



A Maharatna Company

**38<sup>TH</sup>**  

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**A N N U A L**  

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**R E P O R T**  

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# Vision

"TO BE THE WORLD'S LARGEST  
AND BEST POWER PRODUCER,  
POWERING INDIA'S GROWTH"

# Mission

"DEVELOP AND PROVIDE RELIABLE  
POWER, RELATED PRODUCTS  
AND SERVICES AT COMPETITIVE  
PRICES, INTEGRATING MULTIPLE  
ENERGY SOURCES WITH  
INNOVATIVE AND ECO-FRIENDLY  
TECHNOLOGIES AND CONTRIBUTE  
TO SOCIETY"

## Core Values

B

Business Ethics

E

Environmentally &  
Economically Sustainable

C

Customer Focus

O

Organizational &  
Professional Pride

M

Mutual Respect & Trust

M

Motivating Self & Others

I

Innovation & Speed

T

Total Quality For Excellence

T

Transparent & Respected  
Organisation

E

Enterprising

D

Devoted



## CORPORATE OBJECTIVES

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 reforms, 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

Email: info@ntpc.co.in

Web site : www.ntpc.co.in

CIN: L40101DL1975GOI007966

### Subsidiaries

NTPC Electric Supply Company Ltd.

NTPC Vidyut Vyapar Nigam Ltd.

Kanti Bijlee Utpadan Nigam Ltd.

Bhartiya Rail Bijlee Company Ltd.

### Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.

17-24, Vittal Rao Nagar

Madhapur

Hyderabad – 500 081

Phone No. : 040-2342 0815-28

Fax No. : 040-2342 0814

E-mail : einward.ris@karvy.com

### Shares listed at

National Stock Exchange of India Limited

Bombay Stock Exchange Limited

### Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

### Company Secretary

A. K. Rastogi

### Bankers

Allahabad Bank

Andhra Bank

Bank of India

Canara Bank

Central Bank of India

Citi Bank, NA

Dena Bank

Indian Overseas Bank

ICICI Bank Ltd.

IDBI Bank Ltd.

Jammu & Kashmir Bank Ltd.

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

UCO Bank

Union Bank of India

United Bank of India

Vijaya Bank

HDFC Bank

### Auditors

M/s O. P. Bagla & Co.

M/s K. K. Soni & Co.

M/s PKF Sridhar & Santhanam

M/s V. Sankar Aiyar & Co.

M/s Ramesh C. Agrawal & Co.

M/s A. R. & Co.

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### GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail addresses registered with Karvy Computershare Private Limited, RTA of the Company.

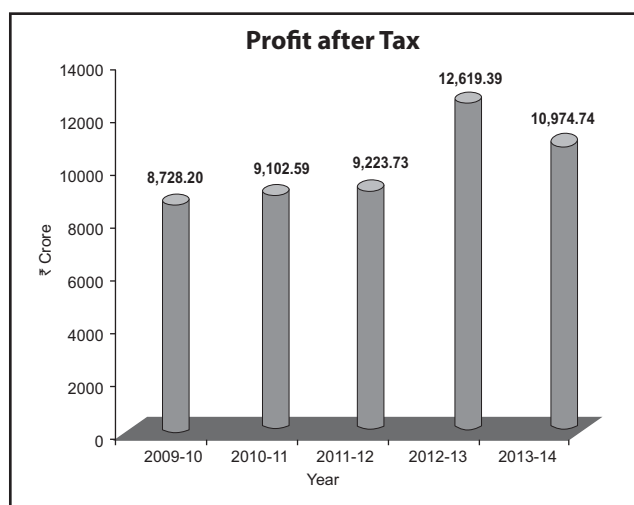
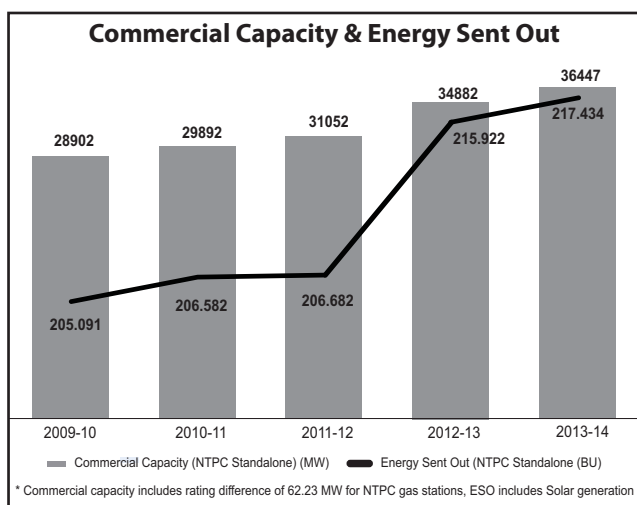
## THE YEAR AT A GLANCE

