

Balance Sheet as at March 31, 2008
NPCL

	Schedule No.	Rupees	As at 31st March, 2008 Rupees	Rupees	As at 31st, March, 2007 Rupees
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	92,314,840		92,314,840	
Share Application Money [Refer Note 2(c) of Schedule 16]		155,057,590		-	
Reserves & Surplus	2	978,394,120	1,225,766,550	721,002,840	813,317,680
Loan Funds					
Secured Loans	3		534,759,848		214,867,878
Consumers' Security Deposits [Refer Note 2(a)(iii) of Schedule 16]					
Deferred Tax Liability (net)		56,301,935		-	
Less: Recoverable [Refer Note 1(j) & 2 (f) of Schedule 16]		(56,301,935)		-	
			2,029,661,990		1,176,779,829
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	1,865,745,223		1,259,789,678	
Less :Accumulated Depreciation		472,842,090		377,397,832	
Net Block		1,392,903,133		882,391,846	
Capital Work in Progress		307,269,234	1,700,172,367	25,538,520	907,930,366
Investments					
	5		14,640,700		11,512,700
Current Assets, Loans and Advances					
Inventories	6	23,782,096		20,988,307	
Sundry Debtors	7	235,274,787		227,411,457	
Cash & Bank Balances	8	10,961,364		30,948,654	
Other Current Assets	9	852,636		473,591	
Loans & Advances	10	350,762,910		252,521,374	
		621,633,793		532,343,383	
Less : Current Liabilities & Provisions					
Current Liabilities	11	305,058,342		272,296,507	
Provisions	12	1,726,528		2,710,113	
		306,784,870		275,006,620	
Net Current Assets					
			314,848,923		257,336,763
			2,029,661,990		1,176,779,829
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS					
	16				

This is the Balance Sheet referred to in our report of even date.

The Schedules referred to above form an integral part of the Balance Sheet.

For and on behalf of the Board of Directors

Avijit Mukerji
Membership No : F-56155
Partner
For and on behalf of
Loveloek & Lewes
Chartered Accountants

Sudhir Kumar
Director

S. N. Kuckreja
Director

Santanu Chatterjee
Director

S. K. Sinha
Company Secretary

Place : Greater Noida City
Date : 27th June, 2008

Profit & Loss Account for the year ended March 31, 2008
NPCL

	Schedule No.	For the Year Ended 31st March, 2008		For the Year Ended 31st March, 2007	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Earnings from Sale of Electricity			1,687,748,370		1,437,165,183
Income from Project Management Consultancy			279,414		2,672,844
Other Income	13		10,562,354		7,753,977
			<u>1,698,590,138</u>		<u>1,447,592,004</u>
EXPENDITURE					
Cost of Electrical Energy Purchased [Refer Note 2(a)(i) & (ii) and 2(b)(i) & (ii) of Schedule 16]			1,354,395,234		1,172,046,267
Distribution, Administration and Other Expenses	14		117,638,115		103,208,952
Interest & Finance Charges	15		67,631,533		32,050,919
Depreciation / Amortisation [Refer Note 1(c), 2(d) & 2(o) of Schedule 16]	4	97,132,996		79,502,502	
Less: Transferred from capital contribution		558,633		-	
Less: Transferred from reserve on transfer of assets		<u>2,618,376</u>		-	
			<u>93,955,987</u>		<u>79,502,502</u>
			<u>1,633,620,869</u>		<u>1,386,808,640</u>
Profit before Taxation			<u>64,969,269</u>		<u>60,783,364</u>
Tax Expense :					
- Current Tax			7,300,000		6,910,000
- Deferred Tax (net)		56,301,935		-	
- Recoverable/(Payable)		<u>(56,301,935)</u>		-	
			-		-
- Fringe Benefit Tax			<u>761,000</u>		<u>541,000</u>
Profit after Taxation			<u>56,908,269</u>		<u>53,332,364</u>
Appropriation to Contingencies Reserve			<u>4,700,000</u>		<u>3,150,000</u>
Profit after Appropriation			<u>52,208,269</u>		<u>50,182,364</u>
Add: Profit brought forward			215,156,939		164,974,575
Less : Adjustment for Employee Benefits (Refer note 2(e) of Schedule 16)			36,411		-
Balance carried forward to Balance Sheet			<u>267,328,797</u>		<u>215,156,939</u>
Earnings Per Share (Rs.) (Refer note 2(m) of Schedule 16)					
-Basic			6.16		5.78
-Diluted			5.54		5.78
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	16				

