT  
BUSINESS STANDARD  
H/3&4 PARAGON CONDOMINIUM  
OPP CENTURY MILLS, PB MARG, WORLI  
MUMBAI - 400 013  
INDIA

Dear Mr Ravindran,

I feel great pleasure in sending you a copy of the 27<sup>th</sup> Annual Report of NTPC covering the financial year 2002-03

During the year 2002-03, NTPC generated nearly 141 billion units i.e. 26.5% of the country's total generation with about 19% of the country's total capacity. Very importantly, NTPC accounted for 47% of the incremental annual generation in the country and it supplied power **at a highly competitive average rate of 147 paise per unit** (US Cents 3.04/ Kwh). The turnover was Rs. 199.84 billion (US \$ 4.2 billion) and the net profit was Rs. 36.07 billion (US \$ 745 million). The Net worth of NTPC on March 31, 2003 was Rs. 315.04 billion (US \$ 6.51 billion). The revenue realizations reached 99.2% during 2002-03 and they have now reached 100%.

NTPC has become a 21,749 MW Company and plans to become a 40,000 MW Company by 2012. The Company is fully geared to achieve the capacity addition target of 9370 MW during the 10<sup>th</sup> Plan and has taken steps to add another 11,818 MW during the 11<sup>th</sup> Plan.

Now, the Company is diversifying along the power-value chain and is moving ahead in the direction **of becoming a world-class integrated utility with global presence**. Upstream, we are going for coal mining and coal washeries. Downstream, we have set up a power trading subsidiary and a power distribution subsidiary. Laterally, we are setting up hydro-electric capacities directly and also through our subsidiary, NTPC Hydro Limited.

NTPC was ranked the 'Third Best Employer' in the '**Business Today - Hewitt Associates Best Employers in India 2003**' Survey among 210 enterprises operating in India. This rigorous survey found NTPC and four MNCs to be the five best employers.

I take this opportunity to acknowledge that the impressive performance of NTPC and its sound future outlook are substantially due to your invaluable support, co-operation and good wishes. I am sure that we would continue to enjoy the benefit of your continued support in the future also.

I wish you a very happy and prosperous New Year 2004.

With warm personal regards,

Yours sincerely,

(C P JAIN)

## CORPORATE OBJECTIVES

**In pursuance of the Vision & Mission, the following are the Corporate Objectives of NTPC:**

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

### 1 Business Portfolio Growth

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

### 2 Customer Focus

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

### 3 Agile Corporation

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

### 4 Performance Leadership

- To continuously improve on project execution time and cost in order to sustain long run competitiveness in generation.
- To operate & maintain NTPC stations at par with the best-run utilities in the world with respect to availability, reliability, efficiency, productivity and costs.
- To effectively leverage Information Technology to drive process

efficiencies.

- To aim for performance excellence in the diversification businesses
- To embed quality in all systems and processes.

### 5 Human Resource Development

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

### 6 Financial Soundness

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

### 7 Sustainable Power Development

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

### 8 Research and Development

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



*Research & Development Centre*



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### AUDITORS

K. K. SONI & CO.  
LAKSHMINIWAS & JAIN  
B. C. JAIN & CO.  
S. K. MITTAL & CO.  
VARDHAMAN & CO.

COMPANY SECRETARY  
ANJAN KUMAR BAJPAIE

### BANKERS

ALLAHABAD BANK  
ANDHRA BANK  
BANK OF BARODA  
CANARA BANK  
CENTRAL BANK OF INDIA  
DENA BANK  
INDIAN BANK  
INDIAN OVERSEAS BANK  
ICICI BANK LTD.  
JAMMU & KASHMIR BANK LTD.  
ORIENTAL BANK OF COMMERCE  
PUNJAB NATIONAL BANK  
PUNJAB & SIND BANK

STATE BANK OF BIKANER & JAIPUR  
STATE BANK OF MYSORE  
STATE BANK OF HYDERABAD  
STATE BANK OF INDIA  
STATE BANK OF PATIALA  
STATE BANK OF TRAVANCORE  
STATE BANK OF SAURASHTRA  
UCO BANK  
UNION BANK OF INDIA  
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VIJAYA BANK

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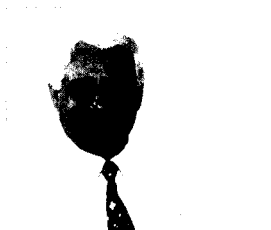
Adopted at the Twenty Seventh Annual General Meeting of the Members of the Company held on 24th September, 2003.



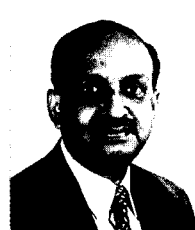
## BOARD OF DIRECTORS



**C.P. Jain**  
*Chairman & Managing Director*



**B.N. Ojha**  
*Director (Operations)*



**K.K. Sinha**  
*Director (Human Resources)*



**P. Narasimhamulu**  
*Director (Finance)*



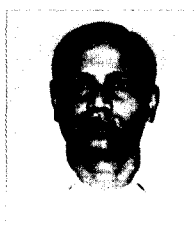
**T. Sankaralingam**  
*Director (Projects)*



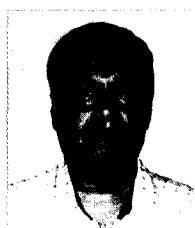
**S.L. Kapur**  
*Director (Technical)*



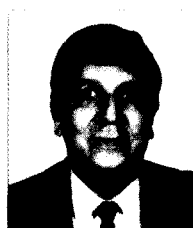
**R.D. Gupta**  
*Director (Commercial)*