		2013-14	2012-13
Gross Generation	Million Units	233284	232028
Commercial Generation	"	232996	230993
Energy sent out	"	217434	215922
Sale of Energy	₹ Crore	71490	64190
Profit before tax	"	13905	16579
Profit after tax	"	10975	12619
Dividend*	"	4741	4741
Dividend tax**	"	805	782
Retained Profit	"	5429	7096
Total Fixed Assets	"	117000	100046
Net Worth	"	85815	80388
Borrowings	"	67170	58146
Capital Employed	"	92892	84419
Net Cash From Operations	"	15732	15495
Value Added	"	25966	22999
No. of Employees #	Number	23411	23865
Value added per employee	₹ Crore	1.11	0.96
Debt to Equity	Ratio	0.78	0.72
Debt Service Coverage Ratio (DSCR)	Times	2.77	3.17
Interest Service Coverage Ratio (ISCR)	Times	8.62	10.39
Return on Capital Employed	%	14.37	15.95
Face Value Per share	₹	10.00	10.00
Dividend Per Share	"	5.75*	5.75
Book Value Per Share	"	104.08	97.49
Earnings Per Share	"	13.31	15.30

\*including final dividend recommended by the Board

\*\*including tax on final dividend recommended by the Board

# excluding Joint Ventures and Subsidiary Companies



## LETTER TO SHAREHOLDERS

Dear Shareowners,

I feel extremely happy to share with you that the year 2013-14 was another great year marked with very impressive performance by your Company.

During the year the Company crossed 43,000 MW capacity and the current installed capacity is 43,128 MW. Work was awarded for 4,150 MW capacity. Solar plants with 95 MW total capacity have been commissioned till date.

In the recent past, your Company has added around 11,000 MW (10,934 MW) in less than four years, which is a quantum jump in the capacity addition rate. While your Company took 10 years to build its first 10,000 MW capacity, 11 years to build the next 10,000 MW, 7 years to build the third block of 10,000 MW capacity, the last 10,000 MW has been added in a span of only 3.25 years.

Very importantly, your Company exceeded the capex target of ₹ 20,200 crore. The capex has been increasing steadily since 2011-12 with an exceptional and unprecedented feat of exceeding targets by about 7.5% in 2013-14. Your Company is poised for equally impressive performance during the new fiscal.

Strengthened by robust operational performance and sound fundamentals, your Company's financial numbers have been impressive during the year 2013-14. The adjusted profit increased by 16.44% reaching ₹ 10,562 crore and the total income by 8.5% reaching ₹ 74,708 crore.

Your Company has already paid 40% of interim dividend for the financial year 2013-14 and has recommended 17.5% as final dividend for your approval, taking the total to 57.5%.

Even amid the general downturn in the economy and market during the year, your Company continued to enjoy tremendous investor confidence. On the very first day of its launch i.e. 3-12-2013, NTPC's public issue of tax free bonds worth ₹ 1,000 crore was oversubscribed by 3.7 times and bonds worth ₹ 1,750 crore were issued. Subsequently, additional bonds of ₹ 500 crore were issued on private placement basis at a premium and were also oversubscribed by 1.2 times. Thus, total tax free bonds issued during the year amounted to ₹ 2,250 crore. Further, the Company placed, for the first time, taxable bonds amounting to ₹ 750



crore directly with Employees Provident Fund Organisation at a coupon rate of 9.34%, taking the total bonds issued during 2013-14 to ₹ 3,000 crore. The Company also raised several long term foreign currency loans from KfW, Japan Bank for International Cooperation (JBIC) and Sumitomo Mitsui Banking Corporation (SMBC) amounting to about USD 700 million.