This is the Profit and Loss Account referred to in our Report of even date.

Avijit Mukerji
Membership No : F-56155
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Place : Greater Noida City
Date : 27th June, 2008

The Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of the Board of Directors

Sudhir Kumar
Director

S. N. Kuckreja
Director

Santanu Chatterjee
Director

S. K. Sinha
Company Secretary

Cash Flow Statement for the year ended March 31, 2008

NPCL

	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees
A. Cash flow from operating activities:		
Profit before tax	64,969,269	60,783,364
Adjustments for:		
Depreciation and Amortisation	93,955,987	79,502,502
Interest Expense	67,631,533	32,050,919
Interest on Fixed Deposits	(566,651)	(1,829,599)
Income from Investments	(1,138,296)	(874,437)
Loss on retirement of fixed assets (net)	1,221,816	1,007,093
Bad Debts Written off	8,296,296	9,254,323
Provision for Bad & Doubtful Debts	3,061,770	2,813,009
Provision for Retirement Benefits	390,749	201,869
Operating profit before working capital changes	237,822,473	182,909,044
Adjustments for :		
- (Increase)/Decrease in Sundry Debtors	(19,221,396)	(46,567,817)
- (Increase)/Decrease in Other Receivables	(98,241,536)	(1,719,700)
- (Increase)/Decrease in Inventories	(2,793,789)	(3,813,521)
- Increase/(Decrease) in Trade and Other Payables	(114,784,820)	(77,219,394)
Cash from/ (used in) operations	2,780,932	53,588,612
Income-tax and fringe benefit tax paid	(9,194,150)	(5,982,370)
Net cash from/ (used in) operations	(6,413,218)	47,606,242
B. Cash flow from Investing activities:		
Share application money received	155,057,590	-
Purchase of fixed assets	(390,974,479)	(218,363,869)
Increase in Capital Work in Progress	(281,730,714)	5,233,026
Proceeds from Sale of fixed assets	53,826	162,630
Proceeds from Sale of Investments	-	860,000
Purchase of Contingency Reserve Investments	(3,150,000)	(3,362,000)
Interest Received	1,042,006	1,965,586
Net cash from/ (used in) investing activities	(519,701,771)	(213,504,627)
C. Cash flow from financing activities:		
Proceeds from long term borrowings	301,714,000	144,633,425
Repayments of long term borrowings	(17,350,374)	(66,335,775)
Movement of short term borrowings (net)	33,417,385	-
Capital Contribution from Consumers	133,346,252	85,894,134
Consumers Security Deposit	120,541,321	22,080,561
Interest Paid	(65,562,885)	(26,617,783)
Net cash from/ (used in) financing activities	506,105,699	159,654,562
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(20,009,290)	(6,243,823)
Cash and cash equivalents at the beginning of the year	30,948,654	37,192,477
Cash and cash equivalents at the end of the year	10,939,364	30,948,654
Cash and cash equivalents comprise		
Cash & Cheques (in hand)	1,148,035	10,412,655
Balances with scheduled banks on:		
- current accounts	425,917	20,035,999
- margin money account	575,000	500,000
- fixed deposit account	8,790,412	-
	10,939,364	30,948,654

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- Figure in brackets indicate cash out flows.
- Previous year figures have been re-grouped and re-classified wherever necessary to conform to the current year classification.
- Cash and cash equivalents includes Rs.8,790,412 (Previous Year Rs. Nil) under Debt Service Reserve Account and Rs. 575,000 (Previous Year Rs 500,000) as margin money deposits which are not available for use by the Company.
- Schedules 1 to 16 form an integral part of the cash flow statement.

