

Powerful Growth Naturally!

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**29th ANNUAL
REPORT**
2004-2005

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

CORPORATE MISSION

- 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.

CORPORATE OBJECTIVES

In pursuance of the Vision and 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.

■ Business portfolio growth

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

■ Customer Focus

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

■ Agile Corporation

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

■ Performance Leadership

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

- To effectively leverage Information Technology to drive process efficiencies.

- To aim for performance excellence in the diversification businesses.

- To embed quality in all systems and processes.

■ Human Resource Development

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

■ Financial Soundness

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

■ Sustainable Power Development

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

■ Research and Development

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

REFERENCE INFORMATION

Registered Office

NTPC Bhawan, SCOPE Complex ,
7, Institutional Area, Lodi Road,
New Delhi – 110 003
Phone No. : 011-2436 0100
Fax No. : 011-2436 1018
Web site : www.ntpc.co.in

Subsidiaries

NTPC Electric Supply Company Ltd.
NTPC Hydro Ltd.
NTPC Vidyut Vyapar Nigam Ltd.
Pipavav Power Development Company Ltd.

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.
Karvy House, 46, Avenue 4, Street No. 1
Banjara Hills, Hyderabad – 500 034
Phone No. : 040-2331 2454
Fax No. : 040-2331 1968
E- Mail – Id : ntpcipo@karvy.com

Shares listed at

National Stock Exchange of India Limited
The Stock Exchange, Mumbai

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

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
United Bank of India
Vijaya Bank

Auditors

M/s Kalani & Co.
M/s Amit Ray & Co.
M/s Umamaheshwara Rao & Co.
M/s S.N. Nanda & Co.
M/s T. R. Chadha & Co.

CONTENTS

| | |
|---|-----|
| • Notice of AGM | 4 |
| • Year at a glance | 9 |
| • Board of Directors | 10 |
| • Senior Management Team | 12 |
| • Awards & Accolades | 13 |
| • Station-wise Performance | 14 |
| • Selected Financial Information | 15 |
| • Directors' Report | 17 |
| • Management Discussion and Analysis | 27 |
| • Corporate Governance Report | 41 |
| • Accounting Policies | 82 |
| • Balance Sheet | 86 |
| • Profit & Loss Account | 87 |
| • Cash Flow Statement | 117 |
| • Auditors' Report | 118 |
| • Employee Cost Summary | 121 |
| • Revenue Expenditure on Social Overheads | 121 |
| • Fund Flow Statement | 122 |
| • Subsidiary Companies | 123 |
| • Consolidated Financial Statements | 141 |

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of National Thermal Power Corporation Limited will be held on Friday, September 23, 2005 at 10.00 a.m. at Siri Fort Auditorium Complex, August Kranti Marg, New Delhi – 110 049 to transact the following business:

Ordinary business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2005 and Profit & Loss Account for the financial year ended as on that date together with Report of the Board of Directors and Auditors thereon.
2. To confirm interim dividend and declare final dividend for the year 2004-05.
3. To appoint a Director in place of Shri T. Sankaralingam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Chandan Roy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix the remuneration of Auditors.

Special business

To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

6. Resolved that pursuant to section 21 and other provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government the name of the Company be changed from the existing "National Thermal Power Corporation Limited" to new name "NTPC Limited" and upon the said change in the name of the Company becoming complete and effective, the Memorandum and Articles of Association of the Company be altered by substitution of the new name in all places wherever it appears in the Memorandum and Articles of Association of the Company.

Further resolved that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.

By order of the Board of Directors

Anjan

(Anjan Kumar Bajpaie)
Company Secretary

Registered Office :

NTPC Bhawan, SCOPE Complex,
7, Institutional Area, Lodi Road, New Delhi - 110003
Date: 16.08.2005

NOTES :-

1. The Explanatory Statement, pursuant to section 173 of the Companies Act, 1956, in respect of the special business under Item No. 6 above is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. In order to be effective, the Proxy form duly completed should be deposited at the registered office of the company not less than forty-eight hours before the scheduled time of the Annual General Meeting. Blank proxy form is enclosed.
3. As required by clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Shri T. Sankaralingam and Shri Chandan Roy, Directors retiring and seeking re-appointment under Item No. 3 and 4 above in accordance with applicable provisions of the Articles of Association of the Company as well as those directors who have been appointed since the last Annual General Meeting are also annexed. As per terms of their appointment, the tenure of Shri T. Sankaralingam and Shri Chandan Roy is upto August 9, 2006 and December 31, 2008 respectively.
4. The Members may please note that the Special Resolution sent through notice dated April 23, 2005 to all shareholders for voting through postal ballot to amend the existing Clause 4 of the Main Objects under the Object Clause of the Memorandum of Association of the Company as detailed in the said notice has been passed on May 26, 2005 by requisite majority.