Some other very significant achievements of your Company worthy of mention are:

- (i) NTPC coal based stations recorded the highest PLF in the country with 81.5% PLF compared to national average PLF of 65.55%, 59% for state sector, 62% for private sector and 76% for other central sector companies.
- (ii) Operation started on Inland Waterways for transportation of imported coal to Farakka station and till the end of June 2014, about 2.65 Lakh MT imported coal has been supplied through this mode to Farakka station.

- (iii) ₹ 2520 crore finally realized against the outstanding DESU period dues.
- (iv) ₹ 536.30 crore received by the Company towards interim settlement of claims recoverable in respect of expenditure incurred on Loharinag Pala Hydro Project.
- (v) Coal Supply Agreements (CSAs) signed for 14,010 MW capacity commissioned / to be commissioned between April 2009 to March 2015.
- (vi) 100% realization of dues amounting to about ₹ 71,000 crore from the customers.

To a certain extent, temporarily, the market price of your Company's share did suffer despite its strong fundamentals and impressive performance. The market conditions and the perception about the impact of CERC Regulations affected the share price. However, with the improving market conditions and with the resolve of your Company to turn every challenge into an opportunity, I can assure you that your Company is poised for a very good performance on all the parameters.

As one of the most admired companies in the country and in the world, your Company gives priority to all aspects related to sustainable development and follows the 'triple bottom line approach' encompassing economic, environmental and social criteria. A Board level Committee on corporate social responsibility (CSR) and sustainable development, headed by the CMD with two Independent Directors on it, guides the sustainability agenda.

Various projects for bio-diversity, energy conservation & management, waste management, water management and air emissions are undertaken under sustainable development initiatives, in addition to promotion of new renewable sources.

Your Company enhanced allocation for CSR and sustainable development activities to 1% of net profit after tax of the previous year. A total expenditure of ₹ 128.35 crore was incurred towards corporate social responsibility and sustainable development activities during the year 2013-14, which exceeded the target. Your Company covers a very large number of CSR areas, ranging from infrastructure development to vocational training and women empowerment etc.

Apart from contributing in such CSR areas, your Company was prompt in extending support for relief activities concerning natural calamities in Uttarakhand, Himachal Pradesh and Odisha.

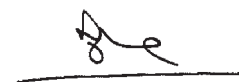
The efforts of your Company in the field of corporate social responsibility-community development (CSR-CD) have been widely recognized, appreciated and awarded.

Your Company has once again been ranked as #1 IPP in the world in the Platts ranking of top 250 energy companies. It is the 424<sup>th</sup> largest company in the Forbes List of World's Largest Public Companies in terms of sales, profits, assets and market value.

With total confidence in the proven ability of Team NTPC, I assure you that your Company will continue to fulfill the expectations of all stakeholders and will create new benchmarks of excellence.

With best wishes,

Yours sincerely,



(DR. ARUP ROY CHOUDHURY)  
CHAIRMAN & MANAGING DIRECTOR



# NTPC Limited

CIN: L40101DL1975GOI007966

**Regd. Office:** NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003

**Tel. no.:** 011-24360100 **Fax:** 011-24361018

**Email:** info@ntpc.co.in **Website:** www.ntpc.co.in

## NOTICE

**NOTICE** is hereby given that **Thirty Eighth Annual General Meeting** of the members of **NTPC Limited** will be held on **Wednesday, 27<sup>th</sup> August, 2014 at 10.30 a.m.** at Manekshaw Centre, Parade Road, New Delhi – 110 010 to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To confirm payment of interim dividend and declare final dividend for the year 2013-14.
3. To appoint a Director in place of Shri I.J. Kapoor (DIN: 02051043), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of the Statutory Auditors.