This is the Cash Flow Statement referred to in our Report of even date.

Avijit Mukerji
Membership No : F-56155
Partner
For and on behalf of
Loveloock & Lewes
Chartered Accountants
Place : Greater Noida City
Date : 27th June, 2008

For and on behalf of the Board of Directors

Sudhir Kumar Director	S. N. Kuckreja Director
Santanu Chatterjee Director	S. K. Sinha Company Secretary

	As at 31st March, 2008 <u>Rupees</u>	As at 31st March, 2007 <u>Rupees</u>
SCHEDULE 1 - SHARE CAPITAL		
Authorised Capital		
25,000,000 (Previous Year - 15,000,000) Equity Shares of Rs.10/- each	<u>250,000,000</u>	150,000,000
Issued, Subscribed and Paid-Up Capital		
9,231,484 (Previous Year - 9,231,484) Equity Shares of Rs.10/- each fully paid-up	<u>92,314,840</u>	92,314,840
	<u>92,314,840</u>	<u>92,314,840</u>
SCHEDULE 2 - RESERVES AND SURPLUS		
Capital Contributions from Consumers		
[Refer Note 1(c) of Schedule 16]		
Balance at the beginning of the year	490,380,162	404,486,028
Add : Contributions during the year	133,346,252	85,894,134
Less: Amount transferred to Profit & Loss Account	<u>558,633</u>	-
	<u>623,167,781</u>	<u>490,380,162</u>
Reserve on Transfer of Assets		
[Refer Note 1(c) & 2(d) of Schedule 16]		
Reserve created during the year	70,350,179	-
Less: Amount transferred to Profit & Loss Account	<u>2,618,376</u>	-
	<u>67,731,803</u>	-
Contingencies Reserve		
[Refer Note 1(n) of Schedule 16]		
Balance at the beginning of the year	15,465,739	12,315,739
Add : Transferred from Profit & Loss Account	<u>4,700,000</u>	3,150,000
	<u>20,165,739</u>	15,465,739
	<u>267,328,797</u>	215,156,939
Profit and Loss Account	<u>978,394,120</u>	<u>721,002,840</u>
SCHEDULE 3 - SECURED LOANS		
Term Loans from Banks		
ICICI Bank Limited *	42,000,000	54,000,000
Secured by :		
- Second charge on immovable properties on Pari-passu basis with Yes Bank Limited situated at Greater Noida Industrial Development Area		
- Hypothecation on all moveable property of the Company situated at Greater Noida in the State of Uttar Pradesh, both present and future (save and except the assets having a book value of Rs. 35 Crores specifically charged to the bank for working capital facilities). And rank pari-passu charge created in favour of Yes Bank for the Term Loan		
ICICI Bank Limited under ECO programme *	11,000,000	15,800,000
Secured by :		

Schedules to the Accounts (Contd.)

NPCL

<ul style="list-style-type: none"> - Hypothecation/Mortgage of all moveable/immovable property created under the ECO project and shall rank pari pasu with the charges created in favour of ICICI Bank Limited in respect of other term loans 		
Vehicle Loans from ICICI Bank Limited *		
- Secured by Hypothecation on respective vehicles	2,019,504	855,878
Yes Bank*	300,000,000	-
Secured by :		
- Second charge on immovable properties on Pari-passu basis with ICICI Bank Limited situated at Greater Noida Industrial Development Area, both present and future		
- Hypothecation on the whole of the moveable property of the Company situated at Greater Noida in the State of Uttar Pradesh, both present and future (save and except the assets having a book value of Rs. 35 Crores specifically charged to the bank for working capital facilities). And rank pari-passu charge created in favour of ICICI Bank for the Term Loan		
- Second pari-passu charge on all the Current Assets		
External Commercial Borrowings (ECB) from ICICI Bank Limited, Bahrain Branch *	144,212,000	144,212,000
Secured by :		
- Second charge on immovable properties on Pari-passu basis with Yes Bank Limited situated at Greater Noida Industrial Development Area		
- Hypothecation on all moveable assets other than receivables from Honda Siel Cars Private Ltd. and Industrial Oxygen Company Limited and rank pari passu with the charges created in favor of ICICI Bank Ltd and YES Bank Limited in respect of other term loans. Mortgage of immovable properties is pending registration		
Working Capital facilities from Banks		
Cash Credit	33,417,385	-
Secured by :		
- First pari passu charge on stocks of raw materials, semi-finished and finished goods, stores and receivables of the company.		
Interest accrued and due on term loans from banks	<u>2,110,959</u>	-
	<u>534,759,848</u>	<u>214,867,878</u>