5. The Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2005 to September 23, 2005 (both days inclusive). The dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after September 27, 2005 to the Members or their mandates, subject to the provisions of section 206A of the Companies Act, 1956, whose names appear on the Company's Register of Members on September 23, 2005. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership, as at the close of business hours on September 09, 2005, furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
6. Members are requested to:-
 - i) note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - iii) deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
 - iv) quote their Folio / Client ID & DP ID Nos. in all correspondence.
 - v) **note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.**
 - vi) note that no gifts/coupons will be distributed at the Annual General Meeting.
7. Members are advised to submit their Electronic Clearing Service (ECS) mandates in the attached form duly filled in and signed, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may send the mandate form duly completed to M/s Karvy Computershare Private Limited, Registrar & Transfer Agent of the Company. Those holding shares in Electronic Form may send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/ Registrar & Transfer Agent /DP with complete details need not send them again.
The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to M/s Karvy Computershare Private Limited, Registrar & Transfer Agent of the Company to enable them to print these details on the dividend warrants.
8. Members holding shares in different folios in physical mode are requested to apply to the Company or its Registrar & Transfer Agent for consolidation and send relevant Share Certificates for consolidation.
9. The Board of Directors in its meeting held on February 12, 2005 had declared an interim dividend @ 12% on the paid-up equity share capital of the company. Members who have not encashed their dividend warrants may approach M/s Karvy Computershare Private Limited, Registrar & Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants.
10. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid / unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately.
11. Members may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in Form-2B, [prescribed under Companies (Central Government's) General Rules and Forms, 1956] any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Form-2B is to be submitted in duplicate to M/s Karvy Computershare Private Limited, Registrar & Transfer Agent of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant. Shareholders can also get a copy of Form-2B from the Company by sending a written request.
12. Pursuant to Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C & AG) and in terms of Clause (aa) of sub-section (8) of Section 224 of the Companies Act, 1956 their remuneration has to be fixed by the Company in the Annual General Meeting. The Members of the

Company in the last Annual General Meeting held on July 29, 2004 authorised the Board of Directors to fix an appropriate remuneration of Statutory Auditors for the year 2004-05. Accordingly, the Board of Directors fixed audit fee of Rs. 34,78,750/- for the Statutory Auditors for the financial year 2004-05 in addition to applicable service tax and reimbursement of actual traveling and out-of-pocket expenses for visits to accounting units. The appointment of Statutory Auditors of the Company for the year 2005-2006 is awaited from C&AG of India. The Members may authorise the Board to fix an appropriate remuneration of Auditors for the year 2005-06 after taking into consideration the increase in volume of work and prevailing inflation.

13. A corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e. only if the corporate member sends certified true copy of the Board resolution / power of attorney authorizing the representative to attend and vote at the Annual General Meeting.
14. Members are requested to notify immediately any change of address:
 - i. to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - ii. to the Company at its Registered Office or to its Registrar & Transfer Agent M/s Karvy Computershare Pvt. Ltd. in respect of their physical shares, if any, quoting their folio number.
15. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Shri A.K. Kundu, Executive Director (Finance) & Public Spokesperson of the Company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
16. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days (barring Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

Annex to Notice

Explanatory Statement pursuant to section 173 of the Companies Act, 1956

National Thermal Power Corporation Limited (NTPC) was incorporated with the main objects of planning, promoting and organizing integrated and efficient development of Thermal power. With the passage of time NTPC has enlarged its business portfolio by entering into development of Hydro power. NTPC has further entered into the business of coal mining. It is also on a fast track for oil exploration activities. Hence, the business activities of NTPC are now not limited to Thermal power generation only.

Over the years, National Thermal Power Corporation Ltd. has emerged as a Company of global repute and now world-wide known as "NTPC". The logo of the Company contains the word "NTPC" only which has become the brand name of National Thermal Power Corporation Limited in world arena. Therefore, in order to be in line with the global identity, it has now become essential and appropriate if the name of the Company is changed from "National Thermal Power Corporation Limited" to "NTPC Limited".

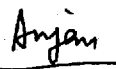
Pursuant to section 21 of the Companies Act, 1956, the consent of the shareholders by special resolution for changing of name of the Company from "National Thermal Power Corporation Limited" to "NTPC Limited" is necessary.

None of the Directors of the Company is in any way concerned or interested in the resolution.

The Directors commend the special resolution at Item No. 6 for approval of the Members.

Relevant letter from the Registrar of Companies, NCT of Delhi and Haryana granting the availability of the aforesaid name i.e. "NTPC Limited" is open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company till the date of the Annual General Meeting.

By order of the Board of Directors



(Anjan Kumar Bajpaie)
Company Secretary

Registered Office :

NTPC Bhawan, SCOPE Complex,
7, Institutional Area, Lodi Road, New Delhi - 110003
Date: 16.08.2005

