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 (JIBC) 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, 60% 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 424th 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