*Amount due within one year Rs. 49,775,040 (Previous Year Rs. 17,216,845)

SCHEDULE 4 - FIXED ASSETS
[Refer Note 1(c) of Schedule 16]

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2007	Additions during the year*	Withdrawals/ Adjustments	As at 31st March, 2008	For the Year	Withdrawals/ Adjustments	As at 31st March, 2008	As at 31st March, 2007
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible Assets :								
Leasehold Land	16,047,120	193,572,273	-	209,619,393	568,133	254,958	-	823,091
Leasehold Improvements	1,237,197	-	-	1,237,197	1,237,197	-	-	-
Building & Structures	55,417,150	22,327,400	-	77,744,550	3,364,495	1,700,478	-	5,064,973
Plant & Machinery	11,180,051	4,967,023	10,225	16,136,849	4,034,337	1,117,828	9,714	5,142,451
Transmission & Distribution System	896,368,061	337,361,262	727,863	1,233,001,460	232,554,826	66,034,034	417,304	298,171,556
Meters & Other Apparatus on Consumers' premises	108,560,843	31,232,938	1,834,407	137,959,374	31,743,221	13,527,640	984,528	44,286,333
Furniture & Fixtures	11,725,594	1,553,599	337,115	12,942,078	6,770,316	1,610,037	239,359	8,140,994
Computers	21,938,670	1,895,263	54,770	23,779,163	9,804,697	2,371,916	37,833	12,138,780
Assets acquired from UPSEB	96,932,696	-	-	96,932,696	72,946,569	5,604,385	-	78,550,954
Vehicles	3,357,593	1,613,546	-	4,971,139	975,575	1,144,829	-	2,120,404
Intangible Assets :								
Computer Software	25,309,271	14,396,621	-	39,705,892	11,055,284	3,181,025	-	14,236,309
Investment in Capacity Augmentation	11,715,432	-	-	11,715,432	2,343,182	585,866	-	2,929,048
Total	1,259,789,678	608,919,925	2,964,380	1,865,745,223	377,397,832	97,132,996	1,688,738	472,842,090
Capital work in progress [Refer Note 2(q)(ii) & (iii) of Schedule 16]								
Grand Total	1,259,789,678	608,919,925	2,964,380	1,865,745,223	377,397,832	97,132,996	1,688,738	472,842,090
Previous Year	1,000,217,499	264,313,848	4,741,669	1,259,789,678	301,467,276	79,502,502	3,571,946	377,397,832

Notes

- (1) Additions during the year include assets received from GNIDA and assets acquired from capital contribution from consumers amounting to Rs.70,350,179 and Rs.120,051,165 respectively. [Refer Note 2(d) of Schedule 16]
- (2) Transfer of title and registration of leasehold land is in progress on additions of Rs.187,999,722 during the year.

Schedules to the Accounts (Contd.)