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AND ALSO OF DIRECTORS APPOINTED SINCE LAST ANNUAL GENERAL MEETING
Directors seeking re-election at the 29th AGM

| | | |
|---|---|---|
| Name | Shri T. Sankaralingam | Shri Chandan Roy |
| Date of Birth & Age | 15.04.48 - 57 yrs | 16.07.50 - 55 yrs |
| Date of Appointment | 10.08.2001 | 01.01.2004 |
| Qualifications | Graduate in Electrical Engineering | Graduate in Mechanical Engineering |
| Expertise in specific functional area | Shri T. Sankaralingam is Power Engineer with rich and varied work experience of about 27 years in NTPC in different capacities. He has worked in Bharat Heavy Electricals Limited and Tamil Nadu Electricity Board also. | Shri Chandan Roy is Power Engineer with rich and varied experience of about 33 years. He has worked for ACC Vickers Babcock Ltd. and Babcock & Wilcox, London also. |
| Directorship held in other companies | Chairman <ul style="list-style-type: none"> Pipavav Power Development Company Limited Part-time Director <ul style="list-style-type: none"> NTPC Hydro Limited Utility Powertech Limited | Chairman <ul style="list-style-type: none"> Ratnagiri Gas and Power Private Ltd. Part-time Director <ul style="list-style-type: none"> NTPC Vidyut Vyapar Nigam Limited Nuclear Power Corporation of India Ltd. Northern Coalfields Limited Damodar Valley Corporation |
| Memberships/Chairmanship of Committees across all Public Companies | National Thermal Power Corpn. Ltd. (NTPC) Member Committee for Contracts Project Committee Securities Allotment/Transfer Committee Utility Powertech Limited Chairman Finance Committee | National Thermal Power Corpn. Ltd. (NTPC) Member Project Committee Committee for Management Controls Securities Allotment/Transfer Committee Investments/Contribution Committee |

Directors appointed since last Annual General Meeting held on 29.07.2004

| | | | | |
|--|--|--|---|--|
| Name | Shri R.S. Sharma | Shri R.K. Jain | Shri Harish Chandra | Shri A.K. Singhal |
| Date of Birth & Age | 10.08.50 - 55 yrs | 15.12.49 - 55 yrs | 05.07.47 - 58 yrs | 10.01.54 - 51 yrs. |
| Date of Appointment | 08.10.2004 | 05.05.2005 | 11.07.2005 | 01.08.2005 |
| Qualifications | Graduate in Mechanical Engineering | Graduate in Mechanical Engineering | Graduate in Law and English Literature and Post Graduate in Geography | Chartered Accountant |
| Expertise in specific functional area | Shri R.S. Sharma has vast and rich experience of around 34 years in Thermal Power Stations. Prior to joining NTPC, he has worked in Madhya Pradesh State Electricity Board. He has been author of a number of Technical papers on various subjects of Power Plant Operation & Maintenance. | Shri R.K. Jain has experience of over 33 years in thermal power projects. He has worked with Central Electricity Authority also. He is also spear-heading NTPC's globalisation initiatives in the areas of O&M, R&M and Engineering Services for Power Plants in various parts of the world. | Shri Harish Chandra is an Indian Administrative Services officer of Uttar Pradesh Cadre. He has over 30 yrs. of experience in various Deptts. in Government of Uttar Pradesh. Prior to joining as Joint Secretary, Ministry of Power, he has held the position of Commissioner, Deptt. of Revenue, Secretary, Deptt. of Public Enterprises, | Shri A.K. Singhal has with him vast and rich professional experience of over 28 years of handling all the facets in Corporate Finance and Accounts. Prior to joining NTPC as Executive Director (Fin.) in 2001, he has worked as Executive Director (Finance) in National Fertilizers Ltd. as head of Finance & Accounts department and has also worked in Krishak Bharati |

| | | | | |
|--|--|--|---|---|
| | | | Secretary, Deptt. of Finance and Principal Secretary, Deptt. of Revenue in Government of Uttar Pradesh. | Cooperative Limited (KRIBHCO) and Engineering Projects of India Limited (EPIL). |
| Directorship held in other companies | Chairman <ul style="list-style-type: none"> • NTPC – SAIL Power Company Pvt. Limited • Bhilai Electric Supply Company Pvt. Limited Part-time Director <ul style="list-style-type: none"> • NTPC-Electric Supply Company Limited • NTPC Tamil Nadu Energy Company Limited | Part-time Director <ul style="list-style-type: none"> • NTPC-Electric Supply Company Limited • NTPC Tamil Nadu Energy Company Limited | | Part-time Director <ul style="list-style-type: none"> • NTPC-Electric Supply Company Limited • NTPC Hydro Ltd. • NTPC Vidyut Vyapar Nigam Limited • NTPC Tamil Nadu Energy Company Limited • Utility Powertech Ltd. • NTPC –SAIL Power Company Pvt. Limited • Bhilai Electric Supply Company Pvt. Limited • NTPC Alstom Power Services Pvt. Limited • Ratnagiri Gas and Power Private Limited |
| Memberships/ Chairmanship of Committees across all Public Companies | NTPC Member Project Committee Investment/Contribution Committee NTPC Vidyut Vyapar Nigam Limited (NVVN) Member Audit Committee | NTPC Member Committee for Contracts Project Committee Shareholders/ Investors Grievance Committee | NTPC Member Audit Committee Committee for Contracts Project Committee | NTPC Member Committee for Contracts Project Committee Committee on Management Controls Securities Allotment/ Transfer Committee Shareholders/Investors Grievance Committee Investment/Contribution Committee NVVN Member Audit Committee Utility Powertech Ltd. Member Finance Committee Investment Committee Personnel Management Committee Contracts Committee |