### SPECIAL BUSINESSES:

5. To appoint Shri S.C. Pandey (DIN: 03142319), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri S.C. Pandey (DIN : 03142319), who was appointed as Director (Projects), by the President of India vide letter no. 8/4/2012-Th-I dated 5<sup>th</sup> August, 2013 and subsequently appointed as an Additional Director by the Board of Directors with effect from October 1, 2013 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri S.C. Pandey (DIN : 03142319) as a candidate for the office of a director of the Company, be and is hereby appointed as Director (Projects) of the Company, liable to retire by rotation, on terms & conditions determined by the Govt. of India.”

6. To appoint Shri Kulamani Biswal (DIN: 03318539), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri Kulamani Biswal (DIN: 03318539), who was appointed as Director (Finance), by the President of India vide letter no. 8/6/2012-Th-I dated 5<sup>th</sup> December, 2013 and subsequently appointed as an Additional Director by the Board of Directors with effect from December 9, 2013 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Kulamani Biswal (DIN: 03318539) as a candidate for the office of a director of the Company, be and is hereby appointed as Director (Finance) and Chief Financial Officer of the Company, liable to retire by rotation, on terms & conditions determined by the Govt. of India.”

7. To appoint Dr. Pradeep Kumar (DIN: 05125269), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013, Rules made thereunder, Dr. Pradeep Kumar (DIN: 05125269), who was appointed as a Government Nominee Director, by the President of India vide letter no. 8/7/2013-Th-I dated 9<sup>th</sup> September, 2013 & appointed as an Additional Director by the Board of Directors with effect from 17<sup>th</sup> September, 2013 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Pradeep Kumar (DIN: 05125269) as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company, not liable to retire by rotation.”

8. To raise funds upto ₹ 13,000 Crore through issue of Bonds/Debentures on Private Placement basis and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolution as a **Special Resolution**:

“Resolved that pursuant to Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable statutory

provisions (including any statutory modification or re-enactments thereof) the Board of Directors of the Company (the "Board") be and are hereby authorized to make offer(s) or invitation(s) to subscribe to the secured/ unsecured, redeemable, taxable/tax-free, cumulative/non-cumulative, non-convertible debentures ("Bonds") upto ₹ 13,000 Crore or equivalent in one or more tranches/ series not exceeding twelve, through private placement, in domestic and/or in international markets i.e. in Indian rupees and/or in foreign currency, during the period commencing from the date of passing of Special Resolution till completion of one year thereof or the date of Annual General Meeting in the financial year 2015-16 whichever is earlier in conformity with rules, regulations and enactments as may be applicable from time to time, subject to the total borrowings of the company approved by the shareholders under Section 180(1) (c) of Companies Act, 2013.

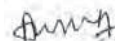
Resolved further that the Board be and is hereby authorized to do or delegate from time to time, all such acts, deeds and things as may be deemed necessary to give effect to private placement of such Bonds including but not limited to determining the face value, issue price, issue size, tenor, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue of Bonds as they may, in their absolute discretion, deem necessary."

9. To ratify the remuneration of the Cost Auditors for the financial year 2014-15 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15, be paid the remuneration of ₹ 24,91,250/- (Twenty four lakh ninety one thousand two hundred fifty only) as set out in the Statement annexed to the Notice convening this Meeting.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors



(A.K. Rastogi)  
Company Secretary

**Regd. Office:**

NTPC Bhawan, SCOPE Complex, 7 Institutional Area,  
Lodi Road, New Delhi-110 003  
CIN: L40101DL1975GOI007966

**Date: 23<sup>rd</sup> July 2014**

**Notes:-**

1. 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.  
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.
2. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention to inspect is given to the company.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In compliance with provisions of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is offering E- voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting. User ID and Password including instructions for e-voting are given overleaf of Proxy form. All members are requested to read those instructions carefully before casting their e-vote. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting. Members who have not voted electronically can cast their vote at the venue.
5. Brief resume of the Directors seeking appointment or re-appointment, as required under Clause 49 of the Listing Agreement, is annexed hereto and forms part of the Notice.