NPCL

	<u>As at 31st March, 2008 Rupees</u>	<u>As at 31st March, 2007 Rupees</u>
SCHEDULE 5 - INVESTMENTS		
[Refer Note 1(f) of Schedule 16]		
Contingency Reserve Investments		
Long Term - Other than Trade		
Unquoted		
3 (Previous Year 3) nos 9.98% ICICI Bank Perpatual Bonds of Rs.1,000,000 each fully paid (Previous Year Rs. 2,947,200)]	3,022,000	3,022,000
3(Previous Year- Nil) nos 10.55% Bank of India Bonds of Rs.1,000,000 each fully paid (Previous Year Rs. NIL)]	3,018,000	-
11(Previous Year- Nil) nos 10% ICICI Regular Income Bond of Rs. 10,000 each fully paid up (Previous Year Rs. NIL)]	110,000	-
11.60% Redeemable Non-convertible APPFCL Bonds of Rs. 100,000 each (No. of Bonds 10; Previous Year 10)	1,000,000	1,000,000
7.10% IIBIL Bonds of Rs. 100,000 each (No of Bonds 13; Previous Year 13)	1,300,000	1,300,000
21,657 (Previous Year 21,657) nos. of 6.75% US-64 Tax Free Bonds of Rs.100 each fully paid (received on conversion of 219,821 units of US-64)	2,165,700	2,165,700
Units of US-64 of Rs. 5.61 each (No. of Units 6,239; Previous Year 6,239)	35,000	35,000
Units of US-95 of Rs. 16.03 each (No. of Units 102,932; Previous Year 102,932)	1,650,000	1,650,000
8.0% Non - Cumulative Deposits with HDFC Limited	2,000,000	2,000,000
8.5% HUDCO Public Deposit Scheme	340,000	340,000
	<u>14,640,700</u>	<u>11,512,700</u>
SCHEDULE 6 - INVENTORIES		
[Refer Note 1(b) of Schedule 16]		
Stores and spares	<u>23,782,096</u>	<u>20,988,307</u>
	<u>23,782,096</u>	<u>20,988,307</u>
SCHEDULE 7 - SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Secured - considered good	9,650,863	9,288,524
Unsecured		
- considered good	42,252,030	34,214,670
- considered doubtful	1,308,533	3,500,000
	<u>53,211,426</u>	<u>47,003,194</u>
Less : Provision for Doubtful Debts	<u>1,308,533</u>	<u>3,500,000</u>
	51,902,893	43,503,194
Other Debts		
Secured - considered good	119,962,421	119,207,239
Unsecured		
- considered good	63,409,473	64,701,024
- considered doubtful	5,253,237	-
	<u>188,625,131</u>	<u>183,908,263</u>
Less : Provision for Doubtful Debts	<u>5,253,237</u>	<u>-</u>
	<u>183,371,894</u>	<u>183,908,263</u>
	<u>235,274,787</u>	<u>227,411,457</u>

Schedules to the Accounts (Contd.)