**M. Sahoo**  
*Part-Time Director*



**Ajay Shankar**  
*Part-Time Director*



**Prof. Ashok Misra**  
*Part - Time  
Non-Official Director*



**Deepak S. Parekh**  
*Part - Time  
Non-Official Director*



**Dr. R.K. Pachauri**  
*Part Time  
Non-Official Director*



**Dipak Jain**  
*Chief Vigilance Officer*

## DIRECTORS' PROFILE

1. **Dr. R. K. Singh** (57 yrs), the Chairman & Managing Director of the company, has an illustrious career spanning over 37 years of valuable contribution in the fields of financial management, general management, strategic management and business leadership. He is a fellow member of the Institute of Chartered Accountants of India, holds a degree in law and an advanced Diploma in Management. He joined the Board in 1993 as Director (Finance) and was elevated as the Chairman & Managing Director of the Company w.e.f. September 2000.
2. **Dr. R. K. Singh** (59 yrs), an Electrical Engineering Graduate and a recognized power professional with over 36 years of rich experience in the power sector, joined the Board as Director (Operations) in November 1996. Before joining NTPC in April, 1980, he had worked for 14 years in different capacities in Damodar Valley Corporation.
3. **Dr. R. K. Singh** (55 yrs), Director (Human Resources) of the Company since November 1997, did his Honours graduation in Economics and a Post Graduate Degree in Personnel Management/ Labour & Social Welfare securing Gold Medal. Prior to joining NTPC he had varied work experience of about 15 years in Steel Authority of India Ltd. and Hindustan Steelworks Construction Ltd. He is a recognised thought leader on Human Resources Development and related issues like corporate citizenship.
4. **Dr. R. K. Singh** (58yrs), a Post Graduate in Commerce, Chartered Accountant and Graduate in Law is a professional with wide acumen in the areas of financial management and ethical corporate governance. He took over as the Director (Finance) of the Company in May 2001. He is in NTPC for more than two decades holding different positions in the Company. Prior to joining NTPC he had been initially in practice.
5. **Dr. R. K. Singh** (55yrs), is a Graduate in Electrical Engineering. A Power Engineer of repute with rich and varied work experience of about 26 years in NTPC in different capacities prior to his assuming charge of the Director (Projects) w.e.f. August 2001. He has worked in BHEL and Tamil Nadu Electricity Board also.
6. **Dr. R. K. Singh** (59 yrs), has an illustrious career spanning over 35 years in power sector in various responsible positions in India and Bhutan. He holds a Bachelor Degree in Electrical Engineering. Shri Kapur has held various positions in Engineering and Corporate Planning Departments of the Company, till his elevation as Director (Technical) w.e.f. June 2002.
7. **Dr. R. K. Singh** (58 yrs), Director(Commercial) of the Company since May,2003 is a Graduate in Mechanical Engineering and holds Master Degree in Business Administration. He has 36 years rich experience in power sector. Before joining NTPC he worked in Central Electricity Authority for 11 years.
8. **Dr. R. K. Singh** (49 yrs), is an IAS from Andhra Pradesh State cadre. Prior to joining Ministry of Power, Government of India, w.e.f. 1st July 2002 he has held the positions of Secretary, Finance and Secretary, Urban Development, Government of Andhra Pradesh. He is on the Board of the Company as a part-time Director nominated by the Government of India w.e.f. July 2002.
9. **Dr. R. K. Singh** (53 yrs), an IAS with post-graduate degree from Indian University as well as a Master Degree in Economics from Georgetown University of USA. He has rich experience of industrial promotion, urban development and renewal. Prior to joining Ministry of Power, Government of India as Joint Secretary, Shri Shankar held various senior positions in the Government of Uttar Pradesh and Delhi. He is on the Board of NTPC w.e.f. December 2002 as a part-time director nominated by the Government of India.
10. **Dr. R. K. Singh** (56 yrs), a Bachelor of Technology in Chemical Engineering from Indian Institute of Technology and a Master of Science in Chemical Engineering from Tufts University, USA. He also did his Master of Science and Ph.D. in Polymer Science & Engineering from University of Massachusetts, USA. Prof. Ashok Misra also successfully completed his EDP from Kellogg School of Management, Northwestern University, USA. Currently he is the Director, Indian Institute of Technology, Mumbai. He is on the Board of the Company w.e.f. February 2002 as a non-official part-time director.
11. **Dr. R. K. Singh** (58 yrs), a non-official part-time Director of the Company since May 2002, is a Fellow of the Institute of Chartered Accountants (England & Wales). He is a renowned personality in Indian Financial Sector. Currently, he is holding the position of Chairman, HDFC. Besides, Shri Parekh is the Chairman and Part-time Director on several prominent companies in India. He ceased to be Director on NTPC Board w.e.f. August 5, 2003.
12. **Dr. R. K. Singh** (63 yrs), a Padma Bhushan, joined the Board of the Company in August 2002 as a non-official part-time Director. He obtained a Master of Science in Industrial Engineering in 1972, a Ph.D in Industrial Engineering and a Ph.D in Economics from North Carolina State University, Raleigh, North Carolina, USA. He assumed his current responsibilities as the head of TERI (Tata Energy Research Institute) in 1981, first as Director and since April 2001, as Director-General.