NPCL

	<u>As at 31st, March, 2008</u> Rupees	<u>As at 31st, March, 2007</u> Rupees
SCHEDULE 8 - CASH AND BANK BALANCES		
Cash & Cheques in hand	1,148,035	10,412,655
Balances with Scheduled Banks on :		
- Current Accounts	425,917	20,035,999
- Margin Money Deposits	575,000	500,000
- Fixed Deposit Account	8,812,412	-
(includes Rs.8,790,412 under Debt Service Reserve Account & Rs.22,000 towards contingency reserve investment)		
	<u>10,961,364</u>	<u>30,948,654</u>
SCHEDULE 9 - OTHER CURRENT ASSETS		
Interest accrued on Margin Money / Fixed Deposit	341,809	17,931
Interest accrued on Investments	510,827	455,660
	<u>852,636</u>	<u>473,591</u>
SCHEDULE 10 - LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Secured - considered good *	1,046,700	1,302,200
Unsecured - considered good	203,837,664	105,844,482
Project Expenses pending adjustment (Refer note 2(n) of Schedule 16)	32,252,960	32,252,960
Advance Tax & Tax deducted at source (Net of Provision for Income Tax of Rs. 33,343,062)	516,611	-
Advance Fringe Benefit Tax (Net of Provision for Fringe Benefit Tax of Rs. 20,52,000)	9,000	-
Deposits -		
- Deposits for telephone, rent etc.	335,950	357,707
- Other Deposits (Refer note 2(a)(iii) of Schedule 16)	112,764,025	112,764,025
	<u>350,762,910</u>	<u>252,521,374</u>
* Includes Rs.795,780 (Previous Year - Rs.27,750) due from an officer of the company. Maximum amount due during the year - Rs.795,780 (Previous Year -Rs.42,750)		
SCHEDULE 11 - CURRENT LIABILITIES		
Sundry Creditors :		
- Total outstanding dues to other than Micro & Small Enterprises (Refer note 2(t) of Schedule 16)	49,840,462	172,504,678
Liabilities on Capital Account :		
- Total outstanding dues to other than Micro & Small Enterprises (Refer note 2(t) of Schedule 16)	181,480,204	57,609,611
Advance from Customers	7,461,119	3,713,977
Advance payment received from consumers for capital jobs	44,957,599	21,232,927
Interest Accrued but not due on loans	6,021,356	6,063,667
Book Overdraft	119,501	-
Other Liabilities	15,178,101	11,171,647
	<u>305,058,342</u>	<u>272,296,507</u>
SCHEDULE 12 - PROVISIONS		
Provision for Income Tax (Net of Advance Tax of Rs.24,753,017)	-	1,390,045
Provision for Fringe Benefit Tax (Net of Advance Fringe Benefit Tax Rs.1,291,000)	-	27,000
Provision for Leave Encashment	1,720,228	1,293,068
Provision for Wealth Tax	6,300	-
	<u>1,726,528</u>	<u>2,710,113</u>

	For the Year Ended 31st March, 2008		For the Year Ended 31st March, 2007	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 13 - OTHER INCOME				
Interest on Deposit with Banks - Gross (Tax deducted at source - Rs.114,566 ; Previous year - Rs.413,851)		566,651		1,829,599
Income from Investment				
- Dividend		131,067		176,539
- Interest (Gross) (Tax deducted at source - Rs.169,330 ; Previous year - Rs.107,571)		1,007,229		697,898
Delayed Payment Surcharge		6,316,261		4,266,792
Miscellaneous Income		2,541,146		783,149
		<u>10,562,354</u>		<u>7,753,977</u>
SCHEDULE 14 - DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES				
Repairs - Transmission and Distribution system [Refer Note 2(q)(iv) of Schedule 16]		36,963,502		33,272,371
Repairs - Building		108,990		47,045
Repairs - Others		6,240,471		6,571,638
Consumable Stores		25,146		13,273
Salaries, wages and ex-gratia	29,633,220		20,597,212	
Contribution to provident and other funds	3,162,915		2,214,521	
Employees' welfare expenses	2,913,982	35,710,117	1,609,521	24,421,254
Insurance [Refer Note 2(q)(iv) of Schedule 16]		265,019		350,697
Rent		1,981,813		2,148,780
Travelling & Conveyance		2,853,839		2,394,260
Legal & Professional Expenses		13,391,806		10,942,057
Loss on Retirement of Fixed Assets (net)		1,221,816		1,007,093
Bad Debts written off (net)		8,296,296		9,254,323
Provision for Doubtful Debts		3,061,770		2,813,009
Wealth Tax		6,300		-
Miscellaneous expenses		15,036,537		13,303,422
		<u>125,163,422</u>		<u>106,539,222</u>
Less : Personnel Expenses allocated to Fixed Assets		7,525,307		3,330,270
		<u>117,638,115</u>		<u>103,208,952</u>
SCHEDULE 15 - INTEREST AND FINANCE CHARGES				
Interest on working capital facilities		17,558,598		799,572
Interest on Term Loan		26,007,832		17,357,146
Interest on Consumer's Security Deposit		11,382,970		10,802,016
Finance Charges		12,682,133		3,092,185
		<u>67,631,533</u>		<u>32,050,919</u>